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Congressional Record

PROCEEDINGS AND DEBATES OF THE 76th CONGRESS, THIRD SESSION

SENATE

THURSDAY, APRIL 18, 1940

(Legislative day of Monday, April 8, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, who art the Father of our spirits, who alone guardest the secret of Thine own creation: How shall we live aright, we who are so weak and sinful, if Thou interpret not to us just what we are and are destined yet to be?

As we turn aside in this brief moment of rededication, conscious of our ignorance, aware of the hopeless poverty and confusion of our thought, may we understand that this is because, in the secret of Thy presence, we touch the wisdom of Thy mind and overhear Thy glorious thoughts. And, since Thou dost already know our veriest imaginings and bearest still to us a love wherewith we dare not love ourselves, may we now consent to walk this day with Thee along the highway Thou hast chosen, that our lives may find in Thy companionship their full fruition. Through Jesus Christ our Lord. Amen

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Wednesday, April 17, 1940, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	Johnson, Colo.	Schwellenbach
Ashurst	Downey	King	Sheppard
Austin	Ellender	La Follette	Slattery
Bailey	George	Lee	Smathers
Bankhead	Gerry	Lodge	Stewart
Barbour	Gibson	Lucas	Taft
Barkley	Gillette	Lundeen	Thomas, Idaho
Bone	Glass	McKellar	Thomas, Okla.
Bulow	Green	McNary	Thomas, Utah
Burke	Guffey	Maloney	Tobey
Byrd	Gurney	Mead	Truman
Byrnes	Hale	Miller	Tydings
Capper	Harrison	Minton	Vandenberg
Caraway	Hatch	Murray	Van Nuys
Chandler	Hayden	Neely	Wagner
Chavez	Herring	Norris	Walsh
Clark, Idaho	Hill	O'Mahoney	Wheeler
Clark, Mo.	Holman	Overton	White
Connally	Holt	Reed	Wiley
Danaher	Hughes	Russell	
Davis	Johnson, Calif.	Schwartz	

Mr. MINTON. I announce that the Senator from North Carolina [Mr. REYNOLDS] is absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Mississippi [Mr. BILBO], the Senator from Michigan [Mr. BROWN], the Senators from Nevada [Mr. MCCARRAN and Mr. PITTMAN], the Senator from Florida [Mr. PEPPER], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from South Carolina [Mr. SMITH] are detained on public business.

Mr. AUSTIN. I announce the necessary absence of the Senators from North Dakota [Mr. FRAZIER and Mr. NYE], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Delaware [Mr. TOWNSEND].

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 437) authorizing the President of the United States of America to proclaim Citizenship Day for the recognition, observance, and commemoration of American citizenship; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. HOBBS, and Mr. GUYER of Kansas were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 2993. An act to authorize an exchange of lands between the city of San Diego, Calif., and the United States, and acceptance by gift of certain lands from the city of San Diego, Calif.;

S. 3067. An act authorizing appropriations to be made for the disposition of the remains of personnel of the Navy and Marine Corps and certain civilian employees of the Navy, and for other purposes;

S. 3440. An act to amend the Locomotive Inspection Act of February 17, 1911, as amended, so as to change the title of the chief inspector and assistant chief inspectors of locomotive boilers;

H. R. 6039. An act to amend laws for preventing collisions of vessels, to regulate equipment of certain motorboats on the navigable waters of the United States, and for other purposes;

H. R. 6693. An act to amend the provisions of law relating to the use of private vehicles for official travel in order to effect economy and better administration;

H. R. 6901. An act granting increase of pensions to certain widows of veterans of the Civil War;

H. R. 7922. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1941, and for other purposes; and

H. J. Res. 289. Joint resolution to amend section 5 of Public Law No. 360, Sixty-sixth Congress.

MEMORIAL

The VICE PRESIDENT laid before the Senate a resolution adopted by the Atlantic States Shippers Advisory Board at a recent meeting held in Harrisburg, Pa., protesting against ratification of the St. Lawrence Seaway Treaty, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

Mr. MINTON, from the Committee on Pensions, to which was referred the bill (S. 1608) to repeal the provisions of Private Law No. 347, Seventy-first Congress, pertaining to Victoria Kessel, reported it without amendment and submitted a report (No. 1451) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (S. 3439) providing for the rank of commanders of special naval units afloat, reported it without amendment and submitted a report (No. 1452) thereon.

Mr. TOBEY, from the Committee on Claims, to which was referred the bill (S. 2457) for the relief of Clayton W. Curtis, reported it without amendment and submitted a report (No. 1453) thereon.

Mr. HUGHES, from the Committee on Claims, to which were referred the following bills, reported them severally with amendments and submitted reports thereon:

S. 3388. A bill for the relief of Dan A. Tarpley (Rept. No. 1454);

S. 3493. A bill for the relief of Elliott L. Hovel (Rept. No. 1455); and

S. 3555. A bill for the relief of Walter Chwalek (Rept. No. 1456).

Mr. BAILEY, from the Committee on Commerce, to which was referred the bill (S. 3571) to grant the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River, at a point between the boroughs of Elizabeth, in Elizabeth Township, and West Elizabeth, in Jefferson Township, in the county of Allegheny, and in the Commonwealth of Pennsylvania, reported it with an amendment and submitted a report (No. 1457) thereon.

FAIR TRADE ACT, DISTRICT OF COLUMBIA—MINORITY VIEWS

Mr. KING, as a member of the Committee on the District of Columbia, submitted minority views on the bill (H. R. 3838) to protect trade-mark owners, producers, distributors, and the general public against injurious and uneconomic practices in the distribution of competitive commodities bearing a distinguishing trade-mark, brand, or name through the use of voluntary contracts establishing minimum resale prices and providing for refusal to sell unless such minimum resale prices are observed, which were ordered to be printed as part 2 of Report No. 1358.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on April 17, 1940, that committee presented to the President of the United States the following enrolled bills:

S. 1918. An act relating to the retired pay of certain retired Army officers;

S. 2348. An act relating to allowances to certain naval officers stationed in the Canal Zone for rental of quarters;

S. 2505. An act to amend an act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress, approved June 18, 1929, so as to change the date of subsequent apportionments;

S. 2599. An act to amend the Naval Reserve Act of 1938 (Public, No. 732, 52 Stat. 1175);

S. 3174. An act to authorize the Secretary of the Navy to accept, without cost to the United States, a fee-simple conveyance of 16.4 acres, more or less, of land at Floyd Bennett Field in the city and State of New York; and

S. 3528. An act authorizing the adoption for the Foreign Service of an accounting procedure in the matter of disbursement of funds appropriated for the Department of State.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

S. 3806. A bill granting a pension to Rufus Harvey Grant (with accompanying papers); to the Committee on Pensions.

By Mr. TRUMAN:

S. 3807. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.; to the Committee on Commerce.

By Mr. WALSH:

S. 3808. A bill to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the United States Navy for personal property lost in the hurricane and flood at New London, Conn., on September 21, 1938; to the Committee on Naval Affairs.

By Mr. STEWART:

S. 3809. A bill for the relief of Eva H. Edwards; to the Committee on Finance.

By Mr. MEAD:

S. 3810. A bill to provide that assistant or deputy heads of certain bureaus in the Department of the Interior shall be appointed under the civil-service laws, and for other purposes; to the Committee on Civil Service.

S. 3811. A bill for the relief of Grunwald and Tudor and E. Deffebach, principals, and Louis H. Pink, superintendent of insurance in New York, as liquidator of New York Indemnity Co., insolvent, surety, upon contract with Interior Department dated May 12, 1928, and identified by symbols I–lp–129; to the Committee on Claims.

By Mr. WAGNER:

S. 3812. A bill to designate the month of February in each year as the Month of American Music; to the Committee on Education and Labor.

S. 3813. A bill to authorize the presentation of a Congressional medal of honor to William Sinnott; to the Committee on the Library.

By Mr. DAVIS:

S. 3814. A bill to provide that all candidates enlisted in the Reserve Officers training camps under section 54 of the National Defense Act of June 3, 1916, shall be considered enlisted men and members of the military forces of the United States under certain conditions; to the Committee on Military Affairs.

By Mr. VAN NUYS:

S. 3815. A bill for the relief of the F. E. Gates Marble & Tile Co.; to the Committee on Claims.

By Mr. CLARK of Idaho:

S. 3816. A bill for the relief of George Tolmie in connection with the construction, operation, and maintenance of the Fort Hall Indian irrigation project, Idaho; and

S. 3817. A bill for the relief of George Strong in connection with the construction, operation, and maintenance of the Fort Hall Indian irrigation project, Idaho; to the Committee on Claims.

By Mr. DOWNEY:

S. 3818. A bill to provide that credit under the Civil Service Retirement Act of May 29, 1930, as amended, shall be allowed for certain service in the Philippine Islands; to the Committee on Civil Service.

S. 3819. A bill for the relief of Leonard A. Evans; to the Committee on Claims.

By Mr. SCHWELLENBACH:

S. 3820. A bill to exempt the University of Alaska from existing statutory minimum limitations upon the numbers of students in units of the Reserve Officers' Training Corps; to the Committee on Military Affairs.

By Mr. MEAD:

S. J. Res. 249. Joint resolution for the relief of the distressed and starving men, women, and children of Poland, and similary afflicted areas; to the Committee on Foreign Relations.

PENSIONS, ETC., FOR CERTAIN RESERVE ARMY OFFICERS—BILL RECOMMITTED

Mr. HILL. Mr. President, by direction of the Committee on Military Affairs, I ask unanimous consent that Senate bill No. 2575, Calendar No. 955, to provide pensions, compensation, retirement pay, and hospital benefits for certain Reserve officers of the Army of the United States, be recommitted to the Committee on Military Affairs.

The VICE PRESIDENT. Without objection, it is so ordered.

APPROPRIATIONS FOR HOSPITAL CONSTRUCTION—AMENDMENT

Mr. TAFT submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 3230) to promote the national health and welfare through appropriation of funds for the construction of hospitals, which was ordered to lie on the table and to be printed.

AMENDMENT TO LABOR-FEDERAL SECURITY APPROPRIATION BILL

Mr. HAYDEN submitted an amendment intended to be proposed by him to House bill 9007, the Labor-Federal Security appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 3, line 19, to strike out the figures "$459,000" and insert in lieu thereof the following: "$493,894.61: *Provided*, That not to exceed $34,894.61 of the sum herein appropriated shall be available for the printing of additional copies of Our Constitution and Government for free distribution through the Immigration and Naturalization Service to petitioners for naturalization."

ADDRESS BY SENATOR MEAD AT BANQUET, ORDER SONS OF ZION

[Mr. MEAD asked and obtained leave to have printed in the RECORD the address delivered by him at the thirty-second annual banquet of the Order Sons of Zion, at the Hotel Astor, New York City, on April 14, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR STEWART ON FREIGHT RATES IN THE SOUTH

[Mr. STEWART asked and obtained leave to have printed in the RECORD a radio address on the subject of transportation rates delivered by him on April 16, 1940, which appears in the Appendix.]

AIR SAFETY BOARD

[Mr. CLARK of Idaho asked and obtained leave to have printed in the RECORD a letter from David L. Behncke, president of the Air Line Pilots Association; an editorial from the Christian Science Monitor of April 15, 1940; and two telegrams addressed to Senator MCCARRAN, all in connection with the recent reorganization order of the President, which appear in the Appendix.]

1940 PROGRAM OF FARMERS' EDUCATIONAL AND COOPERATIVE UNION

[Mr. CAPPER asked and obtained leave to have printed in the RECORD resolutions adopted by the Farmers' Educational and Cooperative Union of America at its annual convention at Omaha, Nebr., which appear in the Appendix.]

HOME LOAN BANK SYSTEM—ADDRESS BY HON. JAMES F. TWOHY

[Mr. BONE asked and obtained leave to have printed in the RECORD an address delivered by Hon. James F. Twohy, Governor of the Federal Home Loan Bank System, at the North Central Building and Loan Conference at Chicago, Ill., on February 10, 1940, which appears in the Appendix.]

NAVAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8438) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes.

Mr. BYRNES. Mr. President, I think I should make a statement to the Senate with reference to a bill appropriating this amount of money. The bill as reported to the Senate provides for an appropriation of $963,797,478. It is a net reduction of $1,981,960 below the amount provided in the House bill.

After the bill reached the Senate supplemental estimates were submitted amounting to $8,839,000, which estimates were not considered by the House. Therefore in any fair statement as to the recommendations of your Appropriations Committee it should be stated, first, that the bill exceeds the appropriations for the current fiscal year by $48,437,229 and that it is $123,514,099 under the regular estimates submitted to the Congress. Your committee also made a reduction of $797,000 from the amount of the supplemental estimates.

The bill does represent an increase of $48,437,229 over the appropriations for this fiscal year. That is inevitable. The naval program is determined by the Congress. Once that has been determined as a result of the recommendations from the legislative committee of the Senate, and ships have been authorized for construction, and appropriations made, almost automatically there is fixed the appropriation for the next fiscal year; but, after all, when we establish a program and provide a number of ships in commission, men must be provided for the ships, fuel must be provided for the ships, all of the equipment for the Navy follows, dependent upon the number of ships that are authorized and appropriated for by the Congress.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. BYRNES. Yes.

Mr. VANDENBERG. I think the point which the Senator now makes is a very important one. I am wondering whether he has any figures available indicating how much of this total is maintenance and how much is construction.

Mr. BYRNES. Yes. I have not broken down the appropriations made by the committee. In the estimates that were originally submitted, and which I know the Senator has, for ship construction in 1941 the proportion was about 7 to 4 on the basis of estimates of $1,134,000,000—about $700,000,000 for maintenance and $400,000,000 for construction. Those are the estimates. In this particular bill the replacement of vessels amounts to $340,000,000, so the balance may be properly said to reflect the difference between $340,000,000 for replacement and $1,000,000,000 for maintenance.

Mr. VANDENBERG. Has the Senator any comparative figures showing how this maintenance item is increasing over the years?

Mr. BYRNES. No; I have not such figures for the past few years. I can furnish them and will put them into the RECORD. I have them in a folder here, but I do not want to take the time to look at the folder. However, the maintenance is bound to increase with the increased program. It will increase next year if the number of ships in commission is increased.

I was going on to state a few of the reasons making up that necessary increase—personnel, for instance—in order to show how the Congress must expect this year an increase, and next year an increase, if the ship program is continued.

Mr. VANDENBERG. I repeat that I think the Senator renders a service when he emphasizes that fact, because in creating this larger Navy something vastly more is involved than the mere initial capital investment. A continuous subsequent investment is involved; and I was wondering if the Senator could give me this figure: Has any estimate been made as to the ultimate annual maintenance cost of the ultimate Navy as it is now projected?

Mr. BYRNES. I know the figures have been furnished me. I do not know whether they were originally furnished by the Director of the Budget or by the Navy Department; but, based upon an increased program, if it was continued it would reach a peak in the year 1945, when maintenance would cost $794,000,000 and ship construction would cost $371,000,000.

Mr. VANDENBERG. That is an increase of only $94,000,000 over the maintenance figure which the Senator gives me for this year.

Mr. BYRNES. I will be fair to the Senator and say, too, that that figure is based upon the program now in existence. It has nothing to do with any proposal pending before the Congress. I should also say that there is nothing in this bill which has any reference to the proposals which are pending at this time before the legislative committee of the Senate.

Mr. VANDENBERG. Under those circumstances, of course, my question is more or less irrelevant at the moment; but can the Senator give me any figure—has any come to his attention—which would indicate the ultimate maintenance cost of the ultimate Navy as now projected?

Mr. BYRNES. I am satisfied that in the five or six volumes I have at my desk I have those figures. I could not put my hands on them immediately without causing some delay; but, based upon the requests before the committee, those figures can be obtained, and I shall endeavor to place them in the RECORD at the end of my remarks.

Mr. VANDENBERG. I shall appreciate it if the Senator will do so.

Mr. BYRNES. Mr. President, I stated that the ship program fixed in great measure the amount of the supply bill. I desire to include in the remarks I am making a statement of the number of ships for which initial funds are provided in this bill, the number of ships for which funds are provided to continue construction, and the number of ships that will be completed during this fiscal year by reason of the appropriations made at this time.

I said that the number of ships in commission regulated the number of men. Prior to September 1 we had, in the Navy, 116,000 men. When the 80 destroyers assigned to the neutrality patrol were placed in commission, the President issued an order, under the statutory authority given him, declaring the existence of an emergency, and increasing the personnel to 145,000 men. The estimates submitted to the Congress by the Navy for the next fiscal year were for 152,000 men. Your committee has not appropriated as much as the estimate, but has provided an amount which will enable the Navy to have 145,000 men, instead of the 152,000 estimated by the Navy, or the 150,000 provided for in the House bill.

In making this reduction, we are of the opinion that the original order of the President last fall fixing the enlisted personnel at 145,000 will provide sufficient men. That anticipated only 2,700 reserves. There are, in the Navy today, approximately 141,000 enlisted men. It is the belief of the Department that by June 30 the number will be 145,000. It is our belief that when the number reaches 145,000 there will be no reason for going above that figure. About a year ago the period of enlistment was made 6 years, not by reason of the emergency, but under the act of Congress authorizing the Department to change the length of enlistments. It is certainly my opinion that it is unnecessary to provide additional personnel over the 145,000. If the war abroad should cease, and the emergency be declared at an end, we would then have 150,000 men, and it would be very difficult to reduce the enlisted personnel to a much smaller number. Consequently we provide for only 145,000 men, but I am certainly very strongly of the opinion that the Department would render a real service if they would, as we have urged upon them, make an active campaign among the reservists of the country to induce them to enlist for service in the neutrality patrol. If, instead of going to sea for 2 weeks or 3 weeks a year, they could go into service upon destroyers, which would afford the best training they could have. They should have such training because, if we should ever engage in war, we would expect those men to serve upon ships in commission, and if they supplemented the enlisted personnel which we have provided, the dual purpose would be served of giving the men the superior training afforded by actual service with the regular Navy, and at the same time making it easier for us to have these volunteers retired from the service at the conclusion of the emergency, instead of having gradually to reduce the enlisted personnel from 145,000 or 150,000 to 110,000.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. McNARY. My inquiry may have been partially covered by the able Senator from Michigan [Mr. VANDENBERG]. Of the amount to be appropriated, practically a billion dollars, what amount would actually be used for the construction of vessels?

Mr. BYRNES. $340,371,000.

Mr. McNARY. Has the Senator a list of the vessels which will be constructed?

Mr. BYRNES. I am furnishing for the record a list of the ships for which the initial funds are provided, then the list of ships upon which funds will be spent, ships now under construction.

Mr. McNARY. I observe from the data supplied to me by the able Senator from Maine [Mr. HALE] that there are eight battleships in process of construction.

Mr. BYRNES. Yes.

Mr. McNARY. And two upon which construction will soon start. Is that correct?

Mr. BYRNES. Yes.

Mr. McNARY. What is the size of the two, measured in tons?

Mr. BYRNES. The two are proposed to be 45,000-ton ships.

Mr. McNARY. That will make four altogether?

Mr. BYRNES. Yes.

Mr. McNARY. They are covered by the appropriations in this bill?

Mr. BYRNES. That is correct. I expected to refer to that, but, inasmuch as the Senator from Oregon has asked the question, I may say that the House reduced the amount of money made available for ship construction, and the Senate committee has continued the same reduction. We reduced it by $28,000,000.

I would not have the Senate under any misapprehension about that. It does not mean that there is any saving, because once these ships are started, they will be constructed. It affects only the speed of construction. I wish, however, to have it appear in the RECORD that the House committee was of the opinion that we should build ships superior in tonnage to the 45,000-ton battleships. The committee of the Senate is not of that opinion. We knew of no reason why we should delay construction of the two battleships provided for in order to determine whether we should have battleships of a greater tonnage than 45,000 tons.

Mr. McNARY. The Senator stated a moment ago that there were ten 45,000-ton battleships under construction.

Mr. BYRNES. How many?

Mr. McNARY. Ten.

Mr. BYRNES. Oh, no; I understood the Senator asked as to those provided in the pending bill, and the two provided last year.

Mr. McNARY. I was saying that there were eight now under construction.

Mr. BYRNES. But they are not all 45,000-ton ships.

Mr. McNARY. I asked that question.

Mr. BYRNES. I misunderstood the Senator. The two provided last year in the bill and the two provided in this bill was what I referred to.

Mr. McNARY. Then altogether there are four of that tonnage?

Mr. BYRNES. That is correct.

Mr. McNARY. What is the cost of those battleships, per ship?

Mr. BYRNES. That question is difficult to answer, but I will make the best answer possible. The cost is approximately $90,000,000. I say that for the reason that there is a difference between the cost of a ship built in a private yard and the cost of a ship built in a Government navy yard. Under the act of Congress they alternate between private yards and Government yards. Fifty percent must be constructed in Government yards and 50 percent in private yards. There is always an argument as to the accuracy of the estimated difference of five to seven million dollars, the argument being that in the navy yards there are not charged up to cost some of the items which should properly be charged.

I served on the Naval Affairs Committee in the House and in the Senate, and I myself have never been able to reach an accurate judgment as to that.

Mr. McNARY. There is a discrepancy of from five to seven million dollars in favor of the Government-owned yards?

Mr. BYRNES. Yes; that is the difference.

Mr. McNARY. Would there be any difference in cost as between those now under construction and the two about to be constructed?

Mr. BYRNES. There would be no difference, no.

Mr. McNARY. So that there has been no increase in the cost between last year and the present time?

Mr. BYRNES. We have no information of any increase. Of course, no contracts have been awarded, but I have given the best estimate the department could present at this time.

Mr. VANDENBERG. Mr. President, let me ask the Senator a question in the same connection. How long does it take to build one of the 45,000-ton battleships?

Mr. BYRNES. Under ordinary conditions it takes 4 years. I have made investigation as to the status of the ships which are under construction, and upon investigation I find that there has not been any such speeding up of the construction of ships as has been represented in the press. As a matter of fact, the estimate furnished me today of the status of the ships under construction shows that the ships will be completed upon the dates originally contemplated, except in two instances, where there probably will be an extension of 6 months asked because they cannot be completed within the time limit provided.

Mr. VANDENBERG. Has the Senate committee given any consideration to this question: If it takes 4 years to build one of these 45,000-ton ships, may we not have acquired an entirely new conception of wise and useful naval technique by the time the 4-year period is ended if the present world war continues to instruct us?

Mr. BYRNES. Of course, that matter has been discussed daily. It is a subject to which we have all given attention. As a matter of fact, in the committee report, which I expected to discuss, the committee inserted this statement:

> In recommending for the construction program, the amount carried in the bill as it passed the House, the committee are not of the opinion that construction should be delayed for the purpose of determining the question of the construction of battleships having a tonnage in excess of 45,000 tons. While the plans for the new ships are being drafted, the Department can profit by the lessons growing out of the war in Europe. In the opinion of the committee, the construction program should be proceeded with at a normal rate in accordance with the existing plans of the Department.

The purpose of the committee in making that statement was to indicate to the Department that, so far as the Senate committee is concerned, it does not agree with the position of the House committee. Furthermore, we did not restore the amount of money asked for by the Department, but, instead, continued the reduction of $28,000,000 in the ship-construction fund.

My own opinion, from the best evidence we can secure from the naval experts, is that there is no justification for the opinion generally held as to the changes in battleships, because, after all, change must keep pace with developments, particularly in the air, as to which the development is so much greater than in the construction of battleships. But it is a question of speed, it is a question of armament, and it is a question of armor. Thus far, from the lessons of the war, there is no reason for the Navy Department, so far as I can ascertain, to change its opinion as to construction design with reference to the important features of battleships. There may be reason for change as to equipment. Nevertheless, the committee entertained somewhat the opinion which I judge the Senator from Michigan has, that as a result of the reduction in the amount of the appropriation, and by reason of the statement in the report, the Navy might proceed a little more slowly—certainly not speed up production. When in the report of the committee we ask that they proceed at a normal pace, we mean that they should proceed at the pace at which they are proceeding under existing plans, and under those plans, as I have heretofore stated, there has been no speeding up to complete the construction of ships before the time originally contemplated.

This supply bill is based, not upon anything pending in any measure in the Senate, and not upon anything that has happened in the present world war, but it is based upon a program which was determined upon by the Congress in time of peace, looking to providing for the national defense a navy which, in the opinion of the General Board, would be adequate and essential for the national defense.

Mr. VANDENBERG. But, of course, the bill does carry approximately $180,000,000 for two 45,000-ton battleships now. Is that correct?

Mr. BYRNES. Yes.

Mr. VANDENBERG. So this is our only opportunity to pass upon that question if we are to pass upon it at all?

Mr. BYRNES. This is the only opportunity if the purpose were to prevent the construction of those battleships; yes.

Mr. VANDENBERG. I now ask the Senator whether any other countries are building 45,000-ton battleships.

Mr. BYRNES. The information our committee has is that 45,000-ton battleships are being constructed, and I think that I might as well put into the RECORD the information we have along that line. I say to the Senator that the question argued in the House was based on the assertion that ships in excess of 45,000 tons were being constructed abroad, and that we should proceed to the construction of 45,000-ton battleships. Certain information has appeared in various newspapers. Since 1936 we have been unable to secure any definite or accurate data as to the Japanese Navy. Up to 1936 we were able to secure a reasonable statement of the construction program. Since that time we have not. Therefore we can report only what we see published in the newspapers as to their program, and under that they announce only 4 battleships of 40,000 tons to 43,000 tons. But the information secured in ways satisfactory to the Navy Department, and which impresses me—I do not want to speak for the committee, but it impresses me as reasonably accurate—certainly the best information that the Government of the United States can obtain, is that the Japanese at this time are building 8 battleships, instead of 4, of from 40,000 to 43,000 tons, 8 cruisers, 4 carriers, 33 destroyers, and 20 submarines. There is a variance when we come to the Japanese figures as between those published with the names of the ships and the actual figures. It is no fault of ours, for we have followed the plan which at this minute we are following, of stating publicly in the Senate here and stating to the world, the construction program of the United States Navy. Similar information can be obtained as to the navies of Great Britain, Germany, Italy, and France. Germany is building 4 battleships. Italy is building 4 battleships at this time.

Mr. VANDENBERG. Of 45,000 tons?

Mr. BYRNES. I do not know their tonnage. If that is the tonnage, those figures are again imbedded in this mass of figures. I cannot at the moment recall. I do not have those figures in mind. But I must say it has made an impression upon me, that at the time when we have been discussing the advisability of building battleships, the Government of Germany had sufficient faith in battleships, when its situation was entirely different, to start the construction of four. Italy is constructing four. We could understand Great Britain proceeding with the construction of battleships, because her position is more like our own.

Mr. VANDENBERG. I understood the German program was that of building battleships of lesser tonnage, so-called pocket battleships of around 10,000 tons. Am I wrong about that?

Mr. BYRNES. I stated, too, that I could not answer as to the tonnage. But I have a statement of the comparative combatant strengths of sea powers, which I will put into the RECORD, and then I will endeavor to furnish along with it the tonnage of the ships of Germany, because of the Senator's inquiry.

I ask unanimous consent to have printed in the RECORD at this point the table to which I have referred.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparative combatant strengths of sea powers as reported

	United States	Great Britain	Japan	France	Germany	Italy
Battleships:						
Built	[1]15	14	[2]10	[1]7	[3]6	4
Building	8	9	4	4	4	----
1941 act	2	----	[4]4	----	----	4
Total	25	23	18	11	10	8
Aircraft carriers:						
Built	6	6	[5]11	1	x	----
Building	1	7	2	2	2	----
1941 act	1	x	x	x	x	x
Total	8	13	13	3	2	----
Cruisers:						
Built	[6]35	[7]64	[6]45	[8]18	[9]8	[10]21
Building	[11]8	23		3	[8]9	14
1941 act	2	x	x	x	x	----
Total	45	87	45	21	17	35
Destroyers:						
Built	[12 13]229	[14]183	[15]143	[1]71	[16]46	[17]130
Building	27	34		30	38	12
1941 act	8	x	x	x	x	x
Total	264	217	143	101	84	142
Submarines:						
Built	[18]95	[19]55	[20]75	[21]76	147	[22]105
Building	19	14		26		28
1941 act	6	x	x	x	x	x
Total	120	69	75	102	147	133

[1] 1 old.
[2] Old.
[3] 2 old.
[4] Reported.
[5] 5 seaplane carriers.
[6] 17 heavy cruisers.
[7] 15 heavy cruisers.
[8] 3 heavy cruisers.
[9] 2 heavy cruisers.
[10] 7 heavy cruisers.
[11] 1 heavy cruiser.
[12] 124 old 1,250-ton destroyers in commission includes 8 DM, 69 of which were recommissioned due to the emergency. In addition, 35 still out of commission have been placed in good condition for service if required. Russia has 203 submarines (11 old). Does not include conversions to seaplane tenders, target craft, or troop carriers.
[13] 159 old.
[14] 73 old.
[15] 43 old.
[16] 12 old.
[17] 32 old.
[18] 68 old.
[19] 12 old.
[20] 25 old.
[21] 4 old.
[22] 7 old.

Mr. VANDENBERG. When can the two additional 45,000-ton battleships be laid down? When can construction start?

Mr. BYRNES. It depends entirely upon a determination that has not yet been reached. If the Navy follows the exact design of the two now under construction less time would be consumed than would be required if it should have more designing to do. Ordinarily the designing takes a year. Certainly 9 months to a year is the time required for the designing of a battleship. That is a matter that has not been determined, so far as we know.

Mr. VANDENBERG. Are there construction ways available for two additional 45,000-ton battleships?

Mr. BYRNES. Yes.

Mr. VANDENBERG. Immediately?

Mr. BYRNES. Yes. I may say that the bill carries additional amounts for facilities for shipyards. It was found that it was essential that such additional facilities be furnished, because, in the first place, we put 80 destroyers upon the sea, which required more repair work. Then, without regard to that matter, there are many things pertaining to the emergency that must be done. We had to increase the program of the Navy, and when we increased the program of the Navy it was found that the requirement that 50 percent of ships be constructed in Government navy yards made the provision for increase futile unless we were to provide the additional facilities needed. Whether or not even they will be sufficient is a question. The navy yards, of course, asked for a much larger sum. The Navy Department sent out a commission which went to the yards, made a personal investigation, reduced the amount, and then we reduced it a little on our own account.

Mr. VANDENBERG. I should like to revert briefly to the subject the Senator was discussing when he was interrupted by the able Senator from Oregon, namely, the neutrality patrol.

Do I understand that the neutrality patrol is estimated as a unit by itself? Can the Senator tell me what the neutrality patrol costs?

Mr. BYRNES. It will cost $34,000,000 next year. Of course, it costs more this year because of the number of destroyers which had to be fitted out and put into commission. But it will cost approximately $34,000,000 for the fiscal year provided for in the pending bill.

Mr. VANDENBERG. Can the Senator tell me, what does the neutrality patrol patrol? Does it patrol the pan-American neutrality belt, the rather fantastic thing that was laid out in the middle of the ocean?

Mr. BYRNES. I am glad the Senator asked me that question, and I can say to him that it does not. The question arose when we brought in the supplemental appropriation bill. I then took the trouble to have the Navy Department officials come here and confer with us. They had a chart, which I have before me now—and I shall be glad to show it to the Senator from Michigan—showing exactly the areas which are patrolled. I am glad to say that there is no justification for the statement which appeared that the Government is attempting to patrol the zone the Senator has in mind.

Mr. VANDENBERG. And that is not included in the bill, by the way?

Mr. BYRNES. No; that is not included. I may say that the Chief of Operations within the last 2 weeks again assured the committee that there was no justification for that assumption.

Mr. VANDENBERG. That is all I wish to ask.

Mr. KING. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. KING. Then what is the function of this patrol which is to cost $35,000,000?

Mr. BYRNES. Mr. President, when the war started the patrol was established for the primary reason of keeping the Navy of the United States advised as to the presence of belligerent ships in the waters adjacent to the coast of the United States. It does not interfere with the movement of any ships. It does advise the Department of the presence of any craft of a belligerent nation in the waters off the coast of the United States.

There is a very good reason for it, as I think the Senator will agree with me. We do not want to have any of the embarrassing incidents that have occurred elsewhere. The patrol, in my opinion, has provided a great deterrent to the ships of other nations coming into our harbors or waters adjacent to our harbors. We are still having the merchant ships of the world come into our ports, and we do not want to have any conflict within the waters of the United States if it can be avoided. It is one of those matters with respect to which we can say nothing has occurred, but we do not know what would have occurred had the ships of the Navy and the planes of the Navy not been on guard. At least the Government of the United States knows what is happening in the waters along its own coast. It does not communicate with or attempt to influence the action of belligerent ships.

The information given to the committee off the record was very conclusive of the strict adherence to our position of neutrality.

Mr. KING. Mr. President, if the Senator will pardon me, I have in mind the fact that none of the French Fleet—and, of course, France is a belligerent—is in the waters of the Atlantic. We need not have the patrol out to determine the activities of the French Fleet. The British Fleet is pretty well occupied now in the Mediterranean and in the North Sea. The German Fleet, if not largely destroyed,

at least is very busily occupied in the Skagerrak and the Kattegat. So it seems to me there is very little occasion for us to spend any considerable sum patrolling the Atlantic Ocean, or the Pacific for that matter, with the view to determining whether our position as a neutral is being violated by either of the belligerents.

Mr. BYRNES. Mr. President, I do not know what information the Senator has about it and I do not know that what he has just said can be stated with accuracy. However, the information furnished to the committee was that ships of Great Britain and ships of Germany have been within the zone patrolled by the ships of this country. As a matter of fact certain ships of the United States Government were in position where they could see one of the warships of Great Britain within a very short distance of a German ship, and wondered why she did not see the German ship. There was no information communicated by our vessels to the belligerent vessels. Ships of the German Government have also been seen in that zone. At least this Government knows what is being done. I will say to the Senator that I agree with the position of the Navy Department in that particular matter, to this extent, that the neurality patrol has served an admirable purpose in the wonderful training it has given in the destroyer service to the enlisted men and officers of the Navy.

Mr. NORRIS and Mr. LODGE addressed the Chair.

Mr. BYRNES. I yield first to the Senator from Nebraska.

Mr. NORRIS. I should like to ask the Senator if he can inform the Senate what, if any, connection our Government has had with what I thought—and still think—is a rather fantastic idea, which came from some sort of organization of nations in the Western Hemisphere, by which fighting by the belligerent nations was prohibited within 300 miles of our coast?

Mr. BYRNES. I can say to the Senator that the positive statement was made to the committee by the Chief of Operations that our Navy has had absolutely no connection with it.

Mr. NORRIS. What is the organization which issued that pronouncement?

Mr. BYRNES. I assume the Senator has reference to the conference of South American Republics.

Mr. NORRIS. Were we not represented in that conference?

Mr. BYRNES. We did not go into that question with the representatives of the Navy Department. I was confining my statement to the fact that the Navy has not at any time undertaken to patrol that zone.

Mr. NORRIS. I understood the Senator to say that.

Mr. BYRNES. This Government undertook no obligations in that connection.

Mr. NORRIS. Does the Senator know what government, if any, of the Western Hemisphere did have any obligation by which it sought to prohibit fighting by belligerent ships within a distance of 300 miles of the coast of the Western Hemisphere?

Mr. BYRNES. I must say that I have no information other than what has appeared in the press because the question was not discussed. We were interested only in whether or not the Navy was participating; and the Navy was not participating.

Mr. NORRIS. I remember reading in the press that some fighting occurred between Germany and Great Britain within 300 miles of the Western Hemisphere. Complaint was made by some sort of organization of nations protesting against such fighting, and perhaps making some threats to stop it.

Mr. BYRNES. I must say that I am not familiar with it, but I am heartily in favor of a protest on the part of anybody against a fight on his own doorstep.

Mr. NORRIS. So am I.

Mr. BYRNES. I do not know how it could be stopped.

Mr. NORRIS. It occurred to me that our doorstep is not 300 miles in width.

Mr. BYRNES. That is the opinion of the United States Navy.

Mr. NORRIS. It seems to me that if our Government were engaged in war we should refuse to permit any other nation or organization of nations to prohibit our fighting the enemy within 300 miles of the shores of such nation or nations.

Mr. BYRNES. Because the Senator refers to it, I call attention to the fact that Admiral Stark made the following statement to the committee:

> Admiral STARK. That zone has been referred to frequently and has gotten to be known almost as the 300-mile zone. It extends beyond Bermuda, for example. It runs from just south of Nova Scotia practically due south until it reaches the Caribbean. It follows the islands down there and then it is a band along the coast. I will send you up a chart, if you would like to see it.

He did send us a chart, which I shall be glad to show the Senator.

> Senator HALE. Yes. But you are not pretending to patrol that zone?
>
> Admiral STARK. No, sir; not that entire zone. If we patrolled away out there we could not watch the focal points of shipping.
>
> Senator ADAMS. Well, your patrol would be the same if there had been no such declaration?
>
> Admiral STARK. I think it would have been exactly the same; yes, sir; covering the so-called coastal-sea lanes.

In several points in his statement the admiral advised us of his opinion, which is in accord with that statement.

Mr. McNARY and Mr. ADAMS addressed the Chair.

Mr. BYRNES. I yield first to the Senator from Oregon.

Mr. McNARY. The Senator very kindly answered my inquiry a moment ago regarding the size of the battleships. What is the size of the cruisers contemplated?

Mr. BYRNES. Ten thousand tons. Of course, as the Senator knows, this program has no reference to the expansion program. These are 10,000-ton cruisers.

Mr. McNARY. The table shows seven cruisers now laid down, and two to follow, under this appropriation. Are they all to be of the same size?

Mr. BYRNES. They are all to be of the same size—10,000-ton cruisers.

Mr. McNARY. What is their average cost?

Mr. BYRNES. The cost is $20,700,000; in addition, the cost of armament, and ammunition—and it is fair to take into account the supply of ammunition which must be provided for a ship upon its completion—is $7,500,000, making a total of $28,200,000.

Mr. McNARY. Does the pending bill disclose any additional cost as compared with the cost contemplated in the bill of 1940?

Mr. BYRNES. It is the same program as the 1940 program—two battleships, and the same number of cruisers.

Mr. McNARY. Has there been any increase in costs as between the ships under construction and those now contemplated?

Mr. BYRNES. There has been none. There is no contemplated increase in cost of construction of such ships.

Mr. McNARY. What percentage of the cruisers is constructed in Government-owned shipyards?

Mr. BYRNES. Fifty percent.

Mr. McNARY. And the same rule applies to battleships and cruisers?

Mr. BYRNES. The same rule applies to battleships and 10,000-ton cruisers. It does not apply to many of the smaller ships. However, as to the 10,000-ton cruisers and battleships, that is the program to be followed.

Mr. VANDENBERG. Mr. President, will the Senator yield to me for an interrogation on a point just raised by the Senator from Oregon [Mr. McNARY].

The PRESIDING OFFICER (Mr. LUCAS in the chair). Does the Senator yield for that purpose?

Mr. BYRNES. I yield.

Mr. VANDENBERG. As I understand, the Senator from South Carolina says to the Senator from Oregon that there has been no increase in the cost of cruisers. As a matter of fact, has there not been an increase of 200 or 300 percent in the past 10 years?

Mr. BYRNES. The Senator from Oregon did not ask me that question. The Senator from Oregon asked whether or not, for the next fiscal year, an increase is contemplated over the cost of the vessels authorized in the 1940 bill. Of course there has been a great increase in the past 10 years.

Mr. VANDENBERG. Did we not, as recently as 1934, obtain such cruisers for $5,000,000 or $6,000,000 apiece?

Mr. BYRNES. I do not think we obtained a 10,000-ton cruiser for any such figure.

Mr. VANDENBERG. I rather think we did.

Mr. BYRNES. There has been a great increase, although I am satisfied that there has been no such increase as that suggested by the Senator. I have given the Senator from Oregon the complete figure, including armament and ammunition. There could not have been any figure of $5,000,000 or $6,000,000 for a cruiser with its armament and ammunition.

Mr. VANDENBERG. My recollection is that the figure was in that neighborhood, and that even at that figure we thought there must be considerable profiteering.

Mr. BYRNES. I must say that there is no evidence of it. The Senator knows that in the contracts for the Navy we have a provision for a 12-percent limit for profit. In my investigation of this matter last year I found that that provision amounted to something, and that in many instances the Treasury Department had obtained refunds from contractors because the amount of profit had exceeded the amount specified in the contract.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BYRNES. I promised to yield first to the Senator from Colorado.

Mr. ADAMS. My interest was aroused by the suggestion of the Senator from Nebraska [Mr. NORRIS]. I have been somewhat interested in what seemed to me to be a case of very extreme presumption on the part of an assistant secretary of some department, who joined with representatives of South American countries in making over international law. They were called together in a conference for some friendly Pan-American purpose, and the country suddenly found that our representative, whoever he was, saw fit to represent the United States of America—entirely beyond his authority—in laying out a zone which might cause infinite trouble to our country if it were accepted and if we should undertake the responsibility of enforcing it. It seems to me that it ought to be made rather clear from time to time that this action was presumption, that it has not been accepted by this country, and that it is not a doctrine which this country supports.

Mr. BYRNES. Let me say, in answer to the question of the Senator from Michigan [Mr. VANDENBERG] as to the cost of the cruisers, that, while the Senator from Colorado [Mr. ADAMS] has been addressing the Senate I have looked at the table, and find that a 10,000-ton cruiser laid down November 1, 1933, cost $20,475,000. That was 7 years ago. There is no question that there has been an increase from approximately $20,000,000 to $27,000,000 or $28,000,000 in that time, due to conditions which were certainly beyond the control of the committees of Congress.

Mr. VANDENBERG. Does the table which the Senator has show the cost of cruisers of the *Chester* class?

Mr. BYRNES. The one at which I was looking happened to be the *Philadelphia*. I shall ask the clerk to find the exact cost of the *Chester* and inform me.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BYRNES. I yield to the Senator from Oregon.

Mr. McNARY. I rise to ask what increases have taken place during the past 5 years. If the Senator has not the data presently available, he may supply them for the RECORD.

Mr. BYRNES. Mr. President, I have that information. I shall take the liberty of putting into the RECORD information not merely with respect to the past 5 years, but with respect to the past 15 years. I do not mean to do so for any partisan purpose of showing standards under other administrations, because, as a matter of fact, after 1922 we were working under a limitation of armaments, and because we were proceeding under a limitation of armaments there was a lessened cost of construction.

The Senator will recall that in 1930 we sent a delegation to London. I think the whole Nation perhaps was alarmed. Our representatives included, as I recall, the then distinguished Senator from Arkansas, Mr. Robinson, whose memory we revere. Our representatives fought for the right to have a Navy equal to any navy on the face of the earth. The American delegation fought for weeks and weeks for the right to have a Navy equal to that of Great Britain, and, after a bloody battle, so to speak, in the conference room, we won, and it was conceded that we were entitled to have a Navy based on a ratio of 5–5 with Great Britain and of 5–3 with Japan. However, we did not proceed to build the Navy which we fought for the right to build. The expenditures on naval construction and the number of ships which were authorized show that it was a Navy, as Will Rogers said, solely on paper.

Beginning in 1934, the table shows there was an increase in the amount spent for the construction of ships. There had to be. Then, in December 1936, when the limitation of armament treaty expired, not by reason of any action of the United States but by reason of the action of other parties to the contract, we were obliged, in defense of this Nation, to proceed with our naval program, and the cost of the United States Navy continued to increase, until it has reached the enormous sum that now confronts us.

Occupying a position on the committee, I can speak with knowledge when I say that back in 1920, as a Member of the House of Representatives, and a member there of the subcommittee on naval appropriations, I offered to the naval bill an amendment requesting the President of the United States to call a conference with the naval powers for the purpose of limiting armaments. After the Appropriations Committee had agreed to it, on a point of order, the amendment was eliminated from the bill in the House. The bill then came over to the Senate, and the late Senator Borah, of Idaho, took up the fight. I came over to the Senate and discussed the matter with him. He succeeded in having added to the bill in the Senate the amendment which I had endeavored to have added in the other House.

Some time after that, the conference was called and, as a result, we were able to limit our naval expenditures for years; but after Japan denounced the treaty, followed by similar action on the part of Great Britain, there was no course left for this Government other than to proceed with its program. Yet today, we have not the Navy that we fought for the right to have; we have not a Navy equal in combatant strength to that of Great Britain or one on a 5–3 ratio, as to Japan.

We hear it said that we have a battleship strength of 15 battleships, but the Navy Department and its experts advise us that three of them, the *New York*, the *Arkansas*, and the *Texas*, without modernization, are incapable of keeping up with the rest of our battleship fleet, and that their guns must be elevated. My own thought is, whenever legislation is considered for an expansion of the Navy, if there should be any expansion, that the thing for us to do first is to modernize these three vessels, which are still upon the sea, and still effective fighting weapons, and make them equal in strength and in range to the other ships upon the sea. I would a thousand times prefer to see that done rather than to be told by the experts that we have 15 battleships on our naval list when we really have only 12, because 3 cannot keep up with the others.

Mr. McNARY. Mr. President, the Senator a moment ago, in answer to my inquiry, said that he would give the figures as to naval appropriations for 15 years. Can he give it for 10 years? That would be a nonpartisan period, and take in both Republican and Democratic administrations. I do not want to treat this as a partisan matter. I inquire if the Senator has any record showing the annual increase from say 1931 to 1940?

Mr. BYRNES. I will say to the Senator, I have it complete, in fact, the figures really go back beyond 1915. I will furnish them for 20 years, if the Senator desires, so that there can be no question.

Mr. McNARY. Can the Senator read off the "high lights"? It will not do me any good to read the RECORD after the bill shall have been passed.

Mr. BYRNES. I will be glad to read the figures. In the year 1928—that was 12 years ago—total naval expenditures were $336,441,214.24; in 1929, $366,443,933.40.

Mr. VANDENBERG. May I ask the Senator if those figures include maintenance and construction?

Mr. BYRNES. They represent the amount expended for all purposes, including public works, aircraft, everything. It is only fair to include all expenses. The figures are broken down in this statement, if the Senator is interested, to show the various items for maintenance, aircraft, modernization, and all other expenditures.

I have given the figures for 1929, which were $366,441,214. In 1930 the total was $375,291,828.11; in 1931, $357,806,219.10; in 1932, $353,628,362.38; in 1933, $342,176,417.52; in 1934, $266,581,699.68; in 1935, $327,554,194.01; in 1936, $404,702,348.42; in 1937, $503,350,016.63; in 1938, $575,453,311.07; in 1939, $635,474,414.22.

Mr. McNARY. And for 1940, what are the figures?

Mr. BYRNES. I must say that, perhaps, the figures are not entirely accurate because the table shows, in addition——

Mr. McNARY. Mr. President——

Mr. BYRNES. If the Senator will permit me, I want to go on with the statement.

Mr. McNARY. May we not complete it?

Mr. BYRNES. I want to complete it, but, as I was about to say, there should be added to those amounts since 1934 additional amounts which were expended from emergency funds. The Senator will recall that relief bills included expenditures for public works and embraced certain naval expenditures; so there were expended from 1934 to 1939 amounts in addition, which amounts I will add to this statement.

Then, in 1940—and that is the year as to which the Senator asked.

Mr. McNARY. Yes.

Mr. BYRNES. In 1940, the appropriations were $915,000,000.

Mr. McNARY. And this bill calls for what?

Mr. BYRNES. It calls for $963,000,000.

Mr. VANDENBERG. Mr. President, may I ask the Senator whether or not he knows that this is the final bill for this purpose this year, or whether the program anticipates a further request for appropriations for this purpose?

Mr. BYRNES. I cannot say as to that. I know statements have been made in the press purporting to quote officials of the department as asking for funds, provided there shall be passed by the Congress the bill for the expansion of the Navy. It depends entirely upon the passage by the Congress of that bill. If the Congress shall pass that bill, there may or may not be further appropriations. I would not hazard a guess about that before the enactment of the expansion bill; I did not want to invite the department to send an estimate. I have never noticed any hesitancy on the part of any department to submit an estimate once the Congress authorizes an expenditure. The question suggested by the Senator from Michigan, I submit, is to be determined hereafter. The committee has been dealing with an entirely different matter; that is, the amount of money that should be appropriated and expended under the existing authorizations.

Mr. LODGE. Mr. President——

Mr. BYRNES. I yield to the Senator from Massachusetts.

Mr. LODGE. I should like to ask the Senator from South Carolina a question regarding the matter of battleships; and if there is a flaw in the argument, I should certainly like to have it pointed out to me.

Is it not true that the naval position of the United States is unique, and that, unlike England and unlike Japan, our oceanic routes do not run alongside of continents which are conveniently punctuated with naval bases, but that our oceanic routes run across the Atlantic and across the Pacific; that, consequently, we must have ships that can hold the sea for a long period of time, and that where one nation's naval policy may be well served by small vessels, in general our purpose may be served only by large vessels?

Mr. BYRNES. There is no question about the accuracy of the statement of the Senator from Massachusetts. Some 20 years ago I heard an argument in the House of Representatives on the question as to whether or not we should construct battleships. That question has been argued ever since, and at this time, when nations are at war, and every man is a military and naval expert, the argument is bound to become intensified; but, to my mind, it has always been very significant that even nations such as France, Italy, and Germany should build battleships, when, for the reasons set forth by the Senator from Massachusetts, they have not the same justification for building large naval vessels that we have in the United States.

We have heard the question argued that a battleship is at the mercy of the airplane. I heard a very distinguished Army officer, a good personal friend of mine, 15 or more years ago argue that battleships would all be destroyed, but, in the history of naval warfare, we find that the government without battleships is a government whose shipping is off the sea.

Mr. LODGE. Is it not true that not a single battleship has been destroyed by aircraft power?

Mr. BYRNES. I have before me, and ask to have incorporated in the RECORD at this point, the latest information, in the form of tables, as to the naval losses in the present European war abroad, showing the ships that have been destroyed or damaged, whether they are battleships, cruisers, or what other type, how destroyed, and how damaged.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

MARCH 21, 1940.

TABLE VII.—*Allied naval losses*

BRITISH

Name	Tons	Date sunk	Date damaged	Cause
Battleships:				
Royal Oak	29,150	Oct. 14, 1939		Torpedoes.
Nelson	33,930		Sept. —, 1939	Magnetic mine.
Barham	31,100		Dec. 28, 1939	Torpedo.
Aircraft carrier: *Courageous*	22,500	Sept. 17, 1939		Torpedoes.
Cruiser (a): *Exeter*	8,390		Dec. 13, 1939	Gunfire (*Graf Spee*).
Cruisers (b):				
Southampton	9,100		Oct. 16, 1939	Bombs.
Edinburgh	10,000		do	Bombs nearby
Belfast	10,000		Nov. 21, 1939	Mine or torpedo.
Achilles (N. Z.)	7,030		Dec. 13, 1939	Gunfire (*Graf Spee*).
Ajax	6,985		do	Do.
NOTE.—Minor damage by bomb to "1 warship—not a capital ship" on Mar. 16.				
Destroyers:				
Blanche	1,360	Nov. 13–14, 1939		Mine.
Gipsy	1,335		Nov. 21, 1939	Do.
Mohawk	1,870		Oct. 16, 1939	Bomb nearby.
Jersey	1,690		Dec. 8, 1939	Torpedo.
Duchess	1,375	Dec. 15, 1939		Collision.
Grenville (DL)	1,485	Jan. 18, 1940		Mine or torpedo.
Exmouth (DL)	1,475	Jan. 21, 1940		Torpedo.
Daring	1,375	Announced Feb. 19, 1940		Do.
Submarines:				
Oxley	1,354	Nov. 7, 1939 (?)		Accidental explosion.
Triad	1,090		Nov. 29, 1939	Weather.
Seahorse	640	Jan. —, 1940		(?).
Starfish	640	do		Enemy action.
Undine	540	do		Do.

TABLE VII.—*Allied naval losses*—Continued

BRITISH—continued

Name	Tons	Date sunk	Date damaged	Causes
Minor war vessels—Patrol vessel: *Kittiwake*	530		Sept. 20, 1939	Mine.
Minesweeper: *Sphinx*	675	Feb. 5, 1940		Air action.
Trawlers:				
Mastiff	520	Nov. 21, 1939		Mine.
Aragonite	315	Nov. 23, 1939		Do.
Northern Rover	655	Nov. 1939		Do.
Washington	209	Dec. 6, 1939		Do.
Ray Of Hope	200	Dec. 10, 1939		Do.
William Hallet	202	Dec. 14, 1939		Do.
James Ludford	473	Dec. 15, 1939		(?).
Evelina	202	Dec. 18, 1939		(?).
Sedgefly	(?)	do		(?).
Loch Doon	534	Dec. 28, 1939		(?).
Barbara Robertson	325	Dec. 27, 1939		(?).
Kingston Cornelian	449	Jan. 7, 1940		Collision.
Valdora	251	Jan. 22, 1940		(?).
Fort Royal	351	Feb. 9, 1940		Air action.
Bowen	290	do		Do.
Fifeshire	540	Feb. 22, 1940		Aircraft.
Venvolio	352	do		Mine.
Peridot	(?)	Announced Mar. 16, 1940		Do.
Maida	(?)	do		Do.
Loch Assater	(?)	Announced Mar. 24, 1940		Do.
Auxiliaries—Training ship: *Iron Duke*	21,250		Oct. 17, 1939	Bomb nearby.
Armed merchant ship—Armed merchant cruiser: *Rawalpindi*	16,697	Nov. 23, 1939		Gunfire.

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Cruiser minelayer: *La Tour D'Auvergne* (ex-*Pluton*)	4,773	Sept. 13, 1939		Explosion. Own mines.
Trawlers:				
Marie Yette	275	Mar. 8, 1940		Sank, collision.
Barsac	1,050	Dec. 6, 1939		Grounded in storm.

MARCH 25, 1940.

TABLE VII.—*German naval losses*

Name	Tons	Date sunk	Date damaged	Cause
Battleships:				
Admiral Graf Spee	10,000	Dec. 17, 1939	Dec. 13, 1939	Gunfire.
Deutschland	10,000		December 1939	Mine.
Cruisers (a):				
Bluecher	10,000		Sept. 4, 1939	Air attack.
(?)			Dec. 13, 1939	Torpedo.
Cruisers (b):				
Leipzig	6,000		do	Do.
K class cruiser	6,000		Dec. 14, 1939	Do.
Destroyers:				
German High Command admits loss of 2 destroyers.				
(?)	(?)	(?)		(?).
(?)	(?)	(?)		(?).
Submarines (German press admits loss of 35 submarines; includes following):				
U–27	500	Oct. 21, 1939		British surface craft.
U–39	740	do		(?).
U–	1,000	Prior to Oct. 28, 1939		(?).
U–14	250	Prior to Nov. 5, 1939		(?).
Mining craft (German press (German High Command) admits loss of 6 patrol or minesweeping boats; includes following):				
M–	525	Sept. 10, 1939		Mine.
S. T.–701	426	Oct. 21, 1939		Do.
(?)		Oct. 4, 1939		Do.
M–182	525	Jan. 10, 1940		Do.
Supply ship: *Altmark*	12,000 (?)		Feb. 16, 1940	Grounded by British destroyer.

APRIL 12, 1940.

Supplement to table VII (corrections up to Apr. 12)

BRITISH NAVAL LOSSES, APRIL 7–12

Name	Tons	Date sunk	Date damaged	Cause
Battleship: *Rodney*	33,950		Apr. 9, 1940	1,000-pound bomb, negligible damage, 4 officers, 7 men wounded.
Battle cruiser: *Renown*	32,000		do	Gunfire of *Scharnhorst*, dud at waterline, another damaged foremast.
Light cruisers:				
Glasgow	9,100		do	Slight splinter damage from aerial bombs.
Southampton	9,100		do	Do.
Destroyers:				
Glowworm	1,345	Apr. 8, 1940		Enemy gunfire (?).
Gurkha	1,870	Apr. 9, 1940		Bombed; sunk; 5 officers, 10 men lost.
Hunter	1,340	Apr. 10, 1940		Gunfire, German destroyers and shore guns at Narvik.
Hardy	1,505		Apr. 10, 1940	Beached, severely damaged by gunfire at Narvik.
Hostile	1,340		do	Slightly damaged, Narvik.
Hotspur	1,340		do	Seriously damaged, gunfire at Narvik.

Above list believed correct from information received to this date, but probably incomplete.

APRIL 12, 1940.

Supplement to table VII (corrections up to Apr. 12)

GERMAN NAVAL LOSSES, APR. 7–12 (REVISED)

Name	Tons	Date sunk	Date damaged	Causes
Battleship: *Scharnhorst*	26,000		Apr. 9, 1940	Gunfire *Renown*. Forward turrets possibly out of action, 1 possible hit aft.
Heavy cruiser: *Bleucher*	10,000	Apr. 9, 1940		Norwegian coastal batteries and mine, Oslo. Loss admitted by Germany.
Light cruisers:				
Karlsruhe	6,000	do		Torpedoed, H. M. S. *Truant* off Christiansand. Loss admitted.
Emden	5,400	Apr. 9, 1940 (?)		Reported sunk, coastal batteries, Oslo.
1 cruiser (CL)			Apr. 10, 1940	Hit by bomb in Bergen Fjord.
1 cruiser (CL) *Koln* class		Apr. 10, 1940		Royal Air Force claimed 3 bomb hits at Bergen. Later observation reported long oil slick.
Destroyers:				
1	1,600	do		Torpedo, Narvik.
3	1,600		Apr. 10, 1940	Reported severely damaged by gunfire, burning, Narvik.
1	(?)	Apr. 11, 1940		Claimed sunk, Trondheim. Torpedo, planes.
Submarines:				
1 (?)	(?)			Claimed by *Zulu*, off Orkneys.
(?)	(?)			2 or 3 others reported.
Transports and store ships:				
Rio de Janeiro	5,261	Apr. 8, 1940		Torpedoed, British submarine.
Kreta	2,359	do		Do.
Posedonia	5,864	do		Do.
6 merchantmen	(?)	Apr. 10, 1940		Sunk, British destroyers, Narvik.
Ravensfeld (ammunition)		do		Do.
2 transports (?) (reported by Associated Press)		Apr. 11, 1940		Off Oslo.
6 merchantmen		Apr. 10, 1940		British steamship, Skaggerak.
Alston		do		Captured off Vestfjord.
Coast defense:				
Norge	4,166	Apr. 9, 1940		Torpedoed, German destroyers, Narvik.
Eidsvold	4,166	do		Do.
Mine layer: *Trygvason*	1,596	do		Reported sunk, Oslo. (Unconfirmed press.)

Above list believed correct from information received to this date, but possibly incomplete.

Mr. McNARY. Mr. President——

Mr. BYRNES. I will yield in a moment. No battleships of the Allies have as yet been sunk by airplanes. One was sunk by a torpedo, and one battleship was claimed by Germany to have been sunk by plane, but our information is to the contrary. Only one was sunk; that was by a torpedo. There is a vast difference between the fleet of Great Britain having battleship strength and that of the United States, for the reason that the United States fortunately still has the Atlantic and Pacific Oceans on either side, and when we think of a battleship resting at anchor in a foreign harbor as a target for airplanes, we must concede that the situation in which we find ourselves is entirely different. When planes may fly 200 miles or 300 miles from an enemy base to drop bombs upon a battleship at anchor, that requires one kind of plane and one kind of success in reaching the plane's target; but when we are 3,000 miles removed from an enemy base, and we have to the north of us a neighbor that as a general thing gives us less trouble than some of the States within the Union—we are at peace with our Canadian friends, and have no fear of an enemy base there—we are not in the same danger that confronts the Allied governments and their battleships. Anyone can picture the pilot in a plane flying above a ship at anchor and relying upon a bomb sight. It is quite a different thing from meeting the battleships of the United States Navy at sea and attempting to bomb one of them, with its speed given to it for the purpose of enabling it to escape an attack. Our battleship can rely upon the aircraft defense of the fleet going up to meet a plane that meets it at sea; it can rely upon its antiaircraft guns; and then it can rely upon the armor given to it for protection, and which has been ample to protect the battleships in Great Britain's waters, even though they were at anchor.

I have always believed, from my long courthouse experience in hearing men describe shooting affairs, that there is quite a difference between shooting at a target that is stationary and shooting at a target which happens to have a gun in its hands shooting at you. When a plane flies over a battleship at anchor, it may require one kind of marksmanship, but if our fleet should meet an enemy fleet at sea, and a plane of the enemy should appear and attempt to drop a bomb upon our battleship, and meet our aircraft and our antiaircraft guns, the marksmanship of the plane might not be quite so good as if no one at all were shooting at it.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. BYRNES. Yes.

Mr. VANDENBERG. The Senator has pointed out that thus far in the present war no major battleships have been destroyed from the air. Can he point out to me how the major battleships have been of any affirmative utility to their owners?

Mr. BYRNES. There is not a German ship upon the sea.

Mr. VANDENBERG. Is that the result of the other side having battleships?

Mr. BYRNES. That is the primary reason, and I imagine from the Allied strength that it is the greatest one. There is not a German ship upon the sea; and if a nation is so helpless that it cannot put a ship upon the sea, it might as well have no ships at all. Having the second-best navy has always seemed to me like having the second-best horse in a horse race.

Mr. VANDENBERG. I strongly disagree with the Senator's conclusion that it is the battleship which has swept the German shipping from the sea. I think it is the lesser units of the Navy that have done it.

Mr. BYRNES. I do not set myself up as a military or naval expert; but, according to the military experts, without a balanced fleet, one with battleships, planes, and submarines, there is no fleet; and my experience leads me to agree with that conclusion.

Today Germany is alleged to have superiority in planes. I do not know whether it really has such superiority or not, but its planes have served its purpose up to this time. Great Britain has its fleet, but is comparatively lacking in aircraft. The experts of the United States Navy believe that a safe defense for this country should be a balanced fleet—balanced with aircraft, with battleships, with cruisers, with submarines—and I must say that in a matter of that kind I bow to the experts.

There are times when I very seriously question the requests of the Navy Department for funds, because I know the enthusiasm of a man for his particular department. I should have no respect for the man in charge of engineering if he did not believe engineering the most important part of naval activities, and the same thing as to the man in charge of aviation. We must see the whole picture, and consider

the whole picture, and determine what is true; but when it comes to a technical matter as to strategy, I suggest to the Senator from Michigan that it has been a great comfort to me through all my experience with the naval appropriation bills that, unlike other governments, the people of which have to look with suspicion upon a militaristic class, this Government, thanks to the best system ever devised for private and commissioned personnel, selects its officers of the Army and Navy by appointment of Senators and Members of the House of Representatives.

From Chicago there may come a boy of one nationality, his father having been born in another country. From Los Angeles there may come a boy of another nationality. From Carolina there may come another boy from the farm. They all go to the Naval Academy; and so, instead of having in charge of our fleet officers who are all alike in their views, the personnel selected furnishes the best possible cross-section of the American people.

I was interested in the attitude of the retiring Chief of Operations about 7 or 8 years ago. When I asked him what he was going to do upon retirement he said, "Well, first I am going back to a little farm where I spent my boyhood days. I doubt that I shall want to stay there, but it is my only ambition right now"; and he went back. Another naval officer expressed the same thought. We owe a debt of gratitude to the man who first proposed the selection of the officers of our Army and Navy in this most democratic of all ways; and whenever they come to us, year in and year out, with the same expert opinion, I cannot avoid paying heed to them. I might have questioned the wisdom of one man when, 15 or 20 years ago, I heard him express the opinion that the battleship was the backbone of the fleet and was essential, but the men of that day have passed on. Other Americans came into the commissioned personnel to dictate the policies of the Navy Department. They held the same view, and today there is not an officer in a responsible position in the Navy of the United States who does not believe that the backbone of the American fleet is the battleship and must remain the battleship. There is not a man in the Japanese Navy who does not hold that view. There is not an officer in the British Navy who does not hold that view. Apparently there is not one in Italy, in Germany, or in France, because those nations are spending their money for ships of that kind.

Mr. VANDENBERG. Mr. President, will the Senator allow me to complete my inquiry?

Mr. BYRNES. Let me conclude. As against all the expert advice of the United States Navy and the evidence of that view being held by the naval experts of all other naval powers, I hesitate to dissent from or to argue against that view.

I now yield to the Senator from Michigan.

Mr. VANDENBERG. Mr. President, if the Senator will permit me to say so, I completely join him in my belief that we should rely upon gentlemen who know what they are talking about when the technique of defense is discussed, and I think I have never intruded any swivel-chair strategy upon the Senate so far as I am concerned.

The only question I submit to the Senator is whether or not 4 years from now—which will be the first moment when these two new 45,000-ton battleships can be completed—these experts, in whom both the Senator and I so thoroughly believe, will probably not have had an opportunity to learn something conclusive from world war naval experience, whereas it seems to me that the conclusion is not final as yet.

Mr. BYRNES. Mr. President, I do not believe the evidence will ever be conclusive, but certainly up to this time all the evidence is in favor of the battleship. At the same time it can be said that the battleships authorized will not reach, for a year and a half or two years, such a stage as will not permit the United States Navy to profit by the lessons of the present European war, because, as the Senator knows, the lessons probably will not relate to the very fundamentals of the ship, but to its armament, its equipment, and the things that are placed on it. Certainly for a year and a half we shall have the benefit of the experience gained from the present war. I agree in part with the Senator's view, and one thought I have expressed here is that we should not speed up these new ships because we can profit by the lessons of the war.

As a matter of fact, if the decision were left to me, I would speed up the construction of the ships which are near completion, because, in the disturbed condition of the affairs of the world, if one of our ships today is 85 to 90 percent complete, I should like to see it completed at the earliest possible moment. If, as a result of the disturbance, something should arise to involve us, I should want that ship upon the sea. The ships laid down in this bill, with 3½ to 4 years to go, would necessarily not be in the same position.

I believe that out of the present conflict, if civilization is to survive, there must come some kind of limitation of armament that will stop the mad race which is now proceeding; but until that time arrives we cannot afford to sit idly by, the richest government on the face of the earth, and leave ourselves undefended and unprotected. When bandits are loose upon a street, they do not attack a poor man, and they do not attack a man who has a gun in his hands. They are likely to attack a big, fat, rich, undefended man. I do not want Uncle Sam to be that man. I do not want him to be so undefended.

Mr. President, I wish to add to what I said about the Army and Navy personnel something I did not know, but which I am glad to know, that the captain of this year's Army football team is the son of parents born in Italy and that the captain of this year's Navy football team is the son of a man born in Germany.

Mr. WALSH. Mr. President, will the Senator from South Carolina yield?

Mr. BYRNES. I yield.

Mr. WALSH. In reply to the question asked by the Senator from Michigan I may say that the Committee on Naval Affairs propounded to the Navy Department a large number of questions recently, which are available in some of the reports of the hearings. One relates directly to the question of the Senator from Michigan, and I should like to read it, with the answer of the Navy, which came to me only today.

Mr. BYRNES. I am very happy to have the Senator read the question and answer.

Mr. WALSH. These questions were sent to the Navy Department 2 weeks ago in anticipation of hearings. Over 50 questions of a technical character were submitted, and the officials of the Department were given ample opportunity to answer them, so that they would not be expected to make replies on the spur of the moment. This is the question and answer to which I have referred:

Question. If Germany's submarines and aircraft can overcome the British and French Navies, why continue to build ships similar to those now possessed by the British and the French?

Answer. First, it should be said that Germany's submarines and aircraft have not as yet overcome the British and French Navies and have not as yet indicated their ability to do so in the future. At the present time the British and French Navies have swept the German merchant marine from the seas and are maintaining a very stringent blockade. There is nothing to indicate as yet they will not continue to be able to maintain this sea superiority in relation to Germany. Should the German submarine and aircraft, however, succeed in overcoming the Navy of France, a neighboring nation, and of Great Britain, a nation separated from Germany by the narrow reaches of the North Sea, and thus within ready reach of short-range aircraft and numerous small submarines, it would by no means follow that German submarines and aircraft could overcome the United States Navy in a similar fashion. The position of the United States—the insular position as regards other major powers—is such as to enable it to utilize a strong Navy to keep hostile forces (in major strength) far distant from our shores. This is accomplished by the use of a seagoing Navy—battleships, carriers, cruisers, destroyers—as well as oceangoing submarines and aircraft.

I thought that might be appropriate for the RECORD as an answer from the Navy Department, given within a very few days.

Mr. BYRNES. I am very glad to have had the Senator read the question and answer.

Mr. President, I have nothing more to add, and I ask that the reading of the bill may proceed.

Mr. CONNALLY. Mr. President, I wish to say to the Senator from Michigan that I do not agree that the battleship

has lost its utility as a naval weapon. In the first place, a battleship can carry heavier armament, and therefore it can shoot farther. It also carries heavier armament——

Mr. VANDENBERG. Mr. President, may I interrupt the Senator?

Mr. CONNALLY. I yield.

Mr. VANDENBERG. I do think the Senator was not in the Chamber when the colloquy started. I would not want the Senator to understand that I stated I believed the battleship had lost its value. I was merely inquiring as to the relative values which might be disclosed from contemporary experience.

Mr. CONNALLY. I probably went further than the facts warranted. What I had in mind was that a study of recent naval maneuvers—for instance, the contest in South America between the cruisers of the Germans and the English—will make it perfectly apparent that the ship with the heaviest and longest range guns has a tremendous advantage. It took three cruisers to put the *Graf Spee* out of business, and one of those was probably disabled, because the *Graf Spee's* armament was of longer range and heavier, and it was only by maneuvering, laying down smoke screens, and tactics of that kind, that the English cruisers were able to dispose substantially of the *Graf Spee*.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WALSH. I wish to make a statement in connection with the subject the Senator is discussing. Among the other questions submitted to the Navy Department was one based upon statements presented on the floor of the House of Representatives. One of the statements made on the floor of the House, which appears on page 1551 of the CONGRESSIONAL RECORD of February 16, 1940, was as follows:

It has been stated that bombing accuracy has increased to such an extent that 8 out of 10 bombs dropped from an altitude of 14,000 feet will hit a 12-foot target.

This question was asked by my committee, through me as chairman, of the Navy Department:

Has bombing accuracy increased to the extent stated?

This was the answer:

No; but it is considered that this country is considerably in advance of foreign countries in the development of bomb sights and bombing accuracy.

Question 25. Is there any recent evidence to show that battleships or other surface craft are obsolete as a result of increased efficiency of bombing from aircraft?

Answer. In view of the controversial aspects of this ever-present and important question, it is answered at some length.

There is no recent evidence to show that battleships or other surface craft are obsolete as a result of increased efficiency of bombing from aircraft. The manner of employment of naval vessels has been affected by the comparatively new form of attack from the air, and the armament, armor, and protection of ships has been adapted to resist damage as far as practicable.

All new weapons of importance have had their effect on naval strategy, tactics, and on naval construction. In the case of aircraft, as in the case of weapons such as the torpedo, submarine, and high-powered gun, the threat of attack has been anticipated by the inclusion in naval vessels, from destroyer to battleship, of appropriate counterweapons and powers of resistance. Increased power and effectiveness of antiaircraft batteries, increased speed and maneuvering ability, increased thickness of deck armor, and greater compartmentation are all characteristics included to resist air attack. In addition, naval air forces are employed, both offensively and defensively, to reduce the effectiveness of enemy aircraft. By these means, and by appropriate consideration of enemy air strength in the carrying out of strategic and tactical operations, aircraft attack is effective only to a degree compatible with the introduction of any additional and important weapon.

Air power has not seriously affected British control of the sea lanes of the world. It has, in a restricted area, comparatively close to its home bases, become of increasing effect against ships and shipping within range of these bases. After 7 months of war, in which the immediate major objective has been the reduction of the sea strength of Great Britain, relatively small damage has been done by air attack from German advance bases located 480 to 560 miles from the British Fleet bases. The principal menace and effect has been against commercial shipping in certain localized areas and ports. The proximity of British seaports to German air bases may result in continuing, and perhaps increasing, damage to this localized shipping unless the British counteraction becomes more effective.

The United States is not confronted with the same situation with regard to its home ports and shipping centers. They are not only farther from tenable enemy air bases, but they cover a wider area and are available in two oceans. These considerations stress the importance of the recommendations of the Navy Department with respect to home and advanced air bases so located as to best cooperate with the fleet in the establishment and maintenance of control of coastwise sea lanes and important overseas lines of communication and trade.

Manifestly all naval powers have given serious consideration to the effectiveness and relative security (ability to remain effective) of naval ships against all threats contemplated under the conditions of their employment in war. It is significant that all are continuing their naval-building programs. The heavily gunned and heavily armored battleship, built to withstand the plunging fire of the heaviest armor-piercing projectiles, is least affected by air developments. Even admitting the practicability of accurate bombing in the face of determined resistance of air forces and antiaircraft weapons, the heavy bomb, with its restricted ability to penetrate armor plate, is certainly less potent than the heavy shell. That these views are held by all of the principal naval powers, including the belligerents in the present wars, is indicated by the recent completion and continued building of battleships as follows:

	Recently completed	Building
(1) Germany	2	4
(2) Italy	2	2
(3) Japan	0	8(?)
(4) Great Britain	0	9
(5) France	2	4
(6) United States	0	8

The latent effect of preponderant battleship strength is frequently overlooked by the lay mind due to the absence of the drama of the frequent naval and air battles of lesser naval war craft. Whether actively engaged or not, battleship strength, around which are shaped the activities of lesser craft, is of preponderant effect in the control of sea lanes and areas.

In summation, the development of aircraft bombing has had its effect on the constitution of naval forces as to type and on their employment. Aircraft alone, or battleships, or cruisers, or destroyers alone are unable to control the sea. Together, in properly constituted forces, supported by suitable and properly located bases, they can. So long as other nations possess armed surface ships, and so long as the free use of the seas is a national need, a navy of adequate surface, subsurface, and air strength in suitable proportion is necessary. Developments in the art of war and in the international situation will undoubtedly change the acceptable composition of the fleet and will cause modification in the characteristics of ships and aircraft, but there are no developments apparent which will render obsolete surface ships of existing types or the basic principles under which they are employed in the national defense.

It may be pertinent to quote from a recent report (July 1936) of the British Committee of Imperial Defense, which went exhaustively into the question of vulnerability of capital ships to air attack. This report sustained the British building policy and included these significant words: "The advocates of the extreme air view would wish this country to build no capital ships (other powers still continuing to build them). If their theories turn out well-founded, we have wasted money; if ill-founded, we would, in putting them to the test have lost the Empire". It is British preponderance of naval power that has gained control of sea-borne trade and denied this trade to Germany. It is German preponderance of air power which threatens allied and neutral trade in comparatively restricted zones near German bases. Neither of these facts point to the obsolescence of surface men-of-war or the superiority of air power. They merely point to the restricted effectiveness of unbalanced military or naval forces.

In this connection it is interesting to note that Germany, in spite of her preponderance of air power, has recently completed two capital ships and is proceeding with the building of four more.

I thank the Senator from Texas.

Mr. CONNALLY. I thank the Senator from Massachusetts for his contribution.

One of the reasons why no more battleships have been sunk by bombs from the air is that those responsible for building the navies have made use of heavy armor, which formerly was not so extensively used, because there was not the need for it. In all forms of warfare, whenever an offensive weapon is invented, the next step is the invention of a defensive weapon against it. It is like arguments on the floor of the Senate; one Senator makes a speech in favor of one point and some other Senator meets that with a counterattack with some other argument. It is the same with military and naval affairs.

As a result of the fear which all have entertained of attack from the air, defensive measures have been adopted. But when a bomb hits a battleship, as a rule it destroys some of the superstructure, some of the deck house, some of the

turrets, probably, but it does not reach the inside of the ship and therefore does not sink the ship.

Mr. WALSH. Mr. President, if it gets into the ship, it gets into only one compartment, and there are many compartments.

Mr. CONNALLY. There are many bulkheads all over the ship, different compartments and different bulkheads, and, as suggested by the Senator from Massachusetts, a bomb does not do much damage, except probably to one compartment. So, it is my belief that we cannot rely upon any one arm. We cannot say, "Well, we will merely have a fleet of airplanes; that is all we need," or "We will have a fleet of cruisers, and that is all we need." We have to have a balanced fleet, and the basis of the fleet, of course, is the heavy battleship; then the fast cruisers, the cavalry of the sea; then the destroyers for more mobile employment; then submarines; and, finally, aircraft, which, of course, is merely a supplementary agency of the Navy.

Mr. President, I have always been in favor of a strong navy. I think the United States should have the best navy in the world. We are flanked by two oceans, and the only way in which we can protect ourselves is by dominating those two oceans. It does not do any good to dominate a creek somewhere when the ocean is where the enemy will appear. A navy costs a great deal of money, but it does not cost us as much as a war would cost us. I think it is the duty of the American people to provide an incomparable navy, one which will have no superior on the sea, and I am prepared to vote the necessary funds. I see the Senator from Colorado [Mr. ADAMS] in his place. He reminded us yesterday that we did not have the funds; but we probably can borrow them or get them in some other way.

Mr. ADAMS. Perhaps we might print the money.

Mr. CONNALLY. I do not advocate that, and I am surprised to hear the Senator from Colorado advocate it.

Mr. ADAMS. I am not advocating it; I am merely uttering a warning of what might happen.

Mr. CONNALLY. I withdraw what I said. I know the Senator from Colorado does not advocate it, but I do not like to have him even suggest it. There are Senators, perhaps, upon whose ears that might fall with a pleasant sound, like seed on fertile ground.

Mr. President, I shall vote to provide the additional battleships, but not because of apprehension of any imminent danger of attack. The United States is not going to become involved in the European war. I think the Neutrality Act which we passed affords absolute assurance that we will not get into the present war. The only way we could get into it would be by some foreign nation attacking us, and no foreign nation is going to attack us, especially if it knows we have a navy capable of meeting its navy and destroying it, and that is what we have.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. McKELLAR. I agree with what the Senator is saying.

Mr. CONNALLY. I thank the Senator.

Mr. McKELLAR. But my mind turns back to a long time ago, just before, during, and just after the World War. Under the administration of President Wilson we built up a navy that was certainly the equal, and probably the superior, of any navy on the seas.

Mr. CONNALLY. In some categories it was superior and in others not.

Mr. McKELLAR. We had finished building most of our warships; I believe all but three. Shortly before we completed those three a disarmament conference was called in Washington, and our own delegates to that conference agreed to sink our splendid new battleships, whose cost, as I remember, was approximately half a billion dollars, and they were sunk.

Mr. WALSH. Their cost was approximately $300,000,000.

Mr. McKELLAR. It was more than that. We spent nearly one-half billion dollars for the building of new battleships. They were taken into the ocean and sunk, where they could never do anyone any good.

Mr. President, when we build this navy—and we should have as good a navy as exists in the world—I think it would be wise to put into the measure providing for its construction a provision that after we shall have built that navy at such an enormous cost to our people, no one shall be authorized hereafter to sink it needlessly and without any excuse whatsoever.

Mr. CONNALLY. Mr. President, I thank the Senator from Tennessee, and I want to make a confession. I was a Member of the other House at the time to which the Senator refers, and I offered an amendment in that body seeking to provide for the calling of the disarmament conference in question, which was afterwards called by reason of Senate action in placing an amendment on a naval appropriation bill.

Mr. President, no fault can be found with that sort of an idea, but the British and Japanese simply outtraded us. They met in the conference, and the delegates from the United States, Mr. Hughes and others, were so anxious and were under such a tremendous pressure to bring about an agreement, that they were outswapped, outtraded. We then had warships in the course of construction. Our delegates took the view that it was cheaper not to finish the new ships, and to keep the old ones. In the long run it probably would have been more economical to have completed the new ships and done away with some of the old ones.

Mr. President, no fault can be found with the idea of disarmament so long as we are not outtraded. But in the conference in question we simply were outtraded, and that is all there was to it. I think the Senator from Tennessee will agree with me that certain other nations outtraded us.

Mr. McKELLAR. Yes. By the way, I was one of the very few who did not vote for the agreement resulting from that conference. I felt I could not vote for it at that time, and I feel I could not vote for such an agreement now. I think there has been no greater waste of the people's money in the history of this Government than there was in the sinking of brand new ships under the so-called disarmament treaty of 1922, a treaty which never did us any good, and which the other nations that entered into the agreement have not lived up to just as they do not live up to any other agreements. I think it is time for us to look after America.

Mr. CONNALLY. Let me say to the Senator from Tennessee that I think it was the disarmament conference of 1922 that prompted the late lamented Will Rogers to observe that the United States had never lost a war but never had won a conference.

Mr. McKELLAR. That is true, and it is an admirable way of expressing the idea.

SELECTION SYSTEM AND PROMOTIONS IN THE NAVY—CONFERENCE REPORT

Mr. WALSH. Mr. President, I submit a conference report and ask for its immediate consideration.

The PRESIDING OFFICER. The conference report will be read.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4929) to amend the act of June 23, 1938 (52 Stat. 944), having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 10, and 11.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 6, and 9, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: Section 9, subsection (b), change the period to a colon and add the following proviso: *"Provided,* That officers who are or who may hereafter be assigned to engineering duty only or to aeronautical engineering duty only may be recommended for retention in addition to the number equal to the percentage furnished to the board by the Secretary of the Navy"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree

to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows:

"(d) The recommendations of selection boards in the case of officers who are now or may hereafter be assigned to engineering duty only or to aeronautical engineering duty only shall be based upon their comparative fitness for the duties prescribed for them by law. Upon promotion they shall be carried as additional numbers in grade. Officers assigned to engineering duty only or to aeronautical engineering duty only shall succeed to command on shore only when designated to do so by the Secretary of the Navy."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment inserted the following: *"Provided further,* That all such officers who were transferred to an appointment in the permanent grades or ranks in the Navy pursuant to the Act of June 4, 1920 (41 Stat. 812), and who were on July 21, 1939, assigned to duty involving flying shall be retained on the active list until June 30, 1944, and they may become eligible for selection as provided and as limited in subsection (d) of this section: *And provided further,* That any officer who was placed on the retired list in the grade of commander on June 1, 1939, or who was or may hereafter be placed on the retired list in the grade of commander pursuant to this subsection after June 1, 1939, who had not or shall have not completed twenty-three years of service for pay purposes at the time of retirement shall receive from the date of his retirement retired pay computed at the rate provided for officers who have completed twenty-three years of service for pay purposes,"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"(m) To meet emergency or special needs of the Navy, the President is hereby authorized to retain on active duty, or to order to active duty if retired, not more than two officers above the grade of captain in the Navy. While serving on active duty such officers shall have the highest grade or rank held by them on active duty and receive the full pay and allowances of the highest grade and the personal money allowance of the highest rank held by them on active duty exclusive of flight or submarine pay. Officers retained on or ordered to active duty pursuant to this subsection shall become additional numbers in their grades, and if of the rank of admiral or vice admiral shall be in addition to the number of admirals and vice admirals otherwise authorized by law. Nothing contained in this subsection shall be construed as repealing other provisions of law under which officers may be retained on active duty or under which retired officers may be ordered to active duty."

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: Strike out the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 2. Any officer who may heretofore have been placed on the retired list pursuant to the provisions of section 13 or subsection 15 (e) of the Act of June 23, 1938 (52 Stat. 944), or both of them, shall receive the retired pay of a rear admiral of the upper half."

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: Change the number of "Sec. 4" to "Sec. 3" and the date of "January 3, 1940" to "January 3, 1941,"; and the Senate agree to the same.

DAVID I. WALSH,
MILLARD E. TYDINGS,
FREDERICK HALE,
Managers on the part of the Senate.

CARL VINSON,
P. H. DREWRY,
M. J. MAAS,
Managers on the part of the House.

The PRESIDING OFFICER. Is there objection to the consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. WALSH. I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

Mr. WALSH. In order that the RECORD may be complete, I ask unanimous consent that a memorandum explanatory of the amendments covered in the report be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Amendment No. 1: The Senate recedes. The effect of this is: The commander in chief of the United States Fleet may not serve on selection boards for the selection of officers.

Amendment No. 2: The Senate recedes. The effect of this is: Medical records, along with the other official records of officers, will be furnished to the selection board for its consideration in the selection of officers.

Amendment No. 3: The House recedes with an amendment. The House amendment modifies the Senate language so as to permit the retention of officers assigned to engineering duty only or aeronautical engineering duty only in addition to those representing the percentage furnished the board by the Secretary of the Navy.

Amendment No. 4: The House recedes with an amendment. The House amendment is identical with the Senate amendment except as follows: Engineering duty only officers shall succeed to command ashore only when designated to do so by the Secretary of the Navy.

Amendment No. 5: The House recedes. This strikes out the House provision which required the reports of the selection board to include a statement giving reasons actuating the selection of every officer recommended for selection and the reasons for passing over those officers not recommended for selection.

Amendment No. 6: The House recedes. This strikes out the so-called Ditter amendment adopted on the floor of the House. The purpose of the Ditter amendment was to promote both fitted and best fitted officers to fill vacancies. It also provided that officers found fitted for promotion should be restored to the place they originally held on the Navy list.

Amendment No. 7: The House recedes with an amendment. The effect of this is: Officers who were transferred to the permanent Navy pursuant to the act of June 4, 1920, and who were on July 21, 1939, assigned to duty involving flying shall be retained on the active list until June 30, 1944. It also provides that commanders placed on the retired list shall receive retired pay computed on a basis of at least 23 years' commissioned service.

Amendment No. 8: The House recedes with an amendment. This strikes out the Senate provision which permitted rear admirals to retain on the retired list the highest rank that they held while in active service. It now permits the President to retain on active duty or recall to active duty two officers above the grade of captain and provides that these two officers while employed on active service shall have the rank and the pay of the highest rank that they held while on active service.

Amendment No. 9: The House recedes. This strikes out the House provision which would have prevented the counting of temporary and Reserve commission service for retirement purposes.

Amendment No. 10: The Senate recedes. This increases from eight to nine the number of annual vacancies that must be maintained each year in the grade of admiral, else a selection board is to select admirals out of the service.

Amendment No. 11: The Senate recedes. This strikes out the Senate amendment which repealed the existing law which requires that a specified average number of annual vacancies in the grade of rear admirals in the Navy and in the grade of general officers of the line in the Marine Corps be maintained.

Amendment No. 12: The House recedes with an amendment. This strikes out both the House and the Senate amendments which established a selection for retention system in the grade of admiral in the Navy and the grade of general in the Marine Corps.

Amendment No. 13: The House recedes with an amendment. The effect of this is: It grants General Mead the retired pay but not rank of a major general on the retired list.

Amendment No. 14: The House recedes with an amendment. The effect of this is: The board appointed to investigate and report upon the question of promotion and retirement of officers of the staff corps of the Navy and officers assigned to engineering duty only and aeronautical engineering duty only shall make its report to the Congress on January 3, 1941, instead of January 3, 1940.

CITIZENSHIP DAY

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the joint resolution (H. J. Res. 437) authorizing the President of the United States of America to proclaim Citizenship Day for the recognition, observance, and commemoration of American citizenship, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CHANDLER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CHANDLER, Mr. MILLER, and Mr. WILEY conferees on the part of the Senate.

NAVAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8438) making appropriations for the Navy Department and

the naval service for the fiscal year ending June 30, 1941, and for other purposes.

The PRESIDING OFFICER (Mr. MEAD in the chair). The question is on agreeing to the first committee amendment, which will be stated.

The first amendment of the Committee on Appropriations was, under the heading "Naval Establishment—Office of the Secretary—Miscellaneous expenses," on page 3, line 3, after the word "exceed", to strike out "$22,000" and insert "$23,800"; in line 4, after the word "item", to strike out "$4,500" and insert "$6,300"; in line 11, before the word "and", to strike out "$215,000" and insert "$224,000"; in the same line, after the word "item", to strike out "$247,000" and insert "$238,000"; in line 22, after the word "item", to strike out "$1,345,990" and insert "$1,379,190"; in line 23, after the word "item", to strike out "$595,000" and insert "$561,800"; on page 4, line 11, after the word "item", where it occurs the first time, to strike out "$515,000" and insert "$520,000"; and in the same line, after the word "item", where it occurs the second time, to strike out "$190,000" and insert "$185,000", so as to read:

For traveling expenses of civilian employees, including not to exceed $7,000 for the expenses of attendance, at home and abroad, upon meetings of technical, professional, scientific, and other similar organizations when, in the judgment of the Secretary of the Navy, such attendance would be of benefit in the conduct of the work of the Navy Department; not to exceed $2,000 for the part-time or intermittent employment in the District of Columbia or elsewhere of such experts and at such rates of compensation as may be contracted for by and in the discretion of the Secretary of the Navy; expenses of courts martial, purchase of law and reference books, expenses of prisoners and prisons, courts of inquiry, boards of investigations, examining boards, clerical assistance; witnesses' fees and traveling expenses; not to exceed $20,000 for promoting accident prevention and safety in shore establishments of the Navy, to be expended in the discretion of the Secretary of the Navy; newspapers and periodicals for the naval service; all advertising of the Navy Department and its bureaus (except advertising for recruits for the Bureau of Navigation); costs of suits; relief of vessels in distress; recovery of valuables from shipwrecks; maintenance of attachés abroad, including office rental and pay of employees, and not to exceed $23,800 (composed of "A" item, $17,500, and "B" item, $6,300) in the aggregate or $900 for any one person for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (5 U. S. C. 118a); for contingencies for the Director of Naval Intelligence, to be expended in his discretion, not to exceed $2,000; the collection and classification of information; not to exceed $462,000 (composed of "A" item, $224,000, and "B" item, $238,000) for telephone, telegraph, and teletype rentals and tolls, telegrams, radiograms, and cablegrams; postage, foreign and domestic, and post-office box rentals; necessary expenses for interned persons and prisoners of war under the jurisdiction of the Navy Department, including funeral expenses for such interned persons or prisoners of war as may die while under such jurisdiction; payment of claims for damages as provided in the act making appropriations for the naval service for the fiscal year 1920, approved July 11, 1919 (34 U. S. C. 600); and other necessary and incidental expenses; in all, $1,940,990 (composed of "A" item, $1,379,190, and "B" item, $561,800): *Provided*, That no part of any appropriation contained in this act shall be available for the expense of any naval district in which there may be an active navy yard, naval training station, or naval operating base, unless the commandant of the naval district shall be also the commandant of one of such establishments: *Provided further*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $705,000 (composed of "A" item, $520,000, and "B" item, $185,000).

The amendment was agreed to.

The next amendment was, under the subhead "Naval Research Laboratory", on page 5, line 17, after the word "Navy", to strike out "$653,350" and insert "$403,350", so as to read:

For laboratory and research work and other necessary work of the Naval Research Laboratory for the benefit of the naval service, including operation and maintenance of a laboratory, additions to equipment necessary properly to carry on work in hand, maintenance of buildings and grounds, temporary employment of such scientific and technical civilian assistants as may become necessary, and subscriptions to technical periodicals, to be expended under the direction of the Secretary of the Navy, $403,350 ("A" item).

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Navigation—Training, education, and welfare, Navy", on page 8, line 5, after the name "California", to strike out "$186,644" and insert "$173,250"; and in line 6, after the word "item", to strike out "$19,644" and insert "$6,250", so as to read:

Naval training stations: For maintenance, operation, and other necessary expenses, including repairs, improvements, and care of grounds of the naval training stations which follow:
San Diego, Calif., $173,250 (composed of "A" item, $167,000, and "B" item, $6,250).

The amendment was agreed to.

The next amendment was, on page 8, line 7, after the name "Rhode Island", to strike out "$205,930" and insert "$173,250", and in line 8, after "and 'B'", to strike out "$47,930" and insert "$15,250", so as to read:

Newport, R. I., $173,250 (composed of "A" item, $158,000, and "B," $15,250).

The amendment was agreed to.

The next amendment was, on page 8, line 9, after the name "Illinois", to strike out "$283,930" and insert "$258,750", and in line 10, after the word "item", to strike out "$36,930" and insert "$11,750", so as to read:

Great Lakes, Ill., $258,750 (composed of "A" item, $247,000, and "B" item, $11,750).

The amendment was agreed to.

The next amendment was, on page 8, line 11, after the name "Virginia", to strike out "$358,936" and insert "$329,270"; and in line 12, after the word "item", to strike out "$103,936" and insert "$74,270", so as to read:

Norfolk, Va., $329,270 (composed of "A" item, $255,000, and "B" item, $74,270).

The amendment was agreed to.

The next amendment was, on page 10, line 20, after the word "Navy", to strike out "$2,015,740" and insert "$1,914,820", and in line 21, after the word "item", to strike out "$222,440" and insert "$121,520", so as to read:

In all, training, education, and welfare, Navy, $1,914,820 (composed of "A" item, $1,793,300, and "B" item, $121,520).

The amendment was agreed to.

The next amendment was, under the subhead "Instruments and supplies, Navy", on page 12, line 22, after the word "inspection", to strike out "$755,000 ('A' item)" and insert "$855,000 (composed of 'A' item, $755,000, and 'B' item, $100,000)", so as to read:

For supplies for seamen's quarters; and for the purchase of all other articles of equipage at home and abroad; and for the payment of labor in equipping vessels therewith and manufacture of such articles in the several navy yards; all pilotage and towage of ships of war; canal tolls, wharfage, dock and port charges, and other necessary incidental expenses of a similar nature; hire of launches or other small boats in Asiatic waters; quarantine expenses; services and materials in repairing, correcting, adjusting, and testing compasses on shore and on board ship; nautical and astronomical instruments and repairs to same; compasses; compass fittings, including binnacles, tripods, and other appendages of ship's compasses; logs and other appliances for measuring the ship's way and leads and other appliances for sounding; photographs, photographic instruments and materials, printing outfit and materials; music and musical instruments; commissions, warrants, diplomas, discharges, good-conduct badges, and medals for men and boys; transportation of effects of deceased officers, nurses, and enlisted men of the Navy, and of officers and men of the Naval Reserve who die while on duty; not to exceed $5,000 for contingent expenses and emergencies arising under cognizance of the Bureau of Navigation, unforeseen and impossible to classify; and for the necessary civilian electricians for gyrocompass testing and inspection, $855,000 (composed of "A" item, $755,000, and "B" item, $100,000).

The amendment was agreed to.

The next amendment was, under the subhead "Ocean and lake surveys, Navy", on page 13, line 16, after the word "exceeding", to strike out "two" and insert "three", so as to read:

For hydrographic surveys, including the pay of the necessary hydrographic surveyors, cartographic draftsmen, and recorders, and for the purchase of nautical books, charts, and sailing directions, $90,000 (composed of "A" item, $85,000, and "B" item, $5,000): *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $34,500: *Provided further*, That not exceeding three hydrographic surveyors may be detailed at any one time to the Hydrographic Office, Washington, D. C.

The amendment was agreed to.

The next amendment was, under the subhead "Naval Reserve", on page 14, line 7, after the word "activities", to strike

out "$12,268,000" and insert "$12,068,000"; in line 8, after the word "item", to strike out "$8,540,000" and insert "$8,340,000"; and in line 13, after the word "than", to strike out "$3,283,718" and insert "$3,082,658", so as to read:

For all expenses not otherwise provided for, authorized by the National Reserve Act of 1938, and the act approved April 15, 1935 (49 Stat. 156), as amended, in connection with organizing, administering, recruiting, instructing, training, and drilling the Naval Reserve, including the designing, purchasing, and engraving of medals and trophies; medical supplies and equipment; purchase, maintenance, and operation of ambulances; aviation matériel, equipment, and fuel in connection with the aviation activities of the Naval and Marine Corps Reserve; maintenance and operation of floating equipment; and rental, maintenance, and operation of such shore stations as may be required in connection with Naval Reserve activities, $12,068,000 (composed of "A" item, $8,340,000, and "B" item, $3,728,000), of which amount not more than $8,985,342 (composed of "A" item, $5,257,342, and "B" item, $3,728,000) shall be available, in addition to other appropriations, for and on account of Naval and Marine Corps Reserve aviation; not more than $3,082,658 shall be available, in addition to other appropriations, for all other Naval Reserve activities; and not more than $98,000 shall be available for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department:

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Engineering—Engineering", on page 20, line 23, after the words "in all", to strike out "$39,853,080" and insert "$40,374,080"; in line 24, before the word "and", to strike out "$33,373,080" and insert "$37,494,080"; in the same line, after the word "item", to strike out "$6,480,000" and insert "$2,880,000"; on page 21, line 5, after the word "exceed", to strike out "$2,115,000" and insert "$2,340,000"; and in line 6, after the word "item" where it occurs the first time, to strike out "$2,025,000" and insert "$2,250,000", so as to read:

For repairs, preservation, and renewal of machinery, auxiliary machinery, and boilers of naval vessels, yard craft, and ships' boats, distilling and refrigerating apparatus; repairs, preservation, and renewals of electric interior and exterior signal communications and all electrical appliances of whatsoever nature on board naval vessels, except range finders, battle order and range transmitters and indicators, and motors and their controlling apparatus used to operate machinery belonging to other bureaus; searchlights and fire-control equipments for antiaircraft defense at shore stations; maintenance and operation of coast signal service; equipage, supplies, and materials under the cognizance of the Bureau required for the maintenance and operation of naval vessels, yard craft, and ships' boats; purchase, installation, repair, and preservation of machinery, tools, and appliances in navy yards and stations, accident prevention, pay of classified field force under the Bureau; incidental expenses for naval vessels, navy yards, and stations, inspectors' offices, the engineering experiment station, such as photographing, technical books and periodicals, stationery, and instruments; services, instruments, machines and auxiliaries, apparatus and supplies, and technical books and periodicals necessary to carry on experimental and research work; maintenance and equipment of buildings and grounds at the engineering experiment station, Annapolis, Md.; payment of part-time or intermittent employment in the District of Columbia or elsewhere of such scientists and technicists as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding $25 per diem for any persons so employed, and payment of the travel expenses of such persons if they be members of the Naval Reserve ordered to active duty; in all, $40,374,080 (composed of "A" item, $37,494,080, and "B" item, $2,880,000), of which amount $2,000,000 ("B" item) shall be immediately available: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $2,340,000 (composed of "A" item, $2,250,000, and "B" item, $90,000).

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Construction and Repair—Construction and Repair," on page 22, line 12, after the word "materials", to strike out "$32,511,600" and insert "$33,008,100"; in line 13, after the word "item" where it occurs the first time, to strike out "$25,359,300" and insert "$30,280,300", and in the same line, after the word "item" where it occurs the second time, to strike out "$7,152,300" and insert "$2,727,800", so as to read:

For designing naval vessels, including services, instruments, apparatus, and materials necessary for experimental and research work; payment of part-time or intermittent employment in the District of Columbia, or elsewhere, of such scientists and technicists as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding $25 per diem for any person so employed, and payment of the travel expenses of such persons if they be members of the Naval Reserve ordered to active duty; maintenance, repairs, and alterations of vessels; care and preservation of vessels out of commission; docking of vessels; salvage and salvage services for naval floating property; acquisition and conversion or construction and repair of district and yard craft; purchase and manufacture of equipage, appliances, supplies, and materials at home and abroad as required for the maintenance, repair, alteration, and operation of naval vessels and district and yard craft, carrying on work of the experimental model basin and wind tunnel; tools and appliances for all purposes in navy yards and naval stations; labor in navy yards and naval stations and elsewhere at home and abroad; accident prevention; pay of classified field force, including employees in material inspection and superintending constructors' offices; incidental expenses at navy yards and naval stations and in material inspection and superintending constructors' offices such as photographing, technical and professional books and magazines, plans, stationery, drafting instruments, and other materials, $33,008,100 (composed of "A" item, $30,280,300 and "B" item, $2,727,800), of which amount $2,000,000 ("B" item) shall be immediately available.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Supplies and Accounts—Pay, subsistence, and transportation of naval personnel", on page 25, line 15, after the word "officers", to insert "in addition to chief petty officers of the Naval Reserve called to active duty"; in line 16, after the word "of", to strike out "eleven thousand nine hundred" and insert "eleven thousand one hundred and forty"; in line 20, after the word "of", to strike out "ten thousand three hundred and ninety-five" and insert "nine thousand seven hundred and thirty-one"; on page 26, line 1, after the word "exceed", to strike out "$148,750" and insert "$145,000"; in line 3, before the word "for", to strike out "$28,250" and insert "$24,500"; in line 5, after the word "competition", to strike out "$120,819,388" and insert "$118,935,718"; in line 6, after the word "item", to strike out "$17,404,567" and insert "$15,520,897"; in line 10, after the word "inaptitude", to insert "and to discharged Navy and Marine Corps general courts-martial prisoners,"; in line 16, after the name "Nurse Corps", to strike out "$2,068,284" and insert "$1,525,784"; in line 17, after the word "martial", to insert "and allowances for necessary prison expenses and cash gratuity on discharge of Navy and Marine Corps general courts-martial prisoners"; in line 19, before the word "composed" and the parenthesis, to strike out "$47,200" and insert "$45,720"; in line 21, after the word "item", to strike out "$8,260" and insert "$6,780"; on page 27, line 12, after the word "gratuity", to strike out "$240,240" and insert "$234,240"; in line 13, after the word "item", to strike out "$47,600" and insert "$41,600"; in line 14, after the words "in all", to strike out "$215,820,559" and insert "$213,386,909"; in line 15, before the word "and", to strike out "$193,864,052" and insert "$193,321,552"; in the same line, after the word "item", to strike out "$21,956,507" and insert "$20,065,357"; on page 28, in line 11, before the word "in", to strike out "fifty-seven" and insert "fifty-nine"; and in line 20, after the word "Fleet", to strike out "Naval", so as to read:

Pay of naval personnel: For pay and allowances prescribed by law of officers on sea duty and other duty, and officers on waiting orders, pay $37,089,586, including not to exceed $1,976,991 for increased pay for officers of the Regular Navy for making aerial flights, no part of which shall be available for increased pay for making aerial flights by more than 5 officers above the rank of captain, nor by nonflying officers or observers at rates in excess of those prescribed by law for the Army, which shall be the legal maximum rates as to such nonflying officers or observers; rental allowance, $7,588,406; subsistence allowance, $4,667,576; in all, $49,345,568; officers on the retired list, $13,366,508 (composed of "A" item, $10,969,308 and "B" item, $2,397,200); for hire of quarters for officers serving with troops where there are no public quarters belonging to the Government, and where there are not sufficient quarters possessed by the United States to accommodate them, and hire of quarters for officers and enlisted men on sea duty at such times as they may be deprived of their quarters on board ship due to repairs or other conditions which may render them uninhabitable, $7,525; pay of enlisted men on the retired list, $10,363,766; interest on deposits by men, $11,568; pay of petty officers, in addition to chief petty officers of the Naval Reserve called to active duty (not to exceed an average of 11,140 chief petty officers, of which number those with a permanent appointment as chief petty officer shall not exceed an average of 9,731 seamen, landsmen, and apprentice seamen, including men in the engineer's force and men detailed for duty with the Bureau of

Fisheries, enlisted men, men in trade schools, pay of enlisted men of the Hospital Corps, extra pay for men as authorized by law, and cash prizes (not to exceed $145,000 (composed of "A" item, $120,500, and "B" item, $24,500)) for men for excellence in gunnery, target practice, communication, and engineering competition, $118,935,718 (composed of "A" item, $103,414,821, and "B" item, $15,520,897); outfits for all enlisted men and apprentice seamen of the Navy on first enlistment, civilian clothing not to exceed $15 per man to men given discharges for bad conduct or undesirability or inaptitude, and to discharge Navy and Marine Corps general courts-martial prisoners, reimbursement in kind of clothing to persons in the Navy for losses in cases of marine or aircraft disasters or in the operation of water- or air-borne craft, and the authorized issue of clothing and equipment to the members of the Nurse Corps, $1,525,784; pay of enlisted men undergoing sentence of court martial, and allowances for necessary prison expenses and cash gratuity on discharge of Navy and Marine Corps general courts-martial prisoners, $45,720 (composed of "A" item, $38,940, and "B" item, $6,780) and as many machinists as the President may from time to time deem necessary to appoint; pay and allowances of the Nurse Corps, including assistant superintendents, directors, and assistant directors—pay $618,980 (composed of "A" item, $536,980, and "B" item, $82,000); rental allowance, $38,400; subsistence allowance, $26,280 (composed of "A" item, $25,185, and "B" item, $1,095); pay retired list, $341,067; in all, $1,024,727 (composed of "A" item, $941,632, and "B" item, $83,095); rent of quarters for members of the Nurse Corps; pay and allowances of transferred and assigned men of the Fleet Naval Reserve, $18,515,785 (composed of "A" item, $16,500,000, and "B" item, $2,015,785); reimbursement for losses of property as provided in the act approved October 6, 1917 (34 U. S. C. 981, 982), as amended by the act of March 3, 1927 (34 U. S. C. 983), $10,000; payment of 6 months' death gratuity, $234,240 (composed of "A" item, $192,640 and "B" item, $41,600); in all, $213,386,909 (composed of "A" item, $193,321,552, and "B" item, $20,065,357); and, except during war or national emergency declared by the President to exist, no part of such sum shall be available to pay active-duty pay and allowances to officers on the retired list, except 7 for assignments filled on September 30, 1937, exclusive of assignments at the Naval Mine Depot, Yorktown, Va., and in the Treasury Department, 3 for duty exclusively with the Maritime Commission, 2 for duty exclusively in connection with the naval petroleum reserves, 1 for duty as curator of the Naval Academy Museum, and 1 for duty at the Naval Gun Factory, Washington, D. C., and except retired officers temporarily ordered to active duty as members of retiring and selection boards as authorized by law: *Provided*, That, except for the public quarters occupied by the Chief of Office of Naval Operations, the Superintendent of the Naval Academy, and the Commandant of the Marine Corps, and messes temporarily set up on shore for officers attached to seagoing vessels, to aviation units based on seagoing vessels including officers' messes at the naval air stations, and to landing forces and expeditions, and in addition not to exceed 59 in number at such places as shall be designated by the Secretary of the Navy, no appropriation contained in this act shall be available for the pay, allowances, or other expenses of any enlisted man or civil employee performing service in the residence or quarters of an officer or officers on shore as a cook, waiter, or other work of a character performed by a household servant, but nothing herein shall be construed as preventing the voluntary employment in any such capacity of a retired enlisted man or a transferred member of the Fleet Reserve without additional expense to the Government, nor the sale of meals to officers by general messes on shore as regulated by detailed instructions from the Navy Department;

The amendment was agreed to.

The next amendment was, on page 29, line 1, after the word "rations", to strike out "may be paid to caterers of messes in case of death or desertion, upon orders of the commanding officers, at" and insert "shall be paid at the rate of"; in line 18, after the words "in all", to strike out "$27,260,651" and insert "$26,537,821"; and in line 19, after the word "item", to strike out "$4,929,675" and insert "$4,206,845", so as to read:

Subsistence of naval personnel: For provisions and commuted rations for enlisted men of the Navy, which commuted rations shall be paid at the rate of 50 cents per diem, and midshipmen at 75 cents per diem, and commuted rations stopped on account of sick in hospital and credited at the rate of 70 cents per ration to the naval hospital fund; subsistence of men unavoidably detained or absent from vessels to which attached under orders (during which subsistence rations to be stopped on board ship and no credit for commutation therefor to be given); quarters and subsistence of men on detached duty; subsistence of members of the Naval Reserve during period of active service; subsistence in kind at hospitals and on board ship in lieu of subsistence allowance of female nurses and Navy and Marine Corps general courts-martial prisoners undergoing imprisonment with sentences of dishonorable discharge from the service at the expiration of such confinement; in all $26,537,821 (composed of "A" item, $22,330,976, and "B" item, $4,206,845):

The amendment was agreed to.

The next amendment was, on page 31, line 24, after the words "in all", to strike out "$6,267,800" and insert "$6,128,100", and in line 25, after the word "item" where it occurs the second time, to strike out "$290,336" and insert "$150,636", so as to read:

Transportation and recruiting of naval personnel: For mileage and actual and necessary expenses and per diem in lieu of subsistence as authorized by law to officers of the Navy while traveling under orders, including the cost of a compartment or such other accommodations as may be authorized by the Secretary of the Navy, for security when secret documents are transported by officer messenger, and including not to exceed $5,000 for the expenses of attendance, at home and abroad, upon meetings of technical, professional, scientific, and other similar organizations, when, in the judgment of the Secretary of the Navy, such attendance would be of benefit in the conduct of the work of the Navy Department; for mileage, at 5 cents per mile, to midshipmen entering the Naval Academy while proceeding from their homes to the Naval Academy for examination and appointment as midshipmen, and not more than $7,450 shall be available for transportation of midshipmen, including reimbursement of traveling expenses while traveling under orders, after appointment as midshipmen; for actual traveling expenses of female nurses; for travel allowance or for transportation and subsistence as authorized by law of enlisted men upon discharge; transportation of enlisted men and apprentice seamen and applicants for enlistment at home and abroad, with subsistence and transfers en route, or cash in lieu thereof; transportation to their home, if residents of the United States, of enlisted men and apprentice seamen discharged on medical survey, with subsistence and transfers en route, or cash in lieu thereof; transportation of sick or insane enlisted men and apprentice seamen and insane supernumerary patients to hospitals, with subsistence and transfers en route, or cash in lieu thereof; apprehension and delivery of deserters and stragglers, and for railway, steamship, and airway guides and other expenses incident to transportation; expenses of recruiting for the naval service; rent of rendezvous and expenses of maintaining the same; advertising for and obtaining men and apprentice seamen; actual and necessary expenses in lieu of mileage to officers on duty with traveling recruiting parties; transportation of dependents of officers and enlisted men, $1,506,966 (composed of "A" item, $1,370,686, and "B" item, $136,280); expenses of funeral escorts of naval personnel; actual expenses of officers and midshipmen while on shore-patrol duty, including the hire of automobiles when necessary for the use of shore-patrol detachment; in all, $6,128,100 (composed of "A" item, $5,977,464, and "B" item, $150,636).

The amendment was agreed to.

The next amendment was, on page 32, line 2, after the word "and", to strike out "allowance" and insert "allowances", so as to read:

Naval Reserve personnel on active duty: For pay and allowances for Naval Reserve personnel (exclusive of Fleet Naval Reserve personnel) on active duty with the Navy as provided by law (53 Stat. 819–821), $10,977,997 (composed of "A" item, $2,869,625, and "B" item, $8,108,372).

The amendment was agreed to.

The next amendment was, on page 32, line 11, after the name "the President", to strike out "$260,327,007" and insert "$257,030,827"; in line 12, after the word "item", to strike out "$225,042,117" and insert "$224,499,617", and in line 13 after the word "item", to strike out "$35,284,890" and insert "$32,531,210", so as to read:

In all, for pay, subsistence, and transportation of naval personnel, Naval Reserve aviation officers on active duty, and members of the Naval Reserve when called to active duty in time of war or during the existence of a national emergency declared by the President, $257,030,827 (composed of "A" item, $224,499,617, and "B" item, $32,531,210), and $1,000,000 of such amount shall be available immediately, and the money herein specifically appropriated for "Pay, subsistence, and transportation of naval personnel" shall be disbursed and accounted for in accordance with existing law and shall constitute one fund.

The amendment was agreed to.

The next amendment was, under the subhead "Maintenance, Bureau of Supplies and Accounts", on page 34, line 12, after the word "Establishment", to strike out "$13,870,000" and insert "$13,370,000"; and in line 13, after the word "item", to strike out "$2,700,000" and insert "$2,200,000", so as to read:

For equipage, supplies, and services under the cognizance of the Bureau of Supplies and Accounts, including stationery for commanding, executive, communication, and navigating officers of ships, boards, and courts on ships, and chaplains; commissions, interest, and exchange; ferriage and bridge tolls, including streetcar fares; rent of buildings and offices not in navy yards except for use of naval attachés and recruiting officers; accident prevention; services of civilian employees under the cognizance of the

Bureau of Supplies and Accounts; freight, express, and parcel-post charges, including transportation of funds and cost of insurance on shipments of money when necessary; for transportation on Government-owned vessels, notwithstanding the provisions of other law, of privately owned automobiles of Regular Navy and Marine Corps personnel upon change of station, and ice for cooling drinking water on shore (except at naval hospitals and shops at industrial navy yards), pertaining to the Navy Department and Naval Establishment, $13,370,000 (composed of "A" item, $11,170,000, and "B" item, $2,200,000), of which amount $500,000 shall be available immediately:

The amendment was agreed to.

The next amendment was, under the subhead "Naval supply account fund", on page 35, line 20, before "('B' item)", to strike out "$5,000,000" and insert "$3,000,000", so as to read:

To increase the naval supply account fund established by the act approved March 1, 1921 (31 U. S. C. 644), $3,000,000 ("B" item), and in addition an amount not to exceed such sum or sums as may be deposited from time to time in the Treasury during the fiscal year ending June 30, 1941, to the credit of "Miscellaneous receipts," realized from the sale of old material, condemned stores, supplies, or other surplus public property of any kind belonging to the Navy Department and not otherwise reappropriated.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Medicine and Surgery—Medical Department", on page 37, line 18, after the words "in all", to strike out "$3,327,000" and insert "$3,317,000", and in line 20, after the word "item", to strike out "$300,000" and insert "$290,000", so as to read:

For surgeons' necessaries for vessels in commission, navy yards, naval stations, and Marine Corps; and for the civil establishment at the several naval hospitals, navy yards, naval medical supply depots, Naval Medical Center, Naval Medical School, and Naval Dispensary, Washington, and Naval Academy; for tolls and ferriages; purchase of books and stationery; hygienic and sanitary investigation and illustration; sanitary, hygienic, administrative, and special instruction, including the issuing of naval medical bulletins and supplements; maintenance, repair, and operation of motor-propelled busses; trees, plants, care of grounds, garden tools, and seeds; incidental articles for the Naval Medical Center, Naval Medical School, and Naval Dispensary, Washington, naval medical supply depots, sick quarters at Naval Academy and marine barracks; washing for medical department at Naval Medical Center, Naval Medical School, and Naval Dispensary, Washington, naval medical supply depots, sick quarters at Naval Academy and marine barracks, dispensaries at navy yards and naval stations, and ships; and for minor repairs on buildings and grounds of the Naval Medical School and naval medical supply depots; for dental outfits and dental material; and all other necessary contingent expenses; in all, $3,317,000 (composed of "A" item, $3,027,000, and "B" item, $290,000).

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Yards and Docks—Maintenance, Bureau of Yards and Docks", on page 40, line 8, after the word "each", to insert "one at $1,600", so as to make the proviso read:

Provided, That during the fiscal year 1941 the motor-propelled passenger-carrying vehicles to be purchased hereunder shall not exceed the following respective numbers and costs: Nineteen ("A" item) and two ("B" item) at $600 each, one at $1,600, ten motorbuses at $4,500 each, two passenger-carrying semitrailers at $3,000 each, and motortruck chassis with station-wagon-type bodies as required:

The amendment was agreed to.

The next amendment was, under the subhead "Public Works, Bureau of Yards and Docks", on page 41, line 7, after the word "Docks", to strike out "$41,638,475" and insert "$49,888,475", and in line 8, before the word "and", to strike out "$40,788,475" and insert "$49,038,475", so as to read:

For public works and public utilities, Bureau of Yards and Docks, $49,888,475 (composed of "A" item, $49,038,475, and "B" item, $850,000), which, together with the unexpended balances of appropriations heretofore made under this head, shall be disbursed and accounted for in accordance with existing law and shall constitute one fund, which fund shall be available for the payment of obligations incurred under the provisions of sections 3 and 4 of the act approved April 25, 1939 (Public, No. 43, 76th Cong.), insofar as they relate to naval public works and utilities projects and for part-time and intermittent employment by contract of scientists, technicists, and other personnel and payment of travel expenses of members of the Naval Reserve ordered to active duty.

The amendment was agreed to.

The next amendment was, on page 42, line 17, after the figures "$25,000", to insert a semicolon and "extension of inside machine shop, $185,000; extension of industrial office building, $100,000; conversion of building No. 96 to foundry, $77,000; extension of alternating current electric service, $75,000;", so as to read:

Navy Yard, Portsmouth, N. H.: Submarine barracks and mess hall, $270,000; roads, walks, and services, $25,000; extension of inside machine shop, $185,000; extension of industrial office building, $100,000; conversion of building No. 96 to foundry, $77,000; extension of alternating current electric service, $75,000.

The amendment was agreed to.

The next amendment was, on page 42, line 22, after the figures "$500,000", to insert a semicolon and "improvement of power plant and distributing systems, $445,000; improvement of crane track and extension of turret construction slab, $120,000; extension of yard dispensary, $25,000; additional pier, $650,000; extension of low crane ways at head of building ways No. 3, modify ways for 45,000-ton battleship and replace existing 40-ton shipway cranes with 50-ton cranes, $1,250,000; additional crane for pier No. 2, $125,000; additional weight-handling and transportation equipment, $100,000; modify shipways No. 2 for 45,000-ton battleship and replace existing 40-ton shipway cranes with 50-ton cranes, $575,000", so as to read:

Navy yard, Philadelphia, Pa.: Improvement of piers and quay walls, Reserve Basin, $500,000; improvement of power plant and distributing systems, $445,000; improvement of crane track and extension of turret construction slab, $120,000; extension of yard dispensary, $25,000; additional pier, $650,000; extension of low crane ways at head of building ways No. 3, modify ways for 45,000-ton battleship, and replace existing 40-ton shipway cranes with 50-ton cranes, $1,250,000; additional crane for pier No. 2, $125,000; additional weight-handling and transportation equipment $100,000; modify shipways No. 2 for 45,000-ton battleship and replace existing 40-ton shipway cranes with 50-ton cranes, $575,000.

The amendment was agreed to.

The next amendment was, on page 43, line 13, after the figures "$200,000", to insert a semicolon and "improvement of harbor and channel, $1,000,000", so as to read:

Fourteenth Naval District—Pearl Harbor: Mooring facilities, $200,000; improvement of harbor and channel, $1,000,000.

The amendment was agreed to.

The next amendment was, on page 44, line 18, after the figures "$350,000", to insert a semicolon and "bomb-proof berms enclosing fuel-oil-tank farms, $600,000", so as to read:

Naval fuel depot, Pearl Harbor, Hawaii: Rehabilitation of fuel-oil facilities, $350,000; bomb-proof berms enclosing fuel-oil-tank farms, $600,000.

The amendment was agreed to.

The next amendment was, on page 45, after line 6, to insert:

Submarine base, New London, Conn.: Facilities for commissioning reserve submarines, including improvement of buildings and accessories and water-front development, $2,073,000.

The amendment was agreed to.

The next amendment was, on page 45, after line 10, to insert:

Navy Yard, Boston, Mass.: Improvement of power plant and distributing systems, $445,000; toilet and washrooms for building ways, $20,000; additional weight-handling equipment, $25,000.

The amendment was agreed to.

The next amendment was, on page 45, after line 14, to insert:

Navy Yard, Charleston, S. C.: Motor-generator set at building ways, $100,000; additional cranes for structural and machine shops, $75,000; storehouse and accessories for fitting-out pier, $50,000; cafeteria building and accessories, $125,000; improvement of power plant, $400,000; services to fitting-out pier, $35,000; improvement of foundry building, $25,000; locker and toilet facilities for fitting-out pier, $40,000; additional weight-handling and transportation equipment, $102,000.

The amendment was agreed to.

The next amendment was, on page 45, after line 23, to insert:

Navy Yard, Mare Island, Calif.: Steam test plant and accessories, $170,000; additional crane in structural shop, $17,000; subassembly facilities extension to building No. 382, $50,000; rearrangement and relocation of shops, $500,000; improvement and extension of administration building, $250,000.

The amendment was agreed to.

The next amendment was, on page 46, after line 5, to insert:

Navy Yard, New York, N. Y.: Storehouse and accessories, $2,000,000; improvement of cranes, $35,000; two drydock cranes, $225,000; improvement of shop buildings, $200,000; facilities for fabrication of armored decks, $150,000; improvement of power plant, $500,000; outside power connection to public-utility company, $100,000; fitting-out crane on pier G, $125,000; modify building ways No. 1 to take 45,000-ton battleship, $1,500,000.

The amendment was agreed to.

The next amendment was, on page 46, after line 13, to insert:

Navy Yard, Norfolk, Va.: Extension of machine-shop building, $600,000; additions and repairs to shop cranes, $25,000; additional weight-handling and transportation equipment, $75,000; power distribution and lighting in shops, $35,000; additional outdoor plate storage yard and facilities, $40,000; increase capacity of shipway cranes, $90,000.

The amendment was agreed to.

The next amendment was, on page 46, after line 20, to insert:

Navy Yard, Puget Sound, Wash.: Improvement of air generation and distribution, $120,000.

The amendment was agreed to.

The next amendment was, on page 46, after line 22, to insert:

Navy Yard, Washington, D. C.: Improvement of pneumatic system, $50,000; improvement of steam-distribution system, $25,000; extension of buffing shop, $50,000; extension of machine shop, $375,000; general utility shop (paint, pipe, sheet metal, and maintenance), $75,000; storage buildings and accessories at Bellevue, $50,000.

The amendment was agreed to.

The next amendment was, on page 47, after line 4, to insert:

Naval Proving Ground, Dahlgren, Va.: Magazine and accessories, $35,000.

The amendment was agreed to.

The next amendment was, on page 47, after line 6, to insert:

Naval torpedo station, Newport, R. I.: Explosive manufacturing building and accessories, $200,000.

The amendment was agreed to.

The next amendment was, on page 47, after line 8, to insert:

Naval Medical Center, Washington, D. C.: Accessory construction, $992,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Aeronautics—Aviation, Navy", on page 48, line 19, after the word "accessories", to strike out "$46,083,400" and insert "$41,083,400"; in line 24, after the words "in all", to strike out "$99,202,900" and insert "$94,202,000"; and in line 25, before the word "and", to strike out "$89,402,900" and insert "$84,402,900", so as to read:

For aviation, as follows: For navigational, photographic, aerological, radio, and miscellaneous equipment, including repairs thereto, for use with aircraft built or building on June 30, 1940, $1,206,500 (composed of "A" item, $1,015,200, and "B" item, $191,300); for maintenance, repair, and operation of aircraft factory, air stations, fleet air bases, fleet and all other aviation activities, accident prevention, testing laboratories, overhauling of planes, technical periodicals, and the purchase for aviation purposes only of special clothing, wearing apparel, and special equipment, $44,412,800 (composed of "A" item, $34,804,100, and "B" item, $9,608,700), including not to exceed $30,000 for the procurement of helium, which sum of $30,000 shall be transferred to and made available to the Bureau of Mines on July 1, 1940, in addition to which sum the Bureau of Mines may use for helium-plant operation in the fiscal year 1941 the unexpended balance of funds transferred to it for such operation in the fiscal year 1940, and the Bureau may lease, after competition, surplus metal cylinders acquired for use as helium containers; for continuing experiments and development work on all types of aircraft, including the payment of part-time or intermittent employment in the District of Columbia or elsewhere of such scientists and technicists as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding $25 per diem for any person so employed and payment of the travel expenses of such persons if they be members of the Naval Reserve ordered to active duty, $7,500,200 ("A" item); for new construction and procurement of aircraft and equipment, spare parts and accessories, $41,083,400 ("A" item), of which amount not to exceed $20,000,000 shall be available for the payment of obligations incurred under the contract authorization carried in the Navy Appropriation Act for the fiscal year 1940; in all, $94,202,900 (composed of "A" item, $84,402,900, and "B" item, $9,800,000), and the money herein specifically appropriated for "aviation" shall be disbursed and accounted for in accordance with existing law and shall constitute one fund.

The amendment was agreed to.

The next amendment was, on page 49, line 15, after the words "in excess of", to strike out "$10,000,000" and insert "$25,000,000", so as to make the additional proviso read:

Provided further, That in addition to the amount herein appropriated, the Secretary of the Navy may, prior to July 1, 1942, enter into contracts for the production and purchase of new airplanes and their equipment, spare parts and accessories, to an amount not in excess of $25,000,000.

The amendment was agreed to.

The next amendment was, under the heading "Replacement of naval vessels", on page 58, line 9, after the word "cruisers", to strike out "of subcategory (b)", so as to read:

Construction and machinery: On account of hulls and outfits of vessels and machinery of vessels heretofore authorized (and appropriated for in part), and for the commencement of the following vessels authorized by the act approved May 17, 1938 (52 Stat. 401–403), one battleship, one aircraft carrier, two cruisers, eight destroyers, two submarines, one submarine tender, one seaplane tender, two small seaplane tenders and one minesweeper, and for the following vessels authorized by the act of March 27, 1934 (48 Stat. 501), one battleship and four submarines, $259,071,979, to remain available until expended, of which sum $50,000,000 shall be immediately available.

The amendment was agreed to.

The next amendment was, on page 59, after line 23, to strike out:

Neither the appropriation "Replacement of naval vessels, construction and machinery," nor the appropriation "Replacement of naval vessels, armor, armament, and ammunition," shall be available for expenditure for any work of any character (including material) undertaken upon ships commissioned prior to July 1, 1939, nor as to any ship commissioned subsequently to such date after 12 months shall have elapsed from commissioning date.

And in lieu thereof to insert:

Neither the appropriation "Replacement of naval vessels, construction and machinery," nor the appropriation "Replacement of naval vessels, armor, armament, and ammunition," shall be available for obligation for any purpose as to ships commissioned prior to July 1, 1939, nor as to any ship commissioned subsequent to such date after 12 months shall have elapsed from commissioning date.

The amendment was agreed to.

The next amendment was, under the subhead "General provisions," on page 62, line 16, before the word "upon", to strike out "carrier" and insert "carrier," so as to read:

No part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person or persons having charge of the work of any employee of the United States Government while making or causing to be made with a stop watch or other time-measuring device a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work; nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant; and no part of the moneys herein appropriated for the Naval Establishment or herein made available therefor shall be used or expended under contracts hereafter made for the repair, purchase, or acquirement, by or from any private contractor, of any naval vessel, machinery, article, or articles that at the time of the proposed repair, purchase, or acquirement can be repaired, manufactured, or produced in each or any of the Government navy yards or arsenals of the United States, when time and facilities permit, and when, in the judgment of the Secretary of the Navy, such repair, purchase, acquirement, or production would not involve an appreciable increase in cost to the Government, except when the repair, purchase, or acquirement, by or from any private contractor, would, in the opinion of the Secretary of the Navy, be advantageous to the national defense: *Provided*, That nothing herein shall be construed as altering or repealing the provisos contained in the acts to authorize the construction of certain naval vessels, approved February 13, 1929, and March 27, 1934, which provide that the first and succeeding alternate vessels in each category, except the 15,000-ton aircraft carrier, upon which work is undertaken, together with the main engines, armor, and armament, shall be constructed or manufac-

tured in the Government navy yards, naval gun factories, naval ordnance plants, or arsenals of the United States, except such material or parts as are not customarily manufactured in such Government plants.

The amendment was agreed to.

The next amendment was, under the heading "Navy Department—salaries", on page 63, line 12, after the word "boards", to strike out "$12,360" and insert "$13,980"; in line 19, after the word "Operations", to strike out "$86,900" and insert "$87,600"; in line 20, after the word "item", to strike out "$76,500" and insert "$77,200"; on page 64, line 1, after the word "Intelligence", to strike out "$110,580" and insert "$111,300"; in line 2, after the word "item", where it occurs the second time, to strike out "$31,080" and insert "$31,800"; in line 6, after the word "Office", to strike out "$458,820" and insert "$463,420"; and in line 7, before the word "and", to strike out "$418,320" and insert "$422,920"; and on page 65, line 5, after the word "exceed", to strike out "$125,000" and insert "$172,800", so as to read:

For compensation for personal services in the District of Columbia, as follows:

Office of the Secretary of the Navy: Secretary of the Navy, Assistant Secretary of the Navy, and other personal services, $211,230 (composed of "A" item, $207,810, and "B" item, $3,420).

General Board, $12,220 ("A" item).

Naval examining and retiring boards, $13,980 ("A" item).

Compensation board, $7,700 ("A" item).

Office of Naval Records and Library, $34,360 ("A" item).

Office of Judge Advocate General, $132,520 (composed of "A" item, $126,620, and "B" item, $5,900).

Office of Chief of Naval Operations, $87,600 (composed of "A" item, $77,200, and "B" item, $10,400).

Board of Inspection and Survey, $21,360 ("A" item).

Office of Director of Naval Communications, $169,540 (composed of "A" item, $142,000, and "B" item, $27,540).

Office of Naval Intelligence, $111,300 (composed of "A" item, $79,500, and "B" item, $31,800).

Bureau of Navigation, $567,920 (composed of "A" item, $494,000, and "B" item, $73,920).

Hydrographic Office, $463,420 (composed of "A" item, $422,920, and "B" item, $40,500).

Naval Observatory, including $2,500 for pay of computers on piece work in preparing for publication the American Ephemeris and Nautical Almanac and in improving the tables of the planets, moon, and stars, $189,920 (composed of "A" item, $178,120, and "B" item, $8,800), of which amount of $8,800 not to exceed $3,600 may be expended for rental of tabulating and other mechanical equipment.

Bureau of Engineering, $310,480 ("A" item).

Bureau of Construction and Repair, $347,479 ("A" item).

Bureau of Ordnance, $150,000 ("A" item).

Bureau of Supplies and Accounts, $928,140 (composed of "A" item, $811,460, and "B" item, $116,680).

Bureau of Medicine and Surgery, $152,510 (composed of "A" item, $102,270, and "B" item, $50,240).

Bureau of Yards and Docks, $276,000 ("A" item).

Bureau of Aeronautics, $360,400 ("A" item): *Provided*, That the services of technical and clerical personnel may be employed only in the Bureau of Aeronautics in connection with the design and construction of aircraft, to be paid from the appropriation "Aviation, Navy, 1941": *Provided further*, That the expenditures on this account for the fiscal year 1941 shall not exceed $172,800.

The amendment was agreed to.

The next amendment was, on page 65, line 6, after the word "Department", to strike out "$4,537,439" and insert "$4,545,079"; in line 7, after the word "items", to strike out "$4,168,959" and insert "$4,175,879"; and in line 8, after the word "items", to strike out "$368,480" and insert "$369,200", so as to read:

In all, salaries, Navy Department, $4,545,079 (composed of "A" items, $4,175,879, and "B" items, $369,200).

The amendment was agreed to.

The next amendment was, on page 72, after line 10, to strike out:

SEC. 6. No part of any appropriation contained in this act shall be used for alterations to destroyers No. DD 409 to DD 444, inclusive, to improve stability.

The amendment was agreed to.

The next amendment was, on page 72, after line 13, to strike out:

SEC. 7. No part of any appropriation contained in this act shall be used, directly or indirectly, after January 1, 1941, for the payment of any civilian for services rendered by them on the Canal Zone while occupying a skilled, technical, clerical, administrative, or supervisory position, unless such person is a citizen of the United States of America.

The amendment was agreed to.

The next amendment was, on page 72, after line 19, to insert:

SEC. 6. No part of any appropriation contained in this act shall be used directly or indirectly after May 1, 1941, except for temporary employment in case of emergency, for the payment of any civilian for services rendered by him on the Canal Zone while occupying a skilled, technical, clerical, administrative, executive, or supervisory position unless such person is a citizen of the United States of America or of the Republic of Panama: *Provided, however,* (1) That at no time shall the number of Panamanian citizens employed in the above-mentioned positions exceed the number of citizens of the United States so employed, if United States citizens are available in continental United States or on the Canal Zone; (2) that nothing in this act shall prohibit the continued employment of any person who shall have rendered 15 or more years of faithful and honorable service on the Canal Zone; (3) that in the selection of personnel for skilled, technical, administrative, clerical, supervisory, or executive positions the controlling factors in filling these positions shall be efficiency, experience, training, and education; (4) that all citizens of Panama and the United States rendering skilled, technical, clerical, administrative, executive, or supervisory service on the Canal Zone under the terms of this act shall (a) normally be employed not more than 40 hours per week, (b) shall receive as compensation equal rates of pay based upon rates paid for similar employment in continental United States plus 25 percent.

The amendment was agreed to.

The PRESIDING OFFICER. That concludes the committee amendments.

Mr. McNARY. Mr. President, earlier in the day I requested the able Senator in charge of the bill [Mr. BYRNES] to state the amount of money to be expended for construction. What amount of this huge appropriation is for maintenance?

Mr. BYRNES. It would be difficult to say offhand. In addition to the amount I read for construction costs—approximately $300,000,000 for construction of ships—there are many other items, for construction of aircraft, and so forth. There is a break-down.

Mr. McNARY. That would leave approximately $750,000,000 for maintenance.

Mr. BYRNES. I do not think that would be quite a fair conclusion.

Mr. McNARY. I am simply in pursuit of information. I am curious to know, and I want the RECORD to show, how much of this large appropriation is for maintenance.

Mr. BYRNES. I understood the inquiry of the Senator. I regret that I do not have the answer in mind. I have put into the RECORD the figures for maintenance for every other year, and I shall have the figures broken down and put into the RECORD for this year. It would not follow from my statement as to the amount for construction of ships that the remainder of the appropriation is for maintenance, because some of it is for construction of other things. I have asked the clerk to ascertain the exact amount, so that I may give it to the Senator while the bill is still under consideration.

Mr. McNARY. I should prefer to have the information today, if we are to pass the bill today, rather than tomorrow.

Mr. BYRNES. I have asked the clerk to ascertain the figures, and he is now working on them.

Mr. McNARY. Will that information consist of a break-down?

Mr. BYRNES. Yes.

Mr. McNARY. I shall withhold further questions until it is offered for the RECORD.

Mr. BYRNES. I will say to the Senator that it involves excluding the amount for some public works, for example. I have in the break-down the amount for construction of aircraft.

Mr. McNARY. Does the break-down show the number of officers, high and low, and their salaries, as well as the number of employees, and the average wages?

Mr. BYRNES. No.

Mr. McNARY. How much of the figure for maintenance is represented by wages?

Mr. BYRNES. I can give the figure as to maintenance. The information does not show the exact number of commissioned personnel. I can give the Senator the enlisted personnel and the cost, but I cannot break it down to show the compensation of the officers of various grades.

Mr. McNARY. Does the break-down indicate the number of officers of all ranks?

Mr. BYRNES. Yes; all the commissioned officers.

Mr. McNARY. And the aggregate salaries or compensation?

Mr. BYRNES. The break-down will show the aggregate; yes.

Mr. McNARY. I should like to have that information. If we are considering this bill as an appropriation for expanding the Naval Establishment for national defense, I do not understand why three-fourths of the appropriation should be used for maintenance.

Mr. BYRNES. It depends on the definition of "maintenance." As I stated to the Senator, $100,000,000 is for the aviation branch of the Navy Department. Of that amount, $46,000,000——

Mr. McNARY. That is not for construction of ships or planes, is it?

Mr. BYRNES. Forty-six million dollars is for construction of planes.

Mr. McNARY. Of the $100,000,000, $46,000,000 is for the construction of planes?

Mr. BYRNES. Yes.

Mr. McNARY. And the remainder is for personnel?

Mr. BYRNES. Oh, no. In addition to construction, it involves the servicing and repair of planes, which items increase with the number of planes. The amount for personnel would not be any such figure. I should have in mind the exact amount for personnel. I have it among the papers.

Mr. McNARY. I do not expect the Senator to have it in his mind. That is too big a chore for anyone.

Mr. BYRNES. I am unable to give it to the Senator. I was trying to calculate it in my mind. By reason of the reduction of 5,000 men which we made, there was a reduction of approximately $10,000,000, but I shall have to ask the clerk to ascertain for me the exact number of personnel and the amount for commissioned personnel and enlisted men. I shall hand the information to the Senator within 5 or 10 minutes.

Mr. LODGE. Mr. President, I understand that the bill is now open to amendment.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment.

Mr. LODGE. I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Massachusetts will be stated.

The CHIEF CLERK. On page 48, lines 20 and 21, it is proposed to strike out "of which amount not to exceed $20,000,000 shall be available" and in lieu thereof to insert the following: "all of which shall be obligated prior to July 1, 1941, and not to exceed $20,000,000 of which shall be available."

Mr. LODGE. Mr. President, this is a very simple amendment. The purpose of it is to make sure beyond any doubt that the money which is appropriated in this bill for new airplanes for the Navy shall be devoted entirely to acquiring new airplanes for the Navy before the end of the next fiscal year. Congress has repeatedly expressed itself in favor of a proper air force for the United States Navy, and has authorized the construction of a large number of airplanes for that purpose. The appropriation in the pending bill calls for 352 new airplanes for the Navy. At the present time we have the policy of helping foreign nations to buy American-made airplanes. This amendment does not oppose that policy. It simply provides that the Navy shall have its regular quota, even if some of the foreign nations may have to wait a little while.

My amendment has been worked out with the officers of the Navy Department. Admiral Towers, Chief of the Bureau of Aeronautics of the Navy Department, has expressed himself to me as in sympathy with it. It is within the rule; it is not legislation on an appropriation bill, and it simply makes sure the Navy will get its quota.

I presented this amendment in the subcommittee where, as I recall, the vote was 4 to 3 in opposition to it, and then again in the full committee, where the vote was 10 to 7.

The only argument I have heard advanced against it, if it can be called an argument, is that if there should be a disarmament conference next spring the Navy would have to buy 352 new airplanes, and that would be the straw that would break the camel's back of world peace.

Mr. President, I do not think that is a very impressive argument. I think Senators are perfectly capable of making up their own minds as to the possibility of a disarmament conference during the next fiscal year, and also as to the question of whether the mere fact that the United States Navy was directed to acquire 352 new airplanes would be sufficient to prevent the arrival of world peace.

It is, in the language of the business world, a case of "execute or cancel." If we are going to appropriate this money for airplanes, let us be sure that the money is all obligated for that purpose. Let us either fish, cut bait, or row ashore. Let us make it perfectly clear that, regardless of what our sympathies with foreign nations may be, we believe in preparedness for ourselves, and let us adopt this amendment which will insure that no matter what happens in the foreign field the United States Navy will be properly equipped with airplanes.

The amendment is not aimed at any foreign country; it is not antianything; it is a pro-American amendment; and it will simply mean, if it shall be adopted, that the United States Senate will have recorded itself in favor of the United States Navy.

Mr. BYRNES. Mr. President, when the Senator from Massachusetts first offered this amendment it provided that the Navy, by June 30, 1941, must spend the amount of money that was carried in this bill. That meant if the airships which they thought best for the purpose of national defense could not be delivered, they would have to buy any kind of planes in order to get rid of the money. Ordinarily in the appropriation bills we have provided funds for expenditure by departments without any requirement that those in control of the Department would either have to spend it or go to jail, for instance. There is never any lack of desire on the part of officials of the departments to spend money appropriated for them.

When the Senator's amendment provided that the money appropriated must be spent by the end of the fiscal year 1941, I knew that there might arise a situation toward the end of the year when we would have such a condition that it would be called "hot money" and the Department would have to get rid of it. The Senator then changed his amendment and it now reads:

> To require the obligation by the Department of the amount of cash provided in this bill for planes.

Of the amount provided, only $21,000,000 would be affected. Twenty million dollars is appropriated for the payment of planes already contracted for which will be delivered during the fiscal year. Twenty-one million dollars is available for contracts for new planes.

The Chief of the Aviation Bureau urged the committee to increase the amount of money that would be available for the purchase of planes. There was no intimation on the part of those in charge of the purchase of planes that they would withhold the obligation of the purchase of planes; on the contrary, they want more money than is provided in this bill for the purchase of planes.

Under the circumstances the amendment would not accomplish the purpose the Senator originally had in mind. The amendment would do nothing more now than require the Navy Department to place contracts for $21,000,000 worth of planes before the expiration of the fiscal year 1941. If the Department should not make contracts and should not obligate the $21,000,000 before the end of the fiscal year, the only result would be that the money would go back into

the Treasury. That is what Admiral Towers, Chief of the Bureau of Aeronautics, advised the Senator from Massachusetts.

Boiled down, it means then that, on the one hand, if the bill provides appropriations for the Navy Department just as appropriations are provided for all other departments, this money will be available to the Chief of the Bureau of Aeronautics, and he must contract for planes of the value of $21,000,000 before June 30, 1941.

The Chief of the Bureau of Aeronautics advised the committee and advised the Senator from Massachusetts that he expects to obligate the $21,000,000 immediately after the beginning of the new fiscal year. He would like to have more money to obligate. There can be no question about its being obligated.

Mr. McNARY. Mr. President——

Mr. BYRNES. I yield to the Senator from Oregon.

Mr. McNARY. I assume from the argument that the language of the amendment is mandatory and that the implication is that what the amendment proposes must be done?

Mr. BYRNES. Yes.

Mr. McNARY. The Senator is saying now that it is the intention of those in charge of the Department to do this particular thing?

Mr. BYRNES. I am saying that, if it is not done, the money goes back into the Treasury.

Mr. McNARY. What objection, then, can there be to including this language in the bill?

Mr. BYRNES. There is this objection: I say that if it is not obligated it goes back into the Treasury. That would be the penalty on the Navy Department for not obligating it. To my mind that would be no penalty. If the amendment were adopted, the money would not under any circumstances go back into the Treasury.

Mr. McNARY. The money will be expended anyway; will it not?

Mr. BYRNES. It is my belief it will be, and that is the statement of the Chief of the Bureau of Aeronautics.

Mr. McNARY. So why not include it in the bill?

Mr. BYRNES. Then, why include it in the bill? My reason is that such a provision has never been included in any other bill, except, as I recall, in two instances. In the history of the Congress it has been done only twice. It was done then only because the member of the Cabinet in charge of the expenditure of funds refused to spend the money for the purposes it was appropriated for by the Congress, and the subsequent Congress required the expenditure. In this case there is no refusal on the part of the executive department to expend the money. Why should the Congress say to this one particular bureau this money must be contracted for whether you want to or not?

Mr. McNARY. Let us put the amendment in the bill simply to "make assurance double sure." There will be some satisfaction in that.

Mr. BYRNES. If it is not made certain, what is the penalty? The penalty is that it goes back into the Treasury. Would it not be a fortunate thing at some time in the existence of the Government if money was not expended and went back into the Treasury? That is the only purpose of framing the appropriation bills as they are framed.

Mr. WILEY. Mr. President——

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Does the Senator from South Carolina yield to the Senator from Wisconsin?

Mr. BYRNES. I yield.

Mr. WILEY. Is it not the crux of the whole matter that we want to know that the Navy will have the airplanes for use in case they are needed? In other words, there is much discussion about what we are doing in America in relation to airplanes. I read in the press not long ago something to the effect that we were going to be so efficient at the end of a certain term, a year or so, that we would be able to produce about 1,500 airplanes a month. I was informed by a Senator just a few moments ago that the production in America in January was only 351 planes.

The point, as I get it, of the Senator's amendment is to make sure that if there is going to be a minimum of airplanes produced we, at least, will have them, and not some foreign country. What are the facts as to the production of airplanes?

Mr. BYRNES. I know what the Senator refers to. I have inquired about that. It is somewhat difficult to make a definite statement, because there can only be an estimate. However, the best estimate of the officials of the Navy Department and the Bureau of Aeronautics is in accord with the statement suggested by the Senator from Wisconsin, not based on what was done last January but based upon the expansion of facilities now going on in this country, that within 12 months it would be possible to produce in this country at least 1,500 planes a month. There is not any question about the increase of plant capacity.

Another reason why I object to the amendment is that there is no justification for questioning the Navy Department. The records of the Navy Department show no delay in the purchase of planes. Only one instance arose, and that was in the case of the Brewster Co., involving 44 planes which the Finns wanted. An unusually effective engine had been developed, and the Navy Department wanted to have that engine included in its planes; and when it inquired as to including it, it found it would cost a great deal of money to change the planes in order to put the new engine into the planes. The Brewster Co. then advised the Navy Department that they had an order from the Finnish Government for 44 planes. Six or eight of the planes had already been delivered to the Finns. The entire 44 planes were delivered to the Finns; and, as a result, the Navy Department got 44 other planes equipped with the new engine which were 30 miles an hour faster than the ones they had contracted for, without paying an additional dollar for them; and no delay was occasioned to the Navy, because the Navy had arranged with the Army in the meantime to furnish planes to be sent to Florida, where there is a training school for aviators. No delay was involved; and, as a matter of fact, we know that this expansion has been going on, and there is not any question about our getting planes.

The Navy Department advises me that the Pratt-Whitney Co. had a contract for 200 fighting planes; and, because of the plant expansion, the Pratt-Whitney Co. advised the Navy that they could reduce the unit price to such an extent that the Navy Department saved $584,000 on the planes.

So there is not any occasion for questioning the statement of the Navy. If anyone wants to question the statements of the Navy, he has the assurance that all that will happen, if the money is not spent, is that it will go back into the Treasury. Therefore, why for the first time in the history of action upon a naval appropriation bill require that the money be obligated and not permitted under any circumstances to go back into the Treasury?

That is not the reason for this amendment, however. The Senator from Massachusetts has stated the reason. The Senator from Massachusetts simply wants the Senate to go on record as stating that the Senate believes that this money which the Navy is asking for planes will not be obligated by somebody in authority in the Navy Department, but will be held back. He wants the Senate to say that it believes the Navy would do that to the injury of the national defense of this country. There is nothing in the history of the Navy Department to justify it. If the Navy Department refused to spend the money, it would be different.

The Senator says the statement was made by the admiral in charge of the Bureau that he had no objection to his proposal. I shall read what the admiral said. I have a letter which was written on the day following; and the substance of that letter, boiled down, is this:

> The proposal first advanced by Senator LODGE to incorporate language in the bill requiring that we expend during the fiscal year 1941 the entire amount of the cash appropriation for new aircraft might well be a serious handicap to us. Aircraft are paid for upon delivery, and, while our estimates of cash requirements are based upon anticipated deliveries, they are at best only an intelligent guess. * * *
>
> Moreover, it would be necessary to contract for the entire year's program immediately in order to utilize the full year productively.

Mr. LODGE. That language does not apply to this amendment.

Mr. BYRNES. No; I am going to get down to it. I am trying to find the place in the letter which does refer to it. This letter was written after the Senator offered the amendment he now has; but I must say the first part of it refers to the expenditure.

Then the Admiral says:

After discussing the above matter with you yesterday afternoon, I saw Senator LODGE and discussed it briefly with him. He told me that while he had intended endeavoring to get language inserted requiring actual "expenditure" of the cash, he had decided to substitute "obligation", and asked me if I saw any objection. I told him that obligation was a usual practice and is intended for next year, and that there was no need for any language requiring it.

And this is what the Chief of the Bureau of Aeronautics says:

It is, in fact, required under the law; otherwise unobligated funds revert to the Treasury.

That is the position of the Chief of the Bureau of Aeronautics—that what is proposed in the amendment is unnecessary because it is now required by law, and there is not any necessity for adopting language which would even intimate that the Chief of the Bureau of Aeronautics is not going to contract for the delivery of these planes.

Mr. LODGE. Mr. President, I should like briefly to rebut some of the arguments made by the Senator from South Carolina.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from Oregon.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McKELLAR in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	Johnson, Colo.	Schwellenbach
Ashurst	Downey	King	Sheppard
Austin	Ellender	La Follette	Slattery
Bailey	George	Lee	Smathers
Bankhead	Gerry	Lodge	Stewart
Barbour	Gibson	Lucas	Taft
Barkley	Gillette	Lundeen	Thomas, Idaho
Bone	Glass	McKellar	Thomas, Okla.
Bulow	Green	McNary	Thomas, Utah
Burke	Guffey	Maloney	Tobey
Byrd	Gurney	Mead	Truman
Byrnes	Hale	Miller	Tydings
Capper	Harrison	Minton	Vandenberg
Caraway	Hatch	Murray	Van Nuys
Chandler	Hayden	Neely	Wagner
Chavez	Herring	Norris	Walsh
Clark, Idaho	Hill	O'Mahoney	Wheeler
Clark, Mo.	Holman	Overton	White
Connally	Holt	Reed	Wiley
Danaher	Hughes	Russell	
Davis	Johnson, Calif.	Schwartz	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

Mr. LODGE. Mr. President, I wish to address myself briefly again to the amendment, the effect of which would be to earmark 352 airplanes for the Navy regardless of what the policy may be insofar as furnishing airplanes to foreign governments is concerned.

I will try to take up the various points the Senator from South Carolina raised. One of the points to which he referred was the fact that there was not precedent for a motion of this kind. That is an argument which never has a very strong appeal to me. If something is good, we should do it even if it has never been done before. I am sure the Senator from South Carolina, like many other Senators, has not hesitated to vote in favor of policies which were unprecedented when he thought they were good.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. VANDENBERG. The Senator has a very distinguished example in the White House of the policy to which he adverts.

Mr. LODGE. I am grateful to the Senator from Michigan for reminding me of that. I think no one has been less bothered by precedents than has the President of the United States himself.

As a matter of fact, this is not an unprecedented course. I will not burden the Senate with many details, but I have a memorandum prepared for me by the Senate counsel, and I will quote just one sentence from it, without bothering to read all the instances. He states:

The purpose of the amendment is not novel, but is in conformity with well-recognized practices and principles.

I am particularly struck with the fact that there is a precedent for doing this in the speech the able Senator from South Carolina delivered earlier in the day in support of appropriating funds for battleships. I listened to that able utterance with great admiration, and I jotted down some of the words the Senator used. When he was referring to a battleship, he said:

I want it finished. I want that ship upon the sea.

Mr. President, that is exactly the philosophy I seek to apply to these airplanes; I want to see them built for the Navy. I want to see them in the air, flying for the United States Navy.

Mr. President, the Senator says that to vote for an amendment of this kind is to cast some sort of reflection upon the patriotism of the Navy Department, and upon the conscientiousness of the Chief of the Bureau of Naval Aeronautics. Of course, nothing is further from my thought, and I think nothing is further from the truth. Admiral Towers, who is the head of the Bureau of Naval Aeronautics, is an able and excellent officer. If I am not mistaken, he was one of the first men ever to fly across the Atlantic. He is in every way a patriot. But the real answer is that naval policy is not finally decided in the Navy Department. When we come to the neutrality patrol, who decides that? It is not the Navy Department that decides it; it is decided by the State Department; it is decided by the President; it is decided by a host of other officials. It is not decided by the men in uniform. When we go to a disarmament conference at Geneva or have a disarmament conference in Washington, it is not the Navy Department which decides the policy that is to be followed. That is a question of foreign policy; it is a question of diplomacy; it is a question involving many other factors.

Of course, the Navy Department wants to have these planes, and that is why they are in sympathy with this amendment. But they do not decide the matter. In answer to the question of the Senator from South Carolina when he asked, "Why include it?", I say there are forces and influences which are superior to the Navy Department which might sometime say, "Well, we will just let the Navy go without its planes this year." This is in no way a reflection on the patriotism of the Navy. It is merely an attempt to make sure that civilian influences and political influences and diplomatic influences will not come in sometime next year and prevent the Navy from getting its quota of 352 airplanes.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. LUNDEEN. Will the able Senator tell us why we are not getting these planes? We voted for some thousands of planes for the Navy last year; 6,000, I believe. What became of them?

Mr. LODGE. I think 40 of those planes went to Finland. My able friend the Senator from South Dakota [Mr. GURNEY], who is a close student of these matters, and who has traveled all over the United States visiting airplane factories as a member of the Committee on Military Affairs, advises me that in January the total production of airplanes in this country was 351.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. LODGE. I will yield to the Senator as soon as the Senator from Minnesota has concluded his questions.

Mr. LUNDEEN. Is it not true that a part of our Army and Navy has been transferred to the Allied Powers in fighting

planes? Is there anything to the report we see in the press that these planes are going to the allied nations?

Mr. LODGE. I do not know whether there is or not, but the persistence of the report, and the constant recurrence of authoritative dispatches stating that our aviation industry is going to be devoted to foreign purposes, leads me to believe that my proposal would provide an excellent safeguard.

I now yield to the Senator from Indiana.

Mr. MINTON. Mr. President, when the statement was made on the floor of the Senate a few days ago that the capacity of our airplane factories was measured by the output of January, I took occasion to call up the Assistant Secretary of War, Mr. Johnson, who probably has given more attention to this matter than anyone else. He advised me that the figure for January was low because at that time the aviation industry was just shifting into mass production of planes, and that it was the judgment of the industry, notwithstanding the fact that the production in the month of January was only 351, that during this year they would have a capacity of 17,000 planes a year, and that if the industry progressed as it is progressing now in another year they would have a capacity of 30,000 or 40,000 planes a year.

Mr. LODGE. I am delighted to hear that, and I am much obliged to the Senator from Indiana for telling me about it. Of course that makes it all the more reasonable for us to insist that with the total production of 30,000 or 40,000 airplanes the Senator speaks of, at least the United States Navy should be guaranteed this modest quota of 350. I am very glad the Senator called that to my attention.

Mr. President, I do not think this is an unnecessary thing to do. I believe that we have a primary duty to the United States of America. I am not nearly so sure as are some other Senators that the wishes of the uniformed men of the Navy are going to constitute the policy of the United States Navy next year. They certainly never have in the past. I make the prediction that if the Senate refuses to earmark 350 planes out of its own appropriation for naval airplanes, there will be many persons throughout the country who will interpret it as a sign on our part that we think foreign needs should come ahead of ours, and I am sure we would not want to have such an impression created.

Therefore, Mr. President, I hope my amendment will be adopted. I ask for the yeas and nays.

Mr. BYRNES. Mr. President, I desire to say a word with reference to the remarks of the Senator from Massachusetts. He says that failure of the Senate to adopt an amendment which is entirely unlike the language of the other portions of the bill, and all other appropriation bills, will be construed throughout the country as an intention on the part of the Government of the United States not to purchase these planes. There is no justification for that statement. There is no one in the United States, unless it be the Senator from Massachusetts, who believes that when the Navy Department is given authority to obligate itself for the purchase of planes, it will not purchase them. The Navy Department has said that it will purchase the planes. The Chief of the Bureau of Aeronautics has told the Senator from Massachusetts, as he told the Senator from South Carolina, that the Navy will purchase the planes.

But the Senator from Massachusetts has said that he does not believe that the men in uniform will have anything to do with the policy because they have not had in the past. He says that someone higher up will make the decision. He says that his proposal is not a reflection upon the Navy, because he believes the Navy would do it, but the Navy will be stopped by the Secretary of State or by the President. He says it is not a reflection on the Navy. In his opinion, it is a reflection upon the Secretary of State or the President. That is the purpose of the amendment. That is why I resent the proposal. That is why I object to it.

The Senator from Massachusetts says, "Yes; the Navy will buy the planes when they say they will buy them"; but he intimates the President of the United States will stop the Navy from purchasing the planes. When the President submits an estimate and asks for authority to obligate the Navy to buy the planes, the Senator intimates, he will stop the Navy from ordering them.

Mr. President, is that not strange? The Senator, who is regarded as an important dark-horse candidate for the Republican nomination for President of the United States, believes that when we approach the end of the fiscal year 1941 the President will not obligate the purchase of these planes. Does he mean to admit that a Democrat will be in the White House then? Certainly if the Senator were going to be President he would not want to reflect upon the President of the United States.

Mr. LODGE. And the Senator from Massachusetts would not reflect upon the Senator from South Carolina, either, if he were in the White House.

Mr. BYRNES. No; but the Senator seems to reflect on the man who is now President of the United States. By his amendment he wants to intimate that from January 1, 1941, to June 30, 1941, Mr. Roosevelt will still be President of the United States and that he might not go ahead and obligate for these planes.

Whatever other complaint the Senator from Massachusetts may make of the present President of the United States, no person familiar with his record has ever complained about his interest in the national defense of this Government. No person would ever say that the present President of the United States has no interest in the Navy of the United States.

For my part, much as I think of him, I might say that, in my opinion, he would be willing to spend too much money for the Navy of the United States. But never would I believe, if we were to pass this bill and authorize planes to be purchased, and the Navy wanted them to be purchased, that the President of the United States would say, "No; you cannot buy those planes for the Navy."

Mr. President, there is no such danger. But the purpose of the amendment has been made plain by the Senator from Massachusetts. That is why I object to it.

Mr. LODGE. Mr. President, I am not reflecting on anybody. I certainly am not reflecting on the Navy, and I am not reflecting on the administration, unless the Senator from South Carolina wishes to regard it as a reflection. That is entirely a question of the Senator's interpretation.

There are many very respectable people in this country who would say, "Yes; some nations abroad are fighting our battles. We should supply them with airplanes before supplying our own forces." The Senator from South Carolina has heard people say that. There have been prominent men in his party and in my party who have said that. I do not think that reflects on their motives. I happen to disagree with that position. It is perfectly conceivable to me that the situation abroad might develop in such a way that there would be a considerable body of opinion in Washington which would favor giving certain nations all the airplanes they wanted, and letting our Army and Navy go without them for a year.

I do not reflect on the motives of those who think that way. If the President were to think that way, or the Secretary of State were to think that way, I would not reflect on their motives. I would respectfully disagree with the wisdom of their policy. There would be some who would think that way and there would be others who would say, "The invasion of Norway, the invasion of other countries, is proof of what happens when a nation neglects its defense, and, therefore, the more serious the situation in Europe becomes the more important it is for us to build up our own defense and not to give first call to foreign countries."

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. BARKLEY. Of course, nobody can foresee what may happen within a year. The whole world is in a chaotic and uncertain condition. I have no fear at all, if these planes are needed by our Navy, that they will not be available when and as needed.

Mr. LODGE. Does not the Senator think they are needed?

Mr. BARKLEY. I am not passing on that question now.

Mr. LODGE. Has not Congress passed on that question in various authorizations?

Mr. BARKLEY. Yes; but suppose in all the months prior to 1941 the condition in the world and in Europe should so change that there might be an end of hostilities and a definite effort made to bring about a reduction of armaments in the world and that a disarmament conference should be held; what effect would the requirement that the President may be committed to buy these airplanes, whether they are needed or not, then have? Would it not be easier to make contracts for airplanes as the airplanes are needed? Would it not be better to be governed by our needs, rather than to compel the President to enter into contracts at once for all these planes? If the situation should later be such as to justify a reduction in armaments throughout the world he would have to abide by the contracts anyway, unless they contained a release clause of some kind. Would it not be easier to provide that contracts for planes shall be made as the planes are needed, rather than to compel contracts to be made, when it might turn out that not all the planes were needed?

Mr. LODGE. The answer to the Senator from Kentucky is, in the first place, that it is very unlikely, as I think we will all agree, that there will be a disarmament conference during the next fiscal year. But if there should be, it is entirely inconceivable that the mere fact that the Navy would purchase 350 airplanes would be the straw that would break the camel's back, so far as we are concerned.

Mr. BARKLEY. Nobody contends that that would be the straw or a combination of straws that would break the camel's back, but inasmuch as we are looking upon possibilities we might at least indulge a little optimism as to the possibility before the end of the 1940 fiscal year, which will be July 1, 1941, of a ray of hope being still held out to the nations of the world that desire peace and some form of disarmament.

Mr. LODGE. And if there should be a ray of hope, as I hope there will be, this amendment would not in the least stand in the way, for, of course, Mr. President, the whole matter of national defense, of what we shall have and how much we shall spend, is entirely a judgment of probabilities. That is all it is anyway; and the present Congress and previous Congresses have decided time after time, using their mature judgment, that we ought to have a certain airplane program. This administration, through its Navy Department, and through its Bureau of the Budget, has requested the figure that is in this bill. That is the best judgment of the probabilities that is available to us. All I ask is that we go ahead and act on the strength of our convictions.

I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Johnson, Colo.	Schwellenbach
Ashurst	Downey	La Follette	Sheppard
Austin	Ellender	Lee	Slattery
Bailey	George	Lodge	Smathers
Bankhead	Gerry	Lucas	Stewart
Barbour	Gibson	Lundeen	Taft
Barkley	Gillette	McKellar	Thomas, Idaho
Bone	Glass	McNary	Thomas, Utah
Bulow	Green	Maloney	Tobey
Byrd	Guffey	Mead	Truman
Byrnes	Gurney	Minton	Tydings
Capper	Hale	Murray	Vandenberg
Caraway	Hatch	Neely	Van Nuys
Chandler	Hayden	Norris	Walsh
Chavez	Herring	O'Mahoney	Wheeler
Connally	Hill	Russell	White
Danaher	Holman	Schwartz	Wiley

The PRESIDING OFFICER. Sixty-eight Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. LODGE]. The yeas and nays have been demanded. Is there a sufficient second?

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Minnesota [Mr. SHIPSTEAD]. I transfer that pair to the Senator from Michigan [Mr. BROWN], and will vote. I vote "nay."

Mr. McKELLAR (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. TOWNSEND], who, I understand, is absent. I transfer that pair to the junior Senator from Mississippi [Mr. BILBO], and will vote. I vote "nay."

The roll call was concluded.

Mr. McNARY (after having voted in the affirmative). I have a general pair with the senior Senator from Mississippi [Mr. HARRISON], who is necessarily absent. I transfer that pair to the senior Senator from North Dakota [Mr. FRAZIER], and will permit my vote to stand.

Mr. THOMAS of Utah (after having voted in the negative). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the junior Senator from Delaware [Mr. HUGHES], and will allow my vote to stand.

Mr. TYDINGS. My colleague [Mr. RADCLIFFE] has a pair with the Senator from North Dakota [Mr. NYE]. I am not advised how the Senator from North Dakota would vote on this question; but I am informed that if my colleague were present he would vote "nay."

Mr. MINTON. I announce that the Senator from North Carolina [Mr. REYNOLDS] is absent from the Senate because of illness.

The Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senator from Mississippi [Mr. BILBO], the Senator from Michigan [Mr. BROWN], the Senator from Nebraska [Mr. BURKE], the Senator from Missouri [Mr. CLARK], the Senator from West Virginia [Mr. HOLT], the Senators from Nevada [Mr. McCARRAN and Mr. PITTMAN], and the Senator from South Carolina [Mr. SMITH] are detained on public business.

The Senator from Ohio [Mr. DONAHEY], the Senator from Delaware [Mr. HUGHES], the Senator from Utah [Mr. KING], the Senator from Arkansas [Mr. MILLER], and the Senator from New York [Mr. WAGNER] are detained in important committee meetings.

The Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. HARRISON], the Senator from Louisiana [Mr. OVERTON], and the Senator from Oklahoma [Mr. THOMAS] are detained in various Government departments.

I am advised that, if present and voting, the Senator from Mississippi [Mr. HARRISON], the Senator from Michigan [Mr. BROWN], the Senator from Missouri [Mr. CLARK], the junior Senator from Nevada [Mr. McCARRAN], the junior Senator from Florida [Mr. PEPPER], the Senator from South Carolina [Mr. SMITH], the Senator from Delaware [Mr. HUGHES], the Senator from Utah [Mr. KING], the Senator from Arkansas [Mr. MILLER], the Senator from New York [Mr. WAGNER], the Senator from Louisiana [Mr. OVERTON], and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

The result was announced—yeas 16, nays 52, as follows:

YEAS—16

Barbour	Gurney	Lundeen	Tobey
Capper	Holman	McNary	Vandenberg
Danaher	La Follette	Taft	Walsh
Davis	Lodge	Thomas, Idaho	Wiley

NAYS—52

Adams	Connally	Herring	Russell
Ashurst	Downey	Hill	Schwartz
Austin	Ellender	Johnson, Colo.	Schwellenbach
Bailey	George	Lee	Sheppard
Bankhead	Gerry	Lucas	Slattery
Barkley	Gibson	McKellar	Smathers
Bone	Gillette	Maloney	Stewart
Bulow	Glass	Mead	Thomas, Utah
Byrd	Green	Minton	Truman
Byrnes	Guffey	Murray	Tydings
Caraway	Hale	Neely	Van Nuys
Chandler	Hatch	Norris	Wheeler
Chavez	Hayden	O'Mahoney	White

NOT VOTING—28

Andrews	Donahey	McCarran	Reed
Bilbo	Frazier	Miller	Reynolds
Bridges	Harrison	Nye	Shipstead
Brown	Holt	Overton	Smith
Burke	Hughes	Pepper	Thomas, Okla.
Clark, Idaho	Johnson, Calif.	Pittman	Townsend
Clark, Mo.	King	Radcliffe	Wagner

So Mr. LODGE's amendment was rejected.

The PRESIDING OFFICER. The bill is still before the Senate and open to further amendment.

Mr. GUFFEY. Mr. President, I regret exceedingly that I was necessarily absent from the Chamber yesterday and did not have an opportunity to register my vote in favor of a larger appropriation for new locks at the Panama Canal.

I now wish to place myself on record in full support of Admiral Harold R. Stark's proposal for a 25-percent increase in America's naval strength.

As a member of the Senate Foreign Relations Committee, I am satisfied that more adequate naval defense of our shores is not only consistent with but necessary to the cause of peace.

I have said before that I will never vote to send a single American soldier to fight on foreign soil. It is just as essential also that we discourage aggression in the only language aggressors understand—armed force.

The program of naval construction outlined by Admiral Stark is a matter of preparedness and should not even be debatable. It has the further advantage that it will expand industry, provide jobs, increase purchasing power, and thereby help recovery.

If there be any doubt as to the amount we should spend for defensive armament, let the error be on the side of safety. Let us take a leaf out of the book of business, which considers it sound policy to carry adequate insurance against catastrophe it hopes and expects will never happen. In this tense world adequate armament is the only insurance against aggression. I would prefer too much than too little of such protection.

Once the oceans assured our isolation. The airplane has broken down that safeguard. Today we need a ring of steel, as well as our thousands of miles of water, to guarantee peace.

Mr. BARBOUR. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 49, line 3, after the colon, it is proposed to insert the following:

Provided, That $5,000,000 of this sum shall be devoted to the expansion of naval aviation facilities at Cape May, N. J., and that such additional sums as may be necessary shall be used to investigate and report on the advantages of Conaskonk Point, N. J., as a naval aviation base, the facilities of which would be available also for the use of transoceanic commercial planes, and to determine and report on the cost of constructing such a base, to include facilities for both land and sea planes.

Mr. BARBOUR. Mr. President, the Cape May Naval Air Station was developed during the World War emergency but has not been in active use since the war. A lighter-than-air hangar already is located on the reservation, as well as a flying field. The Navy Department recently decided to put the station into active use again in connection with the maintenance of the so-called inner patrol being maintained under the Neutrality Act, and 12 Navy planes are to be sent there and based at Cape May as soon as the reservation is put in shape, probably in June.

My amendment would permit the expansion of the station to accommodate a greater number of planes and expand the Navy's flying facilities on the eastern seaboard as a contribution to the protection of the New York and New Jersey metropolitan district and the northern Atlantic seaboard generally. The amount asked, $5,000,000, would not be sufficient to develop this reservation into a major air base. As a matter of fact, there is not sufficient space available for the creation of a major base, and, furthermore, a major base at that point is not contemplated in the Navy's program anyway. My amendment merely proposes that the station be expanded to its maximum dimensions in line with the rapid expansion of the Air Force, both Army and Navy, in the light of increasing international tension.

The proposed survey of Conaskonk Point, which is located on the Raritan Bay near Keyport, N. J., on the south side of the New York Harbor, would result in properly appraising the facilities of one of the finest areas for seaplanes in the eastern United States.

Conaskonk Point projects some 4,000 feet into Raritan Bay, within 6 or 7 minutes' flying time of New York City, and within 3 minutes' flying time of the major land defenses at Sandy Hook, N. J. I understand that Imperial Airways at one time considered the Conaskonk Point area as a possible terminal for its trans-Atlantic operations.

I am making this proposal in order that we may have immediately available all the information which can be obtained with respect to desirable sites for transoceanic air bases, particularly in the vicinity of New York. Aviation is developing so rapidly that we cannot wait until the need becomes acute to provide adequate shore bases for trans-Atlantic planes. Although a base at Conaskonk Point as proposed would be primarily a naval aviation base, it is my own idea that the project should be studied from the viewpoint of its maximum values for auxiliary commercial use as well.

I am informed that the operation of seaplanes both from North Beach and Floyd Bennett Field is hampered at present by the great volume of traffic using the waters in the vicinity of these airports. No such problem would be presented on the south side of the harbor. A base at Conaskonk Point would be within sight of New York City, yet not in it, and planes could be based there in larger numbers and to greater advantage than anywhere else for the protection of the metropolitan area.

To refer again to the Cape May Naval Air Station, may I point out that everyone who is familiar with the North Atlantic seaboard knows of New Jersey's strategic position—vulnerable position as well as strategic—between the great metropolitan areas of New York and Pennsylvania. I do not think I am divulging any information to which I have not a right to refer openly when I say I am quite sure the statement can be confirmed that as far as any attack on the eastern coast of the United States is concerned, nearly all naval and military experts agree that it would be most likely to be directed against the New Jersey coast.

Moreover, Cape May, because of the topography and the physical characteristics of that southernmost point of New Jersey, is of itself a very strategic and important location in the national sense. This naval air base is already being used. I am sure it will be used to a continually greater and larger extent anyway. I feel that even without my suggested amendment its development is inevitable; and I very much hope that in connection with this whole vital defense program—particularly vital at a time such as this—the amount proposed in my amendment will be included for this purpose.

Mr. BYRNES. Mr. President, I make the point of order against the amendment offered by the Senator from New Jersey [Mr. BARBOUR] that it is not authorized; there is no authorization for the amendment.

The PRESIDING OFFICER. The Chair is of the opinion that the point of order is well taken, and ought to be sustained. It is, therefore, so ordered.

The bill is open to further amendment.

Mr. MCNARY. Mr. President, the able Senator in charge of the bill promised to supply, in a very few minutes, a break-down.

Mr. BYRNES. Mr. President, there has been handed to me by the clerk a statement, which I should like to read and see whether it gives the Senator from Oregon the information he desires.

The break-down of the bill would be as follows:

For shipbuilding, $340,371,979.

For aircraft, $41,083,400.

For modernization of ships, $10,552,000.

For public works, $49,888,475.

The total of those various items is $441,895,854, leaving for maintenance the figure which the Senator has—$521,901,624.

I trust that gives the Senator the information he desires.

Mr. MCNARY. Mr. President, a few moments ago, in reply to an inquiry, I understood the Senator from South Carolina to state that the two battleships, for which appropriations

are made but specifications have not yet been drawn, are included in this enlarged appropriation.

Mr. BYRNES. Yes.

Mr. McNARY. The Senator has estimated their cost at about $90,000,000 a ship. Is the $180,000,000 included in the bill?

Mr. BYRNES. No; I misled the Senator if he derived that impression from my remarks. Those ships will be carried over the 4 years, as deliveries of materials and armament are needed. The total is not covered in the bill.

Mr. McNARY. I think the Senator plainly stated that it was, and I wanted to know. This appropriation does include——

Mr. BYRNES. Sufficient to start the ships.

Mr. McNARY. Yes; but the very strong implication from the Senator's statement was that the appropriation carried by the bill would pay for their construction.

Mr. BYRNES. Not for their completion; no. I want to correct my statement if that inference could be drawn from it.

Mr. McNARY. How much do the two battleships draw upon this fund?

Mr. BYRNES. The estimate submitted by the Navy Department for expenditure for those two ships was $7,800,000. It was reduced, however, and we did not provide that amount of money. We appropriate only about a million and a half dollars in this bill for those ships.

Mr. McNARY. In the item which the Senator has just read he specified a large sum for public works. Does that mean the construction of buildings at the navy yards?

Mr. BYRNES. It means all facilities at the navy yards.

Mr. McNARY. What is the amount?

Mr. BYRNES. Forty-nine million eight hundred and eighty-eight thousand four hundred and seventy-five dollars.

Mr. McNARY. And what is the total amount for the construction of airplanes?

Mr. BYRNES. Forty-one million eighty-three thousand four hundred dollars.

Mr. McNARY. And the appropriation for personnel is in excess of $500,000,000?

Mr. BYRNES. It does not mean that. That sum not only covers personnel but it covers fuel, for instance, as one of the large items.

Mr. McNARY. I do not intend to be at all captious; that is not my purpose; but I want to know, from this break-down which the Senator promised to give me, the total amount for personnel which is carried in the appropriation bill for the fiscal year 1941.

Mr. BYRNES. Unfortunately for the specific request of the Senator, the item includes pay, subsistence, and transportation of naval personnel. The total for those three items—and that is the way it is carried in the bill—is $257,000,000. I do not know what proportion of that is for transportation; but the total for the pay of all enlisted and commissioned personnel, and for the subsistence and transportation of the enlisted personnel, is $257,000,000.

Mr. McNARY. Does that include the salaries of officers of the Navy?

Mr. BYRNES. Yes; officers and men.

Mr. McNARY. And wages for those employed in construction work?

Mr. BYRNES. No; because that comes under the head of public works, separate from the pay and subsistence of naval personnel; and the civilian employees at the yards are not naval personnel.

Mr. McNARY. Is the item of maintenance larger than for the fiscal year 1940?

Mr. BYRNES. For the year 1940 the maintenance item is $521,437,987, and the figure I gave the Senator just now is almost the same. For the fiscal year 1941 it is $521,901,624, which is an increase of almost $500,000. That is what it amounts to.

Mr. McNARY. A final question, probably: In the statement made by the able Senator a while ago, he said that this bill carries an appropriation for seven additional cruisers. Does that mean that the bill carries an amount sufficient to pay for the plans and specifications for them, or that it carries the money for their actual construction?

Mr. BYRNES. For their actual construction, too.

Mr. McNARY. That statement does not apply, however, to battleships?

Mr. BYRNES. Only a million and a half dollars is provided for the battleships.

Mr. McNARY. Then we shall have that obligation provided for in next year's bill?

Mr. BYRNES. The matter will have to be provided for in next year's bill and in the bills for subsequent years.

Mr. McNARY. Then will the appropriation this year of nearly a billion dollars clear up the construction of all the ships now in process of construction?

Mr. BYRNES. No; it will not. During the fiscal year ending in 1941 it is the expectation that the Navy Department can complete four cruisers, four destroyers, and seven submarines, but not that they can complete the battleships. For instance, we shall be appropriating during the next 2, and perhaps 3, years for the two battleships that were authorized last year.

Mr. McNARY. How much is carried in this bill for those ships?

Mr. BYRNES. I have that figure somewhere, but I cannot remember it.

Mr. McNARY. I recall that earlier in the afternoon the able Senator said there were eight ships now in process of construction. What amount in this bill covers the work on those ships for the fiscal year 1941?

Mr. BYRNES. For the two 1942 battleships, the estimate was $22,671,000. For the two 1940 cruisers, the amount was $8,041,000. That is the amount which it is estimated will be spent this year. For the 1941 vessels authorized in this bill, it is anticipated that $2,900,000 will be spent.

Those are the amounts for the battleships and cruisers.

Mr. McNARY. I thank the Senator.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BYRNES. I yield to the Senator from Louisiana.

Mr. ELLENDER. The Naval Affairs Committee of the Senate is now considering House bill 8026, which provides for an increase of 11 percent in the amount for our naval requirements; Admiral Stark and some Senators are advocating, in addition to that 11 percent, a further 14 percent increase. As I understand, under the pending bill we are providing for two additional battleships, one aircraft carrier, two light cruisers, eight destroyers, and six submarines, representing a total tonnage of 153,600. I am informed that there has been authorized, in addition to this tonnage, under a bill which was enacted in 1938, almost 200,000 tons, 42,500 tons of which is for battleships, 80,000 tons for light cruisers, 62,000 tons for destroyers, and 13,000 tons for submarines.

The question I should like to ask is whether any effort was made to obtain appropriations for the latter tonnage, or 200,000 tons, and if not, why not?

Mr. BYRNES. Mr. President, I am unable to answer the Senator as to why the department did not ask for appropriations for greater tonnage than was requested. Construction under the 1938 program will continue for some years, and the department submits estimates for it as it deems it desirable to proceed. I do not know why they did not ask for more. I am glad to accept their request. I have no information on the subject.

I know that the issue before the Committee on Naval Affairs is as to whether or not additional authorization shall be granted, and when the department officials appear, I know from the questions and answers I have seen submitted that that matter will be thrashed out before the Committee on Naval Affairs, and the naval officials will be called upon to explain why they should ask for additional tonnage when they still have authority for certain tonnage which is not completed. That is really the issue.

The Committee on Appropriations did not go into that matter, because it takes the position that the committee is charged with supplying funds for the program which is

agreed upon by the Congress. The Senator is a member of the Committee on Naval Affairs, and I hope that his committee will go into the question, because when a bill is reported I should like to ask him to give me the information as to how much tonnage is left available, and why they should ask for additional tonnage, and why they did not ask for money for what is authorized. We did not go into those questions.

Mr. TYDINGS. Mr. President, will the Senator from South Carolina yield?

Mr. BYRNES. I yield.

Mr. TYDINGS. I do not know whether the Senator from Louisiana was present when the question was touched upon at great length, but the Navy officials stated that the reason why more was not asked was that they had been given an outside figure by the administration, and asked to keep their recommendations within that compass, and that therefore they had not been able to ask for more with which to build the vessels already authorized, as they had tried to stay within the limitation, as requested by the administration.

Mr. BYRNES. When the emergency supplemental bill was before us I went into that matter, because at that time there was a discussion of which the Senator from Louisiana knows. It is a very complicated question, and it is an issue between the Naval Affairs Committee of the House and the Naval Affairs Committee of the Senate. Statements were issued by the chairman of the Naval Affairs Committee of the House and a statement was made by the chairman of the Naval Affairs Committee of the Senate on the floor of the Senate.

My inquiry in regard to the matter was with respect to the appropriations asked for at that time. I really dislike to go into the matter, because it is an issue which should be decided in the committee, one which we will have to decide when the matter comes to the floor of the Senate.

When the pending bill was before the Committee on Appropriations Admiral Stark finally stated, in response to my inquiry, as follows:

Admiral STARK. The remaining total available tonnage at present is about 179,000 tons, on which, if the Congress gave us funds tomorrow, we could start.

Senator BYRNES. If they gave you authority to let you build that 179,000 tons of such type as you wanted to, you would have to replace certain types of ships and would not have the various categories that you want; is that right?

Admiral STARK. Statute authority would be necessary to redistribute available authorization of tonnage to other categories of ships than those which it is now available in.

Senator BYRNES. Then, you do not need authorization?

Admiral STARK. No authority for 179,000 tons now available.

If the Senator will read the statement I am satisfied it will give him all the information I was able to obtain at that time, and when Admiral Stark appears before the Committee on Naval Affairs, where the matter will be decided, I suggest that on cross-examination the Senator might be able to ascertain whether the statement I have read is correct.

Mr. ELLENDER. Mr. President, the country is wondering why it is necessary to obtain additional authorizations for expanding our Navy when those in authority are not building the naval armaments now authorized. I favor a navy second to none, but I do not think it is a wise policy for us merely to authorize expansion of our naval armaments and not proceed with the actual work.

Mr. BYRNES. That was the inquiry I made at the time, and the answers of Admiral Stark would indicate that it is due to the distribution of the tonnage to different types of vessels. That was his statement, and I am sure the Senator can go into it.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

Mr. McNARY. Mr. President, I think it is fair that those absent from the Chamber should be notified that the final vote on the passage of the bill is about to be taken. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Ellender	Lodge	Sheppard
Ashurst	George	Lucas	Slattery
Austin	Gerry	Lundeen	Smathers
Bailey	Gibson	McKellar	Stewart
Barbour	Gillette	McNary	Taft
Barkley	Green	Maloney	Thomas, Idaho
Bone	Guffey	Mead	Thomas, Utah
Bridges	Gurney	Miller	Truman
Bulow	Hale	Minton	Tydings
Byrd	Hatch	Murray	Vandenberg
Byrnes	Hayden	Neely	Van Nuys
Capper	Herring	Norris	Walsh
Caraway	Hill	O'Mahoney	Wheeler
Chandler	Holman	Overton	White
Chavez	Johnson, Colo.	Reed	Wiley
Connally	King	Russell	
Danaher	La Follette	Schwartz	
Donahey	Lee	Schwellenbach	

The PRESIDING OFFICER. Sixty-nine Senators having answered to their names, a quorum is present. The question is, Shall the bill pass?

Mr. BYRNES. I ask for the yeas and nays.

The yeas and nays were ordered.

YOUTH AND EDUCATION

Mr. LEE. Mr. President, because education is so necessary to the continuance of democracy, I deem it appropriate at this time to call to the attention of the Senate a bill for equalizing educational opportunities throughout the Nation. This is known as the Harrison-Thomas-Larrabee bill, which provides Federal aid for equalizing educational opportunities throughout the several States. This bill has been reported favorably by the Senate Committee on Education and Labor and is now on the Senate calendar.

LOCAL RESPONSIBILITY

The responsibility for educating the youth falls upon the local community. Every community in America is responsible for the education of its own boys and girls to the full extent of its financial ability, and the local communities have discharged this obligation in a most patriotic manner.

There are many instances where communities have almost bankrupted themselves in their effort to educate their boys and girls. During the depression, when people could no longer pay ad valorem taxes, upon which the schools were dependent, the communities continued to issue school warrants obligating the property of the community in order to educate their children. There are many stories of the heroic efforts of the local communities to discharge their patriotic duty in this regard.

STATE RESPONSIBILITY

There is such a difference between the financial resources of different communities that the education of the children has been looked upon by some of the most progressive States as not a duty for the communities alone but as a duty to be shared by the States.

Therefore the responsibility for the education of young America falls upon the States, and a number of the States have what is called an equalization fund, which is made up by taxation. This fund is used to equalize educational opportunities throughout the State. It is used to help educate children in the poorer communities. This is a great step forward in education, and the States can equalize and are equalizing educational opportunities within their boundaries, but they are helpless so far as equalizing the educational opportunities as between the States is concerned.

FEDERAL OBLIGATION

Therefore the Federal Government must assume its share of the obligation of educating the youth of the Nation.

A child in a poor community has a right to educational opportunities as well as a child in a wealthier community. They both live in the same Nation and under the same flag. Sometimes only a State line separates them, sometimes only a township line. But the public schools, supported, as they are now, entirely by local and State taxes, are as different

in the opportunities they afford as the communities themselves are unequal in financial resources.

UNDER LOCAL CONTROL

Under the Federal program which I have in mind every State and community would carry its fair share of the burden of education in proportion to its financial ability, and the Federal Government would contribute only a fractional part of the cost of education in even the poorest communities. Therefore the control of education would still rest with the local communities, where it rightly belongs.

There is before Congress at the present time a bill known as the Harrison-Thomas-Larrabee bill—formerly the Harrison-Black-Fletcher bill—providing for the appropriation of $75,190,000 for the first year, the appropriations then to be graduated until they reach a maximum of $208,006,000, for the purpose of equalizing educational opportunities throughout the Nation.

The financial ability of the States in proportion to the population of school children is so different and varied that only the Federal Government can equalize the educational opportunities of the several States.

OVERTAXED AND UNDERTAUGHT

A model tax system has been worked out for State taxation. This system was intended to raise money for all the needs of the State, such as roads, running the State and local governments, running the schools; in fact, the entire expense of the State.

Six of the States are so limited in financial resources that if they depended upon this model tax system—that is, if their taxes were no steeper than the tax recommended by this model system—the yield would be so small that if they took the entire amount produced for all purposes and used it for schools alone, there would not be enough to give those States a school system equal to the average school system of the Nation. The result is that these six States are taxing themselves much more heavily than they would be taxed under the model tax system on the one hand, and they have school systems much under average of the Nation on the other hand.

I give these facts because some people believe that the burden of education should be borne entirely by the States and local communities, and I therefore want to show that the States and local communities are already taxing themselves to the limit and yet are unable to provide even average educational facilities for their children. There are many people who will support Federal aid for education when they are convinced that the States and local communities are unable to provide necessary educational opportunities.

CHILD RATIO TO WEALTH

Again, the number of children per family must be considered in relation to the wealth of the different States. In almost direct ratio, the wealthier the State, the fewer the children per family; and the poorer the State, the more children per family. For instance, the per capita wealth per child of school age in the poorest State is $3,000, whereas in the wealthiest State it is $23,000. In other words, if the Senate will pardon me for using the informal language of the day, we seldom find the kids and the cash in the same community. The more kids, the less cash; the more cash, the fewer kids. Therefore it is necessary for the Federal Government to raise the money where the money is and spend the money where the children are. Otherwise the children will grow up and move to wealthier communities either to become useful citizens or gangsters, according to their training and background.

Modern inventions have so increased the mobility of population that one person in every three resides in a different State from the one in which he was born. Therefore it is important to the wealthier States that the children of the less wealthy States receive educational opportunities.

SOURCES OF TAXES NO RULE FOR EXPENDITURE

It is sometimes argued that the Federal Government has no right to collect taxes in one State and spend them in another; but we have been doing that in building highways, canals, harbors, and many other national enterprises. To limit Federal expenditures to the source of taxation is not only out of date but impossible, because no one can trace a tax to its sources. Taxes are collected from manufacturers in the East, but at least a part of those taxes are passed on to the consumers of the West. Simply because the taxes are paid into the Government by the corporations of a certain State does not mean that the people of that State have paid those taxes. Therefore to try to return taxes to their source is like trying to unscramble eggs. It cannot be done.

Often the Federal Government taxes wealth at the most convenient point. That is, wheat produced in the plains country creates wealth in industrial communities. Oil pumped from the oil fields of Texas, Oklahoma, and California creates wealth in the money markets of the East. Cotton produced in the South produces wealth for the cotton mills of the East.

But the Government quite often taxes the wealth, not at the source of production but at the point of processing. The oil companies that draw their wealth from Kansas, Oklahoma, Texas, Louisiana, and California may be operating under the charter of Delaware and pay taxes in the State of Delaware, but the wealth comes from these other States.

Therefore it is fallacious to overlook this flow of wealth in considering the resources of the Nation.

WEALTH CONCENTRATION A PROBLEM

The concentration of wealth in the United States presents a grave problem. This problem can be met by taxation and expenditure. The Federal Government is the logical agency to collect money over the whole Nation and distribute it. The object of such distribution should not be controlled by an effort to return the tax to its source, but by an effort to promote the general welfare. Whenever a problem affects the welfare of the Nation as a whole, as education does, no matter how localized that problem is, the patriotic policy is to declare it a national problem and attack it as such. We should tax the Nation's wealth wherever we find it to help educate the children of the Nation wherever we find them.

The Harrison-Thomas-Larrabee bill, providing Federal aid for equalizing educational opportunities, has been approved by the Senate Committee on Education and Labor, of which I am a member. The bill is now pending on the Senate calendar. In my opinion, now is the time to pass this legislation. I feel that with the proper encouragement we can at this session of Congress pass this measure.

NO DEPARTURE FROM NATIONAL POLICY

This would by no means be a new policy on the part of the Federal Government. The Federal Government has aided education by the passage of a vocational training law. The Federal Government helped education in the several States through the W. P. A. The Federal Government, through the R. F. C., loaned the city of Chicago money to pay the teachers and reopen its schools. The Federal Government, through the national youth movement, is at the present time helping young people to secure an education. The Federal Government has aided education through land grants to colleges and universities.

Therefore the proposed legislation would not be departing from our national policy.

EDUCATION IS GOOD NATIONAL DEFENSE

Congress is being asked this year to vote almost $2,000,000,000 for national defense, but, in my opinion, America's greatest danger will not come from the outside but from the inside. I believe that if we could spend one-tenth of that amount of Federal funds for education of the youth of America it would constitute a greater national defense than the passage of this huge appropriation for armies and navies.

Dictatorships rely upon the ignorance of the people for their strength. Communism depends upon the ability of a few leaders to keep their people in ignorance, but a democracy depends upon the intelligence of the voters. Our form of government places the final residue of power in the hands of the people. With power goes responsibility. With responsibility there should go sufficient enlightenment to know how to use that power.

Our people stood the strain of this depression because they were enlightened. Therefore it is fundamental that our Gov-

ernment maintain its existence by maintaining a sound educational system.

No opportunity is more important than the opportunity for a decent education. No Federal obligation is more vital than that of self-preservation. It is not only the right, but the duty of our Government, to perpetuate its existence, and the proper education of our children is essential to that end.

I thank the Senate.

Mr. HILL. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. HILL. The Senator has made a very able address, as he always does, for the enactment of the Harrison-Thomas-Larrabee bill. I wish to join with him in the hope he has expressed that the Senate may soon take up that bill for consideration and pass it, thus providing real Federal aid for education in this country.

Mr. LEE. I thank the distinguished Senator from Alabama who has long been recognized as a vigorous and effective champion of universal education and broader opportunities for the youth of America.

NAVAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8438) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LUNDEEN (when his name was called). On this question I have a pair with the Senator from Pennsylvania [Mr. DAVIS], who is absent on official business. I understand that if he were present he would vote "yea." If I were at liberty to vote, I should vote "nay." I withhold my vote.

Mr. McNARY (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. HARRISON]. I am advised that if he were present he would vote as I shall vote. I am therefore at liberty to vote, and vote "yea."

The roll call was concluded.

Mr. TYDINGS. On this question my colleague [Mr. RADCLIFFE] has a pair with the Senator from North Dakota [Mr. NYE]. I am informed that if the Senator from North Dakota were present and voting he would vote "nay," and that if my colleague were present and voting he would vote "yea."

Mr. McKELLAR (after having voted in the affirmative). I have a general pair with the senior Senator from Delaware [Mr. TOWNSEND], which I transfer to the Senator from Mississippi [Mr. BILBO], and will permit my vote to stand.

Mr. HILL. My colleague, the senior Senator from Alabama [Mr. BANKHEAD], is absent on important official business. I am informed that, if he were present, he would vote "yea."

Mr. BYRD. My colleague, the senior Senator from Virginia [Mr. GLASS], is paired with the Senator from Minnesota [Mr. SHIPSTEAD]. I am informed that, if the Senator from Minnesota were present, he would vote "nay", and that, if my colleague were present and voting, he would vote "yea."

Mr. AUSTIN. The Senator from Delaware [Mr. TOWNSEND], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senators from North Dakota [Mr. FRAZIER and Mr. NYE] are necessarily absent.

I announce the following pair on this question: The Senator from North Dakota [Mr. FRAZIER], who would vote "nay", with the Senator from California [Mr. DOWNEY], who would vote "yea."

Mr. MINTON. I announce that the Senator from North Carolina [Mr. REYNOLDS] is absent from the Senate because of illness.

The Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senator from Mississippi [Mr. BILBO], the Senator from Michigan [Mr. BROWN], the Senator from Nebraska [Mr. BURKE], the Senator from Missouri [Mr. CLARK], the Senator from West Virginia [Mr. HOLT], the Senators from Nevada [Mr. McCARRAN and Mr. PITTMAN], and the Senator from South Carolina [Mr. SMITH] are detained on public business.

The Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. HARRISON], and the Senator from Oklahoma [Mr. THOMAS] are detained in various Government departments.

The Senator from California [Mr. DOWNEY], the Senator from Delaware [Mr. HUGHES], the Senator from Utah [Mr. KING], and the Senator from New York [Mr. WAGNER] are attending committee meetings and are unable to be present.

I am advised that, if present and voting, these Senators would vote "yea."

The result was announced—yeas 63, nays 4, as follows:

YEAS—63

Adams	Ellender	Lodge	Sheppard
Ashurst	George	Lucas	Slattery
Austin	Gerry	McKellar	Smathers
Bailey	Gibson	McNary	Stewart
Barbour	Gillette	Maloney	Taft
Barkley	Green	Mead	Thomas, Idaho
Bone	Guffey	Miller	Thomas, Utah
Bridges	Gurney	Minton	Truman
Bulow	Hale	Murray	Tydings
Byrd	Hatch	Neely	Vandenberg
Byrnes	Hayden	Norris	Van Nuys
Caraway	Herring	O'Mahoney	Walsh
Chandler	Hill	Overton	Wheeler
Chavez	Holman	Russell	White
Connally	La Follette	Schwartz	Wiley
Donahey	Lee	Schwellenbach	

NAYS—4

Capper	Danaher	Johnson, Colo.	Reed

NOT VOTING—29

Andrews	Downey	Lundeen	Smith
Bankhead	Frazier	McCarran	Thomas, Okla.
Bilbo	Glass	Nye	Tobey
Brown	Harrison	Pepper	Townsend
Burke	Holt	Pittman	Wagner
Clark, Idaho	Hughes	Radcliffe	
Clark, Mo.	Johnson, Calif.	Reynolds	
Davis	King	Shipstead	

So the bill (H. R. 8438) was passed.

THE ARMED FORCES OF AMERICA

Mr. LUNDEEN. Mr. President, through some misunderstanding, not the fault of the present occupant of the chair, I missed an opportunity to speak for a few moments before the final roll call. At this time I ask unanimous consent to place in the RECORD certain tables showing the amount of money we have spent for arms and armament, and where we stand. I ask unanimous consent that the tables be printed in the RECORD at this point in my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Library of Congress, Legislative Reference Service—Appropriations for the Army, Navy, and aviation, 1890–1939

Year	Army		Navy		Combined services	
	Aviation [1]	Total [2]	Aviation [3]	Total [4]	Aviation	Total
1890		$24,316,616		$21,675,375		$45,991,991
1891		24,206,472		23,136,036		47,342,508
1892		24,613,529		31,541,646		56,155,175
1893		24,308,500		23,543,267		47,851,767
1894		24,225,640		22,104,061		46,329,701
1895		23,592,885		25,366,827		48,959,712
1896		23,252,608		29,416,077		52,668,685
1897		23,278,403		30,562,661		53,841,064
1898		23,129,344		33,003,234		56,132,578
1899		23,193,392		56,098,784		79,292,176
1900		80,430,204		48,099,970		128,530,174
1901		114,220,096		61,140,917		175,361,013
1902		115,734,049		78,101,791		193,835,840
1903		91,730,136		78,856,363		170,586,499
1904		77,888,753		81,876,791		159,765,544
1905		77,070,301		97,505,141		174,575,442
1906		70,396,632		100,336,680		170,733,312
1907		102,071,670		71,817,165		173,888,835
1908		98,958,508		78,634,583		177,593,091
1909		95,382,248		122,662,485		218,044,733
1910		101,195,883		136,935,199		238,131,082
1911		95,440,568		131,410,568		226,851,136
1912	$125,000	93,374,756	$25,000	126,405,509	$150,000	219,780,265
1913	100,000	90,958,713	30,000	123,151,539	130,000	214,110,252

[1] Army Air Service (Corps) organized in 1918.

[2] Includes appropriations for support of the Army, 1890–1922, and military activities of the War Department, 1923–39.

[3] Bureau of Aeronautics of the Navy Department organized 1922.

[4] Includes appropriations for the naval service, 1890–1922, and for the Navy Department and the naval service, 1923–39.

Library of Congress, Legislative Reference Service—Appropriations for the Army, Navy, and aviation, 1890–1939—Continued

Year	Army		Navy		Combined services	
	Aviation	Total	Aviation	Total	Aviation	Total
1914	$125,000	$94,266,146	$10,000	$140,718,435	$135,000	$234,984,581
1915	275,494	101,019,213	10,000	144,868,717	285,494	245,887,930
1916	300,000	101,959,196	1,000,000	149,661,865	1,300,000	251,621,061
1917	60,331,666	267,596,530	14,585,000	313,298,072	74,916,666	580,894,600
1918	10,800,000	273,046,323	[5] 51,133,000	517,273,802	61,933,000	790,320,125
1919	952,304,758	10,225,478,313	220,383,119	1,573,468,416	1,172,687,877	11,798,946,720
1920	25,000,000	772,324,878	25,000,000	616,096,839	50,000,000	1,388,421,717
1921	33,000,000	392,558,365	20,000,000	433,279,574	53,000,000	825,837,939
1922	19,200,000	328,013,530	13,413,431	410,673,289	32,613,431	738,686,819
1923	12,895,000	270,563,264	14,803,560	289,336,577	27,698,560	559,899,841
1924	12,626,200	257,274,768	14,793,560	294,456,528	27,419,760	551,731,296
1925	12,798,576	256,515,279	15,328,500	275,105,067	28,127,076	531,620,346
1926	14,911,191	260,757,250	14,981,000	287,402,328	29,892,191	548,159,578

Library of Congress, Legislative Reference Service—Appropriations for the Army, Navy, and aviation, 1890–1939—Continued

Year	Army		Navy		Combined services	
	Aviation	Total	Aviation	Total	Aviation	Total
1927	$15,256,694	$269,339,246	$19,256,288	$319,650,075	$34,512,982	$588,989,321
1928	20,602,594	282,118,885	20,300,000	316,215,107	40,902,594	598,333,992
1929	24,630,268	311,167,469	31,956,000	362,145,812	56,586,268	673,313,281
1930	34,690,785	332,404,342	31,430,000	360,236,697	66,120,785	692,641,039
1931	35,823,473	339,106,459	32,033,211	380,573,111	67,856,684	719,679,570
1932	31,479,635	334,705,965	31,145,000	358,253,952	62,624,635	692,959,917
1933	25,439,131	289,500,024	25,245,420	317,583,591	50,684,551	607,083,615
1934	23,324,185	277,050,381	21,957,459	308,669,562	45,281,644	585,719,943
1935	27,396,453	255,526,147	18,643,320	284,658,799	46,039,773	540,184,946
1936	45,383,400	341,348,204	40,732,310	458,684,379	86,115,710	800,032,583
1937	59,397,714	383,104,859	38,588,270	526,546,532	97,985,984	909,651,391
1938	58,618,406	415,263,154	49,500,000	516,258,808	108,118,406	931,521,962

[Supplement to manuscript of Nov. 21, 1939]

	Army		Navy		Combined services	
	Aviation [6]	Total	Aviation [7]	Total	Aviation	Total
Total, 1890–1938	$1,556,835,623	$18,974,978,096	$766,283,448	$11,588,498,603	$2,323,119,071	$30,563,476,699
1939, revised [8]	70,856,972	521,839,824	48,075,000	597,542,738	118,931,972	1,119,382,562
1940, appropriation bills [9]	184,464,936	660,167,878	82,798,000	720,789,461	267,262,936	1,380,957,339
Emergency Supplemental Appropriation Act of 1940 (approved Feb. 12, 1940) [9]	1,787,358	109,416,689	28,661,000	137,172,238	30,448,358	246,588,927
Urgent Deficiency 1940 (approved Feb. 12, 1940) [9]				28,000,000		28,000,000
Total, 1940						1,655,546,266
Military Establishment, 1941 [10]	165,762,162	784,999,094			165,762,162	784,999,094
Navy Department and naval service [11]			94,202,900	963,797,478	94,202,900	963,797,478
H. R. 7934 [12]				5,725,000		5,725,000
Total, 1941						1,754,521,572
Grand total	1,979,707,051	21,051,401,581	1,020,020,348	14,041,525,518	2,999,727,399	35,092,927,099

[6] Includes $1,000,000 available to the Secretary of War and the Secretary of the Navy for purchase of aircraft patents.
[7] Army Air Corps, War Department.
[7] Bureau of Aeronautics, Navy Department.
[8] 1939 figures appearing in compilation have been revised according to the U. S. Budget, 1941.
[9] This money is not all available in 1940, but is included in 1940 appropriation figures.
[10] H. R. 9209, 76th Cong., as it passed the House.
[11] H. R. 8438, 76th Cong., as it was amended, passed the House and sent to Conference.
[12] Authorizes $5,725,000 for modernizing U. S. S. *New York*, *Texas*, and *Arkansas*. Referred to House Committee on Naval Affairs.

Source: 1890–1938, from ms. of Nov. 21, 1939, of the same title. 1939, 1940—U. S. Budget, 1941, Statement No. 2. Emergency Supplemental Appropriation Act of 1940; urgent deficiency, 1940; Military Establishment; Navy Department and Naval Service totals, by telephone from the budget departments of the War and Navy Departments. Aviation figures were taken from copies of the acts and bills.

Sources: Army: 1890–1922, 1931–38—Digest of Appropriations, 1938; table C, pp. 852–859. 1928–30—United States Budget, 1924–31. 1939—United States Budget, 1940.

Navy: 1890–1938—Digest of Appropriations, 1938; table C, pp. 852–859. 1939—United States Budget, 1940.

1940 and 1941 figures taken from Roosevelt's Budget Details as printed in the Times-Herald, Jan. 4, 1940.

Aviation: Army: 1912, 36 Stat. 1038; 1913, 37 Stat. 571; 1914, 37 Stat. 705; 1915, 38 Stat. 353, 359; 1916, 38 Stat. 1064; 1917, 39 Stat. 622, 910, 40 Stat. 187; 1918, 40 Stat. 42, 1919, 40 Stat. 816, 848–849, 1027; 1920–39, United States Budget, 1922–40.

Navy: 1912, 36 Stat. 1268; 1913, 37 Stat. 343, 348; 1914, 37 Stat. 894; 1915, 38 Stat. 396; 1916, 38 Stat. 930; 1917, 39 Stat. 559, 40 Stat. 203; 1918, 39 Stat. 1169–1170, 40 Stat. 369; 1919, 40 Stat. 706; 1920–39, United States Budget, 1922–40.

(Thomas R. Baldwin, Nov. 21, 1939.)

Appropriations for the Army, Navy, and aviation, 1890–1939

[Supplement to compilation of Nov. 21, 1939 [1]]

Year	Army		Navy		Combined services	
	Aviation	Total	Aviation	Total	Aviation	Total
1890–1900		$318,547,593		$344,547,938		$663,095,531
1901–10		944,648,276		907,867,115		1,852,515,391
1911–15	$625,494	475,059,396	$75,000	666,554,768	$700,494	1,141,614,164
1916–20	1,048,736,424	11,640,405,240	312,101,119	3,169,798,994	1,360,837,543	14,810,204,234
1921–25	90,519,776	1,504,925,206	78,339,051	1,702,851,035	168,858,827	3,207,776,241
1926–30	110,091,532	1,455,787,192	117,923,288	1,645,650,019	228,014,820	3,101,437,211
1931–32	67,303,108	673,812,424	63,178,211	738,827,063	130,481,319	1,412,639,487
1933–34	48,763,316	566,550,405	47,202,879	626,253,153	95,966,195	1,192,803,558
1935–36	72,779,853	596,874,351	59,375,630	743,343,178	132,155,483	1,340,217,529
1937–38	118,016,120	798,368,013	88,088,270	1,042,805,340	206,104,390	1,841,173,353
1939–40	255,321,908	1,182,007,702	130,873,000	1,318,332,199	386,194,908	2,500,339,901
1941 (estimate)	182,000,000	689,933,400	111,117,500	904,540,037	293,117,500	1,594,473,437
Total	1,994,157,531	20,846,919,198	1,008,273,948	13,811,370,839	3,002,431,479	34,658,290,037

[1] Figures in previous compilation are totaled for the periods requested. 1939 figures have been revised according to the United States Budget, 1941. Figures for 1940 and the estimate for 1941 are also taken from this source.

NOTE.—Above table completed before 1940 and 1941 final figures were changed by recent additional defense appropriations.

[From the New York Sun of January 6, 1940]

TABLE SHOWS SPENDING OF AMERICAN PRESIDENTS

This table sets forth the complete financial record of every President of the United States from the adoption of the Constitution in 1789 to date. The figures given up to 1939 show the actual receipts, expenditures, and deficits recorded in the annals of the Treasury Department and certified to Congress in the annual report of the Secretary of the Treasury. Figures for 1940 and 1941 are the estimate presented to Congress by President Roosevelt in his Budget message last Thursday.

The totals show that Franklin D. Roosevelt, in 8 years, has spent 58½ percent as much as all of his predecessors put together in 144½ years. He received in taxes in these depression years 44 percent as much as all of his predecessors together have collected, and he has almost exactly doubled the national debt.

President	Number of fiscal years served	Receipts	Expenditures	Surplus (+) or deficit (−)	Public debt at end of administration
George Washington	8	$32,665,765	$34,088,506	−$1,422,741	$83,762,172
John Adams	4	34,984,839	34,262,668	+722,171	82,976,294
Thomas Jefferson	8	113,400,835	72,424,289	+40,976,546	65,196,318
James Madison (War of 1812)	8	130,311,080	176,473,974	−46,162,894	127,334,934
James Monroe	8	171,895,953	147,237,899	+24,658,054	90,875,877
John Quincy Adams	4	94,831,286	65,427,037	+29,404,249	67,475,044
Andrew Jackson	8	252,061,371	152,969,098	+99,092,273	336,958
Martin Van Buren	4	102,219,579	122,325,262	−20,105,683	5,250,876
Harrison and Tyler [1]	4½	104,430,540	108,904,688	−4,474,148	15,925,303
James K. Polk (Mexican War)	4	123,139,658	175,477,220	−52,337,562	63,061,859
Zachary Taylor	1	43,603,439	39,543,492	+4,059,947	63,452,774
Millard Fillmore	3	163,993,174	140,088,047	+23,905,127	59,804,661
Franklin Pierce	4	282,172,928	255,154,264	+27,018,664	28,701,375
James Buchanan	4	197,716,370	272,933,490	−75,217,120	90,582,417
Abraham Lincoln (Civil War)	4	763,026,123	3,352,380,410	−2,589,354,287	2,677,929,012
Andrew Johnson	4	1,825,248,460	1,578,557,655	+246,690,805	2,545,110,590
U. S. Grant	8	2,670,905,586	2,253,388,783	+417,518,803	2,107,759,903
Rutherford B. Hayes	4	1,225,899,968	1,032,268,057	+193,631,911	2,019,285,728
Garfield and Arthur	4	1,474,023,408	1,027,742,757	+446,280,651	1,578,551,169
Grover Cleveland (first administration)	4	1,474,159,137	1,077,629,099	+396,530,038	1,249,470,511
Benjamin Harrison	4	1,536,450,844	1,412,315,899	+124,134,945	961,431,766
Grover Cleveland (second administration)	4	1,316,948,887	1,441,674,184	−124,725,297	1,226,793,713
William McKinley (Spanish-American War)	4	2,076,208,146	2,093,918,534	−17,710,388	1,221,572,245
Theodore Roosevelt	8	4,676,747,962	4,655,450,515	+21,297,447	1,148,315,372
William Howard Taft	4	2,794,065,060	2,799,211,874	−5,146,814	1,193,047,745
Woodrow Wilson (World War)	8	24,375,781,688	46,938,260,143	−22,562,478,455	23,976,250,608
Warren G. Harding	2	8,116,239,632	6,677,235,429	+1,449,004,203	22,349,687,758
Calvin Coolidge	6	23,959,941,899	18,585,549,136	+5,374,392,763	16,931,197,748
Herbert Hoover	4	11,453,002,513	15,490,476,656	−4,037,474,143	22,538,672,164
Total of all Presidents up to F. D. Roosevelt	144½	91,586,076,130	112,203,367,065	−20,617,290,935	22,538,672,164
Franklin D. Roosevelt	8	40,089,857,957	65,628,526,692	−25,538,668,735	44,938,577,622
Grand total, all Presidents	152½	131,675,934,087	177,831,893,757	−46,155,959,670	67,477,249,786

[1] Up until 1843 the fiscal year coincided with the calendar year. In the administration of President Tyler, however, it was changed to run from July 1 to the following June 30, thus making President Tyler accountable for 4½ fiscal years instead of 4.

HOW LONG AMERICA—HOW LONG?

Mr. LUNDEEN. Perhaps our entry into the World War had something to do with that table. Perhaps our loaning away our shirts to Europe had something to do with these figures—perhaps our world-saving and world-policing policies have added some billions here and just how much longer will the American people stand for all these military and economic ventures into other continents? Let this present administration look over the record of Andrew Jackson; that might be good mental exercise.

Armed strength of the United States—1940

ARMY

Total Army strength as given by Secretary of War Woodring as of Jan. 31, 1940	624,200
R. O. T. C. figures given for September 1939, latest available, by Colonel Thompson, War Department	186,750
C. M. T. C.—July 1939 enrollment (does not include men that have been trained over a period of years)	35,579
Total Army strength (including R. O. T. C. and C. M. T. C.)	836,529

NOTE.—This figure does not include Army air-force personnel.

NAVY

Officers	10,454
Enlisted personnel	129,575
Marine Corps, officers	1,419
Coast Guard	12,928
Marine Corps, enlisted personnel	25,065
Total Navy strength	179,441
Total Army strength	836,529
Total Navy strength	179,441
Total armed strength, Army and Navy	1,015,970
C. C. C. enrolled at present (2,588,019 have received C. C. C. training since its inception, 1937)—War Department, C. C. C. division; February 1940	282,973

NOTE.—This material and statistics has been compiled from various statistics given recently by the Army Corps, the Navy Department, and the War Department.

MARCH 18, 1940.

HON. ERNEST LUNDEEN,
United States Senate.

DEAR SENATOR LUNDEEN: Receipt is acknowledged of your letter dated March 13, 1940, in which you inquire whether the R. O. T. C. and the C. M. T. C. are considered a part of our armed forces, thus increasing the total estimated strength of the Army furnished you in response to your letter of February 27, 1940.

The strength of 624,200 men furnished you in answer to your letter of February 27 was the total strength of the Army of the United States on January 31, 1940.

The R. O. T. C., established under section 40, National Defense Act, as amended, and the C. M. T. C., established under section 47 (d) of the same act, are agencies to provide military instruction and training to civilians and are not components of the Army of the United States as contemplated under section 1, National Defense Act, as amended.

Sincerely yours,

HARRY H. WOODRING,
Secretary of War.

[From the Washington Post of April 18, 1940]

NAVY URGES $3,600,000,000 FOR FLEET EQUAL TO BRITAIN'S

(By John G. Norris)

Initial funds for building a $277,000,000 bomb-proof set of locks for the Panama Canal were voted by the Senate late yesterday, as the Navy asked $3,600,000,000 to provide a fleet equal to Britain's armada.

Admiral Stark, chief of naval operations, told the Senate Naval Affairs Committee the United States should spend $600,000,000 a year for shipbuilding the next 6 years to restore the 5–5–3 ratio with Great Britain and Japan established 18 years ago. This would provide 125 war vessels—3 aircraft carriers, 18 cruisers, 68 destroyers, and 36 submarines.

Opposition to such a program, however, was voiced by Chairman WALSH, who declared he favored approving only part of the construction at this time.

"I'm impressed with the evidence presented on the need for such a 25-percent increase in the fleet," he said, "but the 11-percent expansion voted by the House is about all that can be laid down during the next 2 years with existing facilities. Next year, if necessary, we can vote the additional ships."

WALSH predicted congressional approval of the 11-percent enlargement, possibly with some moderate increases if the Navy can show a few additional ships can be crowded into the 2-year program. Other members of the committee, led by Senator TYDINGS (Democrat), of Maryland, appeared bent on voting the full 25-percent increase.

Funds for the new Panama Canal locks are carried in a $223,362,517 War Department civil-functions appropriations bill passed by the Senate yesterday. Fifteen millions in cash and $99,000,000 in contract authorizations are provided to carry forward the work expected to take 6 years.

[From the Washington Times-Herald of October 4, 1939]

CAN THEY REALLY GANG UP ON US?—A REVIEW OF DEFENSE FOR THE AMERICAS

(By Frank C. Waldrop)

You must be sick and tired of the war by now.
And sicker and tireder of this than any other naggers' query:
But if they beat England and France, won't they gang up on us next?

You're sick of it, but perhaps you never can think of the detailed reasons why they just couldn't attack us successfully if we maintain a sensible defense system.

Herewith, therefore, a review on the Western Hemisphere, worked up after extensive consultation with those mysterious characters, "the highest authorities."

Can that be done?

Invasions of the Western Hemisphere have not paid any nation since the middle of the eighteenth century. The problems of transportation and supply have been too difficult and expensive, not to mention the strength of the Americas in self-defense.

In 1917 we reversed the historic effort and landed an expeditionary force of 2,000,000 soldiers in Europe. But how? With the help of three navies. With the help of five nations' merchant marine. With two friendly shores on which to land, all equipped to protect our troops right up to the battle line. With ample safe harbors on those shores, and all that goes with them. With absolute unity of our own Nation to insure concentration on the expedition only.

To transport those 2,000,000 men consumed 19 months of time and involved the moving of 7,500,000 tons of cargo for their comfort, feeding, and equipment to fight.

If the enemy is going to invade the Western Hemisphere he must do so in greater force than we can assemble to repel him, remember. This means he must control some spot where he can set down, feed, and arm more men on our coast than we can develop from within to drive him away from that spot.

Look again at the map. Where could he do that? Not in Labrador. Insufficient harbors. You can't land a 16-inch railway gun in a rowboat, and we have 16-inch guns, for instance, so the enemy must have them to equalize our strength. Not in Patagonia, for the same reason.

You can see where this leads you. Assembling and delivering to the shores of the Americas an armed force of any serious size is a problem that isn't solved by rhetoric.

To invade this continent the enemy must first destroy the United States Navy, dominate the air above, find harbors he can control, and get enough troops ashore to push ours out of his way as he tramps from Broadway to Main Street.

WORLD-POLICING, WORLD-SAVING NAVIES

Mr. LUNDEEN. I believe the American people feel that we are going a little beyond the limit in building a world-saving, world-policing Navy.

We hear, continually, that our arms are antiquated and out of date; that our arms and armament will not stand comparison with Europe and Japan. Well then, what became of the billions we spent, and now we are rushing madly onward in a new armament race.

WE SANK THEM THEN, BUT WE ARE BUILDING THEM NOW

Yet, a few years ago, we sank 31 ships under the terms of the Washington Disarmament Treaty. The total value of these ships plus the cost of scrapping was $277,695,994.34. One modern up-to-date battleship, the *George Washington*, alone cost $40,000,000. What became of the great patriots who scuttled our fleet in the presence of one of our enemies, and now you want other billions, more billions—perhaps to scuttle or give away—but what of our starving unemployed, what of labor, and the farmer—where do they figure in our national economy?

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 2661) to create a board of inspectors, Bureau of Marine Inspection and Navigation, at Miami, Fla., with amendments, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the enrolled joint resolution (S. J. Res. 218) to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies, and it was signed by the Vice President.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the same committee, reported adversely the following nominations:

James L. Lindsey to be postmaster at Bradford, Pa., in place of R. P. Habgood; and

James W. Paul to be postmaster at Ponchatoula, La., in place of J. R. Parker, removed.

The PRESIDING OFFICER (Mr. CHANDLER in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

POSTMASTERS—NOMINATIONS FAVORABLY REPORTED

The legislative clerk proceeded to read sundry nominations of postmasters which had been favorably reported.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters which have been favorably reported be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters which have been favorably reported are confirmed en bloc.

ADJOURNMENT TO MONDAY

Mr. BARKLEY. As in legislative session, unless there is something else to be considered, I move that the Senate adjourn until Monday next.

The motion was agreed to; and (at 3 o'clock and 58 minutes p. m.) the Senate adjourned until Monday, April 22, 1940, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 18 (legislative day of April 8), 1940

POSTMASTERS

KENTUCKY

Anna May Moore, Hazard.
Annette W. Howard, Versailles.

MICHIGAN

Elburn H. Shelp, Bancroft.
Ruby M. Butsch, Capac.
Marvin J. Elzinga, Ellsworth.
Michael F. Mussatto, Gwinn.
Edward H. Bilski, Hopkins.
Stephen E. Jakobowski, Inkster.
Joseph A. Picard, Jackson.
Elwin E. Ritchie, New Troy.
Robert D. Tripp, Petoskey.
Stanley A. Horning, Portland.
Arthur J. La Bo, Rockwood.
Adam Przybylski, Wyandotte.

PENNSYLVANIA

Martha L. King, Lawrenceville.
Jacob S. Williams, Port Matilda.
Morris A. Smaltz, Richland.
Harold W. Hale, Russell.
Thomas M. Perry, Valencia.
Harry Coulson Reece, West Grove.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 18, 1940

The House met at 11 o'clock a. m. and was called to order by the Speaker pro tempore [Mr. RAYBURN].

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Lord God of our fathers, we thank Thee that Thou art the same God who hath ruled through the confusion of the nations. Thou art still seeking in countless ways to work out Thy holy purpose in such a world with its rage, tears, and needs; do Thou increase the power of our faith; may we soon behold the twilight of a new day. We pray that our Nation may be so upright that it may stand before the whole earth with such self-restraint, with such patience toward all those who are weak and wicked, and with such conceptions of understanding that all men may love that liberty with which

Christ makes His people free. Do Thou preserve us from a baffled and a betrayed will. Lead our steps in the power and pride of life with work to do for men, with minds and hearts to love and serve Thee, and Thine shall be the praise forever. Through Christ Jesus our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8668. An act making appropriations for the fiscal year ending June 30, 1941, for civil functions administered by the War Department, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr. SHEPPARD, Mr. TOWNSEND, and Mr. BRIDGES to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 40. Concurrent resolution creating a special joint committee to investigate the matter of losses resulting from the Mediterranean fruitfly eradication campaign in Florida in 1929 and 1930.

The message also announced that the Senate ordered that the Secretary be directed to return to the House of Representatives, in compliance with its request, the bill (S. 2661) entitled "An act to create a board of inspectors, Bureau of Marine Inspection and Navigation, at Miami, Fla."

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. MARTIN J. KENNEDY]?

There was no objection.

Mr. MARTIN J. KENNEDY. Mr. Speaker and Members of the House, today's New York Times informs us of a conference at the White House, yesterday, between the President and the Democratic members of a House appropriations subcommittee. This conference was in connection with a proposed message that the President is expected to send to the Congress, asking that $985,000,000 be appropriated for 1941 relief purposes, but under terms that would allow this sum to be spent during the first 8 months of the fiscal year.

The following timely statement of the Department of Social Welfare of the State of New York under date of April 10 sets forth in detail the problems for which solutions must be found if we are to properly discharge our responsibilities to people in need of assistance:

The Federal Budget now before Congress provides $1,000,000,000 for financing the W. P. A. program during the coming fiscal year. This figure is one-third less than the appropriation for the current fiscal year, and consequently would necessitate a sharp reduction of W. P. A. employment quotas throughout the Nation. It becomes necessary, therefore, to advise you of the probable effect of such a curtailment of the Federal works program on the volume and cost of general relief in New York State.

Our past experience in this State has shown that when mass lay-offs from W. P. A. occur, at least one-half of those dismissed return to the relief rolls within 1 to 3 months. This was true, for example, of the situation arising in New York City in the summer of 1937. During July and August of that year, about 40,000 workers were separated from W. P. A. employment in that city. During this same period, accessions to the general relief rolls because of loss of W. P. A. employment amounted to 50 percent of the separations from W. P. A. While the summer of 1937 was a period of comparative prosperity, for the recession did not get under way until later in the fall, half of the displaced W. P. A. workers were forced to seek relief almost immediately.

A still more recent illustration of the repercussion of W. P. A. dismissals on the general relief load is found in the lay-offs in the latter half of 1939. The records show that approximately 100,000 W. P. A. workers in this State were discharged between July 1 and December 31 because of the 18-month limitation on continuous employment and that about 34,000 more were dismissed for other reasons—a total of 134,000 workers dismissed during the 6 months. During these same months 70,000 dismissed W. P. A. workers were accepted for general relief, representing 52 percent of the total number discharged from W. P. A. Here again we have shown only the proportion of workers returning to relief within a comparatively short period after dismissal.

As an indicator of the total number of dismissed workers returning to relief rolls in the last half of 1939, the figure of 70,000 is all too conservative. It does not include those workers who after separation from W. P. A. obtained private employment which proved to be of very brief duration and, having lost such private employment, were then forced to apply for relief. This group of workers, believed to be considerable, would be reported to the State department of social welfare as having lost private employment rather than having been dismissed by W. P. A.

Further evidence corroborating the testimony of our department's records is found in a survey recently made by the Work Projects Administration, covering 23 large cities throughout the United States. This survey relates to W. P. A. workers dismissed during July and August 1939 and shows the status of these same workers in the following November. The figures for the two New York State cities included in the survey indicate that by November 54.7 percent of the dismissed workers in New York City and 63.8 percent in Buffalo had already been certified as in need and returned to the relief rolls.

In New York City only 13.3 percent and in Buffalo only 16.2 percent of the dismissed workers had secured employment in private industry. Thus a very small proportion of those separated from W. P. A. had been able to secure nonrelief employment in spite of the unusually rapid improvement in business and industry in the latter part of 1939. The survey shows further that the experience of New York State was by no means unique but that all through the country the discharge of large numbers of W. P. A. employees was quickly reflected in general relief rolls.

In measuring the bearing of our past experience upon the problem posed by the possibility of a further sharp reduction in W. P. A. employment during the next fiscal year, we may reasonably anticipate a serious situation.

If the appropriation is reduced by one-third as proposed in the Federal Budget, it is logical to assume that average W. P. A. employment in the Nation as a whole will also have to be cut one-third. This is in line with recent reports estimating that the $1,000,000,000 appropriation will make it possible to employ an average of between 1,325,000 and 1,350,000 workers during the next year—approximately one-third less than the average of 2,000,000 workers employed during the first half of the current fiscal year, that is, July–December 1939.

In New York State W. P. A. employment during July–December 1939 averaged 153,700 workers. Assuming that the slash in New York is proportionate to that in the country at large, one-third of 153,700, or 51,200 workers, would be dismissed from W. P. A. jobs in this State. (It may be said in passing that the curtailment in 1939 was somewhat more drastic in New York State than elsewhere, the number of workers falling 38.6 percent from December 1938 to December 1939 in this State as compared with 32.7 percent in the rest of the country.)

Since at least half of the 51,200 dismissed W. P. A. workers would return to relief rolls, a minimum of 25,600 general relief cases would result from a one-third reduction of W. P. A. employment in this State. Inasmuch as the great majority of W. P. A. workers are in urban centers and represent families rather than single persons, each discharged worker accepted for relief would require at least $45 per month to meet budgetary needs. General relief costs to the State and its localities would therefore increase by not less than $1,152,000 per month, or $13,824,000 on an annual basis.

We believe, however, that the actual increase in general relief costs would be much greater than this amount, based as it is on the minimum assumption of one-half of the dismissed workers returning to relief. The last 6 months of 1939 was a period of substantial gains in business and industry with production, employment, and pay rolls all making sharp advances. Without a similar background of rapidly improving economic conditions to absorb the shock of a further cut, it is altogether probable that two-thirds or even more of those dismissed would have to be cared for through general relief. If the reduction in employment is 51,200, and two-thirds return to relief, the increase in New York State's relief costs would be $1,536,000 per month or $18,432,000 for the fiscal year as a whole. Local communities raise and pay 100 percent of general relief costs on which they receive 40-percent reimbursement from the State.

In this State all persons employed by W. P. A. must have been in receipt of general relief and must remain continuously eligible for relief, otherwise they are removed from W. P. A. W. P. A. investigators conduct a year-round check to determine continued eligibility. This process of weeding out ineligibles has resulted in a situation wherein practically every person on W. P. A. is currently eligible for general relief. Therefore, with each succeeding contraction of W. P. A. due to reduction in funds or quotas, the percentage of dismissed employees returning immediately to general relief is higher. In fact we have good reason to believe that the proposed reduction in funds will result in a minimum of two-thirds of those dismissed being in need of and accepted for general relief.

The failure of the Federal Government to participate with States and localities in financing general relief coupled with constant shifting of the responsibility which it takes for W. P. A., creates a serious financial problem for the States. In our opinion, the lack

of stability in volume of W. P. A. employment further indicates the need for Federal financial participation in general relief through the medium of grants-in-aid to the States. Thus, when Congress feels it necessary to economize in work-relief expenditures, the full impact of resulting expenditures in general relief will not fall solely on the States.

Mere maintenance of the present level of economic activity would do nothing to cushion the impact of a new curtailment of W. P. A. A rapidly expanding economy, with greatly increased opportunities for employment, would be needed to counterbalance a new mass lay-off. It is unreasonable to suppose that new gains in business and industry comparable to those of the latter part of 1939 can be expected in the near future. Indeed, the indications are all to the contrary, for already, within the past 3 months, a slowing down in many important lines of production has been manifest.

It must be remembered that in projecting relief costs for the next fiscal year the State department of social welfare assumed that there would be no further cutting of the W. P. A. program within that period, in view of the extensive slash made within the past year. There is no prospect that the State and local governments can do more than meet the minimum needs for home relief entirely, aside from the question of a new curtailment of the W. P. A. program. If, therefore, the Federal Government should cut the appropriation for W. P. A., it is strongly urged that the increased home relief cost resulting from such action be met from Federal grants-in-aid.

It has been shown that the proposed reduction in W. P. A. would cause home-relief costs in New York State to increase by $13,800,000 to $18,400,000 for the year. While this Board is wholly in sympathy with reducing assistance expenditures whenever feasible, and without undue suffering, it is inclined to point out that shifting costs from a Federal to a local State basis is not only undesirable but can be avoided through the medium of a grant-in-aid program. That is, in the proposed readjustment of W. P. A., rather than reduce Federal and simultaneously increase State and local costs, we recommend that of the net Federal reduction of $50,000,000, the State be granted from this fund sufficient to cover the increased cost to the State.

This phase of Federal expenditure has so vital an effect on State and local financial planning that we feel the Federal Government should be continuously aware of the consequences of the changes which it makes, and if it feels that in considering all factors of the situation those changes must still be made, we urge upon the Federal Government the necessity of making some provision for lessening the effect of that change.

At this time I would like to ask the entire membership of this body to carefully study the data contained in the above statement from the department of social welfare of my State.

I sincerely hope that the Committee on Appropriations will heed the appeal of the President and report without further delay the bill providing the necessary funds for relief purposes.

I strongly favor the request of the President for funds, and I personally shall do everything in my power to bring about the passage of this legislation. I intend to cooperate in every possible way with the President and the department of social welfare of New York in their efforts to secure the required funds from Congress so that every needy person will receive adequate aid. [Applause.]

PURCHASE OF GREENLAND FROM DENMARK

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. FISH]?

There was no objection.

Mr. FISH. Mr. Speaker, I have today filed a resolution providing for the purchase of Greenland, which reads as follows:

Joint resolution providing for negotiations by the President with a view to the acquisition by purchase of Greenland

Resolved, etc., That the President of the United States is authorized and requested to enter into negotiations in such manner as he may deem appropriate with the Government of His Majesty the King of Denmark and Iceland for the purchase and acquisition of Greenland by the United States.

The invasion of Denmark by the German armed forces has raised a question over the sovereignty of Greenland, that huge island almost one-third the size of the United States and only 900 miles from our northern border in Maine. Greenland is 6 hours flying time from New York, and would be a valuable base for airplanes, submarines, and for naval operations. In addition, it may have enormous mineral resources if adequately developed.

For over a hundred years little Denmark has done practically nothing with her vast colony. It is still undeveloped and its population is less than 20,000.

I do not believe in any policy of imperialism or territorial expansion by threats or force. In the case of Greenland we might well offer to pay Denmark a substantial sum of money to acquire it, as we did the Virgin Islands.

Iceland, another Danish possession, presents a different problem for us, as it is much nearer to Europe than to the United States. I am not in favor of extending American influence into European areas or establishing naval bases in those waters any more than I want European nations to encroach on American spheres of influence.

It should be the definite policy of the United States to acquire by purchase or as offsets to foreign debts owed to us all islands or other possessions of European nations, excepting Canada, within 1,000 miles of our coast. It should also be the policy of the United States to oppose the transfer or further acquisition of any islands or possessions within the American sphere of influence by any European or Asiatic power.

I believe we could purchase Greenland for the price of half a modern battleship, or for $40,000,000, or less. I am no imperialist and do not favor extending our possessions either into the Far East, Europe, or Africa, but only in our own hemisphere.

I voted for the independence of the Philippines and want to get out of there at the earliest possible moment. The Philippines are 6,000 miles from our coast and are the Achilles' heel of the United States. The sooner we relinquish these possessions the better it will be for us.

I am likewise in favor of giving up voluntarily our extraterritorial rights in China and withdrawing our troops and river gunboats from a nation with which we are at peace.

I feel sure that I express the point of view of most of the American people, irrespective of party affiliations, that we do not want Germany to acquire Greenland, nor would we like to have Great Britain add to her already vast possessions within the American continent. We would prefer to enter into some equitable agreement to take over Bermuda and the West Indies and her other possessions in the Western Hemisphere. [Applause.]

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to include in some remarks I propose to make today copy of a letter written by the Comptroller General to the Attorney General.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. COCHRAN]?

There was no objection.

Mr. IZAC asked and was given permission to extend his own remarks in the RECORD.

Mr. HARTLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an address delivered by Director John Edgar Hoover, of the Federal Bureau of Investigation, before the convention of the Daughters of the American Revolution this morning.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey [Mr. HARTLEY]?

There was no objection.

ECONOMIC CONDITIONS IN THE UNITED STATES

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

Mr. RICH. Mr. Speaker, when I hear Members on my right get up and say that they are not satisfied with the amount of money that will be requested for relief during the next 8 months or a year, it seems to me that that is an admission of defeat—an admission of inability to run this Government and restore confidence to our people. It does not help their cause to ask for a hand-out for the people of this country after 7 years of trying to give jobs to 9,000,000 people. That certainly means defeat—getting a hand-out. Great guns; we want jobs and a pay roll. What we want to do is change some of these damnable laws that have been passed during the last four or five years and let industry of

this country get to work. If you do that, industry will put the people back to work and produce, and we will give jobs and work to our people and then they will be happy. You will not have to put our people on relief. It seems to me that is what we ought to do. Wait until after November, and we get a Republican Congress and President, and we will give these people something to do. They will earn money and will not want a dole. [Applause.]

[Here the gavel fell.]

AMERICA'S SUPPLY OF SUGAR THREATENED

Mr. CANNON of Florida. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida [Mr. CANNON]?

There was no objection.

Mr. CANNON of Florida. Mr. Speaker, a committee of this House is considering sugar legislation, and I believe it timely to bring to the attention of my colleagues recently reported threats to our import supply of sugar.

The authoritive New York Journal of Commerce reports as follows on April 17:

BUSINESS OUTLOOK—RAW MATERIAL IMPORT THREATS

While stocks of imported raw materials are now substantially larger than they were in September, apprehension exists among consumers that spot supplies of some commodities might become insufficient if Scandinavian ships are withdrawn from the Far East trade. Involvement of Holland in the war would increase this danger considerably. * * *

Commodities chiefly affected, besides rubber, include tin, raw silk, sugar, and coconut oil.

The same issue of the Journal of Commerce carried this report:

SPOT RAW SUGAR 2.90 CENTS, YEAR'S HIGH

Apprehensive over the freight situation and the possible further spreading of the war area, the sugar market yesterday continued its forward modest movement. Spot raw sugar moved up to 2.90 cents, equaling the high for the year; domestic futures were 1 to 3 points higher. * * *

The freight position was the major concern. Reports were that practically all of the boats—estimated at 80 to 85 percent of the number in service—from Cuba to the United States were withdrawn from the market, temporarily at least, awaiting orders. Meanwhile, operators of American and foreign neutral vessels were reported generally to be out of the market pending developments. * * *

At the same time, it is understood that some manufacturers who use large quantities of sugar were opening negotiations to cover their requirements for all of 1941. With a war on and fears prevailing that it will continue to spread, the trade regards prices attractive for accumulation.

It is evident to me, Mr. Speaker, that we are rapidly approaching the situation which we had last fall when the American housewife was required to pay 7, 8, and 9 cents per pound for sugar, and that if we do not watch our step we will again be gouged by Cuban interests and required to pay 25 and 30 cents per pound for sugar as was the case following the first World War period.

The Sugar Act of 1937, under which we are required to receive over 70 percent of our sugar from foreign and offshore areas, creates a perfect set-up for those things to happen again.

And so, Mr. Speaker, I say to my colleagues that the time has now come for us to put a stop to that iniquitous Sugar Act, and I can assure those who have asked for its continuance, or for any legislation which carries similar provisions, that they have yet to see the biggest fight of the year. [Applause.]

STATEMENT OF HON. PAT CANNON OF FLORIDA BEFORE COMMITTEE ON AGRICULTURE, HOUSE OF REPRESENTATIVES, APRIL 12, 1940, ON SUGAR LEGISLATION

Mr. Chairman, I have listened with considerable interest to the testimony which has been adduced at this hearing for the past 3 days, and I am impressed with the widespread and intelligent interest which has been displayed here regarding all types of proposed sugar legislation. Processors, farmers, refiners, and consumers have appeared here and stated their respective views concerning various and sundry bills which this committee might adopt. Some have expressed the hope and intelligently urged that no legislation be adopted. The committee has been most attentive and considerate of all views expressed, and under that benign policy it is hoped that you will indulge a colleague who has the honor of representing an area within the continental confines of these United States which has proven its ability to produce sugar for the American housewife at a very low cost of production, and at the same time pay its labor the highest agriculture wage of any area which furnishes sugar to the American market.

THE PRESENT ACT

The present act, insofar as taxing powers, expires June 30, 1941. The powers of the Secretary of Agriculture under the act expire December 31, 1940. The act allows domestic producers to fill only 55.59 percent of the American market; this includes quotas to the mainland cane, mainland beet, Hawaii, Puerto Rico, and Virgin Islands areas. The quota for mainland cane is 11.31 percent of the domestic quota, or 6.287 percent of the American market.

This 6.287 percent is for Louisiana and Florida, and under the so-called historical basis, this gives Florida only 0.94 percent, or less than 1 percent of the American market.

In comparison Cuba is granted 28.60 percent of the American market; the mainland beet area, 23.19 percent; the Philippines, 15.41 percent, and Hawaii and Puerto Rico, respectively, 14.04 percent and 11.94 percent.

FLORIDA'S COST OF PRODUCTION

Notwithstanding the fact that Florida pays the highest wages of any area furnishing sugar for the American market, last year we produced 96-degree raw sugar at a cost of $40.69 per ton, which is the lowest in the history of the industry and which is in line with the lowest cost of production in the world. Reduced to cents per pound, this cost of production is about 2 1/30 cents per pound.

CUBA'S COST OF PRODUCTION

It has long been an accepted fact that of all areas furnishing sugar to the American market, Cuba has the lowest cost of production. However, under reliable testimony adduced at this hearing it has been shown that Cuba's present cost of production is in excess of 2.25 cents per pound. Cuba said last year that they were only receiving 2.25 cents per pound for their sugar and that this was in excess of their cost of production. This committee should give serious consideration to the fact that Cuba's cost of production is nearly 0.20 cent per pound higher than Florida's cost of production, and to the further fact that while Cuba and areas with a much higher cost of production are allowed under present law a monopoly on over 99 percent of the American market, Florida, by the same law, is restricted to less than 1 percent of the American market.

FLORIDA AS A MARKET FOR THE AMERICAN MANUFACTURER

This committee should be interested in whether or not the grant of the American sugar market to Cuba, other foreign countries, and off-shore areas creates a market for the American manufacturer.

In Florida there is an automobile for every 5 persons. In Cuba there is only 1 car for every 230 persons; in Puerto Rico only 1 for every 130 persons; and in the Philippines only 1 for every 490 persons.

In Florida there is a radio for every 7 persons. In Cuba there is only 1 for every 48 persons; in Puerto Rico only 1 for every 100 persons; and in the Philippines only 1 for every 608 persons.

A comparison of Florida's consumption of agriculture products such as cotton, wheat, beef, pork, vegetables, and so forth., with the consumption of the foreign and offshore areas which control our sugar market would be further enlightening.

I was glad to hear one of the members of your committee assert that, in his opinion, a dollar spent in this country for sugar created a far greater market for American products than the dollar spent in Cuba, of which only about 30 cents returns to this country.

THE EXPLOITATION OF PEON LABOR IN CUBA BY AMERICAN CAPITAL

It has been asserted with force that the present act, and any such quota system which gives Cuba a monopoly of nearly 30 percent of the American sugar market, allows American capital to go into Cuba, in preference to other areas which have high wage standards, and at the expense of Cuban peon labor, to take an unholy profit. I have been interested in facts to sustain this suspicion, and I am glad to inform the committee that they are now available and can be found in the CONGRESSIONAL RECORD of March 22, 1940. The source is from reliable figures published by the Cubans themselves. It is shown that of the 174 sugar mills in Cuba, 67 mills are owned by American capital, and that these American-owned mills produce 55.75 percent of all of the sugar produced in Cuba. These figures further show that only about 22.2 percent of Cuba's sugar is produced by Cuban-owned mills. They show that about 55 percent of the benefits that accrue to Cuba find their way back to New York.

We know that of every American dollar which goes to Cuba only about 30 cents is used to purchase American goods. We know that our balance of trade is steadily increasing in Cuba's favor, which means that our dollars, when received in Cuba, are diverted either to foreign markets or to the nonconsuming public. Therefore, when I hear people advocating a continuation of the Sugar Act of 1937 and a continuation of Cuba's monopoly on the American sugar market, it is only natural that I view their arguments with suspicion, when I know that the things that they advocate are not for the best interest of the people of these United States. The best answer that I know to their pleas is to give Florida its constitutional and inherent right to the American market, and

then, this American capital which is in Cuba will come to Florida and ask to produce sugar, and they can produce it there cheaper than in Cuba, but they will have to pay a much higher wage and maintain the American standard of living for their workers. If that is done, we will be assured that Florida will give to the American manufacturer a real market, and that every dollar spent there will be used 100 percent for the purchase of American goods. That's the real market for America.

It might also be noted that such action by this Congress would leave sugar production in Cuba to the Cubans, and would necessarily have a beneficial effect on their economy.

So much for the Cuban situation, except to say this: Even American capital in Cuba expects this Congress to wake up and find out the real facts this time, for in recent months these self-same interests have been buying land in Florida, anticipating that this Congress will throw the iniquitous Sugar Act of 1937 in the ashcan where it belongs.

THE AMERICAN CONSUMER

Some time ago on the floor of the House I pointed out that under the Sugar Act of 1937 the American consumer was paying a grossly unfair price for sugar. I pointed out that in January of this year the American housewife in the Southeast around Savannah, Ga., where Florida sugar is refined, was paying the reasonable price of 5 cents per pound for sugar, and that in other areas where sugar is received from other sources the American housewife was paying as high as 6.2 cents per pound.

It is not my purpose to talk about the "unholy alliance" so often referred to by the President and other high officials in speaking of conditions which exist under and by virtue of the Sugar Act of 1937, but I do think that it is advisable to remind this committee once again that high officials in this Government have repeatedly had the following to say about the Sugar Act of 1937:

1. "American consumers are obliged to pay more than $350,000,000 per annum in excess of the value, at world prices, of their annual sugar supply (without allowance for net revenues under the act of about $47,000,000). This is equivalent to a tax of approximately $2.70 per capita on the population of 129,000,000 people. It means on the average a levy of more than $10 per family, including that one-third of the Nation which is ill-nourished, and it represents an amount of purchasing power equal to more than 50 quarts of milk and 50 loaves of bread for each family in the United States." (Secretary Wallace.)

2. "In the first place, the domestic sugar-producing industry receives an effective protection, in the form of prices in excess of the world level, of 90 cents per hundred pounds, raw value, from the prevailing tariff on Cuban sugar. In the second place, on the basis of current prices, the effect of the quota system, provided for in title II of the Sugar Act of 1937, is to raise domestic sugar prices an additional $1.15 per hundred pounds, raw value. In the third place, the conditional payments to be made to sugar-beet and sugarcane growers by the Government, under the provisions of title III of the Sugar Act of 1937, are equal to another addition in protection of 60 cents per hundred pounds, raw value. The sum of these protective devices is equivalent of a specific tariff duty of $2.65 per hundred pounds of sugar, raw value, or on the basis of the current world price of 96 degree raw sugar, New York basis, namely $1.10 per hundred pounds, the equivalent of an ad valorem tariff rate of 240 percent." (Secretary Wallace.)

3. "In fact, the total public subsidy per hundred pounds of sugar, raw value, now being received by the domestic sugar industry as a result of direct governmental action is equal, in terms of the amount of sugar derived from average sugar beets, to approximately $8.40 per ton of sugar beets. This is considerably greater than the entire amount received by growers for the sugar beets they produce, so that it might be said that in effect the public is providing sugar-beet processors with free raw material and a substantial price subsidy in addition." (Secretary Wallace.)

The committee might inquire into the first point for the reason why the American consumer is vitally interested in sugar legislation. Ten dollars in taxes now being paid by the American family could be used to bolster the market for other American products such as cotton, wheat, milk, etc. If the committee is interested in the reasons why representatives of the beet processors are urging the Cummings bill, inquiry might be made into the second and third points of the foregoing. In this connection, I might say that it is human nature for any processor to protect his source of supply of raw materials, especially when that source of supply, according to Mr. Wallace, is given to him free of all costs, with the addition of a subsidy, the bill being paid by the American public in general.

SUGAR AN ESSENTIAL FOOD AND RAW MATERIAL

All agree that sugar, once a luxury, is now an essential food. It is vitally necessary to the health and well-being of this Nation. In addition, it is an important raw material in time of war. This is a time of war. Sources of world sugar supplies are being cut off daily from European countries. The strength of nations which do not have their own supply of sugar is being adversely affected. Sugar prices on the world market are rising. I quote from an Associated Press dispatch dated April 13, 1940, from New York:

"A bullishly inclined sugar futures market appeared still under the influence of war news today. Both domestic and world contracts advanced. Dealers and speculative buying was influenced by threats to European sugar supplies inherent in the broadening war, together with the high place sugar holds as a war and peacetime necessity * * *."

Just as important sugar sources are being cut off from European countries, so can they be cut off from this country so long as we continue our present policy of depending upon foreign countries and offshore areas which are vulnerable to enemy attack for 70 percent of our sugar needs.

We are with wisdom spending billions of dollars on national defense, and yet we are overlooking the fact that we have not provided any means whatsoever for the protection of our sources of an essential peace and wartime commodity. We can protect our source of sugar supply by doing away with the Sugar Act of 1937 and thus allow domestic producers to supply the American market. This action will be the taking of an important step in national defense. It will not cost this Government one cent by way of appropriation or otherwise, and, in fact, as previously shown, will actually save the American people millions of dollars. What greater contribution in one single stroke could be made in the interest of national defense and in the interest of the American people generally?

SUMMARY OF FLORIDA'S POSITION

Representatives of other sugar-producing areas will no doubt think thus far that my purpose is to attack the position that each has taken. Far be my purpose from that. I can say to those from the beet area that Florida is not interested in doing away with normal protection for them. We are willing to see them continue to have adequate tariff protection. Florida stands for this, and if anyone doubts it, let them take a look at our vote on the reciprocal-trade program. I would point out in this connection that with the abandonment of the Sugar Act of 1937, domestic areas would be automatically protected with a $1.50 per hundredweight tariff.

And, so, we of Florida say to the representatives from the beet areas, and from the other sugar-producing areas, and to all persons and parties generally, that so long as they recognize Florida's right to produce sugar for the American market, Florida, and we of Florida, will get along with them perfectly. On the other hand, for those who want to continue to stiffle an industry that these United States need and refuse to recognize that right by concrete actions, then Florida, and we of Florida, will fight to the end. Our position may thus be summarized as follows:

First. We will vigorously oppose the reenactment of the Sugar Act of 1937, or any legislation of similar nature, which curtails domestic production and Florida's production.

Second. We will vigorously oppose any legislation which provides three different and cumulative means of protection and are against, such cumulative means of protection which are quotas, tariff, and benefit payments.

Third. As to tariff, we contend that we do not need any protection whatsoever on sugar, nor benefit payments, but say that if the beet producers need protection we are perfectly willing to see the $1.50 tariff be reinstated and continued.

The reasons for our position have been heretofore stated.

WHAT SHALL THIS CONGRESS DO?

You ask me, Mr. Chairman, what shall this Congress do? The answer is simple. Take no action, and the situation is solved; quotas, benefit payments, and all other injustices under the present act will be ended. The beet growers will have their protection with a $1.50 tariff.

In this connection, several things have happened during these hearings which bear out my contentions.

First. The President did not express satisfaction when he signed the Sugar Act of 1937. In fact, he expressed considerable dissatisfaction upon signing that act. It is well to note that he has not asked for sugar legislation at this time. I have already given you some of Secretary Wallace's views of this act. Secretary Ickes views on this point are well known. He said in 1937:

"It will be recalled that during the administration of President Wilson, the Congress decided after careful consideration of the basic question of continuing to subsidize domestic sugar production, that the whole matter was indefensible and forthwith provided for the elimination of all subsidies.

"But there probably would be some improvement in efficiency in the continental areas, if restraints were removed, through the tendency of production to move to the lower cost and better adapted locations."

Nothing has happened which would show us that the considered opinion of Congress under President Wilson was not correct, and in fact, the chain of events convince us that its action was better advised that the action of Congress in 1937 in enacting the present law.

Second. Only one correct and sure conclusion can be drawn from these hearings and the various hearings which have taken place all over Washington in various hotel rooms and other places during the past 3 days. That conclusion is that there is a great deal of confusion among all sugar interests as to the kind and type of legislation which, if any is adopted, would satisfy all interests.

Therefore I say that if various and sundry sugar interests are at loggerheads over what legislation to adopt and it is impossible for them to get together, why should this committee endeavor to settle the controversy. This committee certainly cannot ask Congress to agree to legislation which sugar interests themselves cannot and have not agreed to. The wisdom of this argument is more particularly true when we know that the refusal of this committee to act will be to the betterment and benefit of the people of these United States.

In conclusion, I can assure you in no uncertain terms that Congress is yet to see its biggest fight of the year in the event it is asked to reenact the Sugar Act of 1937 or any legislation which smacks of provisions similar to that act.

THE LATE CLARENCE DARROW

Mr. SMITH of Illinois. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. SMITH]?

There was no objection.

Mr. SMITH of Illinois. Mr. Speaker, I ask unanimous consent to address the House for one minute, and I ask unanimous consent also to revise and extend my remarks.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. SMITH of Illinois. Mr. Speaker and Members of the House, this is the birthday of Clarence Darrow, one of Illinois' latest and greatest sons. The biography of every man, even of the most heroic, is but this trinity of sadness: "Born, troubled, died."

Darrow was born 83 years ago; he was troubled all his life by man's inhumanity to man; he died 2 years ago at his home in Chicago.

Darrow hated to die. Defender of the defenseless, he died to prove, as he lived to argue, that life is accidental and death its slow sure doom. Born in Kinsman, Ohio, Darrow lived in kinship universal and died an undisputed king of human kindliness. Others he saved from the Grim Reaper; himself he could not save. Let the muffled heartbeats of humanity be his fitting elegy as we bethink ourselves of his gallant ashes on this and every birthday. Let his continuing epitaph be the adapted lines of his beloved poet Housman:

They say my words are sad; no wonder;
Their narrow measures span
Tears of eternity and sorrow—
Not mine, but man's.

My words are for ill-treated fellows,
Unborn and unbegot,
For them to read when they're in trouble,
And I am not.

Darrow is dead. But he outlived gossip; envy he outlived. He lived down the perverse malice, so his friends hope, of such twisted piety as made death a poisoned dagger to Tom Paine and Thomas Jefferson, our earlier heroes of a mind too free to enslave itself with a faith more weak than honest doubt. Legend, which writes many a name in water and not a few in blood—let legend spread Darrow's name in sympathy upon the vastly skies of memory and echo his tenderness across the limitless gulf of future years.

Whoever through courage and high emprise has earned the right to live can never wholly die. Let Darrow become our Paul Bunyan of pity. Let him be our Robin Hood of courage against the heartless strong. Let this dead immortal mount to joint the immortal dead whom merciful memory has promoted to Olympus. Though defenseless here against death, Darrow there defies oblivion. Darrow is dead. Long live Darrow.

Solacing as is such simulation of immortality, it leaves affection empty and stabs anew our yet sorrowing hearts. Infinitely better, however, for Darrow to have lived and died than never to have lived at all. Now and ever will memory of him strengthen the hands of those who in his spirit work to soften the blows of fate and to even the score for the weak against cruel injustice and high-placed wrong. His friendly smile, his reassuring word, his gentle hand will linger long to strengthen our will to dare for the sake of a larger right.

Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix, and include therein an address by Clarence Darrow upon another great Illinoisan, John P. Altgeld, a former distinguished Governor of my State and in immortal death the Lone Eagle of America.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

FIVE PROPHETIC YEARS

Mr. GUYER of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GUYER of Kansas. Mr. Speaker, when the world is trembling beneath the sword of Damocles from the threat of war it seems to me to be proper to call attention to some history of the genesis of our part in the World War and how we became involved.

FIVE PROPHETIC YEARS

1912

Too proud to fight.—Woodrow Wilson.

1914

The people must even think neutral.—Woodrow Wilson.

1916

When pictures of the war in Europe are shown on the screen the people will refrain from applause lest some belligerent conclude that the United States is not neutral.—Woodrow Wilson.

You are working, not fighting.
You are living, not cannon fodder.
Wilson kept you out of war.—George Creel.

1917

Up to our necks in war.

LEST WE FORGET

1940

If in 1917 with Woodrow Wilson, saturated with a consuming passion for peace, we were catapulted into the greatest war in human history, where will we land when led by a blustering, bellicose, and brutally frank assailant of nations with whom we sustain relations of profound peace with threats of "quarantine" and "steps short of war?" If in 1917 with William J. Bryan, Secretary of State, one of the most eloquent and vociferous advocates of peace, we plunged into a blood bath on another continent to make the "world safe for democracy," whither are we going with a Secretary of State who irritates a jittery world with querulous warnings and a sensitive, potential rival with peevish admonitions and caustic insinuations? One thing we must admit is that if we get into this war we cannot blame this administration with its usual duplicity. The direction in which we are steadily moving is certainly obvious.

EXTENSION OF REMARKS

Mr. CANNON of Florida. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this morning and include therein a statement previously made by me.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PRESERVATION OF OUR FORESTS

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PIERCE. Mr. Speaker, the State of Oregon has the largest stand of merchantable saw timber of any State in the Union. It is cutting more timber today than any other State in the Union. It has great possibilities. This situation can continue for all time if we are able to adopt selective logging in the various operations that are now going on, so that only the ripe trees are cut and the young growth is preserved.

The sentiment in the State of Oregon has changed very much indeed in regard to the preservation of the forests since I left the Governor's office, and all now agree forests must be made permanent. I frequently stated, years ago, that to cut an unripe tree even on your own land is a wrong against society, which has a vested interest in the trees.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a report made by our regional forester, Lyle F. Watts, of Portland, Oreg.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

CIVIL AERONAUTICS AUTHORITY

Mr. VORYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS of Ohio. Mr. Speaker, I have been studying, as we all have, the fourth reorganization plan, and I wish to give my present views to you by reading you my reply to a very moving telegram we all received from David L. Behncke, president of the Air Line Pilots Association. My letter reads as follows:

WASHINGTON, D. C., *April 17, 1940.*

Mr. DAVID L. BEHNCKE,
President, Air Line Pilots Association,
708 Fourteenth Street NW., Washington, D. C.

DEAR Mr. BEHNCKE: I have received your telegram of April 16, pleading that I do everything possible to prevent approval of the President's fourth reorganization plan. This order destroys the independence of the Civil Aeronautics Authority, liquidates the independent Air Safety Board, and turns commercial aviation back into the hands of Commerce Department politics under Harry Hopkins.

I am a quiet birdman. I started to fly in 1916; was a pilot in the Naval Air Service during the war, and Ohio's first director of aeronautics. I have been studying the background of this astounding Executive order affecting the C. A. A., and from all the information I can obtain, it appears completely undeserved and indefensible.

We have just celebrated a year of perfect safety with no air-line fatalities or injuries to passengers or pilots, and during that same year the air lines operated for the first time in the black. The separation of the industrial regulations from safety investigation, and the quarantining of both from politics, has produced results unsurpassed in aviation history. The C. A. A. and Air Safety Board deserved commendation instead of annihilation.

Since there is no apparent explanation for his executive action, I am wondering whether there may not be some secret sinister explanation?

For the second time the President has delivered a blitzkrieg blow to commercial aviation. The 1934 air-mail cancelation appeared merely incredibly stupid at the time. After 12 gallant Army pilots had lost their lives flying the mail, and after the indefensible cancelations had cost the taxpayers millions of dollars, we learned that the cancelation coincided precisely with efforts of relatives and friends of the President to "reorganize" the aviation industry on a "satisfactory" basis.

We know the difficulties which Congress faced at the hands of the Executive in reconstructing out of the chaos which followed cancelation, the independent C. A. A. and Air Safety Board Administration. Just as this new arrangement had produced the most successful year in aviation history, the President delivered this second devastating blow, without warning to, and apparently without consultation with, the pilots, the industry, or even the C. A. A. administrative officials themselves. This, on its face, is at worst sinister and at best, senseless.

I am ready to do everything I can to defeat Reorganization Plan No. IV and also plan No. III, which is apparently part of the same plot against independent air regulation and safety investigation. This is once more a fight to save an industry and to save human life. American air commerce simply cannot stand even 6 months of the Hopkins brand of W. P. A. administration.

Sincerely,

JOHN M. VORYS, M. C.

The CAPITOL, *April 17, 1940.*

REPEAL OF LAWS

Mr. KELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KELLER. Mr. Speaker, I take this time to suggest to my friend the gentleman from Pennsylvania [Mr. RICH] that he would render a great service to this House if he would stipulate what laws the Republicans are going to repeal when and if they get into power. I challenge him to do that on the floor of this House and put it into the RECORD.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Pennsylvania.

Mr. RICH. Mr. Speaker, I ask unanimous consent to place that material in the RECORD right after these remarks of the gentleman from Illinois.

The SPEAKER pro tempore. It will go in the Appendix of the RECORD.

Mr. RICH. I should like to put it in the RECORD right after this speech, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

Mr. RICH. They do not want to know what these things are, what laws I would change that would give jobs to 8,000,000 people and restore confidence.

[Here the gavel fell.]

COMPENSATION FOR CERTAIN DEPENDENTS OF WORLD WAR VETERANS

Mr. MILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a report from the Veterans' Administration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MILLER. Mr. Speaker, the Washington Post of Tuesday quoted the chairman of the Committee on World War Veterans' Legislation as saying that the annual cost of H. R. 9000 would be between six and eight million dollars. I have in my hand a report on H. R. 9000, received from the Veterans' Administration, stating that the estimated maximum first-year cost of H. R. 9000 will be approximately $48,386,000, plus a sum impossible to estimate, which will provide for widows married between 1921 and 1938 who had children born during those years and whose children are not over 18 years of age. What this bill will cost after the first year no one has yet computed.

This is the bill we were asked to pass by unanimous consent last Monday. Now we are being asked to sign a discharge petition to discharge the Rules Committee from consideration of H. R. 9000, a petition placed on the Clerk's desk a few minutes after the bill was struck from the Consent Calendar and before the Rules Committee had a chance to act.

I do not believe the average World War veteran approves of such tactics. It will be a sorry day to veterans and all citizens when the orderly procedure of this House and of committee action is broken down. Let us not slam the door in the face of the widows and children whose men gave their lives in battle, many of whom lie buried in France. I hope to have time to discuss H. R. 9000 at length tomorrow afternoon.

Mr. Speaker, the report to which I have referred is as follows:

The Committee on World War Veterans' Legislation, to whom was referred H. R. 9000, entitled "A bill to provide more adequate compensation for certain dependents of World War veterans, and for other purposes," having considered the same report favorably thereon with the recommendation that the bill do pass.

For several years bills have been referred to the committee providing compensation benefits for the widows, children, and dependent parents of World War veterans without regard to the cause of the veteran's death or the requirement of the existence of a service-connected disability at the time of death. H. R. 9000 provides such a grant at the following rates:

Widow but no child, $20; widow and one child, $28; widow and two children, $34 (with $4 for each additional child); no widow but one child, $12; no widow but two children, $18 (equally divided); no widow but three children, $24 (equally divided) (with $3 for each additional child; total amount to be equally divided); dependent mother or father, $20; or both, $15 (each). As to the widow, child, or children, the total compensation payable cannot exceed $56.

As is customary with legislation of this character, the veteran must have served honorably for a period of 90 days or more during the World War, or, if less than 90 days, was discharged for disability incurred in the service in line of duty. It is also required that the veteran must have been in the active service before the cessation of hostilities (November 11, 1918), but as to those persons who served with the United States military forces in Russia prior to April 2, 1920.

The provisions of the bill are more restrictive than similar existing legislation applicable to widows and children of prior wars in that it requires a widow to prove dependency under regulations to be prescribed by the Administrator of Veterans' Affairs, while under the provisions of existing law it is not required that the widow show dependency. Under existing law (Public, No. 484, 73d Cong., as amended), as to compensation for World War veterans where the veteran at time of death had a service-connected disability, an income limitation is for application as follows:

"Payment of compensation under the provisions of this act shall not be made to any widow without a child, or a child, whose annual

income exceeds $1,000, or to a widow with a child or children whose annual income exceeds $2,500. In determining annual income, payments of war-risk term insurance, United States Government life (converted) insurance, and payments under the World War Adjusted Compensation Act, as amended (U. S. C., title 38, ch. 11), and the Adjusted Compensation Payment Act, 1936, as amended, shall not be considered * * *."

The bill provides such an income limitation but from a practical standpoint will affect solely the rights of children.

A further restriction in the bill would require that the widow must have been married to the veteran prior to July 3, 1921 (prior to or during the World War), unless a child was born of the marriage to the veteran, in which event the marriage delimiting date is extended to include widows married to the veteran prior to May 13, 1938. The following provisions of section 3 of the act of May 13, 1938, Public, No. 514, Seventy-fifth Congress, would also govern the determination of eligibility of a widow for benefits under the bill:

"* * * all marriages shall be proven as valid marriages according to the law of the place where the parties resided at the time of marriage or the law of the place where the parties resided when the right to compensation accrued. Compensation shall not be allowed a widow who has remarried either once or more than once, and where compensation is properly discontinued by reason of remarriage it shall not thereafter be recommenced. No compensation shall be paid to a widow unless there was continuous cohabitation with the person who served from the date of marriage to date of death, except where there was a separation which was due to the misconduct of or procured by the person who served, without the fault of the widow."

The Veterans' Administration estimates that the bill would make eligible for compensation during the first year 30,500 widows alone, 66,700 widows with children, and 23,500 children alone. The estimated maximum first-year cost for the foregoing dependents is approximately $39,914,000. However, if it can be assumed that only one-half of these cases would file claim and be paid the first year the actual cost for the first year would approximate $19,957,000, bringing on the rolls the dependents of approximately 60,300 deceased World War veterans. There would be an additional cost to include widows who were married between July 3, 1921, and May 13, 1938, and where a child was born of the marriage but where the child is now over 18 years of age and not in school. However, no estimate of cost can be made for this group as there are no available figures on which to base an estimate. No deduction has been made for the dependency provision for widows as there has been no experience on which to base an estimate. However, it can be stated that there would be a greater number of cases disallowed because of the dependency requirement than would be disallowed under the income limitation hereinbefore quoted.

It is estimated that the parents of approximately 32,800 deceased veterans would be entitled to compensation at a cost of approximately $8,472,000 the first year. However, if it can be assumed that one-half of those that apply will be paid the first year, the cost for this group would approximate $4,236,000, bringing on the rolls the parents of approximately 16,400 deceased veterans.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to answer the statement of the gentleman from Connecticut.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, the gentleman from Connecticut is excited over the cost of the widows and orphans bill. The maximum that was presented to me by the Veterans' Bureau, if I remember correctly, was $24,000,000. My estimate is that it will be between $6,000,000 and $8,000,000. The Veterans' Administration invariably overestimates the costs of veterans' bills. Besides, this measure will take many of these widows and orphans off the relief rolls, and many widows off the W. P. A. rolls. I submit to the House that the widow of a veteran who served his country honorably in time of war ought not to drag his orphan children through the bread line to get something to live on after he has passed away, when probably the disease from which he died or the trouble from which he died was incurred in line of duty.

The gentleman from Connecticut had a right to object to this bill and he did object to it, as did the gentleman from New Jersey [Mr. KEAN] and the gentleman from California [Mr. COSTELLO].

But we who favor the measure are going to do what we can to get a vote on it. We have not asked him to sign the petition; we will get enough signers to bring the bill to a vote without him.

CIVIL AERONAUTICS AUTHORITY

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, a great many of us in the House and in the Senate in order better to serve this Nation and our constituents find it necessary, yea, imperative, to fly the air lines of this country. When we get in those beautiful silver ships and see two able and capable pilots walking to the forward end we know we are traveling in safety. We remember the cry and the furor that went up in this Nation when Senator Cutting lost his life in that accident back in 1935. Think of the change that has come about in the air lines of this Nation under the Civil Aeronautics Authority and the Air Safety Board. I want every Member of this House to read carefully the letter I received this morning and which I shall place in the RECORD at this point from David L. Behncke, president of the Air Line Pilots Association, composed of those boys who carry us through fog, through snow, and through ice and sleet, day and night, that we may better serve the people of this Nation. [Applause.]

AIR LINE PILOTS ASSOCIATION,
Chicago, April 16, 1940.

Hon. FRED BRADLEY,
House of Representatives, Washington, D. C.

DEAR MR. BRADLEY: Several days ago the pilots that fly America's air liners received news that was so abrupt, so far reaching, and so shocking that it left them stunned. President Roosevelt had announced his fourth reorganization plan to Congress, containing a proposal to abolish the new Civil Aeronautics Authority and the Air Safety Board and place the entire air regulatory and independent air-accident investigation duties that they have been performing so commendably back under the Department of Commerce, which made such an amazingly deplorable and costly failure of the same duties prior to the time that the new act was passed. The "why" of this is indefinable. The history of civil air regulation and air-accident investigation is a matter of record.

From the late twenties to the time that the Civil Aeronautics Act of 1938 was passed were black pages in the history of the country's air-transportation development. It is not a matter of suppositions, assumptions, or the preponderance of vaguely defined ideas, but what this amounts to is cold, hard, indisputable facts—facts established by stark realities, facts established by the loss of score upon score of human lives and the loss of millions upon millions of dollars.

On May 6, 1935, Senator Bronson Cutting lost his life in an airliner crash. In sheer desperation, the pilots, with the backing of a friendly, public-spirited press, started to lead the fight to free America's air transportation from the entwining tentacles of death in the air which was strangling it to ruin.

During the period that the Department of Commerce regulated the country's air-transportation network 473 persons lost their lives in air crashes, of whom over 146 were air-line pilots. The ranks of the air-line pilots were being thinned at the startling rate averaging one every 28 days; their passengers were meeting death averaging one every 15 days. The crash-scared public was afraid to ride, which resulted in unestimably large losses of revenue to the industry, and progress was stymied.

Air-minded Congressmen and Senators became interested. A Senatorial Air Investigating Committee was appointed namely: Senators Clark (Missouri), White (Maine), Donahey (Ohio), and the late Royal S. Copeland (New York). They did a good job. They listened patiently to everything that anyone had to suggest that might be the solution. The congressional record built up by this committee is truly a bible on air safety. The politically involved and obviously faulty regulatory and air accident investigating procedure of the Department of Commerce is all written in the record of this Senatorial Air Safety Investigating Committee.

Congress, the line pilots, and everyone else that was really interested in doing something about increasing air safety, worked tirelessly and relentlessly until in 1938 the new Civil Aeronautics Act was passed. The pilots had repeatedly pointed out through these dark years that the solution to the problem was to remove the control of civil aeronautics from the Department of Commerce and not only that, but to separate the functions of regulating civil aeronautics from the functions of investigating accidents and making recommendations as to what should be done to prevent reoccurrences. The pilots pointed out simply that no one agency could reasonably be expected to handle both functions efficiently and effectively because no one agency can be expected to decide against itself when something happens.

The line pilots recommended the creation of an air-safety board which was to be completely independent of the regulation making divisions of the Authority. The sole duty of this board being, without influence of any kind, to investigate accidents with the view of preventing reoccurrences and to make recommendations to the Authority which would, in the opinion of this board, tend to prevent accidents.

Congress listened and the Air Safety Board and the new Air Authority was created.

Now let's look at the record since the Air Safety Board took over. Accidents have been cut to a minimum and there has not been a pilot death on our country's air lines in the past 16 months, nor a passenger fatality in more than 12 months. A world air-safety record. During this 12-month period the pilots that are making this appeal to you now, not to permit the abolishment of the Air Safety Board, flew 87,325,145 miles and carried 2,028,817 passengers without a fatality. Contrast this to one pilot being killed every 28 days and one passenger every 15 days for the entire period that the Department of Commerce regulated civil aeronautics and investigated accidents, numbering a total of 473 pilots and passengers killed.

Certainly no one wishes to go back to that. The pilots are not quarreling with anybody. All they are trying to do is a good job so that American air transportation may continue to be No. 1 in world flying.

When Congress created the Civil Aeronautics Act, bringing into being the Air Safety Board, it won with one stroke the confidence of the American people and they took to the air. Real air safety has been established by the Air Safety Board, with the cooperation of the new Authority. This combination is paying dividends in lives saved and thousands upon thousands of dollars saved because of not having to pay the cost of crashes, and millions earned due to increased patronage resulting from the no-fatality safety record that has just been established, and we have only just started. It is only plain common sense to want to leave well enough alone. Your support to set aside the President's proposal to abolish the Air Safety Board and to strip the new air Authority of its identity and independence is earnestly and respectfully solicited by the country's air-line pilots who fly our air liners on the most extensive civil air network in the world.

Respectfully yours,

AIR LINE PILOTS ASSOCIATION,
DAVID L. BEHNCKE, *President.*

Mr. Speaker, these men know far better how your life, how my life, how the lives of all of us in this House—in this Nation—who travel the air lines can best be protected—by keeping the Civil Aeronautics Authority and the Air Safety Board in its present state of existence, free from politics, free from the spoils of patronage. I hope every Member of this House will ponder this letter carefully before voting to permit this proposed reorganization. It is your life and mine. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. PIERCE. Mr. Speaker, I ask unanimous consent that the report of our forester may be inserted at the point in the RECORD where I made the speech.

Mr. RANKIN. Not at that point; put it in the Appendix.

The SPEAKER pro tempore. The Chair wants to call the attention of the Members to the fact that it is embarrassing to the present occupant of the chair to make objections when Members want to insert matters "at this point in the RECORD," but from now on, when the Chair states, "There is objection," you may understand that the present occupant of the chair is making the objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two subjects: First, the subject of foreign trade zones; and, second, on the McNary sugar bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RANKIN. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER pro tempore. Evidently there is no quorum present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 73]

Allen, Ill.	Faddis	Massingale	Steagall
Barton	Fenton	Merritt	Sullivan
Bell	Flannagan	Mitchell	Sweeney
Buckley, N. Y.	Folger	O'Day	Taylor
Burgin	Gilchrist	Patrick	Thomas, N. J.
Byron	Green	Plumley	Ward
Carter	Hook	Rabaut	Wheat
Cartwright	Houston	Risk	Whelchel
Casey, Mass.	Jarman	Sacks	White, Idaho
Connery	Jarrett	Scrugham	White, Ohio
Culkin	Jennings	Shafer, Mich.	Wood
Darrow	Kelly	Smith, Conn.	
Dingell	Maloney	Smith, Va.	
Durham	Martin, Ill.	Starnes, Ala.	

The SPEAKER pro tempore. On this roll call, 377 have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a statement prepared by Mr. L. G. Caldwell, an attorney of this city, analyzing the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS F. FORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a report from the advisory board of the Committee on Patents.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and at the same time to place in the RECORD a couple of pages from the agricultural appropriation bills.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. FERGUSON. Mr. Speaker, on yesterday the House granted me permission to extend my remarks in the RECORD and to include therein an article by Leland Stowe. It exceeded the limit by one-half page, and for that reason I want to now resubmit my request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER pro tempore. Let the Chair state that the Chair will now recognize anyone to extend his remarks in the RECORD, but not for any time to address the House.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the gentleman from New York [Mr. FISH] spoke about the purchase of Greenland a few moments ago. Greenland technically is a possession of Denmark; however, since the occupation of Denmark by Nazi Germany Denmark at present is not a sovereign state. Since this is the case, I fail to see how any purchase agreement could be negotiated. Greenland is a territory without ownership at the moment. Because of this fact I believe the United States should establish a protectorate over this territory immediately before it is too late. Mr. Speaker, I would like to revise and extend my remarks at this point, and include therein a brief summary of Colonel Lindbergh's survey in 1934 for a trans-Atlantic air route to Europe via Greenland and Iceland, showing the various possibilities in Greenland for air bases and landing fields.

Mr. RANKIN. Mr. Speaker, reserving the right to object, I have no objection to this material going into the RECORD, but the Speaker just now declined to recognize the gentleman from Oregon [Mr. PIERCE] to insert certain material at this point in the RECORD.

The SPEAKER pro tempore. The Chair did not understand that to be the request of the gentlewoman from Massachusetts. Objection is heard to inserting the matter in the RECORD at this point.

Mr. RANKIN. I have no objection to having the matter put in the Appendix.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I withdraw my request and ask unanimous consent that I may have 2 minutes within which to address the House after the legislative program of the day.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I have been requested by my colleague the gentleman from Michigan [Mr. SHAFER] to ask unanimous consent that he may have the privilege of extending his remarks in the RECORD, and I may say that he is now at his home in Battle Creek, Mich., convalescing from a very serious illness due to an accident.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ALLEN of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BENDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a short editorial from the Country Gentleman.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to extend the remarks I made earlier today and to include the letter therein referred to.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a letter from Maj. Gen. P. M. Wesson, Chief of Ordnance, to the National Rifle Association.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a radio address delivered by our colleague the gentleman from Vermont, Mr. CHARLES A. PLUMLEY, April 13, 1940.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an editorial from the Philadelphia Inquirer.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a letter.

The SPEAKER pro tempore. Is there objection?

There was no objection.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL, 1941

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8668) making appropriations for the fiscal year ending June 30, 1941, for civil functions administered by the War Department, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference.

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent to take from the Speaker's table the bill H. R. 8668, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference. Is there objection?

Mr. POWERS. Mr. Speaker, I reserve the right to object, to ask the gentleman from Pennsylvania whether the moneys for the beginning of the third set of locks at the Panama Canal are in this bill?

Mr. SNYDER. As it comes from the Senate?

Mr. POWERS. Yes.

Mr. SNYDER. Yes.

Mr. POWERS. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

RELIEF AND WORK RELIEF FUNDS, 1941

The SPEAKER pro tempore. The Chair lays before the House the following letter from the President of the United States, addressed to the Speaker of the House.

The Clerk read as follows:

THE WHITE HOUSE,
Washington, April 18, 1940.

MY DEAR MR. SPEAKER: In submitting to the Congress my Budget for the fiscal year 1941 I included an item for relief and work relief which provided the amount of approximately $975,000,000 for administrative expenses and the cost of project operation of the Work Projects Administration. This represented a reduction of approximately one-third from the amount which was made available for these purposes in the current fiscal year, and if used for the 12 months of the fiscal year 1941 will provide an average employment of only about 1,330,000.

In the message transmitting this Budget I commented upon the item for relief and work relief by saying:

> If conditions fail to meet our hopes, additional funds may be necessary.

The preparation of the Budget was completed in December 1939, at which time industrial activity in the United States was at a very high level. I regret to inform you that the hopes which I entertained at that time and which were based on the industrial outlook then prevailing, have not been sufficiently realized, and that it is therefore, in my judgment, now necessary to adopt measures for dealing with the situation which exists today and which may be quite confidently predicted for the next few months.

The industrial production index of the Federal Reserve Board for December stood at 128, an all-time high. In January it declined to 119 and in February to 109. The preliminary index for the month of March is 105. It is hoped that it will not go lower than this.

It is extremely difficult to predict at this time the volume of employment in private industry that will be provided throughout the whole fiscal year 1941. The present indications are that leaving out any violent fluctuations which may occur due to events abroad, private employment in the fiscal year 1941 will be as high as in the fiscal year 1940.

There is certainly at the present time no information available to justify a reduction in the program of the Work Projects Administration below that which has been carried on in the current fiscal year with an appropriation of approximately one and one-half billion dollars.

In my judgment the most logical action that the Congress could take at this time would be to appropriate the Budget item for the Work Projects Administration but to lodge discretionary authority in me or in the Commissioner of Work Projects to expend this amount in the first 8 months of the fiscal year, on condition that unemployment conditions in the country are such as to require such expenditure within that period. I can assure you that if this discretionary authority is provided in the Appropriation Act, the appropriation will not be expended within the 8 months unless it is absolutely necessary to avoid suffering and hardship.

If the appropriation is made with the provision which I have just described, the incoming Congress will have the period from January 3 to March 1, 1941, to deal with the question of the need of providing funds for the last 4 months of the fiscal year, if such need is then apparent. It may also be necessary, in connection with the consideration of this question, at that time to give attention to the related question as to whether taxation will be necessary in order to provide the needed funds.

I would like to make it clear that I am asking only for authority to exercise a limited discretion in the expenditure of the appropriation, and that I am not asking that the principle of apportionment which is written into the current Appropriation Act be abandoned. I believe it is entirely proper and advisable for the Congress to include the apportionment principle in the act, but this principle can just as logically be extended over the 8 months' period as over the entire fiscal year.

Very truly yours,

FRANKLIN D. ROOSEVELT.

HON. WILLIAM B. BANKHEAD,
Speaker, House of Representatives, Washington, D. C.

The communication was referred to the Committee on Appropriations and ordered printed.

THE LOGAN-WALTER BILL

Mr. WALTER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6324, to provide for the more expeditious settlement of disputes with the United States, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6324, with Mr. KERR in the chair.

The Clerk read the title of the bill.

Mr. COCHRAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. COCHRAN. I make the point of order that the committee amendment has not been voted on, and it should be voted on before we proceed with any further amendments.

The CHAIRMAN. The committee amendment is subject to amendment if any amendments are offered.

Mr. DIRKSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DIRKSEN. May the committee be advised by the Chair what is pending before the Committee at the present time?

The CHAIRMAN. The Clerk will report the committee amendment now pending.

The Clerk read as follows:

Committee amendment: On page 15, after line 9, insert "all Federal lending agencies, the Federal Trade Commission."

Mr. WALTER. Mr. Chairman, there was an amendment to the committee amendment, on page 15, line 10, strike out "all Federal lending agencies" and insert "Federal Loaning Agency and all agencies and independent agencies grouped thereunder."

I ask unanimous consent that that amendment to the amendment be withdrawn.

The CHAIRMAN. Without objection, the request of the gentleman from Pennsylvania is granted.

There was no objection.

Mr. CELLER. Mr. Chairman, I desire to prefer a unanimous-consent request.

I ask unanimous consent that all debate on this last section close in 40 minutes.

Mr. DIRKSEN. I object, Mr. Chairman.

Mr. RANKIN. I object, Mr. Chairman.

Mr. CELLER. I ask unanimous consent that all debate close in 1 hour.

Mr. RANKIN. Reserving the right to object, Mr. Chairman, we are going to object to all such requests. We have a great many amendments to offer. This section is the gist of the bill. Various Members have amendments to offer and we do not want to be shut off without time to explain those amendments. I hope the gentleman will withdraw his request, because I expect to object to it.

Mr. VORYS of Ohio. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Is it an amendment to the committee amendment?

Mr. VORYS of Ohio. The committee amendment has been withdrawn by unanimous consent, as I understand it.

The CHAIRMAN. The committee amendment is still pending. Is there any amendment to the committee amendment?

Mr. WALTER. There is no amendment to the committee amendment, Mr. Chairman.

The CHAIRMAN. The question is on agreeing to the committee amendment.

Mr. RANKIN. Mr. Chairman, will the gentleman just explain what this amendment does?

Mr. WALTER. Mr. Chairman, it was the intention of the committee to except from the operation of the bill all of the Federal lending activities. That includes the activities grouped under the President's Reorganization Plans I and II, under the Federal Loaning Agency, together with the Farm Credit Administration, the Federal Farm Mortgage Corporation, the Commodity Credit Corporation, and the Rural Electrification Administration. The committee felt that there ought not be any right to appeal to the courts in the event there is refusal to grant a loan. Certainly the Federal Housing Administration and the Federal Savings and Loan Insurance Corporation, and these other independent agencies that are not lending agencies, ought to be excepted, together with all of the Federal lending activities.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. RANKIN. Does the gentleman include the Rural Electrification Administration in his amendment?

Mr. WALTER. Oh, yes. That is included as a lending agency.

Mr. RANKIN. You exempt it from the provisions of the bill?

Mr. WALTER. Yes. That is included in the language.

Mr. CELLER. Will the gentleman yield to me?

Mr. WALTER. I yield.

Mr. CELLER. The Home Owners Loan Corporation, I take it, would not be included, because they no longer make any loans?

Mr. WALTER. That is correct.

Mr. CELLER. But they would be called a lending agency. They did make loans, of course, and now they are liquidating them. I am asking for information.

Mr. WALTER. Of course, that is purely academic. I am sure they would not be affected, because they are no longer making loans.

Mr. SMITH of Ohio. Will the gentleman yield?

Mr. WALTER. I yield.

Mr. SMITH of Ohio. The gentleman made the statement that the Home Owners' Loan Corporation is not making any loans. Is it not a fact that in the resale of these properties which they have taken over, about $500,000,000 worth, they expect to resell, and is not that Corporation making loans?

Mr. WALTER. No. They are taking mortgages on the properties that they now own—purchase-money mortgages when the property is sold—as I understand it. There is a small down payment, and then the Corporation takes a purchase-money mortgage for the balance.

Mr. SMITH of Ohio. Is it not a fact that some of those mortgages are actually foreclosed and become the property of the Home Owners' Loan Corporation?

Mr. WALTER. That is correct.

Mr. SMITH of Ohio. Then when it sells this property it must make a loan?

Mr. WALTER. Oh, no; they do not make a loan. They accept, as part of the purchase price, a purchase-money mortgage. They do not make any loan whatsoever.

Mr. BULWINKLE. Let me ask another thing: On the question of repairs to the property on which the mortgage is held, they are making loans now for necessary repairs on those houses?

Mr. WALTER. That is right; certainly that is included.

Mr. SUMNERS of Texas. They are included in the exceptions.

Mr. WALTER. They are included in the exceptions.

Mr. GWYNNE and Mr. CASE of South Dakota rose.

Mr. WALTER. Mr. Chairman, I yield first to the gentleman from Iowa.

Mr. GWYNNE. I think there is a little confusion about the exact wording of the amendment. Would the gentleman state the amendment again.

Mr. WALTER. The committee amendment is that all Federal lending agencies are excluded. The amendment is printed in the bill.

Mr. GWYNNE. It carries out the intention of the committee.

Mr. WALTER. That is right.

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment to get some definite information. As I understood the gentleman from Pennsylvania a while ago, in answer to my question he stated that if this amendment were adopted it would exclude the Rural Electrification Administration from the provisions of this bill. Is that correct?

Mr. WALTER. Yes; the Rural Electrification Administration, the Commodity Credit Corporation, the Federal Farm Mortgage Corporation, and the Farm Credit Administration are all lending agencies that have been grouped in the Department of Agriculture under this reorganization plan.

Mr. JONES of Texas. I should like to have the gentleman state, too, that the Farm Security Administration is also a lending agency in the Department of Agriculture.

Mr. WALTER. Yes; and that is included.

Mr. RANKIN. Let me further interrogate the gentleman from Pennsylvania in order that there may not be any misunderstanding. Does not the gentleman believe that the names of these lending agencies the committee has in mind ought to be enumerated in the bill? I mean the ones that are excepted from the provisions of the bill.

Mr. SUMNERS of Texas. May I suggest to my friend this danger: If, as a matter of fact, the group that the gentleman from Pennsylvania has read is not all-inclusive there would be the danger possibly of excluding a lending agency that does not happen to be mentioned. Does not my friend from Mississippi hold to the notion that if the general policy is to exempt all lending agencies it would be better to have a comprehensive, all-embracing statement rather than an enumeration?

Mr. RANKIN. All right, but here is what you are likely to run into. Turn over to page 13. There you will find a provision that if a court finds that one of these rulings was erroneous they may set it aside. They might come to the conclusion that the Rural Electrification Administration was not an exclusive lending agency because in addition to lending it promotes rural electrification.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. For a question.

Mr. MAY. Is it not a fact that the broad term "lending agency" will include any agency of the Government that actually lends money, whereas if you undertook to specify, the specific statement might leave out something.

Mr. RANKIN. Let me ask the chairman of the committee a question, because we do not want any misunderstanding.

Mr. SUMNERS of Texas. May I make this statement—and we will ask that the gentleman be given some more time——

Mr. RANKIN. I yield.

Mr. SUMNERS of Texas. I do not want to be understood in my statement that I have aided in drafting this bill. The gentleman understands, I am sure, I was not in the position of responsibility when this bill was worked out.

Mr. RANKIN. I understand.

Mr. SUMNERS of Texas. I would not like to be responsible for creating the impression that merely because some agency lends some money the agency under the language of the bill would be excluded, insofar as its nonlending activities are concerned. I do not want to assume that responsibility or to create that impression. Do I make myself clear?

Mr. RANKIN. Yes; and dangerously clear, I would say.

Mr. SUMNERS of Texas. I want to be candid with my friend.

Mr. RANKIN. I think the gentleman from Texas expressed my views on the subject and my fears on the subject. Now, if you are going to subject the Rural Electrification Administration to the provisions of this bill for all purposes except lending money, then the bill ought to be amended to exclude the Rural Electrification Administration specifically.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield for a question.

Mr. BULWINKLE. Does not the gentleman believe that the committee should insert in the section on definitions what is meant by the term "lending agency"?

Mr. RANKIN. I think the names of every agency they have in mind should be inserted in the amendment.

Mr. BULWINKLE. They should know in advance what a lending agency is.

Mr. WALTER and Mr. JONES of Texas rose.

Mr. RANKIN. I yield, first, to the gentleman from Pennsylvania, chairman of the subcommittee.

Mr. WALTER. The gentleman from Mississippi, of course, recognizes the danger of attempting to enumerate all of the lending agencies, because should we miss one or more then by construction it would be presumed that that agency would not come within the purview of the act. For that reason we used the language "all Federal-lending agencies" with the idea of covering every Federal-lending activity.

Mr. RANKIN. Would the gentleman object to an amendment inserting the words "Rural Electrification Administration" in the committee amendment?

Mr. WALTER. The gentleman may offer that amendment at the proper time.

Mr. RANKIN. How about offering it now and letting it go in the committee amendment?

Mr. WALTER. No.

Mr. COX. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Georgia.

Mr. COX. Was not the gentleman impressed with the statement of the chairman of the subcommittee when he referred to the rule of construction?

Mr. RANKIN. Yes; I was very nervously impressed with that statement.

Mr. COX. Does not the gentleman understand it would be better to cover these agencies by the general language of the bill?

Mr. RANKIN. No.

Mr. COX. I hope the gentleman will offer his amendment then and let the House have an opportunity to express itself.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I offer an amendment. Before the word "all" in line 10, add the words "Rural Electrification Administration."

The Clerk read as follows:

Amendment offered by Mr. RANKIN to the committee amendment: Page 15, line 10, at the beginning of the line insert "The Rural Electrification Administration."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. RANKIN] to the committee amendment.

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 44, noes 115.

Mr. RANKIN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. RANKIN and Mr. GWYNNE to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 60, noes 124.

So the amendment to the committee amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

Mr. KELLER. Mr. Chairman, may I suggest to the committee that it make clear and specific what we are driving at?

Mr. FITZPATRICK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FITZPATRICK. Mr. Chairman, in connection with the committee amendment, if they used the words "in all their activities" would that not clear up the situation? Would the committee accept that?

Mr. WALTER. Oh, no.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 15, line 17, at the beginning of the line strike out the words "was denied a loan, or."

Mr. AUSTIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wonder if in the maze of law with its ramifications and its subtleties which has enveloped this bill since it came before us there is just a little room left for the introduction of a nonlegal statement about the situation. Surrounded as we are here by those who are gifted in that great profession, one who is not so gifted or trained may well hesitate to enter the discussion. But as one often cannot see the forest for the trees so it may be that a lay opinion, hoping to apply common sense to the problem, may bring out the facts more clearly, or perhaps divest them of "a priori," "expressio unius," substantial and preponderating evidence and other lesser breeds, in order that all of us may enjoy the sight in the glaring light of simplicity. You know that is the method which the profession of medicine tries to follow. When we see a patient and tell him to stick his tongue out we do not hear an objection from a colleague who pulls a "stare decisis," or a precedent, or a decision handed down by the Supreme Court of the United States. We take a look at that tongue, stuck out to the limit, in order that we can see it in its unobscured nakedness, and then study it to draw conclusions from what it may reveal. Following this, after other bodily testimony is in, we start to cure the patient. Let us get a look at the tongue of this bill and "objections are overruled."

It would appear that this Congress from time to time has set up different agencies or bureaus in order to expedite the business of government. They, by the creative body, were vested with certain authorities and a certain latitude of action and decision, but nowhere does it appear that the part should become greater than the whole, or that these agencies should assume to themselves the legislative function possessed by Congress. But now it would also appear that the Congresses in the last few years—very few in fact, the number being about seven—have been working overtime and the total now of parents and offspring is in the neighborhood of about one hundred and thirty. Nor have these agencies been content to confine themselves to the purposes for which they were created but have wandered far afield in search of new laws to conquer or more victims to subdue. They are apparently overwhelmed with the idea that they are all sufficient in themselves, acknowledge no master, and proceed on the theory that they were in reality created to take over this Government and promote it to a bureaucracy from the more humble plane of a republic in which the people control instead of being controlled. So far in the debate I have heard nothing worth while to contravert this statement, which is, I am frank to admit, perhaps a slight bit overdrawn. But not even do they cease their efforts with the assumption of bureaucratic control and legislative functions, for they also invade the field of the judicial where they act as prosecutor, judge, and jury. There is no doubt that in all too many cases they infringe upon the rights of the individual citizen, constitutional and other. These charges here made are broad and inclusive, more so than they should be perhaps, for it has been brought out that some of the agencies are proceeding in an orderly and justifiable manner with no ambitions of aggression and should be excepted. But what has been said can safely be applied to a very large number.

There appear to be no fixed rules and regulations under which these bodies function but are rapidly drawn as the time and occasion demand. If they have them, what are they and where are they? Complaint is made that if at all in existence there is no codification of them, no fundamental order, and certainly no publication. In all this there is a strange resemblance to methods which have recently been employed in governments which are now in considerable disrepute among other governments the citizens of which enjoy liberty and freedom. But the worst charge I have so far heard is that the findings made by these bodies are final. In the case of the small-business man whose existence is so vital in our system, in the case of the individual not possessed of ample means, the findings are certainly final, for neither can afford expensive litigation, especially when he does not know the rules and will not be told the rules until the decision is handed down based upon an unpublished and nonpublicized code or one made up for the particular case that very morning. The individual, the small business man, the big business man, the poor and the rich, all who come within the jurisdiction of these agencies pay the penalty. Let us put it differently. Because of the methods of procedure assumed and adopted business and industry on the one hand suffer, and on the other so does labor, so close is, or should be, the attachment between them.

There ought to be unanimous appreciation on the part of every Member of the existing situation. There can be no denial that these abuses do prevail and will continue to prevail unless something is done about it. Whence springs the opposition to any movement to change this scheme of things? I imagine much of it comes from the agencies themselves, for they may foresee curtailment or even annihilation; they certainly can count on review and regulation. Some of it must come from the advocates or creators of the system, for these would not cheerfully admit that their brain children had developed into agents of frustration or even destruction. Some of this opposition may come from those who planned it this way and hesitate to admit that the plan is a threat or a menace and therefore a failure. Some oppose because they subscribe to the theory that "whatever is, is right," particularly if the thing that is had its inception in the era which began in 1933. All of these must realize that sowing the wind has produced a whirlwind.

What is the remedy? Well, the bill before us, the Walter-Logan bill, is offered with that intent. I am not a lawyer and cannot discuss its legal phases, but I will say that someone has yet to show me that the retention in the bill of the provisions that the "decision of any agency or independent agency shall be set aside if it is made to appear to the satisfaction of the court that the findings of fact are clearly erroneous" is a justifiable or even justicial cause for opposing the bill. Yet an amendment was urged to strike out this provision. I know enough about the grounds for taking an appeal in civil cases from a lower to a higher court to realize that such criticism is unfounded, and every lawyer in this body and out knows it. Seems to me I have heard somewhere about attempts to emasculate bills. I shall vote for this bill because I believe it to be a step in the right direction. It may not accomplish at one fell swoop all that is intended. It is possible to amend in order to improve its applicability; it is possible to repeal if it be found unworkable. Many times I have heard some of those who most vociferously oppose this bill make the same statement about other bills the passage of which they were advocating. I have no patience with those who demand that not any action be taken until a complete report comes from the special committee appointed by the Attorney General. In the meantime the house is on fire. As I said, I shall vote for this bill and I hope this House will pass it.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. VORYS of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS of Ohio: On page 15, at the end of line 14, strike out the comma and insert the following: "which is subject to review by the Board of Tax Appeals or concerning or relating to."

Mr. VORYS of Ohio. Mr. Chairman, if you will refer to line 14, this amendment would cause the internal-revenue exemption to read as follows:

Or any matter concerning or relating to the internal revenue which is subject to review by the Board of Tax Appeals.

The Board of Tax Appeals reviews only income, estate, and gift taxes. Social-security taxes are collected by law by the Internal Revenue Bureau as internal revenue. There is no

provision for review by the Board of Tax Appeals of social-security tax questions. As a result, we have this situation:

The Ohio share of a taxpayer's unemployment-compensation tax, under a law which the Federal agency has found is in conformity with the State law, has been enjoined by an Ohio court, but the taxpayer comes to the Internal Revenue Bureau, and they say he has to pay, and there is no way he can go to a Federal court to secure an injunction against the payment of that part of the tax.

We have considered making all of these subject to review by the Board of Tax Appeals, but that Board now has 6,000 cases pending and thus such a review would not afford the taxpayer a speedy remedy.

Similar situations have arisen in Connecticut where the State court has enjoined the State's share of exactly the same sort of tax and the Internal Revenue Bureau demands payment.

It is a very hollow remedy to say to a taxpayer that he can pay his tax and sue the collector or bring an action in the district court as in a court of claims, and, if he wins, some day he may get an appropriation through the Congress to reimburse him. The relief that is needed is to permit him access to the courts, which would be provided by this bill for those taxes that are not covered for review by the Board of Tax Appeals.

Remember, there is no need to have the social-security money to run the Government. At least, we are told that this money is to build up a fund against future eventualities, not for present expenses. Therefore it is no justification to say that the Federal Government has to have this money without delay, whether or not it is entitled to it.

There is no reason for extending the internal-revenue exemption to matters that are not covered by independent review. This little amendment will provide the salutary independent review which is granted by this bill to social-security and other Federal taxes when the taxpayer has no means of securing an independent review before he pays his money. Under this bill the courts will have the power in proper cases to grant injunctions and to require a stay of payment of the tax under ordinary court procedure.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman would bring them under the provisions of this bill. Then would they not have to go to the circuit court of appeals to start their suit instead of the district courts, as is now the case? Is not the gentleman penalizing the little fellow by bringing him under the provisions of this bill?

Mr. VORYS of Ohio. No. If the Bureau turns him down after a hearing such as is provided in this bill, he could go to the circuit court of appeals of his own district or here in the District of Columbia in order to secure an injunction to prevent the payment of the tax. I know of one instance where the amount is over $12,000, and that amount has been enjoined by a State court on exactly the same principles that would apply to the Federal tax. He would prevent payment by injunction, or he would have the remedy still extant of bringing suit in the district court after he had paid the tax. In many of these instances, however, where a social-security tax is assessed, if the tax has to be paid before relief is granted it will wipe out the taxpayer, so that he can no longer seek relief.

Mr. Chairman, I hope this amendment will be agreed to. [Applause.]

[Here the gavel fell.]

Mr. WALTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I should like to call the attention of the gentleman from Ohio to the fact that under the present law there are three methods for judicial review in matters such as he has in mind. The first is to pay the tax and bring suit against the United States. The second is to pay the tax and bring suit against the collector. The third is to refuse to pay the tax and then go before the Board of Tax Appeals. From the decision of the Board of Tax Appeals an appeal lies to the circuit court of appeals. Therefore there is today ample remedy in a situation such as the gentleman has described. I hope the amendment will be defeated.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. VORYS of Ohio. Is the gentleman aware of the fact that social-security taxes are not reviewable in the Board of Tax Appeals, and that the only taxes that are so reviewable and which have this procedure, whereby the payment of the tax can be stayed while the question of liability is being argued and litigated, are income, inheritance, and gift taxes? Those are the big taxes, and it seems to me that if the big taxpayers can hold their money while their appeals are being heard, we can certainly extend this right to the taxpayers whose cases are often for small amounts, but whose taxes are just as important to them as the other specific classes.

Mr. WALTER. Mr. Chairman, I decline to yield further to the gentleman; but I wish to point out that the other two remedies under the law as to judicial review still exist, and in the case which the gentleman has in mind those remedies are ample.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. VORYS of Ohio) there were—ayes 52, noes 86.

So the amendment was rejected.

Mr. WALTER. Mr. Chairman, I offer an amendment which is on the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 15, line 4, at the end of the line, insert the word "the", and on lines 5, 6, and 7, strike out that part of line 5 after the word "naval", all of line 6, and the first syllable in line 7, inserting in lieu of the stricken portion the word "establishments."

Mr. CELLER. Mr. Chairman, I would like to ask a question of the Chairman of the Military Affairs Committee, who is present, as well as the gentleman from Pennsylvania [Mr. WALTER], with reference to that change, and that is whether or not the work of the Munitions Board in the purchase of munitions, the work of those having to do with the improvement of rivers and harbors, by the Division of Rivers and Harbors, both of which are under the War Department, and whether certain matters having to do with international and short-wave radio which are in the control of the Navy Department, are in or out of the provisions of this proposed statute as amended. I am confused myself and I would like to have enlightenment on that point.

Mr. WALTER. Mr. Chairman, this amendment has to do with the strictly military and naval activities of the War and Navy Departments. It was the opinion of the committee at the time the bill was first considered that "military or naval operations" met the situation. However, it was represented to the committee by the War Department after the bill was reported, that "establishments" should be substituted for "operations", because the word "establishments" has a well-known technical meaning. So really the only change is the word "establishments" for operations, and that change being made it is no longer necessary to indicate that no attempt is being made to interfere with courts martial which certainly the courts ought not to review.

Mr. BULWINKLE. How about rivers and harbors?

Mr. WALTER. The civil operations are included and, as I understand it, the departments are entirely satisfied with this.

Mr. BULWINKLE. So all civil operations, both in the Navy Department and in the War Department, are included within the purview of this bill.

Mr. WALTER. Precisely.

Mr. CELLER. May I ask the gentleman this question? As I understand it, when the river and harbor work was to be put in a certain department, the War Department was selected and that those operations were deemed purely a civil operation and not a military operation, and the War Department was selected because it had the personnel, the engineers,

and the technicians to take care of work of that character. Now, your interpretation of the amendment confines it strictly to military operations or establishments. Rivers and harbors would not be strictly a military operation. It might impinge upon that which is military, but I wonder if it actually does. I think a great deal of that work, especially in time of peace, especially in the interior of the country, is purely civil and not military. I would say, generally, work on rivers and harbors like dredging and damming is or should be excluded from operation of the statute. It is not military work.

Mr. WALTER. Oh, no.

Mr. BULWINKLE. The gentleman stated it was not included, but then you run into this question: Suppose in some flood-control work the War Department engineers decide that a levee should be of a certain height and width over a certain territory, that case can go up to the court.

Mr. WALTER. Unless an emergency exists, and then it does not apply.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. MAY. Mr. Chairman, will the gentleman yield to me inasmuch as he has asked me a question?

Mr. CELLER. I will be pleased to yield to the gentleman.

Mr. MAY. I have no doubt in the world of the absolute good faith and intention of the chairman of the subcommittee to provide proper protection of our national defense establishments in this matter, and the gentleman has already offered an amendment which strikes out the word "operations" in line 5, and inserts the word "establishments."

I think the gentleman from North Carolina [Mr. BULWINKLE] has raised a vital question here in the matter of river and harbor activities, and with the word "operations" stricken out, and "establishments" inserted, I suggest that after the word "establishments" we add the words "including the War and Navy Departments." I do not think that could hurt the bill any.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes. I firmly believe the operations, all of them, of the War and Navy Departments should be excluded from the act's operation.

Mr. WALTER. The amendment changing the word "operations" to "establishments" was handed to me by the gentleman from California [Mr. COSTELLO] from the gentleman's committee, and he informed me that he got it from the War Department.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. MAY. I have just talked to the Legislative Counsel of the War Department, within the last 10 minutes, and they advise me that this wording would be a decided improvement and much more desirable to the War Department, and for that reason, and in view of the situation abroad, I think the gentleman ought to accept the amendment.

Mr. CELLER. Mr. Chairman, I say to the gentleman from Kentucky [Mr. MAY] that the last word upon the interpretation of statutes is not with the War Department, but is with the courts, and when the expression "military establishments," is used, I take it that river and harbor activities, or work, for example, of the debris commissions, like the California Debris Commission, which is in the War Department, would be absolutely excluded from the operations of the act. I would prefer to say, and I think that view will be consistent with the gentleman's view, that the War Department should now be within the operations of the act. Even with suggested amendments you cannot tell when these civil operations become military operations, and vice versa. It is a dangerous operation to tie up the War Department with any such possible limitation as that contained in this bill, and likewise with the Navy Department. Take the Coast Guard, for example: The Coast Guard has as much to do with national defense on occasions as does the War Department, and yet the Coast Guard is included in this bill. Certainly there should be some provision protecting the Coast Guard. Take the Department of Agriculture: In the Department of Agriculture we have passed through the years 40 separate statutes conferring upon the Secretary of Agriculture the power to issue different types of orders and regulations and to make various decisions, some of them police orders, affecting the public safety and health.

For instance, we grant power to the Radio Commission to issue orders affecting public morals and the public safety. Some of those police orders certainly should not be within the realm of the limitations of this act. They should be outside the act.

While it is true that an attempt is made, for example, to take care of emergencies in section 4 of the act, I do not think section 4 is properly worded so as to embrace safety enough to those administrative officials in issuing police orders. Take, for example, the Secretary of Agriculture, who feels that he should quarantine some animals immediately in the stockyards, or that he should issue an order destroying certain types of fruit. He must act quickly, there can be no delay. Subdivision (d) of section 4, to my mind is highly inadequate and might stay his hand, might give him pause, might cause great hesitancy in the issuance of orders of that character. For example, how can the Secretary of Agriculture tell at times whether or not there is or is not an emergency with reference to crops? There are many factors that enter into a determination of whether there is or is not an emergency, such as knowing what the quantity of the crop will be, and the weather conditions. He does not know what the weather will be tomorrow or next week or next month. Then there are credit conditions, operating in the rural areas, which may affect the amount of plantings, so that a tremendous burden is placed on the Secretary of Agriculture in this regard. The Secretary in those activities should not be hamstrung, yet he is under this bill.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for 3 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CELLER. For that reason I ask that we pause sufficiently to examine each one of the statutes that cover various heads of bureaus and departments and create separate appeal conditions for each one of these different departments instead of blanketing them all in under this bill.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. BULWINKLE. There is only one thing to do, and that is, if they are going to do it, if we want to exempt somebody, to strike out all of that and exclude all activities of the War and Navy Departments.

Mr. CELLER. I would be agreeable to that.

Mr. KEEFE. May I ask this question in line with what the gentleman has just stated with reference to the Department of Agriculture: Does the gentleman contend that this act would cover orders issued by the Department of Agriculture, for instance the Biological Survey, in limiting the bag limit on ducks, or any of the things the gentleman has referred to?

Mr. CELLER. It would cover them.

Mr. KEEFE. How does the gentleman understand that when you read the definitions of administrative rules, and they are defined as including rules, regulations, orders, and amendments by officers in the executive branch of the United States Government, interpreting the statutes they are respectively charged with administering?

Mr. CELLER. That is interpreting the rules. I am talking about strictly administrative orders of a police character. They can issue those rules, and they would be subject to all the limitations and provisions of this act.

Mr. FLANNERY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. FLANNERY. May I ask how many new boards this act would set up in the Government?

Mr. CELLER. I am informed by the book issued by the Brookings Institution that some 60 new boards would be created within the various agencies. Sixty interagency boards.

Now, see how inconsistent we are if we pass this bill. Take the Treasury Department. One bureau in the Treasury Department, the Federal Alcohol Administration, is in the act. The Comptroller of the Currency is out of the act. The Bureau of Narcotics is in the act. The Federal Deposit Insurance is out of the act. It is an independent agency, yet other agencies of the Treasury Department having duties not dissimilar are in.

In the War Department it may be that rivers and harbors work is in the act. The Munitions Board may be out of the act. I am not sure about that.

Take the Department of Commerce. The Bureau of Marine Inspection is in the act. The Patent Office is out of the act. Quick action is often required under the Bureau of Marine Inspection Act, just as quickly as under the Longshoremen's Act, which is out of the act.

Take the various independent regulatory boards and commissions: The United States Tariff Commission may be in for some purposes and out of the act for other purposes. With reference to the Tariff Commission, it is exempted under the last section of the act, concerning customs, but in respect to uniform methods in foreign trade it may be in the act. I am not certain.

The Federal Power Commission, which passes on rates and competitive trade conditions, just as well as the Federal Trade Commission and other commissions, is in the act. The Bituminous Coal Commission is in; the Interstate Commerce Commission is out. And so on and so forth. There is utter inconsistency, showing that you cannot blanket all of these agencies in under one bill.

Today quasi-judicial orders are subject to review under special statutory provisions like (1) granting a license, (2) fixing a rate, and (3) a cease and desist order. Under this bill, however, all Executive orders, all administrative actions, even on minor matters—on personnel matters, no matter how insignificant—are subject to review. The transfer of an employee, the promotion or demotion of an employee, are matters subject to review by the courts.

In the Employees' Compensation Commission alone there are more than 4,000 cases pending. If appeals were to be had on these cases, the courts would be swamped. There would be necessary the appointment of scores of additional circuit court judges. Such matters as the award of a contract, the exclusion of an alien, the deportation of an alien, the hospitalization of a veteran, the granting of a license for a boat, benefits under the Security Act—all would be subject to court review. No distinction is made.

And what about the President's constitutional power of appointment and removal? How does that right of his square with placing action affecting individuals in the civil service under judicial control? It is questionable whether the courts can pass upon constitutional Executive discretion. [Applause.]

[Here the gavel fell.]

Mr. HOBBS. Mr. Chairman, I rise in opposition to the amendment. The committee is entirely agreeable to any language which the War and Navy Departments desire in this exemption.

An officer representing the Secretary of War presented this amendment which has been offered by the committee, and at that time I asked if it would not be better to put into the amendment the words which have been suggested by the distinguished chairman of the Military Affairs Committee of the House. He told me that they did not like the word "operations"; nor did they wish the scope of the exemption limited by the use of the word "departments"; that they felt it would be more all inclusive if the words exempting the various War and Navy departmental activities read "War or Naval Establishments."

I will say to the distinguished chairman of the Military Affairs Committee that if the gentleman of the drafting service will consult with his superiors or with his conferees and they decide upon the language he suggests, I am perfectly sure that an amendment can be adopted in the Senate, or if the information comes before the Committee of the Whole House rises, I am sure we will be glad to do whatever they desire. The intent and purpose of the committee amendment is to exempt from this bill the complete functioning of all parts of the Military and Naval Establishments of Uncle Sam.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am happy to yield to the distinguished chairman of the Military Affairs Committee.

Mr. MAY. I certainly appreciate the attitude of the committee. I am not trying to raise any scrap with them, but since the matter has been under discussion I have about concluded that the word "establishments," if it is in the plural, substituted for the word "operations" will be all-inclusive and will cover the question. But, at any rate, the gentleman's very lucid remarks on the subject would leave no question as to what the intention of the Congress was with respect to the enactment of it.

Mr. HOBBS. The very question of your suggestion was raised by me and answered by the distinguished Army officer with whom I conferred.

Mr. MAY. My reason for raising the point was that I have talked to the legislative counsel in the last 10 minutes.

Mr. HOBBS. We appreciate the gentleman's contribution to the debate, and we are happy at any time for him to make any suggestion.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the distinguished gentleman from North Carolina.

Mr. BULWINKLE. The reason I brought this up was because the gentleman from Pennsylvania [Mr. WALTER] said that the word "establishments" would not cover nonmilitary activities.

Mr. HOBBS. The distinguished gentleman from Pennsylvania [Mr. WALTER] certainly did not intend to give the impression that the word "establishments" was not all-inclusive of the present activities of the War and Navy Departments, nor even of those that are not primarily and wholly military or naval functions. I will say to the gentleman that in the event any reorganization which may be authorized in the future would take one of the existing establishments out from under the military or naval authorities of the United States this exemption would go with it in its new home, wherever it might be.

Mr. BULWINKLE. Will the gentleman tell me why the Coast Guard was not exempted from the provisions of this bill?

Mr. HOBBS. I think it is clearly exempted by the pending amendment during any period of hostilities.

Mr. BULWINKLE. Where and how?

Mr. HOBBS. In the words of this amendment. It is part of the Establishment of the Navy.

Mr. BULWINKLE. Is that a part of the Naval Establishment?

Mr. HOBBS. I think so. That is my opinion, though I am "saddle bagging" and willing to be corrected if in error.

Mr. BULWINKLE. Is it under the Naval Establishment, strictly speaking? The gentleman does not know whether it is covered or not?

Mr. HOBBS. I will say that I am absolutely sure that the Coast Guard is a part of the Naval Establishment during war, and, therefore, would be exempted from the operation of this bill by the pending amendment during any period of hostilities.

I know that the Army and the Navy, the War and Navy Departments asked for this particular language, and that this is the amendment they desire and consider all inclusive.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am happy to yield to the gentleman from Massachusetts.

Mr. HEALEY. The gentleman definitely states, then, that the amendment offered includes the activities of the War Department on rivers and harbors.

Mr. HOBBS. Yes, sir.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. It is always a pleasure to yield to the gentleman from Texas.

Mr. THOMASON. Does that include the Air Corps?

Mr. HOBBS. Yes, sir.

Mr. THOMASON. The Coast Guard is now in the Treasury Department. Does the gentleman feel sure it includes the Coast Guard?

Mr. HOBBS. The assurance has been given to me, in person, and to other Members, including our distinguished chairman of the subcommittee in charge of this bill, that the pending amendment is satisfactory to both the War and Navy Departments. It may not cover the Coast Guard in times of peace; in fact, it does not, in my opinion.

[Here the gavel fell.]

Mr. McGRANERY. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, yesterday I called attention of the House to the fact that this bill did not receive the consideration it should have received from the Judiciary Committee of this House. The Committee, as you recall, last evening rose, with no little embarrassment to themselves, with a view to getting straightened out on the interpretation of various sections of this act. They did not understand them then, they do not understand them now. There seems to be further confusion in the midst of the Committee itself as to what language should be used in so vital a section as one concerning our Army and Navy, particularly at this time. Again, the Committee does not seem to know whether or not the Coast Guard is exempt, whether they are in or whether they are out, or whether they are under the Navy now or under the Treasury Department. These are things that should have been considered most carefully in the committee itself before bringing this bill to the floor.

Mr. Chairman, I call particular attention to the following language which appears on page 9 of the bill:

(d) When the matter in controversy is such that the delay incident to the hearing and decision of the case would create an emergency contrary to the public interest and there is administrative action or inaction, prior to or without such hearing and determination, resulting in the destruction of the property or damage to the aggrieved person involved in such controversy, the findings of fact and decision when made by the board shall state the amount of pecuniary damage suffered by the aggrieved person, and upon approval thereof by the head of the agency concerned the amount of damages so approved, if acceptable to the aggrieved person, shall be certified to the Congress for an appropriation with which to pay the same.

Then, after all this happens, we have the appeal pending in the circuit court of appeals, we have a reversal of that decision in the circuit court of appeals. This Congress is in the position of having authorized payment to parties who are not yet on final appeal.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. McGRANERY. I yield.

Mr. WADSWORTH. Does the gentleman overlook, possibly, the language at the end of line 15, which reads: "If acceptable to the aggrieved person"?

Mr. McGRANERY. That is all that need be necessary, because the only party to the appeal here would be perhaps the United States who would pay it out if the aggrieved person liked the amount of money he would get, notwithstanding it is not on final appeal. I say to my friend that I understand that language very clearly.

Mr. WADSWORTH. Does it not further hold quite plainly that if the Board and the aggrieved person are in agreement there is no appeal?

Mr. McGRANERY. It leaves but one thing, I may say to my good friend, if the aggrieved person is satisfied.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. McGRANERY. I yield.

Mr. WALTER. Can the gentleman conceive a case where a man felt that he was satisfied and aggrieved at one and the same time?

Mr. McGRANERY. He starts out with a grievance, he is the aggrieved person; and he remains the aggrieved person until that grievance has been satisfied to his liking; yes.

Mr. WADSWORTH. Will not the gentleman once more look at the language in lines 15 and 16 which clearly state——

Mr. McGRANERY. "Upon approval thereof by the head of the agency concerned." I read that very clearly to the House.

Mr. WADSWORTH. It clearly states: "The amount of damages so approved, if acceptable to the aggrieved person."

Mr. McGRANERY. That is right; exactly so.

Mr. WADSWORTH. Is not that an agreement between the two parties?

Mr. McGRANERY. Absolutely it is an agreement. But without guarantee that it will be carried out.

Mr. WADSWORTH. Where is the appeal as to that?

Mr. McGRANERY. The appeal is right here in the Congress if, for instance, the head of the department runs into disagreement. Sometimes these boards around here are not operated by one man, many of them are not I would say.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania may proceed for 1 additional minute in order that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McGRANERY. I think I know what the gentleman is going to ask. I yield.

Mr. SUMNERS of Texas. The language of the paragraph goes on to say that the amount shall be certified to the Congress. My friend knows that the Congress would not have to appropriate the money unless it felt the claim was just.

Mr. McGRANERY. Congress would not have to appropriate the money, and the Congress perhaps might not do it. But I say again that the language of this act shows the ill-considered manner in which this bill was drafted and handled by the gentleman's committee.

[Here the gavel fell.]

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. CROSSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CROSSER: On page 15, line 9, insert: "Railroad Retirement Board, National Mediation Board, National Railroad Adjustment Board."

Mr. CROSSER. Mr. Chairman, the three agencies mentioned in my amendment, namely, the Mediation Board, the Railroad Adjustment Board, and the Retirement Board, were exempted from the operations of the reorganization bill for the reasons in harmony with those which I now advance for their exclusion from the terms of the pending bill. The Mediation Board obviously cannot do anything that would require review because it cannot make any cumpulsory order. Its only duty is to try to have people in the railroad industry settle their disputes. That is all the Mediation Board can do. The same is true of the Railroad Adjustment Board. It brings together and tries to settle disputes between employee and employer in the railroad industry. How, then, could there be any occasion for review in such cases? So far as the Retirement Board is concerned, we must not forget that the money administered by the Retirement Board is contributed one half by the employees and the other half by the railroads. There has been practically no complaint about the decisions of this Board. On the contrary, practically everyone in Congress who has had any experience with the administration of the Retirement Act has been satisfied with its decisions. To interfere with it in any way, in my opinion, would not only result in confusion but would cause

dissatisfaction in the rank and file of railroad workers who are satisfied with the work of the Board.

Mr. CELLER. Will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Pennsylvania.

Mr. CELLER. I am in sympathy with what the gentleman states, particularly with reference to the Mediation Board; but let us carry it a step farther, for the purpose of argument only. There is a National Labor Relations Board that has a function, and the Wage and Hour Division.

Mr. CROSSER. Now, I do not desire to discuss that subject at this juncture.

Mr. WALTER. Will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Pennsylvania.

Mr. WALTER. May I remind the gentleman of the fact that the Mediation Board consists of five representatives of the employees and five representatives of the employers, none of whom are Federal employees.

Mr. CROSSER. It seems to me that it ought to be excepted from the operations of this act.

Mr. VAN ZANDT. Will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that the three boards exempted by the gentleman's amendment are paid for by the employees and the employers, and the Government administers only?

Mr. CROSSER. Certainly that is true of the Retirement Board.

Mr. GWYNNE. Will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Iowa.

Mr. GWYNNE. May I suggest that the Mediation Board is in the same class as certain other Government services. The Government simply furnishes arbitrators. In connection with the Retirement Act, does not the gentleman think the appeal provided in this bill is more favorable to the employee than the appeal provided in the Retirement Act itself? In the Retirement Act you must appeal to the District Court of the District of Columbia or to a district court in the district where the Board has an office.

Mr. CROSSER. No. The Retirement Board has offices in a number of places other than in Washington.

Mr. GWYNNE. It is my understanding that the only place the Board has an office is in Washington. In other words, if a railway man in my district wishes to appeal from a decision he must come to Washington and make a complete record. We set up in this bill what seems to me to be a better appeal for the employee than the one in the act. Of course, I realize the gentleman is much better informed in the matter than I can be.

Mr. CROSSER. I do not think that the provisions of this bill are more advantageous to the railway men than are the terms of the Retirement Act.

Mr. HEALEY. Will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Massachusetts.

Mr. HEALEY. The purpose the gentleman offers the amendment is to protect the beneficiaries of that legislation from interminable delays that are caused by going through the courts?

Mr. CROSSER. Yes; that would be the effect of my amendment.

Mr. VAN ZANDT. Is it not true that the 21 brotherhoods of the United States are favorable to the gentleman's amendment?

Mr. CROSSER. I believe that is right.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. CROSSER].

The amendment was agreed to.

Mr. WALTER. Mr. Chairman, I am wondering if we cannot reach some agreement as to the time needed for the consideration of this section.

Mr. RANKIN. Mr. Chairman, I have a couple of amendments I want to discuss.

Mr. SUMNERS of Texas. Let us see if we cannot agree on time.

Mr. WALTER. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto end in 1 hour.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania [Mr. WALTER]?

Mr. BULWINKLE. Mr. Chairman, I object.

Mr. WALTER. Mr. Chairman, I move that all debate on this section and all amendments thereto end in 1 hour.

Mr. RANKIN. Mr. Chairman, I offer an amendment to the motion to change 1 hour to 1½ hours.

Mr. SUMNERS of Texas. Mr. Chairman, may I ask that the gentlemen suspend with their motions and let us see how much time will be required?

The CHAIRMAN. It appears that there are 13 Members who want to be heard on this section.

Mr. WALTER. Mr. Chairman, I withdraw my motion, if the gentleman from Mississippi is agreeable, and I ask unanimous consent that all debate on this section and all amendments thereto end in 1½ hours.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania [Mr. WALTER]?

Mr. SABATH. Mr. Chairman, reserving the right to object, may I ask a question? As the bill has been amended, I wonder whether it includes agencies making loans and grants? You have a provision in here that states "all Federal lending agencies." I wonder whether that includes agencies making loans and grants?

Mr. WALTER. Yes; it includes every agency grouped under what is technically known as the Federal lending agencies.

Mr. SABATH. That includes jurisdiction as well?

Mr. WALTER. Yes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania [Mr. WALTER]?

Mr. WOLCOTT. Reserving the right to object, Mr. Chairman, do I understand that the gentleman's unanimous-consent request is that all debate on the section and all amendments thereto close in an hour and a half?

Mr. WALTER. Yes.

Mr. WOLCOTT. May we have some information as to what the amendments may be? I am here to protect certain phases of this section. I am not sure that amendments will be offered in which I am interested, but if such amendments are offered, then I and several others over here are surely going to want time. Without some knowledge of what the amendments are going to be, I do not see how we can agree on a time limitation.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. KEEFE. I object, Mr. Chairman.

Mr. COCHRAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Page 15, line 7, after the comma following "Board", insert "General Accounting Office."

Mr. COCHRAN. Mr. Chairman, if notice will be taken of the last sentence in this bill, one office is singled out—the General Accounting Office—which is exempted from the provisions of sections 2 and 3. This language does not, however, exempt the General Accounting Office from the provisions of section 4.

The General Accounting Office is an independent agency, but no independent agency is more closely related to the Congress itself than is the General Accounting Office.

Aside from all its postaudits and its preaudits, nearly 450,000 claims were considered by the General Accounting Office last year. There is no law limiting the time when a claim can be filed in the General Accounting Office, but there is a law which provides that an appeal from their decision to the Court of Claims must be filed within 6 years. The result of applying section 4 to this agency is that there will be no

limitation on when a claim can be appealed from a decision of the General Accounting Office. No matter how old a claim may be that is now barred by the statute of limitations, insofar as appeal is concerned, under the provisions of this section it can be taken to the Court of Claims. In other words, claims 100 years or older barred by the statute of limitations can, under the provisions of this bill, be taken to the Court of Claims.

I have a memorandum from the General Accounting Office, prepared at my request, which states that if this bill becomes a law in its present form it will be absolutely necessary to set up at least 30 boards.

The work of the General Accounting Office is confined usually to the application of statutes, regulations, and so forth, and established legal principles to the facts as found and reported by the Government agencies involved which facts are usually not in dispute.

Present laws make sufficient provision for review of the decisions of the General Accounting Office. Section 236 of the Revised Statutes, as amended and carried into section 305 of the Budget and Accounting Act, 1921, Forty-second Statutes at Large, page 24, provides that all claims and demands whatever by the Government of the United States, or against it, are to be settled and adjusted in the General Accounting Office. Under present laws claimants who are dissatisfied with the decisions of the General Accounting Office in such claims can, almost without exception, have their claims considered on the merits by the Court of Claims, or the United States District Courts, unless they have delayed filing their claims until the statute of limitation applicable to claims in such courts has run against them.

Even if it be considered that the work of the General Accounting Office is such as properly to come within the scope and spirit of the bill, it is not believed, from a practical and economical standpoint, that the bill should be made applicable to that agency, for the following reasons:

The additional expense to the Government and to claimants would far exceed any possible benefits which might be realized. Considering the tremendous volume of vouchers audited, and claims considered by the General Accounting Office, it requires little elaboration to indicate the great expense which would be involved through the application to its work of the procedures contemplated by sections 4 and 5 of the bill. Considering that such claims involve doubtful matters, it may reasonably be assumed that a considerable percentage of them were decided adversely to the claimants. If the liberal assumption be indulged that the settlements of no more than 20 percent of those claims involved disallowances, the result would be that approximately 89,000 of those claims were settled adversely to claimants. Assuming that hearings were requested in connection with but 10 percent of such disallowed claims, there would be involved the consideration, under the provisions of the bill, of some 8,900 claims, or approximately 30 claims per working day. While the bill provides that a board composed of 3 employees shall hold hearings, and so forth, in connection with such claims, it is obvious that such a board could not follow the procedures specified in the bill and handle this volume of work. In the hearing of an average of 30 such claims per day it would not be exaggeration to state that probably 30 such boards—90 employees—would be continuously considering such matters. The result is obvious. It has been estimated that the additional work which would be imposed upon the General Accounting Office by the application of this bill to it would require an increased expenditure, for personal services alone, of between $500,000 and $1,000,000 annually.

In addition to the foregoing general objections to the bill, as applied to the General Accounting Office, there appear certain special objections to specific provisions of the bill, as follows:

Section 4 (b) of the bill requires that decisions, acts, or failures to act, or notice thereof, be mailed to persons by registered letter. This apparently would require that interested parties be notified by registered letter of adverse action taken in the preaudit and postaudit of all vouchers, and in the settlement of all claims. The volume and nature of the work performed by the General Accounting Office are such as to make this requirement in itself a delaying and uneconomical one.

The procedures prescribed by section 4 (b) of the bill, relating to the hearing to be granted claimants and the introduction into the record of testimony, and so forth, would practically require that claimants employ legal counsel. While many claims are of considerable proportion, in most cases the amount of the claim involved would not justify a claimant either in appearing for a hearing or in employing counsel, particularly where, as in the average case, the facts are not in dispute. And the many small claimants may under present procedure have their claims reviewed without the necessity of employing counsel.

The requirement for stenographic reporting of the hearings would involve considerable additional expense, and in this connection it should be remembered that in most of the claims and accounts, the amounts involved are small, the facts are not in dispute, and with respect to claims, they could in most cases be filed, under existing law, in the Court of Claims or the United States District Courts.

Section 4 (c) of the bill relates to the attendance and testimony of witnesses, the production of documents, and so forth, and provides for the payment of fees and mileage to witnesses subpenaed or whose deposition is taken. Bearing in mind that most claims considered by the General Accounting Office could be filed in the appropriate courts; that but a small proportion of the claims would justify the expense entailed by this provision, either to the Government or to the claimants; and that generally the facts are not in dispute; this provision would seriously interfere with the present simple and economical procedure for handling claims in the General Accounting Office and throw upon it large additional costs for both claimants and the Government.

Section 4 (f) of the bill apparently would establish a limitation of 1 year from the date on which a controversy arose within which a request for a hearing could be filed although under the present law there is no statute of limitations generally upon the filing of claims or requests for review in the General Accounting Office. A claimant could not obtain a hearing before the General Accounting Office unless request therefor was filed within 1 year from the date the controversy arose, although it would, in most cases, be entitled to file suit in the Court of Claims or the United States District Court within 6 years from the date the cause of action arose. This subsection would be applicable only to claims arising from controversies and the intended meaning of the word "controversies" would be a subject for interpretation. It is probable, however, that it would have to be interpreted to cover a large percentage of all claims filed in the General Accounting Office.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Georgia.

Mr. COX. I have no disposition to criticize the General Accounting Office, but I do happen to know that the attitude they take toward a claimant is not fair. When a claim goes into the General Accounting Office their attorneys are put to work to find some way whereby it can be rejected. Their business is to defeat honest claims of the taxpayers of this country rather than to strive to ascertain what is fair and just, and do that.

Mr. COCHRAN. I may say to my good friend from Georgia that the only criticism I have heard of the General Accounting Office prior to this time has come from the executive branch of the Government, because they hold the General Accounting Office has been too strict in its interpretation of laws.

Mr. COX. If the gentleman wants the truth, and he has some friend in the Legal Division of the General Accounting Office and will call him in and consult with him, he will find that what I have said is true.

Mr. COCHRAN. I may say to the gentleman that he evidently has been talking to the gentleman in whose mind this bill was conceived.

Mr. COX. No.

Mr. COCHRAN. A former employee of the General Accounting Office is responsible for this legislation, and I care not what any member of the Committee on the Judiciary says to the contrary.

Mr. COX. I do not know who that man is.

Mr. COCHRAN. His name is McGuire.

Mr. COX. The people I have talked to are now in the employ of the General Accounting office. If, however, a discharged employee is responsible for this bill and it becomes a law, the people of this country ought to erect a monument to him.

Mr. COCHRAN. I do not think so. I do not agree with the gentleman.

I am going to appeal to my distinguished friend from Michigan [Mr. WOLCOTT] who set himself up yesterday as the head of the liberals in this Congress to get his group together and support this worthy amendment. [Applause.]

Now, Mr. Chairman, I, for one, want to see the results of the investigation of the Attorney General's committee on administrative procedure before voting on the question of administrative law reform, but I do feel even those opposed to the bill should try to improve its provisions.

I should like to answer the attack upon the director of the committee, Mr. Walter Gellhorn, in no uncertain terms. It was suggested on the floor of this House that he was interested in delaying the report of the committee because he was getting a salary of $7,500 a year. This is rubbish. I have been informed that Mr. Gellhorn is a full professor at Columbia Law School, where he receives approximately this salary. Furthermore, the committee could not have found a man better qualified than Mr. Gellhorn to conduct this study. He has a brilliant record. He graduated from Columbia Law School at the top of his class. He has been Secretary to Mr. Justice Stone, and a member of the office of the Solicitor General under a Republican administration. He has been a regional attorney to the Social Security Board—and I point out that this was at a salary of $7,500—and he is now a full professor of law at Columbia. He is recognized throughout the teaching profession and the bar, generally, as one of the foremost authorities in the country on administrative law.

There was another statement about this committee that I should like to answer. It was suggested yesterday that Mr. Arthur T. Vanderbilt, former president of the American Bar Association, and a member of the Attorney General's committee on administrative procedure, did not subscribe to the committee's letter to the Attorney General which set forth certain propositions entirely inconsistent with the Logan-Walter bill. If you will take a look at that letter, you will find that Mr. Vanderbilt did sign it, and there can be little doubt that he no longer subscribes to the principles in the bill.

The only possible reason for not waiting for the Attorney General's committee on administrative procedure would be that the investigation will clearly reveal that this bill is fatally defective.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I was responsible for the nonsubmission of a unanimous-consent request that the debate be limited to an hour and a half. I understand now that it is agreeable generally that an hour and a half be the limit on the debate on this section and all amendments thereto. Therefore, Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in one hour and a half.

The CHAIRMAN (Mr. DOXEY). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GWYNNE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as indicated yesterday, I have had an opportunity to examine the statement recently made by the General Accounting Office setting out the reasons why they believe they should not be covered by this act. They have two reasons for this, Mr. Chairman. First, they say the amount of work involved will be so great that they cannot comply with this law which we now propose to apply to many other agencies. They point out that last year they considered over 400,000 claims. That is correct. However, most of these claims were claims about which there was no dispute. The claims about which there would be dispute would first be argued and debated and litigated, in a sense, in some other department of the Government. I have been advised that the number of actually controversial claims would be, perhaps, not in excess of five or six hundred in the course of the entire year.

Many important claims against the Government are filed and handled by the General Accounting Office. As suggested by the gentleman from Georgia, why should not a man who has a claim against the Government have a right to present his case—a right which he does not now have in the General Accounting Office?

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. Not just now.

With regard to the number of cases that come into the courts from the General Accounting Office, let me point this out to you.

Appeals may now be taken on these claims to the Court of Claims, and there they make a complete record at considerable expense to the claimant and to the Government. Furthermore, it takes a lot of time of the attorneys for the General Accounting Office and the Government. Last year there were filed in the Court of Claims 497 new cases. Even all of these cases did not come through the General Accounting Office.

The next argument they make is that this bill will make it possible to bring before the General Accounting Office and before the courts old claims 50 or 60 years old. Let me call your attention to page 10 of the bill:

> No hearing shall be permitted before any agency or independent agency seeking affirmative relief against the United States concerning any controversy which arose more than 1 year prior to the date on which there was filed with such agency or independent agency a written request for such hearing as provided in this section.

A complete answer, I think, to the argument made by the General Accounting Office in this respect. I trust that this amendment will be voted down.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield.

Mr. KELLER. Is it not true that the very same thing you are talking about, the tremendous number of cases that would be involved, applies to every other single department or agency involved in this bill?

Mr. GWYNNE. They say that; but here is the truth about the whole thing: Every little transaction between a citizen and his Government is not a controversy. With regard to all these 400,000 claims they talk about, all they had to do in a great number of them was simply to write the check. The number of actual controversies was limited, as shown by the fact that less than 500 actually appealed to the Court of Claims.

Mr. KELLER. Either I do not understand the answer or the gentleman did not understand my question. I understood the gentleman to say that this would permit a lot of lawsuits where there ought to be lawsuits; and if that is true, would there not be a multiplicity of lawsuits everywhere or in every agency that is included in this bill?

Mr. GWYNNE. No; the real effect of this bill would be that it would allow a person who had a real controversy with the General Accounting Office with respect to a claim against the Government to try it there before an intra-agency board of three members. He does not have that opportunity now. He can now go into the Court of Claims and try his case after he has had it up with the General Accounting Office. He can go into the Court of Claims and litigate it and make a new and complete record at great expense to him and at great expense to the Government.

[Here the gavel fell.]

The CHAIRMAN (Mr. DOXEY). The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The question was taken; and on a division (demanded by Mr. COCHRAN) there were—ayes 26, noes 59.

So the amendment was rejected.

Mr. HOBBS. Mr. Chairman, I have an amendment which I send to the clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: On page 15, line 12, after the word "Justice", insert a colon and "the conduct of the Department of Agriculture except under the Packers and Stockyards Act, 1921, Commodity Exchange Act and Perishable Agricultural Commodities Act, 1930."

Mr. HOBBS. Mr. Chairman, it is highly significant that this amendment comes immediately after the word "justice." It not only follows justice but flows from a sense of justice. Take the A. A. A., for instance, in its operation. I care not where you go, the measurement of land is done by a committee of farmers, elected by farmers. If a party feels himself aggrieved from that measurement or that decision, he can take an appeal to the county committee, which is also elected by the farmers themselves. If he is dissatisfied with that determination, he can appeal to the State committee, and from there to the Secretary of Agriculture. There are countless decisions made in this program. I have been living in the Cotton Belt and a farming area—and 72 percent of all the people in the district I have the honor to represent are farmers—and I have yet to see a single person exhaust the remedies provided by law under the present set-up.

So I beg of you—especially on the side of the distinguished gentleman from Kansas [Mr. GUYER], the distinguished gentleman from Michigan [Mr. MICHENER], the distinguished gentleman from Iowa [Mr. GWYNNE], the distinguished gentleman from Indiana [Mr. SPRINGER], all of you gentlemen, I am talking primarily to you—do not vote against this amendment simply because you have not thought it through.

This amendment seems to be wise and right. Six million farmers in the United States may have petty differences with the Department of Agriculture, or with some committee or official in its administration of their affairs, but the appeals already provided for under the acts under which they are operating will amply take care of the situation.

Giving new rights may, in many cases, prove an invitation to use them without due cause. This amendment excepts the conduct of the affairs of the Department of Agriculture from the operation of this bill, save as to the functioning under the three acts which I specifically name, the Packers and Stockyards Act, 1921, the Perishable Products Exchange Act, and the Farm Commodities Exchange Act. Those acts relate to matters involving large interests, large volume of business, and they ought to be under the terms of this bill; but I submit that soil conservation ought not to require litigation, that farm-flood control which is embraced in the scope of the A. A. A. should not present litigable questions, that the A. A. A. in its administration and its measurement of allotted acreage and the checking of wheat, corn, or cotton produced, are not such litigable matters as need to be supervised and submitted for the determination of the courts; and therefore I beg of you to vote for this amendment, which exempts the conduct of the Department of Agriculture from the operation of this act, except in the administration of the Packers and Stockyards Act, and the acts relating to commodity exchanges. The functions performed under these three acts are, really, the only three sources of litigable issues.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I will be happy to yield to the gentleman from Georgia.

Mr. COX. If remedies already exist giving the individual the right of review, then why should the gentleman think that if we gave him this additional right to litigate it would ever be used?

Mr. HOBBS. I have said to the distinguished——

Mr. COX. In other words, may I put it in this way: The adoption of this bill as written would not vacate these methods of adjudication that have already been set up and to which the gentleman has referred, would it?

Mr. HOBBS. No, sir. But provision of additional remedies might be accepted as an invitation to use them, and they are not needed as far as the Department of Agriculture is concerned.

[Here the gavel fell.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. HOBBS) there were—ayes 34, noes 53.

So the amendment was rejected.

Mr. THOMAS F. FORD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. THOMAS F. FORD: Page 15, line 9, after the word "commission" insert "the National Labor Relations Board, the Wage and Hour Division of the Labor Department, and."

Mr. THOMAS F. FORD. Mr. Chairman, most of the debate here today has dwelt on the amount of confusion that this measure will occasion if it is ever adopted. I am satisfied that this is a correct statement of the fact. I would like to have the National Labor Relations Board and the Wage and Hour Division of the Labor Department exempted and thus freed from the terrific amount of confusion that will result from the multitudinous actions that will be instituted to check the enforcement of rules and regulations designed to render the Labor Relations Act effective. This bill will affect not only 6,000,000 farmers but practically every man and woman in the United States who works for a living, because these two acts affect millions of laboring people, and I ask that this exemption be allowed to free them from the operations of this most vicious measure. If this bill is enacted into law, every lawyer in the United States who is on relief will get off immediately, because there will be work for nobody but lawyers to administer it. Its effective administration will paralyze the regulatory functions of over 60 departments of Government, and will again permit labor to be exploited and investors to be hoodwinked. In fact, it will throw us back into the good old days when billions of securities, based for the most part on wind and water, will once more flood the market to the profit of unscrupulous promoters and reckless speculators.

And, my friends, this is not one-tenth of the evils that will flow from this measure. It is a Pandora's box of confusion; the extent of its potentialities for trouble is beyond comprehension or computation.

Mr. COX. Mr. Chairman, I rise to say for the benefit of the gentleman from California [Mr. THOMAS F. FORD] that these are the two agencies which are most responsible for the pending bill.

Mr. THOMAS F. FORD. And for which this bill was framed to cripple.

Mr. COX. And ought to get.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. THOMAS F. FORD) there were—ayes 24, noes 73.

So the amendment was rejected.

Mr. HOBBS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Page 15, line 22, after the period, insert "No right of review hereunder shall be exercised during the construction of any public building or public works project as to any decision, ruling, or order made with reference to the prosecution of the work."

Mr. HOBBS. Mr. Chairman, I understand that the committee is in accord with me, and will accept this amendment. The purpose of it is simply and solely to obviate any possibility of embarrassment or cost by tying up a public-works project or the erection of a public building during the construction period.

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. My distinguished colleague of the Committee on the Judiciary may always count upon me to yield to him.

Mr. GWYNNE. Does the gentleman not think that the bill already covers such a possibility?

Mr. HOBBS. If it does, then no harm can come of the adoption of this amendment. But, if, as I fear, the judgment of the gentleman from Iowa be not as sound in this regard as it is usually, why not clarify the bill by this amendment so that the intent to rule out such a possibility may be manifest?

Mr. GWYNNE. I think the thought the gentleman has in mind is entirely taken care of in the present bill.

Mr. HOBBS. The gentleman may be right and I am not saying that he is not. All I wish to do is to protect against, possibly, a remote fear. We certainly ought not to leave even the possibility of "tying up" the construction of a public building, or a public-works project, by proceedings for review of some decision or order, when the same remedy may be resorted to after the work is done.

Mr. COX. I agree entirely with the gentleman, but the gentleman knows that we do have these tie-ups during the course of construction of these public buildings. The matter ought to be in some way regulated.

Mr. HOBBS. The gentleman may be right, but that is another matter. We are talking about a danger growing out of this bill. It may be remote, but it is certainly apparent. If we provide new rights of review, we should safeguard their employment to insure that the correction of one evil may not breed another.

Mr. COX. I do hope that the Committee will accept the amendment. I think it improves the bill.

Mr. HOBBS. Thank you, sir.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Gladly.

Mr. DONDERO. I recognize the wisdom of the gentleman's amendment. If it is detrimental to the public interest to prevent the tying up of a public building that belongs to the Government, why is it not equally detrimental to the public welfare and the people to tie up any private enterprise?

Mr. HOBBS. The gentleman may be perfectly right, but we are not operating upon anything in this bill except governmental activities.

Mr. DONDERO. I appreciate that; but the same rule ought to apply to the rights of a citizen engaged in private enterprise.

Mr. HOBBS. But the gentleman is entirely too well versed in the law to believe that such an amendment would be germane to this bill, even if it were offered.

Mr. DONDERO. I am not arguing that point, but I am simply calling attention to that fact.

Mr. HOBBS. I thank the gentleman; and since we are evidently in perfect accord, I thank him in advance for his support of my amendment. [Laughter and applause.]

[Here the gavel fell.]

Mr. WALTER. Mr. Chairman, a moment ago the distinguished gentleman from Georgia [Mr. Cox] stated that this legislation was directed against the National Labor Relations Board. Now, certainly nothing could be further from the truth. The recommendation for this legislation came long before the National Labor Relations Board was ever set up and is not aimed at any particular agency.

Let me call your attention to the names of the distinguished gentlemen who contributed in the drafting of the original recommendation:

Louis Caldwell, formerly General Counsel for the Radio Commission;

Walter F. Dodd, professor, constitutional law, Yale University, and labor legislation adviser to several Secretaries of Labor, including Secretary Perkins;

Robert Maguire, attorney in the Land Office. At present he is president of the Oregon State Bar Association;

Justice Felix Frankfurter;

John Dickinson, a former Assistant Attorney General of the United States, and a former Assistant Secretary of Commerce, who conducted the trials in the Supreme Court, and made the arguments in support of much of the New Deal legislation.

Mr. McGRANERY. Mr. Chairman, will the gentleman yield?

Mr. WALTER. No; not now.

Julius Smith, who was twice president of the North Carolina State Bar Association;

Robert Rugg, former Assistant Attorney General of the United States and son of one of the former chief justices of the State of Massachusetts;

Monte Appell, former Assistant Attorney General of the United States;

Roscoe Pound, dean emeritus of Harvard;

O. R. McGuire, former counsel for the General Accounting Office;

Ralph Hoyt, of Wisconsin.

The men who recommended this legislation certainly did not have in mind the things that have occurred in recent years that have aggravated the situation and demonstrated beyond peradventure of doubt the need for this legislation.

Mr. KELLER, Mr. McGRANERY, and Mr. HEALEY arose.

Mr. WALTER. I will yield in just a moment. I wonder whether any of you Members had an opportunity to hear the testimony of some of the witnesses who appeared before the Smith committee?

Mr. THOMAS F. FORD. I did.

Mr. WALTER. Let me say I am not in favor of any amendment of the National Labor Relations Act. [Applause.] I do not think amendments to the act are going to cure the situation. The situation that needs remedy there is the elimination of about 90 percent of the personnel in that agency. [Applause.] I was literally shocked at what I heard, and, I might add, what I saw at that hearing. Particularly when I saw one little girl after another take the witness stand and announce that they had made the decisions that were passed on the Board.

Members of this House, the administration of that act has brought about widespread dissatisfaction with a law that was designed to mean much for the workers of America. [Applause.]

If other agencies such as the C. A. A. have found it possible to secure the kind of personnel that has made it possible to administer that act so entirely satisfactory certainly the N. L. R. B. should be able to secure the same kind of personnel.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

Mr. BULWINKLE. Mr. Chairman, I move to strike cut the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes. The Chair wishes to call attention to the fact that there are a half a dozen amendments on the desk and the time for debate has been fixed.

Mr. BULWINKLE. Mr. Chairman, it is very unfortunate that this bill in its present form is before the House. Admitting, for the sake of argument, the purposes for which the bill is designed, I respectfully submit that no one in the Chamber knows what is contained in this bill, nor can anyone satisfactorily explain its provisions.

To give you an illustration: A few minutes ago the gentleman from Alabama [Mr. HOBBS], when I asked him a question about the Coast Guard, said, "Why, that is in the Navy Department and, therefore, is taken out of the bill."

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes; I yield.

Mr. HOBBS. Of course, I did not mean——

Mr. BULWINKLE. Now, I want to tell you this: I only have 5 minutes, but that is not in the Navy Department and it is not exempted under the provisions of this act.

Mr. HOBBS. Mr. Chairman, I make a point of order. The gentleman yielded to me.

Mr. BULWINKLE. Well, ask the question.

Mr. HOBBS. I am going to. I did not mean it was in the Navy Department in peacetime, but it certainly is in wartime, and the Navy and the Army, both departments, are perfectly satisfied with the amendment that I spoke on.

Mr. BULWINKLE. The Coast Guard, under the reorganization plan, is in the Navy Department in case of emergency, but under ordinary conditions and at the present time it is not. That is what I am talking about now.

Then, again, I asked the gentleman from Pennsylvania [Mr. WALTER], the author of the bill, if the nonmilitary activities of the War Department, even under the amendment "establishments," would be considered as exempt from this bill, and the gentleman said, "No." Another gentleman, member of the committee, says it is. Where is the certainty as to which agencies are under it or not?

Now, speaking to you in all sincerity, here we are about to pass upon a bill of this import and of this character, involving the administration of the agencies of this Government, as, for instance, the Veterans' Administration. Under the law as it always has been, these are the words in the Veterans' Administration Act:

All decisions of Administrators of Veterans' Affairs under the provisions * * * of this title, or regulations issued pursuant thereto, shall be final and conclusive on all questions of law and fact, and no other official or court of the United States shall have jurisdiction to review, by mandamus or otherwise, any such decisions.

And yet the Veterans' Administration is put under this act. In the case of the Procurement Division, a bid is made on a post office, we will say, and the low bidder gets the contract. The next man to the low bidder goes into court because of the decision of the court on account of Division regulations which have been adopted by the Procurement Division. And so on ad infinitum. This bill if it becomes law will cause all kinds of trouble in the departments, delay, and unnecessary expense, it will add 60 new boards of 3 members each to the departments besides the extra judges that will be needed to handle it.

Mr. McGRANERY. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. McGRANERY. I call the gentleman's attention to the fact that the Federal Employees' Compensation Board, of course, would come under the provisions of the pending bill. Last year they had more than 420,000 cases. Under this Act there would be a right of appeal in each of them.

Mr. BULWINKLE. The gentleman is correct; 400,000 cases would come under this act in that one agency alone. You may say that is farfetched, that that is the maximum, but you must assume to take care of everything that could possibly arise under the legislation which is enacted.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. HOBBS) there were—ayes 49, noes 44.

So the amendment was agreed to.

Mr. RANKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANKIN: Page 15, line 8, after the word "Currency", insert "the Securities and Exchange Commission."

SECURITIES AND EXCHANGE COMMISSION

Mr. RANKIN. Mr. Chairman, in my opinion, the influences on the outside of Congress that are supporting this bill and demanding its passage are directing their efforts at the destruction of the Federal Power Commission, the Securities and Exchange Commission, the Rural Electrification Administration, the Tennessee Valley Authority, the Bonneville Administration, and the other similar agencies of this Government.

The Securities and Exchange Commission is in a position to render one of the greatest services this Nation has ever had in breaking up or demanding the dissolution or integration of those gigantic holding companies that serve no useful purpose, but which, as I said the other day, sprawl over the Nation like a huge octopus and wring the economic lifeblood from every constituent you represent who uses electricity for lighting or power purposes. I know there is a great hue and cry on the part of those holding companies now when the Securities and Exchange Commission demands that they come in and comply with the law. They prefer to carry on their present practices of wringing from the helpless power consumers of America $1,000,000,000 a year in overcharges. They want to carry on their speculation and manipulations in watered stocks. If an honest investigation were made, it would show that, of the $13,000,000,000 they claim to have invested in these utilities, at least $7,000,000,000 or $8,000,000,000 is nothing in the world but wind, water, or inflated valuations. The Power Commission of Ontario, including the municipalities, have only $400,000,000 invested. They produce and distribute one-twelfth of the power distributed in the United States. Twelve times $400,000,000 is only $4,800,000,000, yet this outfit in America that is today trying to run every State government and is running many of them, trying to dominate and control the utilities commissions in every State and is controlling many of them—they claim an investment of $13,000,000,000. If you squeeze the water out of their inflated valuations, you will bring it down to anywhere from $5,000,000,000 to $7,000,000,000. In other words, you would squeeze out from $6,000,000,000 to $8,000,000,000 of water or inflated valuations, on which the electric consumers of this country have to pay dividends in exorbitant rates.

Another thing, the Securities and Exchange Commission is now beginning to enforce that provision of the law—the Hatch bill of the Power Trust if you please—that prevents them from corrupting legislatures, that prevents them from spending money in elections, that prevents them from spending money to try to dominate utilities commissions. Now, when the Securities and Exchange Commission begins to make itself felt as a lawful agency of this Government we have here a bill that would paralyze them, because you would have more suits brought by the Power Trust in the next few months than the Supreme Court of the United States could pass on in the next 4 years.

I sincerely hope that the gentleman in charge of this measure will accept this amendment and also accept one I propose to offer to exempt the Federal Power Commission from the provisions of this bill.

As I said the other day, the Federal Power Commission is rendering the most valuable service in its history and should be protected from such interferences as this measure would produce. [Applause.]

Mr. WALTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to read an editorial, which is one of many that has come to my attention recently. This appeared in one of the leading newspapers in San Francisco.

Mr. RANKIN. Mr. Chairman, a point of order.

Mr. Chairman, I do not want to make a point of order against the gentleman's reading the editorial out of order but I would like to have him tell us the name of the paper in which it appears.

Mr. WALTER. It is from the Leader.

Mr. RANKIN. In San Francisco?

Mr. WALTER. Yes.

Mr. RANKIN. All right.

Mr. WALTER. It is a good paper.

Mr. RANKIN. I know what paper it is. I hope the gentleman will read it.

Mr. WALTER. I read an editorial from the Leader, of San Francisco. The editorial is entitled "Star Chamber Proceedings":

An example of the new return to tyranny is the current proceedings of the Securities and Exchange Commission versus Walston & Co., in San Francisco.

There you will find a trial examiner, employed by the Securities and Exchange Commission, functioning as a judge. You will find the counsel for the Securities and Exchange Commission acting as accuser and prosecutor. If you listen to the proceedings you will hear the trial examiner overrule the objections of counsel for the defense, regardless of the propriety of the objections; you will find the strict rules of evidence ignored by the Commission while its counsel submits its case, but adhered to when the defendants present theirs. You will find the defense has the right of subpena only with the permission of the plaintiff granted on written application telling what each witness is expected to testify.

You will find confidential documents, in the form of income-tax reports, handed about indiscriminately. * * * You will find that the defendants have no recourse so far as this hearing is concerned.

Need I say more about the gentleman's amendment?

Mr. RANKIN. No; not if you are going to read that kind of stuff, that is enough, such as it is. Is that not the paper that has been fighting the Hetch-Hetchy proposition?

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendments now pending to eliminate or exempt the Securities and Exchange Commission from the operations of this act indicate only too well that the ghost of the reorganization bill is once more stalking through the Well of this Congress. Last year when we considered the reorganization bill we first laid down a principle and then wrote in 21 exceptions covering 21 agencies of Government.

I rather decry the idea, and I shall vote against every exception put in this bill unless they are exceptions as to specific functions. I cannot understand why the Federal Reserve Board, for instance, should be exempted when only one or two functions perhaps might be exempted. I am not willing to exempt them, for instance, in connection with their authority to determine the admissibility of a bank into the Federal Reserve System. I am not willing to exempt the Interstate Commerce Commission except insofar as locomotive inspection, safety devices, and possibly rate-making are concerned. I am not willing to support lots of those exemptions because I think they hamstring the bill. I am going to vote for this bill even though it is not in the form in which I would like to have it.

It is always a matter of hazard, and I entertain a sense of insecurity, when I consider amendments to a particular bill. Last night I labored over an amendment to be offered as a substitute for paragraph (b), on page 15 of the bill, but I shall not offer it, because the matter is too important for haphazard action. However, I shall read the amendment for information:

This act shall not apply to any matter touching employment in or by the Federal Government or any agency thereof nor to remuneration for such employment—

That is for the purpose of stopping congestion of action because of small cases—

or to the granting or denial of any promotion or demotion—

Those matters should not be brought within the purview of this act—

or to any case involving the denial of any loan, grant, or subsidy to any person, State, or political subdivision thereof—

Those are rather expedient matters on which it is hard to apply the provisions of this bill—

or the open-market operations or the interest-making function of the Board of Governors of the Federal Reserve System—

That is all the further I would go in exempting the Federal Reserve System—

or the functions of the Interstate Commerce Commission relating to safety devices, locomotive inspection or rate making; or to the functions of the Civil Aeronautics Authority relating to safety requirements; or the conduct or functions of the State Department; or to the conduct or operations of the Federal Bureau of Investigation in the Department of Justice—

That is the only exemption I would permit there—

or to any matter relating to the internal revenue, or to the laws relating to longshoremen or harbor workers—

I recognize the necessity for this because when a ship must leave for a destination it must start on time and should not be held up in port through legal delay—

or to any case relating to the grading services performed by the Department of Agriculture in connection with the sale or purchase of any agricultural commodity, or to the conduct of the military or naval establishments, or to trial by courts martial of any person otherwise within the jurisdiction of such courts martial.

Mr. Chairman, if I were to write the bill, based on my observations of the hearings, the report, and the discussions during the several days of this week, I would prefer the language I have just read. Frankly, I shall not set up my knowledge as against the expert knowledge of the members of the subcommittee. I do point out, however, that in the future when this sort of thing comes along, instead of eliminating or exempting a whole agency because of one involved function, why not pick out the function and say that that shall be excepted. Take, for instance, the amendment offered by the gentleman from Mississippi [Mr. RANKIN] regarding the Securities and Exchange Commission. I have no doubt that perhaps one or two functions might be excepted, but I am not willing to exempt the whole agency and all the activities of that agency because that would indeed be an emasculation of the very objectives of this bill.

It has been interesting indeed to listen to the fulsome speeches on this measure; from the debate and from an examination of the hearings, the report, and other opinions, it would seem that the general theme of discussion by those who oppose this measure is based in a large degree upon an apprehension as to what it might do to the procedure and action of the various agencies of government. I apprehend there is an infinitely larger consideration involved, and that is as to what this measure, if enacted into law, would do for the people of this Nation. I am more concerned about protecting and preserving their rights than in the question of momentary and inconsequential delays in governmental action.

How intriguing it has been to hear the defenders of the bill who take their inspiration from Thomas Jefferson inveigh the provisions of this measure. How this debate would warm the cockles of Jefferson's heart if he could be here. Perhaps he would recall the action of the country in 1790, with the people insisting on the addition of a Bill of Rights to the Constitution the more securely to defend their rights. It is interesting to compare their action of that day with some of the speeches of today. It is interesting also to refresh one's self on the general nature of the amendments added to the Constitution which with but few exceptions were chiefly concerned with putting up a "stop" light against encroachment of government. Yet today ardent disciples of Jefferson are engaged in seeking to preserve the broad administrative powers of Federal agencies with which the basic rights of the people might be curtailed or entirely denied.

Examine for a moment the general tenure of the amendments to the Constitution. The basic theme was pitched in the very first amendment. In effect it says that Congress shall make no law abridging freedom of conscience and speech. The second amendment states that the right of people to bear arms shall not be infringed. The third amendment prohibits the boarding of soldiers except by law. The fourth amendment guarantees security of persons and houses and papers and effects. One might go on and enumerate how, in each case, the greatest care was exercised to prevent Government from infringing the privileges and immunities of the citizens. In a very real sense only once was there a departure from this broad principle and that occurred in the eighteenth amendment which placed an intervention upon the importation, manufacture, and sale of intoxicating liquor. To be sure it required more than 14 years to remove this amendment from the Constitution but it was finally achieved.

The notable thing is that always the people were concerned with keeping Government from encroaching too closely upon their basic rights.

The measure before us today is but a continuation of that thoroughgoing American spirit. It seeks only to preserve for the people certain rights of procedure under which they may be properly protected.

As one examines the first provision of this measure relating to rules affecting personal and property rights and the requirements for the giving of a notice, the holding of hearings, and the publication of such a rule or order, it finds its parallel in the very first amendment to the Constitution which preserves for the people the right to petition the Government for a redress of grievances.

There can be small quarrel with the second provision in the bill relating with a special provision of rules to ascertain

whether such rules are in conflict with the second section of the bill or with the Constitution or with the statutes under which such a rule or order has been issued.

Nor can there be serious opposition to the third provision requiring a further departmental review of a rule by a board. The seventh amendment to the Constitution makes it impossible to divest a citizen of so much as $20 by a civil action, the common law sets a trial by jury unless that right should be waived. Who then will contend that an equal amount of care should not be exercised in the making and application of an administrative rule under which the whole of a citizen's property might conceivably be taken from him.

In this connection there comes to mind the argument that the broad preservations of this bill would require many boards and many courts in its administration. I can readily imagine that back in 1790 when it was proposed to guarantee a jury trial on civil actions, at common law where $20 or more was involved that some of the good people in that day probably raised their voices in protest and shouted in subsistence that every court in the land would be congested with jury trials. Yet the experience of 150 years is most persuasive that there has neither been abuses nor undue delay nor congestion as a result of this personal guarantee.

The fourth provision, relating to judiciary review of decisions and orders to determine whether the findings are in error or supported by the facts or by substantial evidence, is certainly no radical conception, nor is it going too far to preserve for the people who are affected by administrative rulings and decisions, the requirement that there has been an opportunity for notice and hearings or that the agency issuing the decision have jurisdiction, or that it be made clear as to whether a constitutional right has been infringed.

It may be, perchance, that if this bill is enacted into law, there may be a slight slowing down in the tempo of administrative processes. If so, it is no cause for alarm. Some may contend that it will add to governmental red tape, but I am not at all certain but what red tape has been a great instrumentality in preserving the essentials of democracy.

A noted sage once observed that democracy is like an old scow. It does not move very fast nor very far at one time, but it never sinks. I prefer these attributes of an old scow with the security which it tends to give to democratic processes as against the totalitarian superfluous liners of the Old World with an impetuous captain giving orders for full speed ahead, no matter what happens. May it be said, therefore, in behalf of this measure that it catches some of the spirit of 150 years ago, when people were setting the stop light against government so that there might be no infringement of the immunities and privileges of the people as between the people and agencies affected, I prefer in these rather unstable and uncertain times to stand on the side of the people.

The pro forma amendment was withdrawn.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last two words.

Mr. RAMSPECK. Mr. Chairman, I make the point of order that debate has been exhausted on the pending amendment. We have a limitation of time here and if we are going to have pro forma amendments, Members who have legitimate amendments will not be recognized.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, may I call the attention of the Members of the House to the work that was referred to yesterday put out by the Brookings Institution. Considerable emphasis was placed on the importance of this work, which was written by Frederick F. Blachly and Miriam E. Oatman. The chapter dealing with the act now pending before us is very critical. It condemns the Logan-Walter bill in no uncertain terms.

I call the attention of the Members of the House to the fact that the authors of this work availed themselves of information derived largely from the bureaus themselves. For instance, Mr. Thomas B. Billig, of the Federal Security Agency; Mr. Robert M. Cooper, special assistant to the Attorney General of the United States; Mr. Robert E. Freer, Chairman of the Federal Trade Commission; Walter Gellhorn, director of the Attorney General's Committee on Administrative Procedure; Mr. Gregory Hankin, with the Federal Power Commission; Mr. I. J. Lowe, of the Department of Agriculture; and Mr. J. Emmett Sebree, of the Board of Tax Appeals.

Mr. CELLER. Will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from New York.

Mr. CELLER. I think it might be well to call attention to the other names of men consulted, such as Professor Cushman, of Cornell University; Professor Field, of Indiana State University; Professor Fuchs, of Washington University; and Professor Gellhorn.

Mr. SMITH of Ohio. I decline to yield any further. I yielded for a question, not for an extended statement.

Mr. Chairman, I have read the chapter which deals with the pending measure. Its very title shows that the authors missed completely the fundamental purpose of this bill.

The title is "Doctrine of Judicial Formula." This the authors regard as the modus operandi which the Walter-Logan bill would set up to keep political agencies within the bounds of law. The inescapable implication of this title is that this bill, if enacted into law, would, ipso facto, vest in the courts power to formulize bureaucratic administration and control. As I understand the background and genesis of the bill before us, this is not any part of its purpose. It is my understanding that ever since Justice Chase, in Turner against Bank of North America, declared—

> That the Federal courts do not derive their judicial power immediately from the Constitution; but the political truth is that the disposal of the judicial power (except in a few specific instances) belongs to Congress—

There has been no question or doubt that the powers of the Federal courts are not inherent but derived solely from Congress. Only the Supreme Court derives its powers from the Constitution.

This being true, instead of designating the Walter-Logan bill as the "doctrine of judicial formula," it would have been more accurate if they had stated it to be the doctrine of congressional formula.

It is not judicial formulization this bill aims at but congressional formulization.

The primary purpose of this measure is to wrest from the bureaucracy the power to interpret the law and place it back in the hands of the courts, the only instrument the Congress and the people have for interpreting their laws. While the authors of this work point out some weaknesses in this measure, on the whole their criticism is destructive, not constructive. Indeed, in my opinion, it shows the grossest bias and in reality is little else but a defense of unrestrained bureaucratic domination.

They even categorically deny that there is any such thing in this country as administrative absolutism. This, of course, is ignoring the completely established historical truth, namely, that a society loses control over its lives and property para passu with the growth of political bureaucracy.

Of course, since Blachly and Oatman deny the existence of bureaucratic absolutism, they of necessity disregard the background that gave rise to the purposes of the Walter-Logan bill. Throughout their entire discussion of this measure, nowhere do they evidence any concern for individual rights or liberty. Only in theory do they recognize them.

The fact that the political bureaucracy has grown enormously within the last few years, that a great multitude of new bureaus have been created and about 500,000 new political jobs added, at an additional cost to the taxpayers of about a billion dollars a year—this apparently does not interest them. One gleans from their discussion that all this is not only necessary but good. Indeed, they attempt to justify bureaucratic absolutism on the ground of necessity. Underneath their philosophy is the same as that of the bureaucrats, namely, that something has happened to our

country and perhaps to the world that requires a new order of things, which bureaucracy alone can handle.

The possibility of their ideas being atavistic never enters their minds. Could they but divest themselves sufficiently of bias, they might be able to see that the new conditions which they talk about are the very disease which afflicts humanity and society, and that the essential cause of this disease is political and bureaucratic absolutism.

To cure a patient suffering from strychnine poisoning, Blachly and Oatman say, "give him more strychnine."

There is no question that they argue for a sphere of uncontrolled bureaucratic administration, this on the euphemistic ground of complexity and increased functions of government. Very well, if that is what they want. But they should not try to justify this upon any constitutional grounds. If they want a new kind of government, they should come out and say so.

Justice Chase, in the above cited case, clearly set forth the controlling principle in the Constitution that covers this important point. He said:

If, then, it is the duty of Congress to vest the judicial power of the United States, it is a duty to vest the whole judicial power.

Here is the real answer to the whole criticism of the Walter-Logan bill: "The whole judicial power," not a part of it, the Congress must vest in the courts. That is the mandate of the Constitution; that is what the Walter-Logan bill seeks to accomplish. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. RANKIN].

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 15, noes 65.

So the amendment was rejected.

Mr. RAMSPECK. Mr. Chairman, I have two amendments at the desk. I ask unanimous consent that they be considered together.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. RAMSPECK: On page 15, in line 9, after "Commission',, insert a comma and the following: "the Civil Service Commission"; and on page 15, in line 20, before the period, insert a comma and the following: "or to any decision by any officer or employee of any agency or independent agency affecting the pay, hours, annual or sick leave, or other matter relative to the status of any employee of the United States."

Mr. RAMSPECK. Mr. Chairman, I was delighted to hear the distinguished gentleman from Illinois [Mr. DIRKSEN] say that he did not believe the status of the employees of the Government should be covered by this bill.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Pennsylvania.

Mr. WALTER. The committee felt that the language in line 19 met the situation. If it does not, of course, we want to carry out the idea expressed by the gentleman's amendment.

Mr. RAMSPECK. I am pleased to have that statement from the gentleman. I was just about to say that the chairman of the subcommittee, the distinguished and able gentleman from Pennsylvania [Mr. WALTER] had assured me that it was not the intention of the bill to cover these matters, and since it is agreeable to the committee and in line with the able address delivered by my friend from Illinois, I hope the committee may see fit to adopt these amendments, which deal with nothing except the Federal employees themselves and their relationship to the Government. I do not believe it is necessary or wise to subject the grievances of employees of the Government to a court proceeding; as a matter of fact, I have some doubt about the constitutionality of any court proceeding with regard to such matters in the executive branch of the Government.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from New York.

Mr. CELLER. Did I correctly understand that the gentleman's amendment inserts the words "Civil Service Commission" in line 9, after "Interstate Commerce Commission"?

Mr. RAMSPECK. The gentleman is correct.

Mr. COX. I thought the purpose of the gentleman's amendment was simply to exclude this particular function of the Civil Service Commission.

Mr. RAMSPECK. No. It does both.

Mr. COX. I trust the Committee will vote down the gentleman's amendment, unless he is prepared to divide it.

Mr. RAMSPECK. Will the gentleman tell me any reason why the Civil Service Commission, which deals only with the question of the status of Federal employees, should be included in a bill of this sort, which is intended to protect the public? I do not know of any reason.

Mr. COX. If the amendment is adopted, then there is no need for the language in line 19, "or has failed to receive appointment or employment by any agency or independent agency."

Mr. RAMSPECK. I believe it ought to remain in the bill, because I did not deal with the word "employment" in my amendment since it was already in the bill.

Mr. Chairman, I hope the Committee will adopt the amendment.

Mr. CELLER. Mr. Chairman, will the gentleman yield further?

Mr. RAMSPECK. I yield.

Mr. CELLER. There are agencies that are not under the civil service. Would the language the gentleman speaks of refer to employees who are not in the civil service?

Mr. RAMSPECK. Yes; the exemption of the Civil Service Commission would not exempt the application of this bill even to civil-service employees in operating agencies, therefore the necessity for both amendments.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. RAMSPECK) there were—ayes 26, noes 70.

So the amendment was rejected.

Mr. KELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KELLER: On page 15, line 11, after "State", insert "the Federal Works Agency."

Mr. KELLER. Mr. Chairman, I wish to call attention to the fact that the Federal Works Agency includes about 3,000,000 men and women. It ought certainly to be excepted from the action of this bill. If it is not, you open the way to at least 3,000,000 additional lawsuits, because under this bill as written and as reported here, if this exception is not made, you will open the entire doorway to every single, solitary person in the Government employ, including the civil service and everything else, and altogether it is much more than 3,000,000. It does seem to me that if we are trying to pass a law here that will limit and lessen and shorten the period of time to be consumed we ought to make the conditions possible for that. Instead we are adding to, and adding to, and adding to. The statement of the gentleman from Georgia [Mr. RAMSPECK] on yesterday was not too strong when he pointed out to you what that would mean as applied only to the civil service. When I call your attention to the fact that the W. P. A. and the P. W. A. and all the other agencies of this Government are included in this bill at the present time, it simply multiplies the difficulties that anyone ought to see are included in the bill. The bill ought never, of course, to have been brought out, because your attention has been called to the fact many times over that it is an ill-digested bill.

Before I sit down I wish to call attention to the fact that the chairman of the subcommittee quoted the names of a number of noted persons here, but he failed to answer when I tried to get his attention and ask him whether a single one of those people have ever seen this bill. I will guarantee not a single one of them, especially Miss Perkins, is for the bill in its present form by any possible stretch of the imagination.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Pennsylvania.

Mr. WALTER. These gentlemen, and every one of them is a distinguished student of the law, debated this bill at three meetings of the American Bar Association.

Mr. KELLER. Oh, the gentleman quoted names of the American Bar Association? Then I want to take it back with apologies, because that is the only bar association in America I know of that is for this bill. I repeat that when the American Bar Association alone sponsors a bill, it ought to arouse some suspicion at once.

Mr. COX. Whose sponsorship would excite the enthusiasm of the gentleman from Illinois?

Mr. KELLER. I am sure that of the gentleman from Georgia would, naturally, of course.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield.

Miss SUMNER of Illinois. I am informed that the National Association of Women Lawyers favors this bill.

Mr. KELLER. Where are they at? [Laughter.]

Miss SUMNER of Illinois. Unlike the gentleman, they are not in deep water. [Laughter.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, I had intended to offer an amendment at page 15, line 10, to strike out "all Federal lending agencies" and insert "the Federal Loan Agency and independent agencies grouped thereunder and all other Federal lending agencies, including agencies making loans and grants," but after I had propounded a question to the Chairman, who assured me that these agencies are included in the bill as now drafted and are therefore exempted, I shall not offer the amendment. All I wish to say now is that like many others I have received many communications about the bill before us. The last one I have received is in favor of the bill. It is from Mr. Ralph M. Shaw, of Winston, Strawn & Shaw, of Chicago, a firm of outstanding corporation lawyers, and men of standing known to my Republican friends on the left, I am sure. They represent a larger number of corporations than any other firm in the Middle West.

In the letter Mr. Shaw states:

> As you doubtless know, its passage is recommended by the American Bar Association and other organizations who are devoting their services to the public good.

Well, personally, I never heard where the American Bar Association was specially interested in any civic activities or the public good.

Mr. WALTER and Mr. COX rose.

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I call the gentleman's attention to the fact that the American Federation of Labor, at its annual convention last year, endorsed unanimously this bill, and not only has the American Bar Association, but every bar association in America, except one, and that is the Lawyers' Guild, has endorsed it.

Mr. SABATH. I will say this to the gentleman: I understand they took such action last year, but that they later rescinded their action, the same as the Senate rescinded its action when it first agreed to the bill and then recalled it. Mr. Chairman, I think this is time lost because I feel sure that in view of the action taken by the other body this bill will never pass again and therefore we have wasted here several days. In view of the fact it is the aim of all of us to get out of here as soon as possible, I think it is unfortunate that the time has been lost. Personally, I am opposed to the bill.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. BULWINKLE. I want to call the gentleman's attention to the fact that not every labor organization, by far, is for this bill, because we had evidence here today of the attitude of the brotherhoods of trainmen and engineers through the gentleman from Ohio [Mr. CROSSER].

Mr. SABATH. I understand a large majority of the labor organizations are against the bill and most of the unions belonging to the American Federation of Labor are against it now. They did not understand the bill originally; in fact, most of the Members here have been unable to understand the bill and even some of the members of the Committee have been unable to explain it.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield to my colleage from Illinois.

Mr. KELLER. May I not call the gentleman's attention to the fact that the chairman of this subcommittee has made a great mistake when he states that other bar associations are for it at the present time when it was just called to his attention yesterday that the New York Bar Association is distinctly and strongly against this bill?

Mr. SABATH. I will say to the gentleman that I have confidence in the gentleman from Pennsylvania.

Mr. COX. Mr. Chairman, will the gentleman yield to me?

Mr. SABATH. I yield.

Mr. COX. Has the gentleman completed his statement in opposition to the amendment offered by the gentleman from Illinois? If he has, let us vote.

Mr. SABATH. I will let the gentleman from Georgia know when I am ready to conclude.

Knowing the gentleman from Pennsylvania [Mr. WALTER] as I do, I fear that he has been imposed upon by the proponents of this bill, the gentlemen of the American Bar Association. I appreciate the haste of the gentleman from Georgia [Mr. COX] to vote for the bill, because, unfortunately, should it become a law, it will deprive the American wage earners of any benefits under the laws which we have passed against the gentleman's wishes in the past. I concede that the gentleman from Georgia is a great lawyer, and I will go further in saying that I believe he is sincere, but unfortunately he has not a full view of conditions affecting all of our country. I feel that if he did he would not be opposed to legislation that would prove of benefit to the people of some sections of the country. For his benefit and those who are for this legislation, I desire to insert a résumé on this bill prepared by men of outstanding character and ability and trust that they will read it in the hope that in the near future they will not come to a hasty conclusion in advocating everything that certain interests through their lobbyists are trying to force upon the country. I submit the report of the Brookings Institution on this legislation, which has been referred to several times during the course of debate. Not knowing whether any other Member will insert it in the RECORD, I shall include it in its entirety at this point:

RE LOGAN-WALTER BILL (H. R. 6324, S. 915)

The Logan-Walter bill, which is entitled, "A bill to provide for the more expeditious settlement of disputes with the United States, and for other purposes," is an attempt to deal in a single piece of legislation with the entire field of administrative procedure and judicial review of administrative decisions. It proposes to place in a single groove, and subject to the same procedure, the operations of all executive departments of the Government, both in respect to matters of a quasi-judicial character and matters of a purely administrative nature.

The bill deals with four distinct subjects: (1) procedure for the adoption and promulgation of rules of administrative agencies; (2) judicial review of the validity of rules of administrative agencies; (3) internal procedure to be followed by all administrative agencies in determining matters with which they deal; and (4) judicial review of decisions of administrative agencies.

Each of these topics will be separately discussed.

(1) ADOPTION AND PROMULGATION OF RULES

Section 2 (a) provides that thereafter all administrative rules shall be issued by each agency only after notice and public hearings, and that such rules shall not become effective until published in the Federal Register, except when the President declares that a public emergency exists.

To insist on a public hearing before any rule can be adopted and promulgated, or even amended or modified, no matter of how minor a character such a rule or amendment may be, is a requirement that would seriously retard and hamper the processes of government and place a heavy unnecessary burden on executive departments, and other agencies charged with administrative duties. In addition, it would probably enhance the cost of ad-

ministration, as at times it would be necessary to hire additional personnel for the purpose of complying with such a requirement. Moreover, it would leave the administration of a statute open to obstructive and dilatory tactics on the part of interests who are opposed to its effective enforcement and who might intentionally prolong hearings inordinately by multiplying the number of persons desiring to be heard orally.

It is frequently necessary to adopt regulations or amendments thereto very promptly, so that it would not be practicable to comply with the requirement of public hearings. It may be physically impossible to comply with the requirement that a notice of the regulations about to be promulgated shall be published and that public hearings be held thereon, and at the same time efficiently and expeditiously administer a statute.

Many types of rules and regulations are not suitable for public hearings. For example, it would be manifestly inappropriate to require the War Department to conduct hearings on Army regulations. This is likewise true of the Navy Department. Many, in fact, probably most, postal regulations relate to the internal operation of the Postal Service. Surely matters of this type should not be subjected to public hearings, with the consequent delays that are bound to ensue. Other examples of this nature may be readily envisaged.

Section 2 (c) would permit any person substantially interested in the effects of an administrative rule in force on the date of the approval of the act to petition the head of the agency concerned for a reconsideration of such rule. It would then become mandatory for the head of the agency to grant a hearing on the petition. No matter how frivolous the application may be, and irrespective of whether it is presented in good faith or for the purpose of embarrassing or obstructing the administration of the statute, the head of the agency must accord a public hearing if requested. Moreover, there is nothing to prevent the same person from filing repeated petitions for the same purpose and thus harassing and embarrassing the agency.

The Supreme Court is authorized by statute to adopt and promulgate rules of civil procedure for the district courts of the United States. There is no provision, however, that any litigant or prospective litigant who thinks that some rule should be changed, may petition the Supreme Court for a modification of the rule and insist on a public hearing on his application. It does not appear why such a privilege should be extended in respect to rules of administrative bodies, when it does not exist in respect to court rules. It is conceivable that persons hostile and antagonistic to the successful enforcement of some regulatory statute, such as, for instance, some of the laws enforced by the Department of Agriculture for the protection of health, or some of the statutes administered by the Securities and Exchange Commission, may so flood the administrative department or agency with applications for changes in the rules as to swamp its limited staff, whose time would have to be devoted to holding hearings and passing on applications for changes in the rules, although their primary duty is to administer the act of Congress with the enforcement of which they are charged.

(2) JUDICIAL REVIEW OF THE VALIDITY OF RULES OF ADMINISTRATIVE AGENCIES

Section 3 of the bill contains a novel and unprecedented provision conferring upon the United States Court of Appeals for the District of Columbia jurisdiction, on the petition of any person, to hear and determine whether any rule of any administrative agency is unconstitutional or violative of a statute. The basic fallacy of this provision is that it contemplates a judicial review of the validity of any rule abstractly and not in connection with a specific case. Such a proposal is contrary to our basic concepts of the judicial process. The judicial process operates only in connection with the determination of a specific case or controversy. The courts pass on the validity of statutes, rules, or acts, only as needed in the determination of such case or controversy.

The idea of advisory opinions on abstract questions disassociated with a specific state of facts is contrary to the fundamental principles on which the American judicial system is based. Not only is it theoretically fallacious to permit the judicial review of the validity of regulations disassociated from any specific case, but it is also undesirable from a practical standpoint, since frequently it is not feasible to determine and decide such a question except when it is presented in connection with a specific state of facts in an adversary proceeding involving an actual controversy.

The undesirable character of this provision is aggravated by the fact that there is no provision for a review of any decision of the Court of Appeals for the District of Columbia in such an anomalous proceeding by the Supreme Court on writ of certiorari. Thus, a regulation might be stricken down by a court decree at its very inception, without a presentation of any actual case, and without an opportunity to secure a review of such a decree.

From the standpoint of the court of appeals, the provision would seem to be highly undesirable, for it would permit any person whatsoever, irrespective of whether or not he has any interest in the matter, to present a petition to the court for a review of the validity of any regulation of any administrative agency. It is easily conceivable that this important court may become flooded with frivolous or obstructive petitions under this provision, to the detriment of its other business.

Moreover, some of the Government services would be in danger of demoralization as a result of such a privilege. Should every member of the military or naval personnel be accorded the right to bring court proceedings to challenge the validity of Army and Navy regulations? Should civilian employees be permitted to secure a court review of regulations relating to the internal discipline of personnel? Should prisoners in Federal penal institutions be accorded the right to institute suit to question the validity of a prison regulation? And yet the sweeping provisions of the bill might have just such effect.

(3) INTERNAL PROCEDURE OF AGENCIES

Section 4 of the bill would prescribe a uniform procedure to be followed by all executive departments and administrative agencies of the Government in dealing with matters which come before them. At the outset, a very vital and difficult question arises. Many of the statutes conferring specific regulatory authority on the various Government officers and agencies, as, for instance, the Department of Agriculture, the Civil Aeronautics Authority, etc., provide a procedure to be followed by such agency. Is it intended that the bill should repeal with a stroke of the pen all such statutory provisions? There is no repeal clause in the bill. We are confronted with the principle of statutory construction, that repeals by implication are not favored. On the other hand, if a subsequent statute is clearly inconsistent with an earlier one, and the two cannot be reconciled, a repeal results.

An inquiry may well be propounded as to whether the draftsmen of this bill have studied every statute regulating administrative proceedings, and have reached the conclusion that all such statutes should be abrogated. If not, a further inquiry might be propounded as to whether such a repeal should be permitted to take effect without an intensive study of the kind indicated. If it should be answered that no such repeal is intended, what is an agency to do when it finds one type of procedure prescribed by the bill under consideration and another contained in one of the statutes which it is charged with administering?

Another fundamental difficulty created by these provisions of the legislation is found in the attempt to prescribe a uniform procedure for all Government departments and agencies in respect to all matters, without distinction, which they have to handle. It is suggested that since uniform civil procedure has been recently adopted for all United States district courts, by the same token a uniform procedure should exist in all Government departments and agencies. Plausible as this argument seems at first blush, it becomes demolished by close analysis. The rules of civil procedure apply to all suits in equity and actions at law. The civil business of all United States district courts is the same, namely, the trial and disposition of suits in equity and actions at law, irrespective of whether the district court is located in one State or another. On the other hand, the functions and duties of the various Government departments and agencies vary widely. There are many proceedings before various Government agencies that are of a quasi-judicial character. Many others are of a purely executive or administrative nature. Some require summary and expeditious disposition, while others do not.

To what extent uniformity of procedure is desirable and feasible, and to what extent it must be varied and molded to suit and fit the needs of the particular problems which a Government agency has to face, and finally, what is the best type of procedure for the various kinds of matters handled by the respective agencies, cannot be determined in an enlightened manner without first conducting a survey and a study of the activities of the various Government departments and agencies and of the laws under which they operate. It is just such a study as is now in progress and is being conducted by the Attorney General's committee on administrative law, and it would seem desirable to await the termination and results of this study before formulating definitive legislation regulating administrative procedure.

Section 4 of the bill would require each agency to create intra-agency boards composed of three members. Any person aggrieved by a decision of any officer or employee of any agency may secure a review by such a board, which would be required to make written findings of fact and conclusions of law in each instance.

It is probable that the framers of the bill had in mind that matters of a quasi-judicial character should be reviewed by a board of this nature. The bill, however, is not limited to such cases. The decision of any matter whatsoever, no matter whether it is of a purely administrative or executive nature, is also to be submitted to a review by such a board. For example, the award of a contract to the successful bidder might be questioned before such a board by disappointed bidders. Administrative discipline inflicted on a member of the personnel of a Government department; the transfer of an employee, a diminution in his salary, or a denial of an increase in salary, would conceivably be subjected to such a procedure. Purely administrative matters, not partaking of any quasi-judicial character whatsoever, would be subject to an appeal to an intraagency board, thereby causing an accumulation of inordinate delays in the operation and administration of every Government department. Moreover, it would preclude the use of individual officials, for a review by a board of three members is required in each case, no matter how minor in character. The Department of Labor, for example, passes on many thousands of matters a year relating to admission, exclusion, and deportation of aliens. To permit a review by a board of three employees in each instance would require multiplication of employees and result in great delays and loss of efficiency of administration. Additional housing facilities would be required for the use of aliens while this slow and cumbersome procedure is pursued.

Another example may be found in connection with fraud orders issued by the Post Office Department. The procedure followed in such cases has been in vogue for a great many years. It is effective and expeditious and at the same time fair. It would be highly detrimental to the public interest to substitute the procedure proposed in the bill because it would operate much more slowly and much less efficaciously.

Government departments must generally operate by remitting various functions to individual officials instead of to boards or committees of three members.

The bill proposes to permit independent agencies to use trial examiners, but executive departments are to be required to use boards of three members. No reason for the distinction appears.

If it is intended that only matters of a quasi-judicial nature should be subject to the type of review within the agency that is contemplated by section 4, the bill should so provide. In the interest of clarity and precision an enumeration and list of proceedings intended to be covered should be inserted, with references to the statutes under which such proceedings arise. As now framed, the bill would result in demoralizing Government departments, destroying their efficiency, delaying the transaction of Government business to an excessive and intolerable degree, and greatly enhancing the cost of government.

(4) JUDICIAL REVIEW OF DECISIONS OF ADMINISTRATIVE AGENCIES

Section 5 of the bill provides that any party to a proceeding before any agency, as provided in the preceding section of the act, who may be aggrieved by the final decision or order, may secure a review of such action, either in the United States Court of Appeals for the District of Columbia or in the circuit court of appeals for the circuit in which such party resides or maintains his principal place of business or in which the controversy arose. It should be borne in mind that special statutes creating various agencies, such as the Federal Communications Commission, the Securities and Exchange Commission, the National Labor Relations Board, contain provisions for court review of certain actions of such bodies. This is likewise true of certain matters handled by executive departments in which the head of the department acts in a quasi-judicial capacity, as, for example, orders under the Packers and Stockyards Act, various orders of the Secretary of Agriculture in connection with the administration of the Pure Food and Drug Act, etc.

The systematic and methodical course to be followed in the event that any of these court-review provisions are inadequate would seem to be to amend the specific statute in which the inadequacy is found. In order to accomplish this result in a proper and scientific manner, it would seem necessary to make a study of the court-review provisions of innumerable statutes governing the activities of the various agencies of the executive branch of the Government, and then to suggest any amendments to such laws, if found necessary. The Attorney General's Committee on Administrative Law is, among other things, studying this phase of the entire field.

Instead, the framers of the bill, without disclosing the results of any such study, if they have made one, insert a blanket provision in section 5, permitting a review by the courts of any administrative decision of any Government department or other agency. No limitations or restrictions are contained.

As section 5 is linked to section 4, in that every ruling which is made by one of the three-man boards provided by section 4 is ultimately subject to judicial review, the result would be that every action, no matter how minor or insignificant in character, of any executive department or administrative agency, would ultimately be subject to judicial review. Today decisions of a quasi-judicial character are subject to judicial review under special statutory provisions. Under this legislation, even executive action, as well as administrative action of a purely minor character, could be subject to review by the courts. Personnel matters, such as transfer of an employee from one station to another, refusal to reclassify an employee, refusal to promote him, or a demotion, would all be subject to court review. The awarding of contracts by a Government department would be subject to court review. Numerous matters of a purely administrative character, such as the exclusion or deportation of an alien, could be reviewed by the courts as of right in every instance. The granting or withholding of compensation or hospitalization to a veteran, or a change in rating of disability of a veteran, by the Veterans' Administration, would be subject to court review.

Fraud orders of the Post Office Department, the denial of an application for a passport to go abroad, the denial of an application for an immigration visa to enter the United States, rulings of the Department of Labor under the Walsh-Healey Act, matters of military and naval discipline, the granting or withholding of a license for a boat or of a master's or mate's ticket by a steamboat inspector, the determination of claims for benefits under the Social Security Act, the determination of claims for pensions of retired railroad employees by the Railroad Retirement Board constitute a few random examples of the thousands of actions of Government departments and agencies which would become subject to judicial review, but which are not now so reviewable.

The ultimate consequence would be not only to swamp the Court of Appeals for the District of Columbia and the circuit courts of appeals with a flood of minor administrative matters that have never been regarded as justifiable cases or controversies, but to retard and hamper the work of the executive branch of the Government to an intolerable degree. The control of the executive branch would be transferred to the courts, and the performance of all executive duties would be subjected to the supervision and control of the judiciary. Theoretically, this is contrary to the basic ideas of our form of government, which makes a clear demarcation between executive and judicial duties. Practically, it will destroy the efficient and expeditious operation of the executive departments of the Government and throw them into confusion. The cost of government would be multiplied tremendously.

The undesirable results would be aggravated by enlargement of the scope of appellate review from that now prevailing. The general rule is that the findings of fact of administrative bodies and officers will not be reviewed if supported by substantial evidence. Section 5 (a) would permit the courts to review the weight of evidence and upset the findings of fact of administrative bodies and officers if the courts deemed them contrary to the weight of evidence. This far-reaching result is to be accomplished by the seemingly innocuous clause which would permit the court to reverse findings of fact if clearly erroneous. What constitutes "clearly erroneous" is, of course, a matter of opinion. These are the words of rule 52 of the Federal Rules of Civil Procedure, which have been construed as permitting the courts to review the findings of a trial court. There is, of course, a vast difference between the findings of a trial court and the findings of an administrative tribunal or officer. It is a principle that has been deeply imbedded in administrative law for a great many years that findings of the latter type should not be subject to appellate review, unless it appears that they are not supported by substantial evidence. The Supreme Court has recognized this principle in its decisions; the Congress has done so in legislation providing for court review in certain quasi-judicial matters. Finality in respect to findings of fact must reside somewhere if the operations of government are not to be constantly delayed and fettered.

It is a significant fact that certain administrative agencies are expressly excepted from the operations of the law. Among them are, for instance, the Interstate Commerce Commission and the Federal Trade Commission. While there is no objection to freeing any agency from the shackles of the proposed legislation, the very fact that some agencies are to be exempted would seem to be an indication of a lack of confidence in the basic theories on which the legislation is predicated.

It is urged, in view of all the foregoing considerations, that the legislation should not be enacted.

Mr. Chairman, in conclusion, permit me to say that if there was ever a bill considered by this House that is discriminatory, it is the one before us. It is discriminatory because it exempts certain governmental agencies from the proposed law. The country should know the underlying reasons for these exemptions. It is my belief that "what is good for the goose is good for the gander." Is it intended only to apply to agencies and bureaus created to give labor of the United States the opportunity to obtain justice and equal rights? This is not in keeping with the Democratic doctrines advocated by Thomas Jefferson of "equal rights to all, special privileges to none."

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Chairman, I did not intend to discuss this bill, but listened attentively during its consideration because I had not reached a decision as to whether I would support or whether I would oppose it. After listening to the talk in opposition to this bill which was just delivered by the gentleman from Illinois [Mr. SABATH], who apparently wants to go back to Illinois and leave his post of duty in the Nation's Capital during this critical period, I have now been able to reach a decision to vote and support the bill, and I believe a great many other Members have done so. [Applause.]

As a member of two great labor organizations for many years, I resent the condemnation of the American Federation of Labor just delivered on the floor of the House by the gentleman from Illinois [Mr. SABATH], when he stated that the American Federation of Labor did not know what it was doing when the resolution was passed to support this bill. I know that the American Federation of Labor would not pass a resolution endorsing a piece of legislation which they knew nothing about. I sincerely hope that the gentleman from Illinois will move to strike out the next three words and get up on the floor of the House and apologize for his unfair and unwarranted attack on the American Federation of Labor. [Applause.]

Mr. RAYBURN. Mr. Chairman, I find myself in a most peculiar situation. For a day or two I have been trying to find out by reading and rereading the bill just what it means. It may be on account of my obtuseness, but up until now,

frankly I do not know what powers it confers, nor do I know just what it does. I asked the gentleman from Iowa [Mr. GWYNNE] when he had the floor the other day, suppose the Interstate Commerce Commission, which is exempted under the bill, were not exempted, what difference it would make. I do not think his answer was very clear.

I do want to take a moment, however, to reply to some of the things my beloved friend from Georgia [Mr. Cox] said the other day, to say in defense not only of the Chairmen we have had at the Securities and Exchange Commission but of the entire membership of that Commission, that in my opinion since it was set up, both the majority members and the minority members of the Commission have constituted one of the strongest and ablest commissions in the Government. I think Mr. Kennedy was a great Chairman. I think Mr. Landis was a great Chairman. I heard him criticized little, if at all, by those operating under the Security Act of 1933, the Stock Exchange Act of 1934, or the Utility Holding Company Act of 1935. When Mr. Douglas came to the chairmanship of the Commission, a great many people said that another professor is come to judgment, but in talking to the people, big and little, who had to do with the Commission, before Mr. Douglas had been on it for many months, they were convinced he was fair, and an able and square man. As for Jerome Frank, members of the Committee on Interstate and Foreign Commerce and many others who have had to do with him in his recommendations to that committee since he became its Chairman, that I have talked with, do not hesitate to say that he is a fair and able man. It is said that old commissions and boards are exempted under this law. The Power Commission law has been on the statute books since 1920. It is not exempted. When we come to translate into legislation the idea that some of us have of punishing somebody for something they have done which we do not like, we may make a serious mistake. Of course, some people do not like the Securities and Exchange Commission because that Commission has denied them the right to issue new securities.

One of the reasons for the passage of that bill was that from 1922 until 1932 corporations and partnerships in this country issued and offered to the American public $50,000,000,000 in securities, and a committee from the Department of Commerce, while that Department was presided over by Mr. Hoover as Secretary of Commerce, made a solemn finding that in their opinion $25,000,000,000 of that amount were not worth the paper upon which they were written. This is one of the fears that I have about this bill. Suppose a corporation anywhere is in desperate need of new money. The corporation operates in interstate commerce. Therefore, in order to issue securities, it must go to the Securities and Exchange Commission. Suppose the President and every member of the Board of Directors endorses the issue. The corporation wants to refund, it wants to expand, it wants to refinance, it wants to pay maturing obligations. It is in a desperate situation. They need money, and they need money quickly in order to do any of these things. When application is made, any person on earth with a substantial interest in that company can tie up the matter of the issuance of those securities maybe for many, many months. A competitor of this corporation might have a substantial interest in the financial standing and the business operation of the corporation applying for the issue. It competes with it in business. It may intervene to tie up the issue of the securities. Do you want to slow up things like that? I think this bill may very well do that. Suppose the Board of Directors of the New York Stock Exchange and all the boards of directors and those interested who have a right to vote on new rules and regulations come down and they are given the O. K. by the Commission. Will some party at interest intervene? Under the provisions of this bill, they have the right to intervene. One of these interdepartmental boards is set up. Nobody knows who will be on it, nobody knows how long it will take them, and the exchanges of the country, not only in New York, but throughout the length and breadth of the country, may want to amend their rules and regulations immediately to meet an immediate emergency. That matter might be held up for weeks and even months. I could go along and tell about other provisions in this bill I do not understand.

I approach consideration of this bill with an open mind. I know there are abuses, but sometimes we fly from one evil to a greater evil. All things considered, I think it would be a good thing for the House of Representatives and for the Congress if this bill went back to the Committee on the Judiciary, a great and fine committee, for a little more study. That is what I feel it is my duty to vote for this afternoon. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Chairman, I move to strike out the paragraph and ask for recognition.

Mr. SUMNERS of Texas. Mr. Chairman, I ask for recognition.

The CHAIRMAN. The Chair will recognize the gentleman from Texas [Mr. SUMNERS].

Mr. RANKIN. Mr. Chairman, I have an amendment on the desk that I would like to have read before the gentleman speaks, in order that we may vote on it.

The CHAIRMAN. That can be disposed of after the debate is closed.

Mr. KELLER. I have one also. Will they all be read?

The CHAIRMAN. The gentleman from Texas [Mr. SUMNERS] is recognized for 5 minutes.

Mr. MARTIN of Massachusetts. Mr. Chairman, a parliamentary inquiry. Will the Chair tell us how much time remains?

The CHAIRMAN. There are 5 minutes remaining.

Mr. MARTIN of Massachusetts. That will consume all the time?

The CHAIRMAN. That will consume all the time.

The gentleman from Texas [Mr. SUMNERS] is recognized for 5 minutes.

Mr. SUMNERS of Texas. Mr. Chairman, let us see what the situation is that we have to deal with. Everybody knows of the tremendous expansion in number and in power of the bureaus of this Government.

There is no Member of Congress sitting here who does not know of the tremendous increase in his own responsibilities.

In our attempt to discharge our duties we have divided Congress up into what amounts to little Houses of Congress—these committees; but even with that dangerous arrangement, where only a few Members of the House can know with regard to any item of legislation, it is utterly impossible to take care of the Government's business. The result is that the overload that is brought here from the States and the natural increase of the Federal Government's responsibility has to be taken care of by bureaus. It is utterly ridiculous to oppose the establishment of bureaus when the total of governmental responsibilities concentrated in Washington exceeds the capacity of the ordinary functioning machinery of a representative system of government.

When this Congress adjourns there will be operating the machinery of this Government nearly a million people. Of that million people, when we go home, there will only be one human being active in the Federal Government who has been elected by the people, and that is the President of the United States. In the executive branch of the Government now there are nearly a million people, as I have stated. As those responsibilities have accumulated in Washington, we not only have increased those bureaus but as the business of the Federal Government has increased the responsibilities which used to be taken care of by heads of bureaus are passed on to subheads, and on and on it goes, until somebody of those million people is entrusted with that responsibility. I certainly do not criticize those employees. I want this understood. This legislation is not directed against men. We are dealing with principles of government and not men, not bureaus, not persons. But in the arrangement of things these governmental powers are passed on, far removed even from the head. There is not anybody here who does not know that the President of the United States cannot know who

those million people are. He cannot know what they are doing with the governmental powers that are trusted to them. This we do know—that contrary to all our philosophy of government we have placed in one personnel, appointed personnel, all three powers of government. They make the rules, which have the force of law; they construe the rules; they enforce the rules.

I want to repeat, I am not criticizing. I am talking about a condition. When one of those people goes to an ordinary private citizen he goes to him with all the powers that a king ever had. This man may be 2,000 miles from Washington. He has no power to resist, practically speaking, the mandate of an agent of these bureaus.

Now, what can you do about it? You are elected by the people, but you know that as Members of Congress you cannot supervise them, and you do not know what they are doing. You know the President cannot supervise them. What is the use being foolish about it? What does that mean? That means that those people in whom we have placed all three powers of government, an appointed personnel, are operating without supervision in America today. That is all there is to it. There is no human being who can controvert that statement, because there is nobody who can supervise them. The President is the only one. When Congress adjourns and you go home you are a private citizen, running for reelection, looking big and talking wise; but you do not have a thing to do with the Government. [Laughter]

Now, where can we put the power? Gentlemen get up here and talk about how many judges we must have. We should have thought about that before we brought these powers and duties up here from the States. We are not at the end of this thing. There is no use creating a condition that makes it necessary to have judges and then complaining because you have the judges. If anybody is to sit in judgment between these employees and the people, you must have a judge to do it. If you do not want the judges, you ought not to have created the condition.

I cannot claim any credit for this bill. This bill was formulated while I was in the hospital last year, but the men on that committee have done the best they could. It is subject to all sorts of criticism. It is pioneer legislation.

We have only this choice: Either to turn the American people loose, subject to the governmental power of an appointed personnel who have all three powers of government under their control, insofar as the average citizen is concerned, or we have got to make it possible for the citizen to resort to the only place under the Anglo-Saxon system of government that an aggrieved person can go to, and that is the courts of the country. That is what this bill attempts to do. [Applause.]

I made a statement 15 years ago which is pertinent now. I will ask that it be printed in the Appendix of this RECORD. I hope it will attract more interest now than it did 15 years ago when nobody paid any attention to it.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. RANKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANKIN: On page 15, line 5, after the word "operations", insert "the Federal Power Commission."

Mr. RANKIN. Mr. Chairman, has all time been exhausted?

The CHAIRMAN. Yes.

Mr. RANKIN. That is in line with the speech of the majority leader.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was rejected.

Mr. RANKIN. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. RANKIN: Page 15, line 9, after the word "Corporation", insert a comma and the following: "the Tennessee Valley Authority."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was rejected.

Mr. KELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KELLER: Page 1, immediately following the words "a bill", strike out the title and insert the following: "The lawyers' emergency relief bill to end unemployment in the legal profession, and for no other purpose."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: At the end of page 15, insert a new section, as follows:

"SEC. 8. Members in good standing of the bar of the United States Supreme Court, the circuit courts of appeals, or any district court of the United States shall without further requirement be eligible to represent clients and to practice before any agency or independent agency as defined in this act."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

The CHAIRMAN. There being no further amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. RAYBURN, having resumed the chair, Mr. KERR, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 6324) to provide for the more expeditious settlement of disputes with the United States, and for other purposes, pursuant to House Resolution 388, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. CELLER. Mr. Speaker, I have at the desk a motion to recommit.

The SPEAKER pro tempore. Does the gentleman qualify; is the gentleman opposed to the bill?

Mr. CELLER. I am opposed to the bill, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CELLER moves to recommit the bill H. R. 6324 to the Committee on the Judiciary.

The SPEAKER pro tempore. The question is on the motion to recommit.

Mr. CELLER. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 106, nays 272, answered "present" 1, not voting 51, as follows:

[Roll No. 74]

YEAS—106

Arnold	Delaney	Hare	Kramer
Beam	Dickstein	Hart	Larrabee
Bloom	Doughton	Harter, Ohio	Leavy
Boland	Duncan	Havenner	Lesinski
Bradley, Pa.	Dunn	Healey	Lynch
Bryson	Edelstein	Hill	McAndrews
Buckler, Minn.	Ellis	Hunter	McArdle
Bulwinkle	Fay	Izac	McGranery
Burdick	Ferguson	Johnson, Luther A.	McKeough
Byrne, N. Y.	Fitzpatrick	Johnson, Lyndon	McMillan, Clara G.
Cannon, Mo.	Flaherty	Johnson, Okla.	Magnuson
Celler	Flannagan	Jones, Tex.	Marcantonio
Coffee, Wash.	Flannery	Keller	Murdock, Ariz.
Costello	Folger	Kennedy, Martin	Myers
Crosser	Ford, Thomas F.	Kennedy, Michael	Nichols
Cullen	Fries	Kennedy, Md.	Norton
Cummings	Fulmer	Keogh	O'Connor
D'Alesandro	Gavagan	Kirwan	O'Leary

O'Toole	Richards	Sheppard	Voorhis, Calif.
Parsons	Robinson, Utah	Sheridan	Wallgren
Patman	Rogers, Okla.	Smith, Conn.	Weaver
Pfeifer	Romjue	Smith, Ill.	Welch
Pierce	Ryan	Smith, Wash.	White, Idaho
Poage	Sabath	Spence	Williams, Mo.
Ramspeck	Sasscer	Tenerowicz	Zimmerman
Rankin	Shanley	Thomas, Tex.	
Rayburn	Shannon	Vincent, Ky.	

NAYS—272

Alexander	Disney	Johnson, W. Va.	Randolph
Allen, Ill.	Ditter	Jones, Ohio	Reece, Tenn.
Allen, La.	Dondero	Jonkman	Reed, Ill.
Allen, Pa.	Douglas	Kean	Reed, N. Y.
Andersen, H. Carl	Doxey	Kee	Rees, Kans.
Anderson, Calif.	Drewry	Keefe	Rich
Anderson, Mo.	Dworshak	Kefauver	Risk
Andresen, A. H.	Eaton	Kerr	Robertson
Andrews	Eberharter	Kilburn	Robsion, Ky.
Angell	Edmiston	Kilday	Rockefeller
Arends	Elliott	Kinzer	Rodgers, Pa.
Austin	Elston	Kitchens	Rogers, Mass.
Ball	Engel	Kleberg	Routzohn
Barnes	Englebright	Knutson	Rutherford
Barry	Evans	Kocialkowski	Sandager
Barton	Fenton	Kunkel	Satterfield
Bates, Ky.	Fernandez	Lambertson	Schaefer, Ill.
Bates, Mass.	Fish	Landis	Schafer, Wis.
Beckworth	Ford, Leland M.	Lanham	Schiffler
Bell	Ford, Miss.	Lea	Schuetz
Bender	Gamble	LeCompte	Seccombe
Blackney	Garrett	Lemke	Secrest
Bland	Gartner	Lewis, Colo.	Seger
Boehne	Gathings	Lewis, Ohio	Short
Bolles	Gearhart	Luce	Simpson
Bolton	Gehrmann	Ludlow	Smith, Ohio
Boykin	Gerlach	McCormack	Smith, Va.
Bradley, Mich.	Gibbs	McDowell	Smith, W. Va.
Brooks	Gillie	McGehee	Snyder
Brown, Ga.	Goodwin	McGregor	Somers, N. Y.
Brown, Ohio	Gore	McLaughlin	South
Buck	Gossett	McLean	Sparkman
Burch	Graham	McLeod	Springer
Byrns, Tenn.	Grant, Ala.	McMillan, John L.	Stearns, N. H.
Camp	Grant, Ind.	Maas	Stefan
Cannon, Fla.	Gregory	Maciejewski	Sumner, Ill.
Carlson	Griffith	Mahon	Sumners, Tex.
Case, S. Dak.	Gross	Marshall	Sutphin
Chapman	Guyer, Kans.	Martin, Iowa	Sweet
Chiperfield	Gwynne	Martin, Mass.	Taber
Church	Hall, Edwin A.	Mason	Talle
Clark	Hall, Leonard W.	May	Tarver
Clason	Halleck	Michener	Terry
Claypool	Hancock	Miller	Thill
Clevenger	Harness	Mills, Ark.	Thomason
Cluett	Harrington	Mills, La.	Thorkelson
Coffee, Nebr.	Harter, N. Y.	Monkiewicz	Tinkham
Cole, Md.	Hartley	Monroney	Tolan
Cole, N. Y.	Hawks	Moser	Treadway
Collins	Hendricks	Mott	Van Zandt
Colmer	Hennings	Mouton	Vinson, Ga.
Cooley	Hess	Mundt	Vorys, Ohio
Cooper	Hinshaw	Murray	Vreeland
Corbett	Hobbs	Nelson	Wadsworth
Courtney	Hoffman	Norrell	Walter
Cox	Holmes	O'Brien	Warren
Cravens	Hope	Oliver	West
Crawford	Horton	O'Neal	Whittington
Creal	Hull	Osmers	Wigglesworth
Crowe	Jacobsen	Pace	Williams, Del.
Crowther	Jarman	Patrick	Winter
Culkin	Jeffries	Patton	Wolcott
Curtis	Jenkins, Ohio	Pearson	Wolfenden, Pa.
Darden	Jenks, N. H.	Peterson, Fla.	Wolverton, N. J.
Davis	Jensen	Peterson, Ga.	Wood
Dempsey	Johns	Pittenger	Woodruff, Mich.
Dies	Johnson, Ill.	Polk	Woodrum, Va.
Dirksen	Johnson, Ind.	Powers	Youngdahl

ANSWERED "PRESENT"—1

Cochran

NOT VOTING—51

Barden	Dingell	Mansfield	Shafer, Mich.
Boren	Durham	Martin, Ill.	Starnes, Ala.
Brewster	Faddis	Massingale	Steagall
Buckley, N. Y.	Geyer, Calif.	Merritt	Sullivan
Burgin	Gifford	Mitchell	Sweeney
Byron	Gilchrist	Murdock, Utah	Taylor
Caldwell	Green	O'Day	Thomas, N. J.
Carter	Hook	Plumley	Tibbott
Cartwright	Houston	Rabaut	Ward
Casey, Mass.	Jarrett	Sacks	Wheat
Connery	Jennings	Schulte	Whelchel
Darrow	Kelly	Schwert	White, Ohio
DeRouen	Maloney	Scrugham	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Cochran (for) with Mr. Gifford (against).
Mrs. O'Day (for) with Mr. Jennings (against).
Mr. Merritt (for) with Mr. Thomas of New Jersey (against).
Mr. Sullivan (for) with Mr. Byron (against).
Mr. Murdock of Utah (for) with Mr. Faddis (against).
Mr. Schwert (for) with Mr. Plumley (against).
Mr. Buckley of New York (for) with Mr. Houston (against).
Mr. Hook (for) with Mr. White of Ohio (against).

General pairs:

Mr. Rabaut with Mr. Carter.
Mr. Barden with Mr. Wheat.
Mr. Mansfield with Mr. Gilchrist.
Mr. Starnes of Alabama with Mr. Tibbott.
Mr. Boren with Mr. Shafer of Michigan.
Mr. Kelly with Mr. Darrow.
Mr. DeRouen with Mr. Jarrett.
Mr. Maloney with Mr. Brewster.
Mr. Cartwright with Mr. Sacks.
Mr. Green with Mr. Connery.
Mr. Casey of Massachusetts with Mr. Martin of Illinois.
Mr. Caldwell with Mr. Durham.
Mr. Sweeney with Mr. Scrugham.
Mr. Dingell with Mr. Mitchell.
Mr. Schulte with Mr. Massingale.
Mr. Steagall with Mr. Geyer of California.
Mr. Taylor with Mr. Burgin.

Mr. COCHRAN. Mr. Speaker, I have a pair with the gentleman from Massachusetts, Mr. GIFFORD. I therefore withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. MARTIN of Massachusetts and Mr. CELLER demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 282, nays 96, answered "present" 1, not voting 51, as follows:

[Roll No. 75]

YEAS—282

Alexander	Culkin	Hope	Mott
Allen, Ill.	Curtis	Horton	Mouton
Allen, La.	Darden	Hull	Mundt
Allen, Pa.	Davis	Jacobsen	Murray
Andersen, H. Carl	DeRouen	Jarman	Nelson
Anderson, Calif.	Dies	Jeffries	Norrell
Anderson, Mo.	Dirksen	Jenkins, Ohio	O'Brien
Andresen, A. H.	Disney	Jenks, N. H.	Oliver
Andrews	Ditter	Jensen	O'Neal
Angell	Dondero	Johns	Osmers
Arends	Douglas	Johnson, Ill.	Pace
Austin	Doxey	Johnson, Ind.	Patrick
Ball	Drewry	Johnson, Okla.	Patton
Barnes	Dworshak	Johnson, W. Va.	Pearson
Barry	Eaton	Jones, Ohio	Peterson, Fla.
Barton	Eberharter	Jonkman	Peterson, Ga.
Bates, Ky.	Edmiston	Kean	Pittenger
Bates, Mass.	Elliott	Kee	Polk
Beckworth	Elston	Keefe	Powers
Bell	Engel	Kefauver	Randolph
Bender	Englebright	Kerr	Reece, Tenn.
Blackney	Evans	Kilburn	Reed, Ill.
Bland	Fernandez	Kilday	Reed, N. Y.
Boehne	Fish	Kinzer	Rees, Kans.
Bolles	Ford, Leland M.	Kitchens	Rich
Bolton	Ford, Miss.	Kleberg	Richards
Boykin	Gamble	Knutson	Risk
Bradley, Mich.	Garrett	Kocialkowski	Robertson
Brewster	Gartner	Kramer	Robinson, Utah
Brooks	Gathings	Kunkel	Robsion, Ky.
Brown, Ga.	Gearhart	Lambertson	Rockefeller
Brown, Ohio	Gehrmann	Landis	Rodgers, Pa.
Bryson	Gerlach	Lanham	Rogers, Mass.
Buck	Gibbs	Lea	Routzohn
Burch	Gillie	LeCompte	Rutherford
Byrns, Tenn.	Goodwin	Lemke	Sandager
Caldwell	Gore	Lewis, Colo.	Satterfield
Camp	Gossett	Lewis, Ohio	Schaefer, Ill.
Cannon, Fla.	Graham	Luce	Schafer, Wis.
Carlson	Grant, Ala.	Ludlow	Schiffler
Case, S. Dak.	Grant, Ind.	McCormack	Schuetz
Chapman	Gregory	McDowell	Seccombe
Chiperfield	Griffith	McGehee	Secrest
Church	Gross	McGregor	Seger
Clark	Guyer, Kans.	McLaughlin	Sheridan
Clason	Gwynne	McLean	Short
Claypool	Hall, Edwin A.	McLeod	Simpson
Clevenger	Hall, Leonard W.	McMillan, Clara	Smith, Ohio
Cluett	Halleck	McMillan, John L.	Smith, Va.
Coffee, Nebr.	Hancock	Maas	Smith, W. Va.
Cole, Md.	Hare	Maciejewski	Snyder
Cole, N. Y.	Harness	Mahon	Somers, N. Y.
Collins	Harrington	Marshall	South
Colmer	Harter, N. Y.	Martin, Iowa	Sparkman
Cooley	Harter, Ohio	Martin, Mass.	Springer
Cooper	Hartley	Mason	Starnes, Ala.
Corbett	Hawks	May	Stearns, N. H.
Courtney	Hendricks	Michener	Stefan
Cox	Hennings	Miller	Sumner, Ill.
Cravens	Hess	Mills, Ark.	Sumners, Tex.
Crawford	Hinshaw	Mills, La.	Sutphin
Creal	Hobbs	Monkiewicz	Sweet
Crowe	Hoffman	Monroney	Taber
Crowther	Holmes	Moser	Talle

Tarver	Treadway	Warren	Wolfenden, Pa.
Terry	Van Zandt	West	Wolverton, N. J.
Thill	Vinson, Ga.	Whittington	Wood
Thomason	Vorys, Ohio	Wigglesworth	Woodrum, Va.
Thorkelson	Vreeland	Williams, Del.	Youngdahl
Tinkham	Wadsworth	Winter	
Tolan	Walter	Wolcott	

NAYS—96

Arnold	Fay	Keogh	Rankin
Beam	Ferguson	Kirwan	Rayburn
Bloom	Fitzpatrick	Larrabee	Rogers, Okla.
Boland	Flaherty	Leavy	Romjue
Bradley, Pa.	Flannagan	Lesinski	Ryan
Buckler, Minn.	Flannery	Lynch	Sabath
Bulwinkle	Folger	McAndrews	Sasscer
Burdick	Ford, Thomas F.	McArdle	Shanley
Byrne, N. Y.	Fries	McGranery	Shannon
Cannon, Mo.	Fulmer	McKeough	Sheppard
Celler	Gavagan	Magnuson	Smith, Conn.
Coffee, Wash.	Hart	Marcantonio	Smith, Ill.
Costello	Havenner	Myers	Smith, Wash.
Crosser	Healey	Nichols	Spence
Cullen	Hill	Norton	Tenerowicz
Cummings	Hunter	O'Connor	Thomas, Tex.
D'Alesandro	Izac	O'Leary	Vincent, Ky.
Delaney	Johnson, LutherA.	O'Toole	Voorhis, Calif.
Dickstein	Johnson, Lyndon	Parsons	Wallgren
Doughton	Jones, Tex.	Patman	Weaver
Duncan	Keller	Pfeifer	Welch
Dunn	Kennedy, Martin	Pierce	White, Idaho
Edelstein	Kennedy, Md.	Poage	Williams, Mo.
Ellis	Kennedy, Michael	Ramspeck	Zimmerman

ANSWERED "PRESENT"—1

Cochran

NOT VOTING—51

Barden	Faddis	Martin, Ill.	Shafer, Mich.
Boren	Fenton	Massingale	Steagall
Buckley, N. Y.	Geyer, Calif.	Merritt	Sullivan
Burgin	Gifford	Mitchell	Sweeney
Byron	Gilchrist	Murdock, Ariz.	Taylor
Carter	Green	Murdock, Utah	Thomas, N. J.
Cartwright	Hook	O'Day	Tibbott
Casey, Mass.	Houston	Plumley	Ward
Connery	Jarrett	Rabaut	Wheat
Darrow	Jennings	Sacks	Whelchel
Dempsey	Kelly	Schulte	White, Ohio
Dingell	Maloney	Schwert	Woodruff, Mich.
Durham	Mansfield	Scrugham	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Gifford (for) with Mr. Cochran (against).
Mr. Jennings (for) with Mrs. O'Day (against).
Mr. Thomas of New Jersey (for) with Mr. Merritt (against).
Mr. Byron (for) with Mr. Sullivan (against).
Mr. Faddis (for) with Mr. Murdock of Utah (against).
Mr. Plumley (for) with Mr. Schwert (against).
Mr. Houston (for) with Mr. Buckley of New York (against).
Mr. White of Ohio (for) with Mr. Hook (against).

General pairs:

Mr. Rabaut with Mr. Carter.
Mr. Barden with Mr. Wheat.
Mr. Mansfield with Mr. Gilchrist.
Mr. Boren with Mr. Shafer of Michigan.
Mr. Kelly with Mr. Darrow.
Mr. Cartwright with Mr. Sachs.
Mr. Green with Mr. Connery.
Mr. Casey of Massachusetts with Mr. Martin of Illinois.
Mr. Sweeney with Mr. Scrugham.
Mr. Dingell with Mr. Mitchell.
Mr. Schulte wth Mr. Massingale.
Mr. Taylor with Mr. Burgin.
Mr. Maloney with Mr. Woodruff of Michigan.
Mr. Dempsey with Mr. Fenton.
Mr. Durham with Mr. Tibbott.
Mr. Ward with Mr. Jarrett.
Mr. Murdock of Arizona with Mr. Geyer of California.

Mr. COCHRAN. Mr. Speaker, I have a pair with the gentleman from Massachusetts, Mr. GIFFORD. The gentleman failed to vote. I withdraw my vote of "nay" and answer "present." If the gentleman were here he would vote "yea," and I would vote "nay."

Mr. NELSON changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF ADDITIONAL DISTRICT AND CIRCUIT JUDGES

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7079) to provide for the appointment of additional district and circuit judges, with Senate amendments thereto, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none and, without objection, appoints the following conferees: Messrs. SUMNERS of Texas, WALTER, HOBBS, GUYER of Kansas, and GWYNNE.

There was no objection.

EXTENSION OF REMARKS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by printing a statement I made 15 years ago bearing upon the general subject discussed this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENDING OF CUSTOMS AND OTHER PROVISIONS TO NEW YORK AND SAN FRANCISCO FAIRS OF 1940

Mr. BUCK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 431) to amend the joint resolution entitled "Joint resolution providing for the importation of articles free from tariff or customs duty for the purpose of exhibition at the Golden Gate International Exposition to be held at San Francisco, Calif., in 1939, and for other purposes," approved May 18, 1937, as amended.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. TREADWAY. Reserving the right to object, Mr. Speaker, I understand that this is the measure the Committee on Ways and Means unanimously reported in reference to the continuation of the two fairs, one in New York and the other in San Francisco, during the year 1940, and the exhibitions of the Government at these fairs.

Mr. BUCK. The gentleman is correct. As originally introduced it applied only to the San Francisco Exposition and introduced some new material. The committee decided to exclude the new provisions and to include the New York World's Fair as well.

Mr. TREADWAY. The measure has the approval of the minority, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the joint resolution entitled "Joint resolution providing for the importation of articles free from tariff or customs duty for the purpose of exhibition at the Golden Gate International Exposition to be held at San Francisco, Calif., in 1939, and for other purposes", approved May 18, 1937, as amended, is hereby amended (1) by adding to the title thereof after "1939" and before the following comma the words "and 1940"; (2) by striking out all the words of said public resolution following the resolving clause thereof and preceding the second proviso of said public resolution and inserting in lieu thereof the following words: "That all articles which shall be imported from foreign countries for the purpose of exhibition at the Golden Gate International Exposition to be held at San Francisco, Calif., either in the year 1939 or in the year 1940, by the San Francisco Bay Exposition, or for use in constructing, installing, or maintaining foreign buildings, or exhibits at the said exposition, upon which articles there shall be a tariff or customs duty shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful at any time during or within 3 months after the close of said exposition in 1940 to sell within the area of the exposition any articles provided for herein, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided*, That all such articles, when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry hereunder for consumption or entry under the general tariff law; and due allowance shall be made in the appraisement of such articles which shall have suffered diminution or deterioration from incidental meddling or exposure"; (3) by inserting immediately after the above a new proviso reading: "*Provided further*, That articles and materials imported and used solely for constructing and maintaining foreign buildings at such exposition may be withdrawn for consumption free of duty"; (4) by adding after the word "exposition" in the third proviso of said public

resolution the words "in 1940"; (5) by inserting immediately after the fourth proviso of said public resolution two new provisos reading: *"Provided further,* That the withdrawal from entry hereunder of any article for entry in bond under the general tariff law by a person duly authorized in writing by the San Francisco Bay Exposition shall terminate the liability of the San Francisco Bay Exposition under its bond with respect to such article under regulations to be prescribed by the Secretary of the Treasury: *Provided further,* That at any time during or within 3 months after the close of the exposition in 1940 any article entered hereunder which is in illustration of the progress of the arts, sciences, agriculture, or manufactures, or which has educational value, may be withdrawn free of duty for presentation to any State, municipal corporation, religious society, college, academy, school, or seminary of learning, under regulations to be prescribed by the Secretary of the Treasury."

SEC. 2. The provisions of Public Resolution No. 60 of the Seventy-sixth Congress, approved April 29, 1939, as amended, are hereby extended and made applicable to the Golden Gate International Exposition of 1940.

With the following committee amendment:

Page 1, beginning in line 3, strike out all after the enacting clause and insert the following:

"That (a) the joint resolution entitled 'Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the New York World's Fair, 1939, New York City, N. Y., to be admitted without payment of tariff, and for other purposes,' approved August 16, 1937, as amended and supplemented, is extended and made applicable to the New York World's Fair, 1940, Inc.

"(b) The joint resolution entitled 'Joint resolution providing for the importation of articles free from tariff or customs duty for the purpose of exhibition at the Golden Gate International Exposition to be held at San Francisco, Calif., in 1939, and for other purposes,' approved May 18, 1937, as amended and supplemented, is extended and made applicable to the Golden Gate International Exposition to be held at San Francisco, Calif., in 1940.

"(c) The 6-month periods provided for in the joint resolutions referred to in this section, with respect to articles heretofore or hereafter imported under such joint resolutions or under such joint resolutions as amended and extended, shall begin to run from the close of the respective expositions in 1940.

"SEC. 2. The act entitled 'An act relating to the importation of distilled spirits for consumption at the New York World's Fair, 1939, and the Golden Gate International Exposition of 1939, and to duties on certain articles to be exhibited at the New York World's Fair, 1939,' approved April 29, 1939, as amended, is extended and made applicable to the New York World's Fair, 1940, Inc., and the Golden Gate International Exposition to be held at San Francisco, Calif., in 1940."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title was amended so as to read: "Joint resolution to extend to the 1940 New York World's Fair and the 1940 Golden Gate International Exposition the provisions according privileges under certain customs and other laws to the expositions of 1939."

EXTENSION OF REMARKS

Mr. COLE of Maryland. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from the President of the United States.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. McGRANERY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a speech by Maj. R. R. Wright, Sr.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection?

Mr. FRIES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from the Clothing Manufacturers Association of the United States.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an exchange of telegrams between Frank Tierney, Democratic chairman of the State of Oregon, and Hon. Louis Johnson, Assistant Secretary of War.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. DIRKSEN and Mr. DISNEY asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein editorials from the New York Post, the New York Times, the Washington Post, and the Washington Daily News concerning proposed amendments of the Wage and Hour Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief editorial from a home-town paper.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AMENDMENT OF FEDERAL CROP INSURANCE ACT

Mr. COLMER. Mr. Speaker, I call up House Resolution 271.

The Clerk read as follows:

House Resolution 271

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 6972, a bill to amend the Federal Crop Insurance Act. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

With the following committee amendment:

On page 1, line 7, strike out "1 hour" and insert "2 hours."

The committee amendment was agreed to.

The SPEAKER pro tempore. The Chair may state for the information of the House that it is the intention only to go as far as adopting the rule this afternoon and to take the bill up for further consideration tomorrow.

The gentleman from Mississippi [Mr. COLMER] is recognized for 1 hour.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. FISH], and now yield myself 5 minutes.

Mr. Speaker, this is a rule to make in order the consideration of the bill introduced by the gentleman from South Carolina [Mr. FULMER], that has as its purpose the granting of similar provisions of crop insurance to the cotton farmers as is now provided for the wheat farmers of the country. It is an open rule and the bill will be read under the 5-minute rule for amendment.

About 3 years ago the Persident of the United States submitted his report on crop insurance to the Congress and recommended that appropriate legislation be enacted for the purpose of insuring the basic crops of agriculture.

We in this country have come to regard insurance as a matter-of-fact proposition. We insure our private property of all descriptions, and there is no reason why there should not be some provision made for insuring the crops of the farmer. The farmer's barn, his automobile, his house, and all other property owned by the farmer, as well as the businessmen and all the other citizens of the country, are usually covered by insurance against fire and tornado and other losses, including theft in respect of automobiles. The farmer has had a hard road to travel. When he plants his crop he never knows what he is going to get. He does not know

whether a drought is coming or whether a flood is coming. He does not know whether the boll weevil or the grasshopper, or what not, is coming to infest his crop.

So this Government in an effort to try to be of assistance to the already hard-pressed farmer has recommended this form of insurance to give the farmer some protection, and to give him some sense of security as to what he may expect. The Congress, in response to the President's recommendation of more than a year ago, started upon an experimental basis by making this provision of insurance to apply only to the wheat farmers. In 1939 a great portion of the wheat farmers of this country enjoyed the benefits of the protection that this law provided, and we find that in 32 out of the 48 States of the Union, the wheat farmers of this country exercised the right to receive the benefits of the wheat insurance that was made possible by the Federal Crop Insurance Corporation.

Now, the Committee on Agriculture, backed by the Department of Agriculture, having made a study of cotton, has recommended that the benefits of this insurance be applied to the cotton crop.

[Here the gavel fell.]

Mr. COLMER. Mr. Speaker, I yield myself 3 additional minutes.

I may add in this connection, Mr. Speaker, that the Department of Agriculture now is engaged in making a study of the corn situation so that corn may be included in subsequent legislation under the provisions of this insurance.

Mr. COX. Mr. Speaker, will the gentleman yield to me?

Mr. COLMER. I yield to my friend from Georgia.

Mr. COX. I happen to know that the gentleman has manifested a great interest in this question covering a long period of time. I recall when the members of the Committee on Agriculture appeared before the Rules Committee, of which the gentleman is a member, asking for a rule making this bill in order, that the gentleman from Mississippi questioned those gentlemen to a considerable extent.

In that inquiry was it disclosed that the Committee on Agriculture is anxious to extend the benefits of this form of insurance to the corn growers and likewise disclose the fact that the Department of Agriculture is interested in extending the insurance to the corn growers, and that they are all to go forward just as soon as studies now being conducted by the Department of Agriculture have been completed? Did the gentleman find that his committee was altogether agreeable to cooperating with the Committee on Agriculture in order to further extend this form if insurance to the growers of farm commodities throughout the country as soon as they come prepared to ask for a rule?

Mr. COLMER. The gentleman has made a very fine statement of the facts in the case in the form of a question.

I confirm those questions and make them positive. That is exactly what happened.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. COLMER. Yes.

Mr. AUGUST H. ANDRESEN. The gentleman has made a statement that possibly corn could be considered for this insurance program. The Committee on Agriculture has had in mind all of the time that all farm commodities should come under the program. Therefore wheat was used as an experiment.

Mr. COLMER. So I just stated.

Mr. AUGUST H. ANDRESEN. But I do not think we are ready yet to take over all farm commodities, as the experiment has not been completed. I do not think the gentleman should single out tobacco or corn, when we have in mind that we want to insure all farmers in a sound, workable program.

Mr. COLMER. It is true, as I stated a moment ago, that wheat was used as the first experiment, but I understand, and I think the gentleman understands, that this is to be applied to these other basic agricultural commodities just as soon as the Department of Agriculture has completed its study of the factual data necessary.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. COLMER. Yes.

Mr. WHITTINGTON. Is it not true that in addition to an insurance of wheat crops the United States in recent years has provided for an insurance of crops, and we have had considerable experience as a result of that program in Puerto Rico?

Mr. COLMER. Yes.

Mr. WHITTINGTON. Is it not true that the Senate has already passed a similar bill?

Mr. COLMER. The Senate passed this bill some time ago, and it is now, of course, up to the House.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield again?

Mr. COLMER. Yes.

Mr. AUGUST H. ANDRESEN. Can the gentleman give us some idea as to what the premium rates on cotton will be, the minimum and the maximum rates?

Mr. COLMER. Of course, my friend does not expect me to enter into a discussion of the factual data with him, when he is a member of the Committee on Agriculture.

Mr. FULMER. If the gentleman will permit, anywhere from 5 to 20 pounds of lint, and at 10 cents a pound that would be from 50 cents to $2 an acre.

Mr. COLMER. I thank the gentleman from South Carolina. I assumed the gentleman from Minnesota knew that because I read that in the report myself. This matter, as I said, has been tried in 32 States. There is no reason why it should not be applied to the cotton crop. There should not be any sectionalism, there should not be any question of crops entering into this thing. The corn will come in just as soon as the study has been completed. The provisions of this bill as it affects wheat has already spread all over the country and as far as the Rules Committee is concerned and the Agricultural Committee as well, at least those who appeared before our committee, the Congress is ready to put it into effect immediately as soon as this data is completed for all basic commodities. I reserve the remainder of my time, Mr. Speaker.

Mr. FISH. Mr. Speaker, I yield myself as much time as I desire, and ask unanimous consent to speak out of order for a part of my time.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, there is no desire on the part of the minority to ask for a roll call on the rule. That does not mean, however, that the minority may not oppose tomorrow the passage of the bill. The opposition to the bill is stressed upon the fact that this crop insurance has existed on wheat for only a year and has not been tried out long enough to find out its full value, and whether it is actually meritorious or not. Members of the Committee on Agriculture on this side feel that there should be a longer trial before cotton is included, and possibly corn and other agricultural commodities. The bill does require a substantial increase in the authorization from $6,000,000 to $12,000,000 so that it is not chicken feed by any means, and to that extent it is an important bill. I have to confess that I have a great deal of sympathy with cotton States of the South, because of what has happened to them during the last 7 years under the New Deal. We in the North realize that in order to have a prosperous America we must have prosperous farmers, and prosperous farmers in the cotton States of the South, but the fact is that under the raw deal or the New Deal or whatever you call it, the cotton growers of the South have been given the kiss of death by the New Deal wand wavers, theorists, and crystal gazers.

So, very often they must come to Congress for relief, and huge sums of money are doled out. All the time the price of cotton is away down, from 8 cents to 10 cents a pound. whereas under Republican administration, between 1920 and 1930, cotton averaged 17½ cents a pound in all those years. Naturally we Republicans have some sympathy with you people from the cotton States because of what has happened

to you and the price of cotton under the New Deal program of destruction and scarcity. That is only half the story because you have also lost half or more of your cotton exports. You used to export 8 or 10 million bales of cotton under good old Republican administrations and you brought that great wealth back to the farmers of the South and made for a prosperous Southland, and as you should have today, but now you are exporting only 3 or 4 million bales, just about half what you were exporting under Republican administration, even under those iniquitous, vicious Republican tariffs.

So naturally we Republicans feel that the New Deal, having failed the cotton farmers, no matter whether they are Democrats or not they are Americans, that we must lean over backward, sometimes on our side, to help you out, due to the deplorable failures of the New Deal. It may be that we will not fight this Cotton Insurance Act too much, although I believe the insurance experiment should have a longer trial. What you really want is a better price for cotton, and you will not get that price until you elect a Republican President and have a Republican House of Representatives. [Applause.]

I absolutely guarantee a fair price to the cotton farmers of the South, although I do not expect them to vote the Republican ticket.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. PACE. I was wondering if the gentleman could be helpful in giving us a suggestion of how it can be handled and how the Republicans intend to handle it?

Mr. FISH. Well, I wanted to talk on other subjects, but I will answer you briefly. If the Republican Party does not restore confidence and buying power throughout America, thereby putting people to work and increasing the price of cotton, wheat, and corn, then we will have to do something more drastic. I am not speaking for the Republican Party. I am speaking for myself. I would suggest a two-price system, one for our home markets and another for our foreign markets. I would unload cotton at 5 cents a pound, if necessary, all over the world and bring back that money to the cotton farmers of America. The same with wheat and corn and other surplus farm products.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. COOLEY. How would you finance such a program?

Mr. FISH. Oh, there would not be any difficulty financing a program of unloading cotton, corn, and wheat on the world market and regaining the foreign markets we have lost, because we would meet the world price and they will purchase our surplus at the world price, even if it is 5 cents on cotton and 50 cents on wheat. The main objective is to have a home-market price that will be profitable for the American farmers.

Mr. COOLEY. You advocate permitting the farmer to sell on the world warket at world prices and not receive any benefits for so doing. In other words, you defend the dual-price system without anything to compensate?

Mr. FISH. Certainly. We would have the home market out of which to get a profit for our farm products.

Mr. COOLEY. At the same time we would be selling in an unprotected market and buying in a protected market, by the tariffs which we have now erected?

Mr. FISH. Now, the gentleman and I could get into a tariff argument for some time. However, I do not think it needs an answer.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield? I want to put the gentleman straight.

Mr. FISH. I yield to the gentleman.

Mr. AUGUST H. ANDRESEN. As a matter of fact, the cotton farmer would be protected in his home market for everthing he sold for domestic consumption. I know the gentleman is for that.

Mr. COOLEY. But he cannot live on that.

Mr. FISH. I believe the cotton farmer would welcome 12 or 15 cents for the home market. I am not worrying about the tariff. When we had this so-called wicked, vicious Republican tariff from 1920 to 1930, cotton was selling at an average of 17½ cents a pound.

Mr. COOLEY. And the farmers were starving to death.

Mr. FISH. Most of them would even forget their politics to get back to 17-cent cotton. Now, after 8 years of the New Deal, cotton is selling anywhere from 8 to 10 cents a pound; just about half. So it is no use raising the tariff bugaboo. You might just as well blame George Washington for it as to blame the Republican Party for what has happened to the cotton farmers under the New Deal.

Now, as the gentleman from Connecticut [Mr. MILLER] is going to take the last 15 minutes, I want to use the balance of my time to speak on two subjects that have nothing to do with cotton.

This newspaper has just been handed to me, and it reads:

United States warns Japan to keep hands off Dutch East Indies.

That is the message of Secretary Hull to the Japanese Government. I wonder if Secretary Hull intends to copy the fatal policy of former Republican Secretary of State Henry L. Stimson, who bombarded Japan with notes almost daily? Does this statement of Secretary Hull mean that we propose to extend the Monroe Doctrine, the American Monroe Doctrine, to the East Indies, 10,000 miles from our shores? Does it mean that he proposes to guarantee the status quo of all the nations in the Far East?

Now, suppose Japan ignores this request; suppose Japan seizes the East Indian Islands, if Holland is attacked, does that mean that we have to go to war to uphold what Secretary of State Hull and President Roosevelt have said, practically extending the Monroe Doctrine to the Far East? It is a serious question. I am not prepared to discuss it. All I am doing now is to ask questions, whether we will have to go to war if the slap on the wrist is not listened to by Japan. Suppose Holland is embroiled in the war, and God forbid it—I say that with a great deal of feeling, because I am of Dutch origin. No one would be more opposed to the invasion of Holland than I am, but I am not willing to guarantee the status quo of any nation in the world outside of our own, and I am not willing to commit us to war or to the sacrifice of the life of a single American soldier for any foreign nation in advance, such as this policy does. I also want to discuss in the few minutes remaining another issue.

The President today sent a message to Congress, and in that message he said, in effect, that he wants to be able to spend the relief funds provided under the Budget of $975,000,000 in the next 8 months, and he virtually said he asked Congress to scrap the Woodrum amendment, which calls for the apportionment of that money over a 12 months' period so that the money could not be used in any one month. I believe everybody will agree that the peak of relief comes in the middle of the winter, in January or February.

I have not had time to look up the statistics, but I think these facts are fairly well known: That back in 1936, when the President had the power he is now asking for—he is now asking for discretionary power over the control of these relief funds—back in 1936 during a Presidential campaign 500,000 relief workers were put on the Federal pay rolls during the months of September and October just prior to election and then taken off the pay rolls as the winter was advancing—in the month of November right after election. The question I want to propound here is, Is this another campaign slush fund? Does this mean that 500,000 American citizens will be placed on the pay rolls in September and October in order to preserve the New Deal and keep its supporters in power at the expense of the taxpayers of America?

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. COOLEY. Did not the President in his message say that the money would not be used unless it was necessary to prevent suffering?

Mr. FISH. That is exactly the question I want to raise. The President asks for this power himself. I would like to known in advance whether this money is to be spent for

campaign purposes instead of relief, the way it was spent 4 years ago and 2 years ago?

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. COOLEY. Would the gentleman want to put a provision in the law that would prevent the expenditure of this money until after the general election had been held?

Mr. FISH. I do not want the bill amended, I want the Woodrum amendment to remain in the bill. I think everybody will acknowledge that the peak of the relief load is in the middle of the winter months and not in September and October. Four years ago we found that this money was spent for political and partisan purposes, and we have a right to protest now and to insist that the Woodrum amendment be left alone. If any attempt is made to undermine it or to weaken it or to repeal it, then the people back home ought to know the facts; the American people should be told that it is an effort to create a slush fund to preserve the New Deal with money out of the taxpayers' pocket and the Treasury of the United States.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. BATES of Massachusetts. Did not the same thing happen in 1938 when employment throughout the Nation was increasing, that relief money was being squandered all over the country around election time, and a couple of months prior to that time?

Mr. FISH. I believe the investigations conducted by a Democratic committee of the Senate proved that to be the case; yet here, without any argument at all, this letter from President Roosevelt is sent to the Congress asking for further discretionary power. As far as I am concerned I would like to see Congress take back the discretionary powers it has already given the President and restore representative and constitutional government in the United States of America.

Furthermore, talking about discretionary power, this Congress will adjourn in 60 days. The President has tremendous war emergency powers, and there is one thing above everything else that I am in favor of, and urge the Congress to repeal all those war emergency powers granted the President before we adjourn, and restore those powers to the Congress which has the sole right to declare war. If the President is permitted to retain these emergency powers he can make secret commitments and take steps that may involve us in foreign wars before Congress can act. I am fearful that unless Congress regains these emergency powers we will be secretly committed to a war policy before Congress reconvenes. [Applause.]

[Here the gavel fell.]

Mr. COLMER. Mr. Speaker, I yield 5 minutes to my distinguished chairman, the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, it is to be regretted that the gentleman from New York, who is a candidate for the highest office in the United States, the Presidency, should be so reckless with the facts. We know that he loves to enlarge and magnify dangers that do not exist. Two years ago you and I heard the gentleman talk about the danger of President Roosevelt's forcing us into war. We are not in war now, and I know that if the President of these United States can keep us out he will do so. He will do everything humanly possible to preclude our being involved in war. The gentleman from New York, of course, may have information from his trip to Europe, due to his conferences with certain gentlemen who entertained him, whose names I will not mention—he may have information that I do not have. I have not that close relationship with these gentlemen.

Now, getting down to the bill, the gentleman stated that the farmers can be relieved only by a Republican administration. He quoted the prices that were in effect from 1920 to 1930, but he failed to state that the prices that farmers obtained for their commodities from 1920 to 1930 were due to the previous 8 years' Democratic administration, which made possible the increase in prices to the farmers for their products.

For the information of the gentleman and for the information of all Members, may I say that I remember the price of cotton in 1932, and I know I am not mistaken when I say cotton was selling for 5 cents a pound at that time. It is now selling for 10½ cents, double the price which the cotton farmers obtained during the Hoover administration. That same statement applies to wheat that sold for 25 cents a bushel, corn at 8 cents a bushel, cattle and hogs that sold for 3 cents per pound on the hoof, and correspondingly low prices for every other farm product.

The only benefits the farmers of this Nation can obtain are from a Democratic administration under President Roosevelt, as has been amply demonstrated. It took the Republicans only 8 years to bring about the greatest panic in history.

Under the pending bill we are extending certain privileges to cotton and later on, if the Democratic administration is continued in power, these benefits will inure also to corn and to all other farm commodities. Therefore you gentlemen who represent the agricultural sections of the West and South should without hesitancy, if you are interested in the farmers who helped elect you, join with us in passing this bill and see that Roosevelt is renominated and reelected; then your troubles will be over and you will not have to have any fears in the coming years.

Mr. Speaker, I take the liberty of inserting at this point an excerpt of a letter that I received from my colleague, the gentleman from South Carolina [Mr. FULMER], sponsor of the bill. After an explanation of the provisions of the bill, his letter continues:

> This is what I thought that you and a great many others would be interested in because of your deep interest in getting all of the W. P. A. and relief money that you possibly can for the purpose of taking care of the unemployed and needy, other than farmers.
>
> Without this insurance we are paying out annually millions of dollars in the way of grants and relief to farmers because of their crop losses, and thousands of them are employed on W. P. A. work.
>
> If this bill is passed, not only will this leave all of this money for the other employed citizens not living on farms, but it would absolutely keep farmers off W. P. A. and relief rolls, and would give them three-fourths of the normal value of their destroyed crop, to be used in paying their taxes and other obligations, whereas W. P. A. work and money spent for farmers' relief simply goes to maintain them and their families, and leaves them with their various obligations carried over to the next year unpaid.
>
> Therefore, I am hoping that you who are deeply interested in this matter, will give me your full support on Thursday in the passage of this sound, commonsense business proposition.
>
> Yours very sincerely,
>
> H. P. FULMER, M. C.

The bill provides for $12,000,000, which is necessary and will be the only cost to which the Government will be subjected, because this is cooperative insurance set up for the guidance of the farmers by the Department of Agriculture. I am pleased that no one as yet has seen fit to unfairly attack that Department which has done so much under the present administration for the farmers and for the country.

[Here the gavel fell.]

Mr. COLMER. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. GROSS. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. GROSS. The gentleman is now admitting then that the passage of this bill is to elect President Roosevelt?

That is your admission, is it not?

Mr. SABATH. I will answer the question. I believe that the passage of this bill will help the farmers if the people are not misled by misrepresentations and if they will renominate and reelect President Roosevelt. Of course, you gentlemen have the facilities when you go home whereby you can act through the Republican newspapers, corporations, and special interests that own the newspapers, which are rather reckless with the truth. They feed the people with untruth and false information. If the people get the real truth, the real facts, the honest-to-goodness facts about this administration and the good it has accomplished, I am satis-

fied none of you would have a chance to get reelected unless you ran on the Democratic ticket.

Mr. GROSS. Will the gentleman yield?

Mr. SABATH. I am trying to give you good facts.

Mr. GROSS. Oh, yes?

Mr. SABATH. I hope you will benefit by this advice. I have been here now for 35 years and I have always tried to do the right thing. That is the reason my people send me back, because I advise them right and if the gentleman was in my district I would advise him the same as I advise my people. After all, I try to be of some benefit and help and I hope the gentleman will profit by my advice. That is about all I have to say.

Mr. Speaker, this bill should receive the unanimous vote of every man who actually has the interest of the farmer at heart, because if the farmers receive a fair compensation for their products I believe the laboring men of the United States will be benefited, the businessmen will be benefited, and it will be of general benefit to the entire Nation; therefor, I feel that this bill should receive the unanimous support of the Members, whether they be Democrats or Republicans. [Applause.]

[Here the gavel fell.]

Mr. MICHENER. Mr. Speaker, I yield 15 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut [Mr. MILLER]?

There was no objection.

WIDOWS' AND ORPHANS' PENSIONS

Mr. MILLER. Mr. Speaker and my colleagues, I have asked for this time so that I could bring to your attention the far-reaching effects of H. R. 9000, and to outline as fully as possible the reasons that compel me to oppose its enactment into law.

H. R. 9000 is a bill sponsored by the American Legion and introduced by the chairman of the Committee on World War Veterans' Legislation, the gentleman from Mississippi, the Honorable JOHN E. RANKIN. As a matter of fact, it is a substitute for H. R. 7593, which was the original Legion bill.

After hearings before the Committee on World War Veterans' Legislation the bill was favorably reported to the House. As I recall it, the only witness appearing in opposition to this bill was ordered off the witness stand by the committee chairman, allegedly because certain statements were displeasing to the chairman. The proponents of the legislation were largely representatives of the major World War veterans' organizations.

Following favorable action by the Committee on World War Veterans' Legislation, H. R. 9000 was placed on the Consent Calendar. On Monday, April 1, objection was made to its immediate consideration by the gentleman from California, the Honorable JOHN COSTELLO, a member of the majority party's committee of "objectors." It is the responsibility of members of this committee, as well as members of the minority party's committee, to study bills on the Consent Calendar and object to passage of those bills that they feel should be debated and considered at greater length than can be done during consideration of the Consent Calendar. I am told that members of these committees, as a rule, object to passage of bills that involve the expenditure of more than $1,000,000.

Last Monday, April 15, during the calling of the Consent Calendar, this bill was again objected to by three Members—the gentleman from California, Hon. JOHN COSTELLO; the gentleman from New Jersey, Hon. ROBERT W. KEAN, a holder of the Silver Star Medal and Distinguished Service Cross; and myself—three objections being needed to strike the bill from the calendar.

The normal procedure should then have been for the chairman of the Committee on World War Veterans' Legislation to go to the Rules Committee of the House and ask for a rule to make it in order for the House to consider H. R. 9000. I have been informed by both majority and minority members of the Committee on Rules that although a letter had previously been sent to the chairman of the Rules Committee asking that committee to grant the rule, no time had been given to the committee to consider this request. Regardless of the fact that the Rules Committee has not had time to consider the request for a rule, a petition was placed on the Clerk's desk within an hour of the time the bill was stricken from the Consent Calendar. To provide for immediate consideration of H. R. 9000, 218 signatures are required to make a discharge petition effective, and the necessary signatures have since been secured.

So that my opposition to this legislation may be understood, I ask that I be pardoned a few personal references. Circumstances at the end of the World War gave me a lot of time to study the problem of adequately providing for the war disabled and the adoption of a sound legislative program. I was confined in a Government hospital for several years, between 1919 and 1929, and had intimate contact with hundreds of disabled veterans and their dependents. I followed with interest the organization of the American Legion and supported wholeheartedly the Legion's legislative program. The American Legion has largely been responsible for calling to the attention of Congress the needs of the disabled and the securing of just benefits for the disabled, their dependents, and for the widows and orphans of men who died in service or as a result of service-incurred disabilities. Almost without exception legislation recommended and approved by the American Legion has been enacted into law by Congress. Thus far the provisions of H. R. 9000 are the outstanding exceptions, although it has been on the Legion's program since 1934. Almost without exception I have supported the Legion's legislative efforts. I have come to Washington at my own expense to urge passage of legislation for the benefit of World War veterans. I have addressed department and national conventions of the Legion urging adequate pensions for widows and orphans of men whose death was caused or hastened by their war service. I will continue my efforts in that direction. It is partly because of my concern for that comparatively small group that I am compelled to oppose this general pension proposal.

Before leaving France in 1919 I drove past the cemetery where lay buried more than 150 aviators and I vowed that never, if I could prevent it, would their loved ones suffer. Then again in 1937 I visited several of the huge American cemeteries scattered through France and I was reminded of the obligation this Government owed to the dependents of the men who lay buried in those sacred spots.

With these thoughts in mind, how can I bring myself to vote for this bill when I feel certain that its passage will make adequate pensions for real war widows more difficult to obtain, if not impossible. These widows, if under 50, now receive a maximum of $38 per month, with a $45 maximum for those over 50.

I have tried to serve the American Legion and, through it, my less fortunate comrades, and the American Legion in my own State of Connecticut has honored me by giving me the opportunity to serve as Department Commander and as a member of the National Executive Committee, which post I resigned to become a candidate for my present office. I have served as a member of the National Advisory Rehabilitation Committee, and have introduced legislation at the request of the Legion. With that background is it necessary for me to say to you, Mr. Speaker and my colleagues, that the most difficult decision I have had to make as a Member of this body is whether or not to oppose this Legion bill? Under my oath, and because of convictions I have, it is impossible for me to sit in my seat without voicing my objection to this bill.

The chairman of the Committee on World War Veterans' Legislation, Mr. RANKIN, stated Thursday that I was opposed to this bill because of its cost. While it is true cost is an important factor, it is only a factor. My opposition is a matter of principle and the principle is just this—should the Federal Government pay a pension to the widow of a veteran who served his country during the World War and who suffered no wound, injury, or disease during his service, who, in some cases, performed his service on a college campus; who

perhaps was stronger, physically, at the end of the war than when he enlisted and who, years after the war, married a girl he did not know or who perhaps was not even born at the time of the war, and who, years after the war, dies as a result of an automobile accident or from some other natural cause, which by no stretch of the imagination could be connected with his war service. That is one of the questions we must decide before we vote on this proposal. We say now, through legislation adopted last year, that the widow or children of any veteran who, as a result of his war service, suffered any disability whatsoever, even though it be rated as only 1 percent, shall be entitled to a pension, regardless of the cause of death. I realize that there are a few cases where, due to loss of records or death of witnesses, it has been impossible to establish service connection to the satisfaction of the Veterans' Administration. I would be willing to support legislation to care for that situation, or I would include widows of veterans who actually saw combat service as determined by the War Department, for entitlement to a battle clasp on a Victory Medal, as I believe it quite reasonable to contend that engaging in a major battle during modern warfare might well shorten a man's life.

The gentleman from Mississippi [Mr. RANKIN] expressed criticism because no one objected last Monday to passage of certain legislation for the benefit of Civil War widows. I am not as familiar with Civil War pension legislation as, perhaps, I should be, but that was the closing chapter to an old book, while H. R. 9000 deals with the opening chapter of a new book of pension laws for which this generation will be wholly responsible.

There seems to be a difference of opinion as to the cost of the provisions of H. R. 9000. The chairman of the Committee on World War Veterans' Legislation says it will cost the taxpayers almost nothing, and, compared to sums that have been spent on other proposals, he may be right. His estimate is between six and eight million dollars. However, in a report on H. R. 9000, which I secured from the Veterans' Administration, and which I inserted in Thursday's RECORD, it is estimated that the bill provides pensions in the amount of over $48,000,000. True, the report points out that past experience indicates only half of those entitled to receive these benefits will apply the first year, making the first year's cost approximately twenty-four million. No one has estimated the cost for future years, but one thing is certain, and that is it will increase rapidly each year, even if the law is not amended.

It is up to you to decide whose figures you will accept as most likely to be correct.

Now, let us see just where we stand at the present time. Just what benefit laws now on the statute books provide for widows and orphans of World War veterans, where this proposed legislation originated, and what brought it about.

To the best of my knowledge, this proposed legislation was first known as the fourth point of a four-point program adopted by the American Legion in 1934, at the time Edward Hayes, of Illinois, was National Commander of the American Legion; and I might add that no man ever worked harder nor did more for the rehabilitation of disabled veterans than Past National Commander Hayes. It is significant that the other three points have since been enacted into law, while this fourth point has been passed on from one Congress to another. Each year, without a great deal of further study, the National Convention of the American Legion has reiterated its previous stand and asked for passage of a bill to provide for dependent widows and orphans of World War veterans, regardless of the cause of death. For all these years it has been part of the Legion program.

I contend, Mr. Speaker, that conditions have changed since 1934, altering the whole picture and I maintain that the Legion has not given ample consideration to the changed circumstances. For one thing, we have acquired a national debt of almost $45,000,000,000 and that fact cannot be overlooked in the future, when we consider the adoption of legislation, no matter how meritorious it may be. For another thing, we have adopted a program of social security for our citizens, veterans, and nonveterans alike. Only last year we amended the social-security laws so that provisions are made for pensions to widows with children. We should determine whether the proposed pension provided in H. R. 9000 is to supplement any social security pension or is it in lieu of a social-security pension? In 1934 we were providing a more adequate income for the widows of veterans who died in battle than we are today. In 1934 the widow of a veteran who died as a result of a service-connected disability, in most cases, was receiving $87.50, $30 of which was pension and $57.50 from war-risk insurance, bought by the veteran. Today these insurance checks are a thing of the past for the widow of a man who died during the war. To be sure, Congress recently increased the pension to $38 for such a widow under 50, and $45 if over 50 years of age. This group of widows, orphans, and dependent parents of men whose death was due to war service may be small in number, but they are close to the heart of every American citizen and they have a real claim, not only for justice but for generous treatment from their Government.

This proposed legislation goes much further than we have ever gone before in that it introduces a new item in war veterans' legislation.

Mr. CAMP. Mr. Speaker, will the gentleman yield?

Mr. MILLER. I yield.

Mr. CAMP. The gentleman states that this is further than we have ever gone before. Does not the gentleman know that the rate of pensions provided in this bill is the same as that being paid to widows of veterans——

Mr. MILLER. The amount is——

Mr. CAMP. Wait until I have finished my question. The same that is being paid to widows of veterans of the Philippine Insurrection, the Spanish War, and all the others?

Mr. MILLER. I said this legislation goes further, and I will call attention to the fact that it does go further, because never before, in either Civil War or Spanish War veterans' legislation, have we granted pensions to parents of men who died from a non-service-connected disability, and this in spite of the fact that now for the first time in our history we have social-security pensions for citizens over 65. Most of the parents of deceased World War veterans are now 65 or over, and many of them are receiving social-security benefits. Is it proposed to pay one citizen a pension under this act plus his social-security benefits while his next-door neighbor, equally in need, with no son of military age at the time of the World War gets a smaller pension.

Mr. CAMP. The gentleman now is speaking of parents.

Mr. MILLER. I am speaking of H. R. 9000, and to that extent it does go further. It provides a new category of dependents. The amount involved is less. Of course, we have granted larger pensions, and we will grant more to the World War widows if we pass this bill, and in a very short time.

It might be well to insert right here, a brief résumé of legislation for widows and orphans adopted by Congress since the end of the World War. In the Sixty-eighth Congress, as part of Public, 242, a pension of $30 per month was granted for a widow, with $10 additional per month for the first child, and $6 monthly for each additional child. This pension was only paid where the veteran died either in service or as a direct result of a service-connected disability. Public, 484, of the Seventy-third Congress was enacted, at which time it was claimed, and I believe correctly so, that many veterans were dying of some causes not directly due to their war disability, but that their death had undoubtedly been hastened by a service-connected disability. For example, a veteran badly gassed, died of a heart attack. The heart undoubtedly had been weakened by continuous coughing or by the gas. Congress, therefore, said that the widow of such a veteran should be entitled to a pension, providing that at the time of the veteran's death he had a 30 percent or more service-connected disability. In such cases the pension was to be smaller than that paid to the widow of a veteran who died of a service-connected disability. New rates were established at $22 for the widow, plus $8 for the first child, and $4 for each additional child, further providing the veteran was married before July 3, 1931.

Later Public, 844, of the Seventy-fourth Congress was passed to amend Public, 484. This act increased the pension for the widow of a veteran who, at the time of death, had 30 percent or more service-connected disability but who died of some other cause, to $30 for the widow, with $10 for the first child, and $6 for each additional child. Then, when Public, 304, of the Seventy-fifth Congress was passed, the percentage of service-connected disability a veteran must have to entitle his widow to a pension was reduced to 20 percent, and the amount of pension payable was $30 for widows under 50, $37.50 for widows from age 50 to 65, and $45 for widows over 65, with $10 for the first child up to age 10, increased to $15 after age 10, and $8 for additional children up to age 10, increased to $13 from age 10. During the third session of the Seventy-fifth Congress, Public, 514, reduced the requirement to 10 percent with the marriage date moved to May 13, 1938.

Finally, last year, in the Seventy-sixth Congress, Public, 198 further reduced the disability rating to 1 percent. In other words, the widow of a veteran who had any service-connected disability was to be pensioned at the rate of $38 if under 50, and so forth.

Now, in H. R. 9000 it is proposed to wipe out the need for any service-connected disability, and it is proposed to pay a pension to the dependents of World War veterans regardless of the cause of death or the extent or type of the veteran's service, provided he served honorably for 90 days.

For a moment let us consider this proposal from the standpoint of the widows we seek to aid. I believe that if we adopt this legislation and pay these widows $20 a month they will have to come back to us and ask for more. They may not intend to do that now, but they will have to do so, because $20 a month will be a handicap to them in some ways. This may sound strange, but I have seen it work out in the case of disabled veterans—men who were drawing $18, $20, or $25 a month. Such a veteran would go to a W. P. A. administrator or apply for a position in private industry; the employment manager would beam upon him and say, "You are a charge of the Federal Government; you should not have to come to us, or you should not have to ask for a job on W. P. A.; it is the responsibility of the Federal Government to provide for you." That is what they will tell the widows for whom we are providing $20 under this bill.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. MILLER. Briefly.

Mr. MARCANTONIO. May I state that as far as my own city of New York is concerned no veteran is discriminated against, nor is the widow of any veteran discriminated against, because of any benefits they may receive from the Federal Government.

Mr. MILLER. I am glad that is true in New York. I know of other places where it is not true.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. How would the widow or family of a veteran in Massachusetts benefit by legislation of this kind, when we have the soldiers' relief law fully and adequately taking care of them there today?

Mr. MILLER. They cannot benefit in Massachusetts, and they cannot benefit in Connecticut and some other States.

Mr. BATES of Massachusetts. Would not we in Massachusetts be in a better position through our soldiers' agency to take care of the needs of the widows and the families of the veterans than would somebody down here in Washington, 500 miles away?

Mr. MILLER. I believe so.

For several months I have been trying to find out what the rank and file of American Legion members really think about this legislation. I spoke to a Legion post here in the District of Columbia—a large well-attended meeting—and discussed the provisions of this proposed legislation, its background, and the present situation as thoroughly as I could and then suggested that those who disagreed with me, do me the favor of writing to me, expressing their views. That was several weeks ago and to date I have not received a single letter from a veteran who attended that meeting. On April 5 I went back to my own district, where I had been invited to address a Legion gathering, assembled to celebrate Army Day. There were approximately 200 veterans in attendance. After discussing the national-defense program of the Legion rather briefly, I brought up the subject of legislation for the benefit of World War veterans' widows and orphans. I said to them, many of whom I had known intimately and associated with for many years, that I was talking to them frankly, and that after I finished if they still felt that the American Legion, in the light of all circumstances which exist today and in the light of social-security legislation which had been enacted, was justified in pressing for this legislation, I wanted them to write and tell me. To date not a single person has written to me indicating his disagreement with my position. On the other hand, I have had numerous letters heartily endorsing the stand I have taken on this legislation. These letters are open to the inspection of any Member of the House who desires to come to my office. In addition to addressing the two meetings to which I have referred, I have, during the past several months, been talking to a great many veterans about this proposal legislation. If you say to a veteran of the World War: "Are you in favor of pensions for widows and orphans of World War veterans," almost without exception that answer will be in the affirmative. But, when you explain the provisions of H. R. 9000 and point out that the pension provided in this bill will go to the widows of men who saw little or no service; men who received no injury or disability; or men who served their full enlistment in the S. A. T. C., for example, almost without exception they have said they meant the widows of men who were killed in service or who died as a result of injury or sickness incurred in service. I much prefer to have the Government provide adequately for that group than to extend widows' pensions to practically every World War widow.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MILLER. I yield.

Mrs. ROGERS of Massachusetts. Does the gentleman realize that, as a matter of fact, there would probably be no or very little expense to the taxpayers because of the needs provision or the dependency clause in this bill? The veterans' dependents would receive more from soldiers' relief or from social-security relief or through some other agency than they would secure under this bill. General Hines in his report does not take this into consideration. It is very different from any other so-called pension bill ever introduced.

Mr. MILLER. It depends on what you call very little. I have got to abide by the figures sent here by the Veterans' Administration and which I have placed in the RECORD.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MILLER. I cannot yield further.

As my time is rapidly drawing to a close, I want to repeat that on the whole I have been proud of the Legion's record of suggesting sound legislation. We have seen what happens when legislation enacted for the benefit of World War veterans is hastily considered and not adequately debated. We remember the enactment of the so-called Disability Allowance law which provided pensions for veterans whose disability was not incurred in service. We know that that legislation was hastily written and that the provisions went far beyond the intentions of those who proposed the legislation. The Disability Allowance law was not sponsored by the Legion or by any other veterans' organization. I have always felt that it was the provisions of the disability-allowance law that made possible the enactment of the Economy Act in 1933, for in almost every congressional district there were one or two outstanding cases of veterans who had been injured, for example, in an automobile accident and who had recovered substantial damages either from an insurance company or through the courts, and then secured a Federal

pension. Because of such cases, the disabled veteran received a black eye and many Members of Congress in 1933 found it impossible to vote against the Economy Act. While I have in mind the provisions of the Economy Act, I would further suggest that we might well correct some outstanding hardships imposed by this act—the Economy Act—before we extend widows and orphans legislation. Some of you have forgotten that there are today approximately twenty-odd-thousand disabled veterans who are receiving but 75 percent of their normal rates due to the fact that their disability is presumptively service connected. These so-called presumptive cases were all reviewed by special boards, and it has always been my contention that, based on sound medical testimony, their disabilities are in fact, or should be directly service connected. I would like to see justice restored to this group.

I cannot believe that it is the intention of Congress to provide pensions for all dependent widows of World War veterans at a time when widows of men who died or were killed in line of duty in the Regular Military and Naval Establishments are receiving a paltry $22 per month from the Federal Government.

Recently I had a letter from the widow of a young officer who was killed in the crash of the airship *Shenandoah,* urging that something be done to increase her $22 a month pension. That widow has a real claim on the Government.

Can we, in all fairness, pass H. R. 9000, when we cannot seem to find money enough to provide relief for all who need it?

I am simply asking the Members of Congress to give serious consideration and study to the provisions of this bill; I am urging Members to talk to veterans in their own districts, explaining the full provisions of the bill to them, and asking for their reaction. Many of you have received letters and telegrams from the legislative chairmen of posts and auxiliary units of the Legion urging you to support H. R. 9000. I point out that these letters and telegrams are sent to Congressmen in response to an appeal which was sent out by the National Legislative Director of the Legion urging the local posts and units to lay down a barrage of letters and telegrams on their representatives in Congress.

Recently I received a letter from a legislative chairman, typical of others, urging my support of some 18 different bills in which the Legion was interested. I took the trouble to look up each of these bills and, with 1 or 2 exceptions, they are all sound proposals, but I dare say that the individual who sent me the letter had little knowledge of the contents of many of the bills he was urging me to support.

As I have said before, I have had close contact with veterans of the World War and my contacts have convinced me that there is no group of more patriotic citizens in the United States; they have given unselfishly of their services, both during the war and after, and they would be the last group of citizens to propose legislation that would jeopardize the soundness of their National Government. The Legion has always maintained a keen interest in national defense. As a matter of fact, second only to their interest in the war-disabled, has been its interest in urging an adequate national-defense program. I would like to refer to a report made to this House by the gentleman from New York, Honorable JAMES W. WADSWORTH, chairman of the special committee appointed to study our national-defense requirements, wherein it was pointed out that the weakest spot in the national-defense armor was the national debt. Members of the American Legion would never knowingly propose a program that would weaken our defense position.

I am asking only that you give full consideration to everything involved in this proposed legislation and that when the time comes to vote, you will vote for what you think is to the best interest not only of the World War veterans and their dependents but for the entire citizenship of the United States.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. HOBBS]

Mr. HOBBS. Mr. Speaker, I appreciate the tender of the time, but I will content myself at this time by asking unanimous consent to extend my remarks at this point in the RECORD upon this subject.

The SPEAKER pro tempore. Is there objection?

There was no objection.

COTTON-CROP INSURANCE

Mr. HOBBS. Mr. Speaker, the idea involved in the plan for all-risk crop insurance is not a new one. Benjamin Franklin suggested it in his day. The Department of Agriculture has conducted surveys and studies relative to such insurance for a quarter of a century, and insurance companies have experimented with the idea in limited areas for brief periods of time.

The failure of insurance companies in their limited attempts to establish such a type of insurance has been due in the main to their lack of reliable data, a proper spread of the risk involved, the necessary administrative set-up for placing such insurance, and adjusting losses, together with the fact that they guaranteed the price as well as the yield.

In the summer of 1936 President Roosevelt appointed a special committee, which was charged with the responsibility of conducting a proper survey with reference to the feasibility of formulating an all-risk crop-insurance program. That committee later submitted a favorable report, wherein it advised that a program of that nature be established for wheat.

That the issue involved is not a political one is evidenced by the fact that both President Roosevelt and Governor Landon, during the 1936 campaign, expressed themselves as favorable to a plan for all-risk crop insurance. In fact, both the Democratic and Republican platforms contained provisions in support of such insurance. Since that time, other national leaders have espoused the principle involved.

That the idea is not a new one, even in national legislative channels, is evidenced by the fact that several Senators and Congressmen, previous to the time the present law was enacted, had introduced measures suggesting such insurance. Senators Sheppard, McNary, Pope, and Representatives Sinclair, Hope, Fulmer, Sheppard of California, and perhaps others, had sponsored such proposals.

Whereas leading farm organizations may have differed at times in their advocacy of various plans to meet the needs of agriculture and to solve farm problems, they have been, and still are, united in their support of crop insurance. As a matter of fact, such organizations have had an important part in initiating the plans which finally resulted in the formulation of the present crop-insurance program.

All-risk crop insurance is based upon sound and well-established principles of insurance. The premium rates in the present program have been based upon actuarial data which have been carefully assembled and which are representative of past experience over a definite period of years. Rates so calculated should balance losses over a like period of years in the future.

The crop-insurance program is planned on a national scale, but the rates for each farm are based upon the crop-loss experience of the farm, the experience of the county in which the farm is located, and, to a very limited degree, upon the experience of the counties bordering on the county. As a result, sections of the country where the risks may be low are not required to contribute toward paying for the higher cost of insurance in those sections where the risks may be high.

At the outset the crop-insurance program was purposely limited to one crop, namely, wheat, to provide a concrete experiment as to the feasibility of such insurance. Profiting by the experience thus gained, substantial improvements have been made in the 1940 insurance program. The rate structure has been materially improved, through careful checking of yields and lengthening of the base period. With each passing year it will be possible to further improve all phases of the program.

The present set-up, wherein the Federal Crop Insurance Corporation administers the program jointly with the Agricultural Adjustment Administration, affords close contact with the growers in selling the insurance to them, in checking the yields and losses, and in making appraisals. This close co-

operation is proving helpful alike to the growers and to those charged with the administration of the act.

The capital stock of the Federal Crop Insurance Corporation is supplied through an authorization of Congress providing for $100,000,000, $20,000,000 of which has been appropriated. Of the latter amount, about $2,000,000 has been used the first year in the payment of losses. Although premiums should equal losses over a longer period of years, differences one way or the other will naturally appear in individual years.

In its 1936 report President Roosevelt's special committee estimated that had crop insurance been in effect in 1930–35, under a 50-percent participation, premiums would have exceeded losses by 70,000,000 bushels the first 3 years, while losses would have exceeded premiums by 68,000,000 bushels the next 3 years. Consequently, it may be noted that present developments are not out of line with expectations expressed at the time the present crop-insurance program was first advocated.

As to the fact that the indemnity payments for the 1939 crop exceeded premiums for that year by approximately 50 percent at a time when the annual production for the Nation was about normal, it should be borne in mind that a normal national yield does not necessarily mean a normal yield in the particular areas participating most heavily in the insurance. That was true in some of the Great Plains States in 1939, where the wheat crop was 11 percent below normal in Nebraska, 24 percent below normal in Kansas, 29 percent below normal in South Dakota, and 18 percent below normal in Texas.

To put it in another way, for 1939, 6,695,771 bushels of wheat have been received in payment of premiums where 9,949,450 bushels have been paid out in losses, a difference of 3,253,679 bushels. In five of the larger wheat-producing States, namely, Kansas, Nebraska, Oklahoma, South Dakota, and Texas, 2,669,003 bushels of wheat have been received in premiums where 6,087,912 bushels have been paid out in losses, a difference of 3,418,909 bushels. Hence, the difference between premiums and losses in those five States was 165,230 bushels greater than the difference in premiums and losses for the entire Nation.

Where the drought in certain States was largely responsible for the lack of sufficient premium wheat to meet losses in 1939, other factors have naturally contributed to the result. One such outstanding factor is to be found in the effect which the late closing date, and the privilege of insuring after seeding (now discontinued), had in enabling the grower to insure where the prospect for a crop seemed poor, and to refrain from doing so where the prospect was more favorable later in the season.

Each year will disclose such variations. The extent of the variations will depend upon the percent of participation, the total national yield, and the spread of the losses and their relationship to average yields on participating farms. Then, too, as far as the 1939 program is concerned, it should be admitted in all candor that it is humanly impossible to establish a new system of insurance, calculate premium rates, appraise yields, and adjust losses without some attending imperfections at the outset.

Administrative expenses and the cost of storage are paid by the Federal Government, and rightly so, because of the national benefits resulting from the program. While the crop-insurance program affords security to the individual grower and the community wherein he resides, it likewise furnishes benefits to others who are interested in the increased national farm buying power which such security to agriculture affords.

The initial cost of administering an insurance program, where much of the expense involves the cost of establishing such a program, is not to be compared with the cost of its administration after the initial period has passed. That is especially true where an effort is being made to establish such a program in a new field where experience is lacking, where no precedent can be found as a guide, and where the undertaking is largely of a pioneering nature. That, in brief, is the situation as it related to the administration of the Federal crop-insurance program for 1939.

During the first year, in addition to the outlay of necessary funds for the current administration of the crop-insurance program, those charged with its administration found it necessary to expend additional amounts incidental to the organization of a new set-up; that is, those funds which were needed for assembling actuarial data, for acquiring office fixtures and supplies, and for extensive educational purposes. Then, too, they found it desirable to expend other funds in planning the 1940 program, as well as in assembling information relative to other crops.

The experience of both stock and mutual insurance companies will verify the truth of the statement that the sales and operating expenses during the initial period, ranging from 1 to 10 years, has equaled or exceeded the total losses paid for that period. For instance, in case of the farmers' mutual windstorm insurance companies, their expenses over the first 10-year period averaged $1.58 per dollar of losses paid. The Federal Crop Insurance Corporation expended less than that proportionately for that purpose during the first year of its administration of the program.

The Spectator, Insurance Yearbook for 1939, reveals that for administrative expenses in 1938, out of total receipts from premiums written, 332 stock, fire, and marine insurance companies expended $326,305,985, or 45.31 percent of $720,157,663 received; 41 stock, automobile insurance companies expended $17,506,594, or 28.22 percent of $62,446,832 received; 151 advanced premium mutual fire insurance companies expended $30,205,074, or 34.51 percent, of $87,535,817 received, and 5 farm mutual fire insurance companies expended $1,101,967, or 35.14 percent, of $3,135,608 received. In other words, according to this yearbook, these 529 stock and mutual insurance companies engaged in a fire, windstorm, hail, automobile, and other kindred insurance business expended a total of $375,119,620, or 42.98 percent of $872,875,920 received for administrative expenses in 1938.

Using the same approach for the purpose of a comparison, we find that the estimated expense of administering the 1940 crop-insurance program will be $5,923,200—amount appropriated for that purpose—or 37.16 percent of $15,938,200 estimated total receipts. (Appropriation plus estimated receipts from premiums.) In arriving at this latter figure, it is estimated that an approximate total of 15,000,000 bushels of wheat will be received in payment of premiums for 1940 with a cash equivalent of $10,015,000 on the basis of wheat prices at the time premiums were paid. On the basis of the present prices of stored premium wheat, the comparative cost of the administration of the program for 1940 would be much lower.

The experience which the Federal Crop Insurance Corporation has gained through administration of the program for the first year, and an increase in the volume of business is enabling it to reduce very definitely the administrative cost per policy received. It now seems that such cost for 1940 may be less than one-half of what it was in 1939. Aside from the effect which a material increase in the number of policies has had, improved methods involving simplification of procedure, elimination of duplication, and fewer and more direct contacts, and other like changes have contributed materially toward that result.

That the program has been highly acceptable to wheat growers is evidenced by the fact that where 166,000 paid-up applications were received in 1939, more than 378,000 such applications have thus far been received for the 1940 program. Increased interest in crop insurance is further evidenced by legislation which has been proposed to extend the program to other crops, especially to cotton, tobacco, corn, fruits, and vegetables.

Although crop insurance does not supply a panacea for all farm ills, the security which it provides has had a definite appeal to farmers in areas affected by crop losses, especially in those Great Plains States where wheat growers have suffered severe losses in recent years. Such crop conditions have contributed materially toward creating an interest in crop insurance, not only in wheat-growing areas but elsewhere.

In the past the burdens of crop failure have been beyond the resources of the individual grower. In fact, during a 10-year period extending from 1926 to 1936, the Federal Government expended for emergency agricultural relief a total of $600,000,000, and did so largely because of crop failures. The crop-insurance program is materially reducing the need for Federal and State Government relief in wheat areas, and will have a like effect in other areas as soon as the program may be extended to apply thereto.

Because of increased taxes, interest, and debts, as well as greater hazards, at least in some areas, and the uncertainty of markets and effective demand, together with increased overhead, the individual grower is more dependent now upon cash income than he was in the earlier days. Crop insurance *definitely* assures him of that. While crop insurance would have been helpful even in those earlier days referred to, diversification, rotation, and a limited carry-over for each year largely sufficed to safeguard the growers' farming operations.

A better understanding of the purpose of the program, as well as the benefits to be derived therefrom on the part of the growers themselves, is resulting in closer cooperation on their part. Each grower realizes more clearly each day that better farming will not only assure his eligibility to participate in the program in the future, but will aid in increasing the coverage and in reducing the rate for the farm. Being willing to make that contribution himself, he will become increasingly more insistent that other growers do likewise.

Better farming, increased income, cooperation among farmers, sympathetic Government assistance, and the farmers' efficient administration of their own program, locally and in the State, will aid materially in reducing the dangers of farm bankruptcy and land foreclosure, resulting in nonresident land ownership and tenancy. Just as the national farm program, as a whole, is contributing toward that result, it is increasing the possibilities of more farmer-owned and farmer-operated farms in every rural community.

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the resolution under consideration may be amended by striking out "H. R. 6972" and substituting in lieu thereof "S. 2635."

The SPEAKER pro tempore. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. I feel this request coming at this hour, when most of the membership has gone to their offices, is an unreasonable request.

Mr. PACE. Mr. Speaker, does the gentleman understand that it has been agreed that we would stay here and debate the rule and adjourn tonight? Of course, if that procedure is followed, it would be impossible to submit this request.

Mr. MARTIN of Massachusetts. I do not agree with that theory at all. The gentleman can make the same request later when the bill is under consideration.

Mr. PACE. After the rule has been adopted?

Mr. MARTIN of Massachusetts. You can substitute the Senate bill for the House bill by unanimous consent later just as well as you can this evening. In fact, that is the normal procedure. It has been frequently done.

Mr. PACE. The gentleman understands that we have consulted with the members of the committee.

Mr. MARTIN of Massachusetts. Yes; but, after all, there are 435 Members of the House, and several did not know that this request would be made. I regret to be obliged to object. I object.

Mr. COLMER. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. RANKIN].

WIDOWS' AND ORPHANS' BILL

Mr. RANKIN. Mr. Speaker, I was not in the Chamber at the beginning of the remarks of the gentleman from Connecticut [Mr. MILLER] in attacking the widows' and orphans' bill.

He makes much ado about the fact that dependent parents are included and says that was never done before. As a matter of fact we never had old-age pensions in this country before. This is the first administration that has ever adopted the humane policy of taking care of the aged. The gentleman from Connecticut [Mr. MILLER] was on the floor Monday when a bill was brought out here and passed without any protest from him to put the widows of Civil War veterans on the pension roll at from $40 a month to $50 a month, widows who had married Civil War veterans as late as 65 years after the war closed. What we have done in this bill is to cut it to the irreducible minimum. I realize there are many big income-tax payers in Connecticut and in other States who are opposed to any veterans' legislation at all.

Mr. MILLER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. MILLER. Does the gentleman think that that is a fair statement?

Mr. RANKIN. Yes; I think it is. I think that the opposition to this widows and orphans' bill is being inspired from the outside. Two hundred and eighteen Members signed the petition to bring it out, and there were 8 or 10 more waiting to sign it when the two hundred and eighteenth man put his name on the list.

I have been chairman of this committee for 10 years, and I have done my best to hold this legislation within reasonable bounds, but the time has come when we must do something for the widows and the orphans of these veterans, and I do not propose to take all of the criticism from those individuals who oppose veterans' legislation consistently, merely because I happen to be the chairman of the committee. The vote in the committee was unanimous and when it comes to a vote in the House I dare say there will not be a dozen votes against it.

Many of these widows have small children, many of them are on relief; and as I said a while ago, the widow of a veteran who served his country honorably in time of war ought not to have to rear his orphan children on relief.

I cannot understand why the gentleman from Connecticut [Mr. MILLER] did not object to pensioning Civil War widows who married Civil War veterans 65 years after the Civil War closed. I cannot see why he did not object to the bill granting them pensions of from $40 to $50 a month and at the same time objected to this bill to give these World War widows $20 a month, especially when many of them have little children to care for.

Mr. COLMER. Mr. Speaker, I yield myself 2 minutes to make a statement to the gentleman from Mississippi [Mr. RANKIN].

The gentleman made the statement that it was necessary to have a petition to get this legislation to the floor. I want to say to the gentleman that I am one of those who favor this legislation, but I want to say also, as a member of the Rules Committee, that I have no knowledge of the gentleman having made application for a rule for the consideration of this legislation. I yield to the gentleman to answer me.

Mr. RANKIN. I will say to my colleague that I made my application to the chairman of the committee. I realize that the gentleman from Mississippi [Mr. COLMER] is one of the strongest supporters of veterans' legislation in the House.

Mr. COLMER. I thank the gentleman for his statement, but I still want to say, as one who believes in this veterans' legislation, that I think the Rules Committee as a whole should have had an opportunity to pass upon it.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. RANKIN. The Rules Committee would have had an opportunity if the chairman had laid it before them, as I supposed he would. I supposed when I wrote the chairman a letter that he would lay it before the Rules Committee.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. MICHENER. I am a member of the Rules Committee also, and it is rather disagreeable to be discharged from something that you do not know anything about. This matter was never called to the attention of the Rules Committee.

Mr. COLMER. I thank the gentleman.

Mr. MICHENER. If the leadership does not call it to the attention of the Rules Committee, then certainly the Rules Committee should not be condemned because they have re-

fused to report out something about which they have heard and know nothing.

Mr. COLMER. I agree with the gentleman from Michigan, an able member of the Rules Committee.

I merely called this matter to the attention of my distinguished friend, the chairman of the Veterans' Committee, because as a member of the Rules Committee I did not like to be placed in the position of being discharged, or asked to sign a petition to discharge my own committee from something that I have never had an opportunity to consider.

Mr. Speaker, I move the previous question on the resolution.

I also wanted to call this matter of filing discharge petitions, before a committee has had a reasonable opportunity to consider the legislation, to the attention of the House. While I realize and appreciate the interest and zeal of my distinguished friend, the gentleman from Mississippi [Mr. RANKIN], for veterans' legislation, I nevertheless feel that this is a bad practice of legislating.

The previous question was ordered.

The SPEAKER pro tempore (Mr. COOPER). The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. DITTER] may have permission to extend his own remarks and include therein a radio address delivered by him.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

WHITE-PINE BLISTER RUST

Mr. DOXEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3406), for forest protection against the white-pine blister rust, and for other purposes, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 3, strike out lines 3 to 7, inclusive.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. HOPE. Mr. Speaker, reserving the right to object, I will ask the gentleman from Mississippi if it is not a fact that this is a bill which passed the House unanimously some time ago?

Mr. DOXEY. It is.

Mr. HOPE. And the Senate amendment merely removes the authorization for an appropriation?

Mr. DOXEY. That is true.

Mr. HOPE. Otherwise there are no changes?

Mr. DOXEY. No changes. The Senate simply struck out section 2, which is the appropriation authorization.

Mr. HOPE. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. LEAVY. Mr. Speaker, I have a special order to address the House for 20 minutes. I ask unanimous consent that that may be vacated and that I may have permission to address the House on Monday next, following the reading of the Journal and the legislative program of the day, for 30 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House, the Chair recognizes the gentleman from Wisconsin [Mr. THILL] for 15 minutes.

WAR PROPAGANDA AND ALIEN AGENTS

Mr. THILL. Mr. Speaker, during the last few days I have spoken to a number of my colleagues in Congress, and they have expressed real fears that this country might enter into the war now going on in Europe.

Their opinion was that war propaganda would overcome the American desire for peace and neutrality and would induce America to enter the war.

The seriousness of the situation resulting from the dissemination of war propaganda in the United States cannot be overemphasized. Much propaganda material appears in the newspapers; it is heard over the radio; it is mailed to the office and the home; it comes to the desks of Members of Congress every day. How much of this information is false cannot be gaged by the average person. Needless to say, much of this propaganda is a skillful misrepresentation of facts; some of it has an element of deceit in it; some of it is a deliberate statement of untruth, and most of it can be characterized as a vicious and vile fraud upon the American people. Congress should take immediate steps to eradicate this evil.

I have introduced a resolution, House Resolution 410, to appoint a special committee to investigate war propaganda in the United States. The resolution proposes an investigation of, first, the extent, character, and objects of war-propaganda activities in the United States; second, the dissemination, written or oral, from foreign countries or from within this country, of propaganda or news items, radio broadcasts, motion pictures, or other media which are calculated or intended to draw the United States into a foreign war or to create internal strife; third, any and all activities of belligerents, individuals, groups, organizations, or corporations which have for their purpose, direct or indirect, to involve this Nation in war; and fourth, all other questions in relation to war propaganda that would aid Congress in any necessary remedial legislation to protect and preserve the neutrality of the United States and to keep this Nation at peace.

The minds of American citizens are being warped by propaganda which comes from foreign sources in the shape of literature, radio broadcasts, newspaper articles, and platform speeches. No one knows how many agents of warring nations are posing as lecturers and journalists for the principal purpose of shaping American foreign policy. Russia alone has spent millions of dollars in its campaign to spread communism in the United States, thereby infusing false doctrines, creating distrust, and producing a spirit of unrest in this country.

Under an act of Congress approved June 8, 1938, all agents of foreign governments, companies, or individuals are required to register with the State Department and give full information as to their activites. I have before me Publication No. 1370 of the Department of State. This is a pamphlet pertaining to the laws and regulations administered by the Secretary of State governing the registration of agents of foreign principals and the notification of agents of foreign governments.

The act approved June 8, 1938 (52 Stat. 631), entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes," as amended by the act approved August 7, 1939 (Public, No. 319, 76th Cong., 1st sess.), contains this definition:

(d) The term "agent of a foreign principal" means any person who acts or engages or agrees to act as a public-relations counsel, publicity agent, or as agent, servant, representative, or attorney for a foreign principal, and shall include any person who receives compensation from or is under the direction of a foreign principal: *Provided, however,* That such term shall not include—

(1) A duly accredited diplomatic or consular officer of a foreign government who is so recognized by the Department of State of the United States; nor

(2) Any official of a foreign government recognized by the United States as a government other than a public-relations counsel or publicity agent or a citizen of the United States whose status and the character of whose duties as such official are of record in the Department of State of the United States.

(3) Any member of the staff of or person employed by a duly accredited diplomatic or consular officer of a foreign government. * * *

(4) Any person performing only private, nonpolitical, financial, mercantile, or other activities in furtherance of the bona fide trade or commerce of such foreign principal; nor

(5) Any person engaged only in activities in furtherance of bona fide religious, scholastic, academic, or scientific pursuits or of the fine arts.

Every person who is now an agent of a foreign principal must file with the Secretary of State a registration statement under oath.

Every person who has filed a registration statement must thereafter file a supplemental statement, within 30 days after the expiration of each period of 6 months succeeding the first filing. The original registration statement contains 19 questions which must be answered; there must be indicated the name of the registrant, the status of the registrant, his principal business address, and so forth.

I wrote to the Secretary of State and asked him to supply me with a list of these agents, their names, and their compensation. Under date of March 4 he advised me as follows:

DEPARTMENT OF STATE,
Washington, March 4, 1940.

The Honorable LEWIS D. THILL,
House of Representatives.

MY DEAR MR. THILL: I acknowledge the receipt of your letter of February 29, 1940, and, in compliance with your request, transmit herewith a copy of the most recent list available containing the names and addresses of agents of foreign principals who have registered with the Secretary of State pursuant to the terms of the act of June 8, 1938, as amended, requiring the registration of agents of foreign principals.

I regret that the limited facilities of the Department have not been sufficient to enable it to assemble and publish the detailed information contained in the registration statements and supplemental registration statements which have been filed in conformity with the above-mentioned legislation. These documents now number over a thousand.

Information submitted by agents of foreign principals for filing pursuant to the act of June 8, 1938, as amended, becomes, as you know, a matter of public record in accordance with the terms of the act. Should you, therefore, wish to obtain further information of the character described in your letter, I should be glad at any time, upon your request, to arrange to make these files available to anyone you may wish to designate for examination in the Department.

As of possible interest, I am enclosing a copy of the pamphlet, Agents of Foreign Principals and of Foreign Governments, which contains under part I the provisions of law and regulations governing the registration of agents of foreign principals.

Sincerely yours,

CORDELL HULL.

I felt that the information I sought would be worth while for the Members of the House and for the country at large, so I had the registration statements on file with the Secretary of State checked and certain information taken from them.

As of March 19, 1940, there were 363 such agents registered with the Secretary of State. Among those listed is John W. Wheeler-Bennett of the British Library of Information, 51 Rockefeller Plaza, New York, N. Y. It is the purpose of the British Library of Information and John Wheeler-Bennett to spread British propaganda in the United States.

There is also listed the name of Heinz Beller, 17 Battery Place, New York City. His foreign principal is the German Government. He is director of the German Library of Information and as such it is his duty to spread Nazi propaganda in the United States.

There is also listed Emanuel Silverstone, 729 Seventh Avenue, New York City, and Morris Helprin, the same address. These men represent Alexander Korda Film Productions, Ltd., and they supervise the exploitation and distribution of films produced in England. One of the films which they are currently distributing in the United States is entitled "The Lion Has Wings." This is a bold piece of propaganda which presents the English side of the war. The motion picture shows death and destruction of Nazis as a triumphant and exhilarating experience for British fighters.

The theater critic for the Washington Post in an article appearing in the March 7, 1940, issue has this to say about the picture:

Like an H. G. Wells forecast in terrifying reality. The Lion Has Wings is an avowedly propaganda film, at once ugly and fascinating. * * * No matter how much one may wish England to win the war against Hitlerism, this film is a disturbing experience, a grim ultimatum that in wartime intelligence goes on the shelf while life is disorganized for a parade of destruction. Factories turn out death missiles, the triumphs of life becoming the deaths of others. Smiling Englishmen and grim-faced Nazis reflect the disease of civilization. * * *

Noncomparative things are compared. All Nazis goosestep; they have none of the traditional sports of the English. Death, when it comes to the flying English, comes gloriously and off the screen; but the Grim Reaper sends the taut-faced Nazi plummeting earthward in his airplane in full view of the camera.

Another agent listed is John M. Taylor, of San Antonio, Tex. His principal is Nicholas Rodriguez—secret address—head of the Nationalist Party of Mexico. Taylor handles publicity in any form. In the case of Nicholas Rodriguez it is purely revolutionary so far as Mexico is concerned. Rodriguez plans a new Mexican administration, so the registration statement indicates.

Another agent listed with the Department of State is Bookniga, Inc., 255 Fifth Avenue, New York City. Before this organization or corporation would register the Attorney General had to start proceedings against it and an indictment was actually brought against the individuals who ran this corporation, namely Morris Liskin, Raphael Rush, and Norman Weinberg. It was definitely shown that Bookniga, Inc., was an agent of a Russian organization, and that they were distributing and selling communistic propaganda material in this country.

Mr. Speaker, I ask unanimous consent to insert at this point a list of the agents registered with the Secretary of State, together with the names of the foreign principals, the nature of the agent's business, the compensation, and the agent's nationality.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin [Mr. THILL]?

There was no objection.

The matter referred to follows:

PERSONS AND ORGANIZATIONS REGISTERED WITH THE SECRETARY OF STATE PURSUANT TO THE ACT OF JUNE 8, 1938, AS AMENDED, REQUIRING THE REGISTRATION OF AGENTS OF FOREIGN PRINCIPALS

The following list is taken from the registered records in the Secretary of State's office showing name of agent, name of foreign principal, nature of agent's business, compensation, and agent's nationality. (Names appear in order of registration. Information listed as of March 19, 1940.)

Frederick Moore, 1868 Columbia Road, NW., Washington, D. C. Japanese Government (South Manchuria Railway), government railway. Five hundred dollars a month from Japanese Government, paid by check from Japanese Embassy, Washington, D. C., and $10,000 a year from South Manchuria Railway. United States citizen.

Swiss Federal railroads, 475 Fifth Avenue, New York, N. Y. Chemins de fer (Swiss Federeaux) Government railroads. Advertising and publicity for Swiss Federal railroads and promotion of tourist movement. No compensation listed. Foreign.

Stephen T. Goerl, 915 R. K. O. Building, Rockefeller Center, New York, N. Y. Hungarian National Office for Tourism. $3,600 a year. Supplying travel information. Hungarian.

Edward Cave, 205 East Forty-second Street, New York, N. Y. O. Mustad & Son, Oslo, Norway (manufacturers of fish hooks). Fifteen percent agency commission on all advertising space bought in magazines and newspapers ($3,881.89 for year 1939). United States citizen (born in Canada).

Wales Advertising Co., Inc., 230 Park Avenue, New York, N. Y. Tourist Trade Development Board of Jamaica, British West Indies; Bermuda Hotels, Inc.; Hungarian State Tourist Department; Norwegian Travel Information Office; Bennett's Travel Bureau, Inc. Advertising agency, charter members of American Association of Advertising Agencies; work includes preparation and placing of advertising, and the preparation and distribution of publicity, as well as preparation and printing of booklets, etc. From Jamaica's advertising in United States of America, receives commission from publications; from Jamaica Board, receives $1,000 yearly for preparing and distributing publicity, and $1,500 yearly for acting as their United States Travel Information Office. No compensation received from Hungarian and Norwegian clients, other than commissions. All members of American company are American citizens, born in the United States.

Alexander Cairns, LL.D., 209 Ampere Parkway, Bloomfield, N. J. Japanese Government: "I can't say that I am acting as agent, but am only speaking in the interest of the Japanese Government and people as a whole." The contact man among the Japanese is Mr. Tatsne Ono, 500 Fifth Avenue, New York, N. Y. Speaking chiefly at Service Club luncheons in the interest of Japanese

people. "I am doing what I can to prevent a growing hatred on part of American people for all the Japanese people on account of war in China." Twenty-five dollars per address. American.

Taneo Taketa, 60 E. Forty-second Street, New York, N. Y. South Manchuria Railway Co.; purchasing, publicizing, obtaining technical and academic information $5,400 plus cost of maintaining New York office, which is about $57,145.57 annually. Japanese.

Herbert S. Houston, 70 Fifth Avenue, New York, N. Y. Consul General of China in New York; International Chamber of Commerce, Paris; South Manchuria Railway Co. As a founder of both, the United States Chamber of Commerce and of the International Chamber of Commerce, became an international public-relations counsel or adviser, as defined in the State Department regulations, but mainly without compensation. No compensation from Consul General of China. Compensation for particular service rendered, International Chamber of Commerce. Received about $1,000 the past 2 years. South Manchuria Railway Co., $6,000 year. American.

Earl H. Leaf, 24 Fifth Avenue, New York, N. Y. Chinese Government. Advising in matters relating to Chinese civilian relief and other China aid projects; liaison between China aid organizations and Hankow; supervising activities of China Information and Committee (an unofficial committee representing Chinese, British, and American members) in this country. Three hundred dollars a month. American.

The Caples Co., 230 Park Avenue, New York, N. Y. Associated British & Irish Railways, Inc.; N. Y. K. Line (Japan Mail). Advertising agency. $1,000 year. British.

Polish Information Service, 411 Albee Bldg., Washington, D. C. The Polish Embassy, Washington, D. C. Publishing a fortnightly bulletin giving translations or extracts from official or semiofficial documents and newspapers; answering inquiries about Polish affairs, received directly or referred to by the Embassy and consulates in United States; distributing official or semi-official Polish publications; delivering lectures on Polish affairs if and when invited by American institutions. Diplomatic representation of Poland in the United States. Monthly subsidy of $650, of which $250 is paid as compensation. $150 to secretary, Miss Wanda Duchlinska, 5002 First Street NW., Washington, D. C., and balance is expended for office rent, postage, printing, and office expense. Polish.

White-Lowell Co., Inc., 595 Madison Avenue, New York, N. Y. White Horse Distillers, London. Preparation and placing of paid newspaper space to advertise White Horse whisky in Hawaii. No formal contract. Since 1933 bill card rates of newspapers and retain commission allowed by papers. American.

Hubert Lejeune, "Maison Française," 610 Fifth Avenue, New York, N. Y. French National Railroads. General representation of the French National Railroads; office maintained to supply general public and tourist agents with all information referring to travel on the French National Railroads. $6,000 per year. French.

Culbertson and Leroy, 412–417 Colorado Building, Washington, D. C. Juan Francisco de Cardenas, agent in United States for General Franco and his authorities.

Representation of Mr. Cardenas in strictly legal matters including the interpretation of the Neutrality Act and his status under laws of United States as well as protection matters generally. There is no representation as public relations counsel. $500 per quarter, payable by check January 1, April 1, July 1, October 1, 1938. United States citizen.

John M. Taylor, 609 Avenue B, San Antonio, Tex. Kiang Huan & Associates (secret address in San Antonio) representing National Government of China; Nicolas Rodriguez (secret address), head of Nationalist Party of Mexico; Blackburn, Jones, Ltd., 38 Baker Street, London, England. Publicity in any form; in the case of Nicolas Rodriguez it is purely revolutionary so far as Mexico is concerned. Rodriguez plans a new Mexican administration patterned after that of the United States; the English connection is purely commercial; $1,000 cash and $5,000 at end of year from Kiang Huan & Associates; $5,000 from Nicolas Rodriguez when and if raised by the party; $1,500 cash in hand from Blackburn, Jones, Ltd. American.

Attilio Gaudio, 363 West Fifty-seventh Street, New York, N. Y. Ing. Rodolfo Pesati, publicity agent; annuaries and technical catalogs issued by Union of International Fairs; international trading; 25 percent of all advertising subscription to be paid registrants; first half at the signing of every subscription and balance when the publicity work has been done to complete satisfaction of subscriber. Italian.

Walter W. George, 150 Nassau Street, New York, N. Y. E. W. Harwood & Co., Ltd., and E. Spiegel, general advertising agent; in all kinds of newspapers, magazines, etc.; my compensation for the advertising placed for foreign agencies is paid by the publishers, who allow a commission of 15 percent, and the foreign concerns have nothing to do with compensation. American.

Francis Deak, 607 Kent Hall, Columbia University, New York, N. Y. Society of Hungarian Quarterly, Vilmos Csaszar ut 3, Budapest VI, Hungary. The activity of registrant as American editor of Hungarian Quarterly consists of (a) passing on the literary or scientific merits of articles submitted by American authors and in soliciting articles from American contributors; (b) advising the editors in Budapest on subjects which may be of interest to American readers with a view to the objective of the periodical as stated in No. 11, i. e., non-political, non-partisan, and to promote intellectual contact between Hungarian and English speaking people; (c) paying honoraria (at rate of $2 per printed page) and other expenses from an account designated and deposited in the name of the Society of Hungarian Quarterly in the University Branch of the Corn Exchange Bank Trust Co., New York; (d) advising or consulting with the Columbia University Press. No compensation whatsoever. The registrant's annual expenses consisting of postage and stenographic expenses and amounting to approximately $10 or $15 a month are reimbursed upon presentation of a statement to the Society of the Hungarian Quarterly in Budapest. Hungarian.

Franklin H. Chino, 335 West Madison Street, Chicago, Illinois. The Consulate of Japan, Chicago office; attorney at law, Interstate Commerce Commission practitioner; $20 monthly; Japanese-American (born in United States.)

Frederick V. Williams, 605 Market Street, San Francisco, Calif. Japanese Committee on Trade and Information (if the committee is a foreign advertising principal); $300 per month. American.

Gundlach Advertising Agency, 400 North Michigan Avenue, Chicago, Ill. Den Norske Creditbank; advertising agency, buying space for clients in the usual manner. Established in 1902. Usual 15 percent discount allowed American publishers, after billing client 100 percent. American.

Charles W. Hoyt Company, Inc., 551 Fifth Avenue, New York, N. Y. Reklomefondet for den Norske Hermetikindustri (advertising fund for the Norwegian canning industry). Advertising agency service: Promoting, through advertising, sale of Norwegian products in all markets. Registrant serves the principal in United States principally. Compensation, based on accepted standards of American Association of Advertising Agencies, normal media discounts, and fees based on extent of special services. Payment, by cable, within 10 days, of cable bills currently submitted. Booking commissions on passenger or freight business obtained for other foreign principals. British.

Cunard White Star, Ltd., 25 Broadway, New York, N. Y. Sir Ashley Sparks, K. B. E.; Cunard White Star, Ltd., also act as passenger agents for Donaldson Atlantic Line; Thos. & John Bracklebank; Imperial Airways, Ltd.; N. Y. K. Line; Peninsular & Oriental S. N. Co., Orient Line; British India S. N. Co.; Shaw, Saville-Aberdeen Line; Aberdeen & Commonwealth Line; Shaw, Savill & Albian Co., Ltd., Bilby Line; Henderson Line; Blue Star Line; China Navigation Co., Ltd., Port Line (Australian); Khedivial Mail Line; Bland Line. Registrant books passenger and cargo, as the case may be, for each of the foreign principals. In connection therewith, registrant issues publicity items, places advertisements in newspapers, magazines, and so forth, and distributes literature on sailing schedules, tariffs, and so forth. In addition, registrant publishes a magazine called "Foreign Travel" monthly; also a subagent's paper called "The Crow's Nest." No compensation listed. British.

Compagnie Generale Transatlantique, 610 Fifth Avenue, New York, N. Y. Air France Transatlantique (branch office) Messageries Maritimes Chargeurs Reunis. Engaged in transportation of passengers and cargo between the United States and Europe and elsewhere, in connection with the following: Publicizing and advertising activities to promote the use of registrant's transportation facilities and services; through newspapers, magazines, and various publications, and over radio; distribution of pamphlets containing information as to parts of interest abroad. House organ: "Gangplank." Commission on bookings as general agency. French.

John H. Wuorinen, 630 Fifth Avenue, New York, N. Y. Association Finland Travel, Helsinki, Finland. Director, Finnish Travel Information Bureau. The bureau serves not as a ticket-selling agency but as a non-profit-making distribution center for travel literature, information, itineraries, etc; promotion of travel trade in and to Finland; $150 a month. American.

William Wills Davies, Chanin Building, New York, N. Y. Ministry of the Treasury, Argentina. Supplying newspapers and financial houses with accurate information regarding Argentina; to explain character of the business, I quote from clause I of the registrant's contract: "The material to be sent out shall in no sense bear the character of propaganda for the interested parties or persons. The material shall concern itself with facts concerning Argentina and shall in general be delivered without comment." In effect, it is a financial, economic, and commercial press service. Compensation is paid to cover the complete cost of the service, including service of office rent, all office expenses, cost of cables, salaries of assistants, both in New York and Buenos Aires. It amounts to $20,000 annually. Payment made by Department of Finance. British.

Japanese Chamber of Commerce of New York, Inc., 630 Fifth Avenue, New York, N. Y. No general principal, but list of members is hereto annexed and marked "Schedule A." (This list can be seen in Secretary of State's office.) Supplying members with information as to business conditions in United States and disseminating information as to the American public as its directors feel will promote and protect economic relations between United States and Japan. These activities include distribution of literature dealing with conditions in the Far East; engagement of speakers to overcome efforts to boycott Japanese business. Most of the foregoing activities have now been drastically curtailed and will be engaged in only upon request or when in the opinion of the directors the circumstances may require the same. No compensation listed. Corporation of State of New York.

Dwight E. Haven, 16706 Blackstone Ave., Detroit, Mich. Japan Times, Toyko, Japan; Japan Trade Service Bureau. Registrant is a free-lance newspaper writer, advertising writer, and solicitor and public-relations counsel. Receives 15 percent of cost of advertising in Japan Times. American.

Robert Holland Tait, Room 1037, Rockefeller Plaza, New York, N. Y. Newfoundland Tourist Development Board (a division of Department of Public Utilities of the Commission of Government of Newfoundland). Dissemination of information on tourist trade and travel in Newfoundland, $3,600 per year, made payable by draft from Newfoundland. British.

Blanche Foote Hudson, Room 1037, 50 Rockefeller Plaza, New York, N. Y. Newfoundland Tourist Development Board (a division of Department of Public Utilities of Government of Newfoundland). Dissemination of information on tourist trade and travel in Newfoundland, $20 per week. British.

Reuters Limited of London, 50 Rockefeller Plaza, New York, N. Y. Reuters Limited of London. Editing and dispatching news, market quotations, collecting, codifying and dispatching security and commodity quotations, supplying foreign commodity information to domestic corporations, supplying to paid subscribers in New York a weekly world business analysis, distributed by the London office. No compensation listed. British.

Dr. Paul Wohl, 171 Madison Ave., New York, N. Y. Central European Press and Literature Agency (Czechoslovak) (Press and Lit. Agency). Mr. Gad. M. Lippmann (German) (Literary agent). Volontes (French) (Literary agent). Prager Mittag (Czechoslovak) (newspaper). "Usual fees for my articles which are sent to my mother, Mrs. E. Well at my Paris address, 10 Rue Simon Dereure, Paris 18e." Twenty-five to fifty percent commission on fees from articles or books, etc., published in this country. Nationality, uncertain. French traveling passport.

Trans-Pacific News Service, Inc., 1250 Sixth Avenue, New York, N. Y. Republic of China. Furnishing background and interpretative material concerning the Sino-Japanese conflict, photographs, lectures, etc. $1,500 per month. American.

Shoji Osato, 333 North Michigan Avenue, Chicago, Ill. Board of Tourist Industry, Japanese Government Railways. Distribute literature—show cultural pictures. $175 twice a year and postage and incidental expenses. Japanese.

Carl G. Orgell, Great Kills, Staten Island, N. Y. V. D. A. Society (Volkstd fuer d. Deutschtum in Ausland—Society of People of Germanic Extraction in Other Countries). A private membership society, originally formed over 50 years ago as "German School Society." Members pay their dues and with this money people of German stock outside the German Reich are supported, schools are built, etc. This work has been carried on since over 50 years, mostly in southern Europe, Rumania, Poland, etc. Registrant acts as correspondent for the publications of this society, and recommends books for schools and in some cases delivers these books. Also recommends scholarships. $200 per month. American citizen (naturalized).

Wendell P. Colton Co., 122 East Forty-second Street, New York, N. Y. Furness Withy & Co.; Trinidad & Tobacco Tourist Board; Newfoundland Tourist Development Board; Japan Tourist Bureau; Canada Steamship Line, Ltd.; Hotel Geneve, Mexico; Italian Line; Mexican Railway Co.; Ferrocarriles Nacionales de Mexico. Tourist agency. $30,000 retainer. New York State Corporation.

Francisco de S. Larcegui, 226 West Twenty-seventh Street, New York, N. Y. The Secretary of Foreign Relations of Guatemala and the Secretary of Foreign Relations of Honduras. General agent. Seventy-five dollars per month. Spaniard.

Hamilton Wright Organization, Inc., 30 Rockefeller Plaza, New York, N. Y. Tourist Development Association of Egypt, $200 a month. State Tourist Department of Egypt, $600 a month. Czechoslovak Minister of Commerce, $12,000. Ministry of Popular Culture (Rome, Italy), $1,250 a month. Travel and resort publicity. American.

Batten, Barton, Durstine & Osborn, Inc., 383 Madison Avenue, New York, N. Y. Brown & Williamson Tobacco Corporation, Louisville, Ky.; Dunlap Tire & Rubber Corporation, Buffalo, N. Y.; Mount Royal Importers, Inc., New York. Advertising agency. Fifteen percent commission on amount spent by clients for purchase of advertising in recognized media. Registrant receives a commission of 15 percent from its principals on amounts expended in the preparation of advertising material. New York corporation.

Erwin, Wasey & Co., Inc., 420 Lexington Avenue, New York, N. Y. J. & S. Violet Freres. Advertising. Fifteen percent commission on advertising placed ($15,000 guaranteed commissions). Delaware corporation.

William P. Mangold (Spanish Information Bureau), 110 East Forty-second Street, New York, N. Y. Fernando de Los Rios. Distribution of news, news photographs, and other information of a literary, art, and educational nature. Three hundred dollars a month. American.

Robert A. Wright, 43-20 Murray Street, Flushing, Queens, N. Y. Consulate General of Japan. Public relations counsel—advising consul general, consul and vice consuls in any matter pertaining to Japanese-American relations and their improvement. Editing letters, speeches, and press releases. Two hundred dollars per month. American.

Hermon W. Stevens (The Hermon W. Stevens Agency), rooms 306-307, 244 Washington Street, Boston, Mass. Salada Tea Co., Inc. Customary office of an advertising agency "recognized" by the American Newspaper Publishers Association. No compensation is paid by customer to registrant. Compensation is paid by the media with whom the advertising is placed. American.

William Laurie Middlemass, 606 South Hill Street, Los Angeles, Calif. New Zealand Government. Representation of New Zealand Government in Western America; principally the promotion of trade and commerce and development of tourist traffic. Supplying of commercial intelligence to New Zealand. Generally acting as liaison officer for New Zealand Government Department of State. Salary, under public service classification regulations, clerical division, class VII, £305 per annum. New Zealand (British).

Robert Whiteford Marshall, 606 South Hill Street, Los Angeles, Calif. Representation of New Zealand Government in Western America. Salary, under public service classification regulations, £470 per annum, £330 per annum. British.

Kahin, Carmody, Schramm & Kellogg (formerly Kahin & Carmody), 835 Central Building, Seattle, Wash. Consul for Japan at Seattle; general practice of law; $75 a month; American.

Collonade Advertising Agency, 430 Lafayette Street, New York, N. Y. Mothersill Remedy Co., Montral, Quebec, Canada; Mothersill Remedy Co., London, England; D. Watson & Co., Montreal; Beam Advertising Service, Ltd., London. Placing commercial advertising for principals named (manufacturers of proprietary articles); commission on space placed, 10 to 20 percent; American.

J. Raymond Hoover, Metropolitan Bank Building, Washington, D. C. "Canadian National Railways," which comprises: Canadian National Railroad Co.; Canadian National Steamships; Canadian National Telegraph, and Trans-Canada Air Lines. Acting as counsel attorney in connection with matters before the several executive departments of the United States and independent commissions such as Interstate Commerce Commission, Communications Commission, Maritime Commission, Civil Aeronautics Authority, and Railroad Retirement Board. Also advising principal of proposed legislation pending before Congress of the United States. Two hundred and fifty dollars a month and certain expenses and extra compensation agreed upon from time to time for particular services. United States citizen.

Sir Willmott Harsant Lewis, room 1261, National Press Building, Washington, D. C. The Times, daily newspaper. Correspondent of the Times of London—occasional speaker at American gatherings. News commentator by radio; contributor to American publications. £1,500 yearly. British.

Clifford E. Green, 8-10 Bridge Street, New York, N. Y. Trinidad and Tobago Tourist and Exhibitions Board. Dissemination of oral, written, and pictorial information for the development of travel and trade between the United States and Trinidad and Tobago. $60 a month plus $20 per month for incidental expenses. British.

Ernest Schmitz, 11 West Fifty-seventh Street, New York, N. Y. Reichsbahnzentrale fuer den Deutschen Reiseverkehr (German Railroads Central Office for Tourist Travel). Promotion of American tourist travel to Germany and services to the traveling public and travel trade by means of literature, posters, press, and radio. No compensation listed. German.

Italy America Society, Inc., 122 East Fifty-eighth Street, New York, N. Y. (Henry Prather Fletcher, president). The registrant is not acting as agent for any foreign principal. Registrant has registered under the above-mentioned act (Public, No. 583, 75th Cong.) solely because of the fact that the Italian Government has from time to time made contributions to the general funds of the registrant. Such contributions have in recent years aggregated approximately $6,600 per year. Registrant sponsors from time to time luncheons and dinners, publishes a quarterly bulletin entitled "Italy America Review," sponsors lectures on Italian art and literature, provides funds for scholarships. No compensation listed. New York corporation.

Albert Frank-Guenther Law, Inc., 131 Cedar Street, New York, N. Y. Consul of Belgium; Bermuda Railway Co., Ltd.; Finnish Travel Information Bureau; Elbow Beach Hotel; Hamilton Hotel; Italian Tourist Information Office; Yarmouth Board of Trade, etc. General advertising agency business in all its phases. Compensation: No contracts of employment. Paid for service in accordance with standard advertising agency practice. New York Corporation.

Italian Chamber of Commerce in New York, 80 Broad Street, New York, N. Y. Italo Verrando, president (New York); the chamber has 185 foreign members and 270 active or associate members living in United States, of the latter, not less than 90 percent are citizens of United States. To foster and protect trade between the United States and Italy. The members of the Italian Chamber of Commerce in New York are engaged in bona fide commercial business. Dues of active members are $50 a year; dues of associate members living in United States are $20 a year. Foreign members pay 200 lire a year. No contract of employment. New York Corporation.

John C. Kelly, 30 Rockefeller Plaza, New York, N. Y., Nassau, Bahamas, Development Board. Advertising counsel and agent in planning, preparing, and placing advertising as ordered by client and giving information regarding steamship sailings, hotels, etc. No compensation listed. United States citizen.

Kelly, Nason, Inc. (formerly Kelly, Nason & Winsten, Inc.), 30 Rockefeller Plaza, New York, N. Y. Egyptian State Tourist Department; Nassau, Bahamas Development Board; H. G. Christie, real estate. Advertising counsel; furnish information regarding steamship sailings, hotels to persons in United States desiring to go to Nassau. Fifteen-percent service fee. New York corporation.

J. Walter Thompson Co., 420 Lexington Avenue, New York, N. Y. Arthur Guinness Son & Co., Ltd. (British broadcasting corporation). Advertising agency; publishes Radio Times; 15-percent agency commission. New York corporation.

Sherman K. Ellis & Co., 500 Fifth Avenue, New York, N. Y. Hiram Walker-Gooderham & Works, Ltd; subsidiaries, Hiram Walker, Inc., Gooderham & Works, Ltd. (distillers). Advertising agency; 15-percent commission on all advertising placed. All officers of corporation American born.

Loomis & Hall, Inc., 701 Congress Building, Miami, Fla. Ronrico Corporation, 3 San Justo Street, San Juan, P. R.; Cuban tourist commission, Paseo de Parti 69, Habana, Cuba. Advertising agency. Usual agency commission or 15 percent. American corporation.

G. F. Snyder, 707 Colorado Building, Fourteenth and G Streets NW., Washington, D. C. Canadian Pacific Railway Co., Montreal, Canada. Solicitor of Canadian railways; represents company before courts, commissions, and departments of United States; $6,000 a year. United States citizen.

Eugene M. Prince, Standard Oil Building, 225 Bush Street, San Francisco, Calif. British consul general, San Francisco, Calif. Attorney at law; no compensation listed. United States citizen.

Italian Line, 624 Fifth Avenue, New York, N. Y. "Italia"—Societa Anonima di Navigazione; Lloyd Triestino, Societa Anonino di Navigazione; Adriatica, Societa Nonima di Navigazione; Tirrenia, Societa Nonima di Navigazione. Transportation of passengers and cargo between Italy and United States in connection with publicity to promote transportation. Compensation not listed. Italian.

Miguel Echegaray, 2 East Thirty-fourth Street, New York, N. Y. National Press Bureau, Burgos, Spain (registrant is president and chief executive officer having charge of all the affairs of Peninsular News Service, Inc., a New York corporation). Dissemination through publications and magazines, "Spain" and "Canal Sol," press releases, etc., in order to present facts concerning, and the principles and ideals of, the foreign principal of said Peninsular News Service, Inc.; $400 a month. Spanish.

Holland-America Line, 29 Broadway, New York, N. Y. N. V. Nederlandsch-Amerikaansche Stoomvaart Maatschappij (Holland-America Line); Koninkja Luchtvaart Maatschappij voor Nederland en Kolonen, N. W. (Royal Dutch Air Lines); Holland-Afrika Lijn. Transportation of passengers, booking of passengers, sending out literature, etc. No compensation listed. Netherlands.

Peninsular News Service, Inc., post-office box 34, Trinity station, New York, N. Y. National Press Bureau (foreign division), which is a branch of the department of the interior of the National Government of Japan. Dissemination of ideas and argumentum in order to present the facts concerning, and the principles and ideals of, registrant's principal; $2,355.04 received from sale of magazines. New York corporation.

Charles M. Carpenter, 36 West Forty-fourth Street, New York, N. Y. Peninsular News Service, Inc. (National Press Bureau). Registrant is counsel (attorney) for Peninsular News Service, Inc. Dissemination of news. No amount of compensation listed—stated "reasonable" compensation is given. American.

Sarah Jane Finegan, 620 Fifth Avenue, New York, N. Y. The Travel and Industrial Development Association of Great Britain and Ireland. To carry on publicity overseas in order to increase number of visitors to British Isles. $33 per week, British.

Bertram Lord, 620 Fifth Avenue, New York, N. Y. The Travel and Industrial Development Association of Great Britain and Ireland. To carry on publicity overseas, in order to increase number of visitors to British Isles; $400 a month with small allowance, plus traveling and incidental expenses. United States citizen.

Red Star Steamship Co., 17 Battery Place, New York, N. Y. Red Star Linie, G. m. b. H., Hamburg, Germany. Transportation of passengers and cargo between New York and Southampton, Rotterdam, Antwerp. General agency agreement.

Felix Greene, 620 Fifth Avenue, New York, N. Y.

The British Broadcasting Corporation (operates under Royal charter).

To present British Broadcasting Corporation with all matter affecting North America; to be responsible for the relay of broadcast programs from North America to Great Britain; booking of artists for broadcasts to England, and all other matters that might arise in connection with the activities of the British Broadcasting Corporation; 1,600 pounds per annum. British.

North German Lloyd, 57 Broadway, New York, N. Y.

Registrant is branch office of Morddeutscher Lloyd and general passenger agent in United States for (1) Woemann-Linie-Deutsche Ost-Afrika Linie, Hamburg; (2) Hamburg-Bremen Afrika-Linie, Bremen; (3) Hamburg-Suedamerikanische Dampfschiffahrts-Gesellschaft; (4) Deutsche Zeppelin Ruderei G. m. b. H., Frankfurt a. M. General transportation business and distributing literature on travel. Compensation not listed. German corporation.

Hamburg-American Line, 57 Broadway, New York, N. Y. Registrant is branch office of Morddeutscher Lloyd and general passenger agent in United States for: (1) Woemann-Linie-Deutsche Ost-Afrika Linie, Hamburg; (2) Hamburg-Bremem Afrika-Linie, Bremen; (3) Hamburg-Suedamerikanische Dampfschiffahrts-Gesellschaft; (4) Deutsche Zeppelin Ruderei G. m. b. H., Frankfurt a. M. General transportation business, and distributing literature on travel. Compensation not listed. German corporation.

German Railroads Information Office, 11 West Fifty-seventh Street, New York, N. Y. Reichsbahnzentrale fuer den deutschen Reiseverkehr, Berlin, Germany, Bissingzeile 9. Travel promotion for the Government-owned German railroads. Advertising and travel information. Compensation to German Railroads Information Office is furnished in the form of remittance from Berlin under an annually fixed budget plan, covering advertising, salaries, rent, and other expenses. Average budget during last 10 years in United States money, $150 annually. German.

Italian Chamber of Commerce of California. No foreign principal (Italian Government)? Development of trade between Italy and United States. A contribution is received from the Department of Commerce of Italian Government varying from 25,000 to 45,000 lire per year. There is no contract, and the allowance is granted year by year without any obligation on the part of the Italian Government. American.

Eugene Havas, 25 Broadway, New York, N. Y. Royal Hungarian Legation. Handling all Hungarian financial matters and giving information on this subject. $600 per month. Hungarian.

Douglas D. Rothacker, 729 Seventh Avenue, New York, N. Y. Associated Screen News Limited (a Canadian corporation). Producing educational moving pictures and circulating pictures to theaters and educational groups, clubs, and organizations. $5 for each booking of a film. United States citizen.

Trans-Atlantic Passenger Conference, 80 Broad Street, New York, N. Y. Foreign-flag steamship lines are members of Trans-Atlantic Passenger Conference: Anchor Line; Arnold Bernstein Line; Canadian Pacific; Cunard White Star, Ltd.; Donaldson Atlantic Line, Ltd.; Fabre Line; French Line; Furness Line; Gdynia-America Line; Hamburg-American Line; Holland America Line; Italian Line; North German Lloyd; Norwegian America Line; Red Star Line; Spanish Transatlantic Line; Swedish American Line. Compensation, not listed. Cost and operation and maintenance of registrant is apportioned among its member steamship lines.

Pickfords Colonial, Inc., 9 Rockefeller Plaza, New York, N. Y. Pickfords, Ltd. (president, W. J. Elliott, London, England). Travel service. Five percent of business payable monthly. Canadian.

Oscar Diaz Albertini, Suite 1153, National Press Building, Washington, D. C. Cuban Sugar Stabilization Institute. Maintaining contact with officials of various administrative departments in order to obtain information regarding the status of sugar and liquid sugar quotas; to achieve and establish a clear understanding in matters affecting sugar quotas, and other matters which would tend to bring a better and closer economic understanding and to maintain a better and closer economic and commercial relation between the United States and Cuba. Twelve thousand dollars a year plus traveling and living expenses. Cuban.

Falange Espanola, Tradicionalista y de las J. O. N. S. de P. R., Tetuan Street, No. 60, San Juan, Puerto Rico. Falange Expanola Tradicionalista y de las J. O. N. S.—national delegation for exterior service. Jose del Castano, national delegate for this service. To promote true and honorable citizenship, to create an impartial state of mind in the community toward National Spain, and to closely cooperate with organizations authorized to do so by United States Federal laws. To collect moneys for purpose referred to, and to organize activities among Spaniards for helping their fellow citizens. No compensation listed. Spanish Institution.

Canadian Pacific Railway Co., Madison at Forty-fourth Street, New York, N. Y. Canadian Pacific Railway Co.; Canadian Pacific Steamships, Ltd.; Canadian Pacific Express Co., Ltd. Engaged in solicitation and sale of transportation of passenger and freight service. Advertising. No compensation listed; statement is made that all agents are paid by salary. Canadian corporation.

Jones & Brakeley, Inc., 150 Nassau Street, New York, N. Y. Le Temps advertising agency; $53.66 a month as commission on space used in the Christian Science Monitor. American.

Gregory Lance, 1220 Southwest Stark Street, Portland, Oreg. Thomas Klokker & Co.: Colonial Drug Manufacturing Co.; export brokers, combination export manufacturers, foreign-sales promotions, manufacturer's representatives. Three percent of value from Thomas Klokker & Co. with liberty to increase prices of products, the difference being as additional compensation. American, born in Russia.

Associated British & Irish Railways, Inc., 9 Rockefeller Plaza, New York, N. Y. (1) Great Western Railway of England; (2) London & Northeastern Railway of England; (3) London, Midland & Scottish Railway, England; (4) Southern Railway of England; (5) Great Southern Railway of Ireland; (6) Railway Air Services, England. Giving out information as to rail, motor, steamers, general travel. No compensation listed. New York corporation.

Ugo V. d'Annunzio, suite 2306–2311, 595 Madison Avenue, New York, N. Y. Ministero della Cultura Popolare (Ministry of Popular Culture), Rome, Italy. Information center on Italian matters. One thousand five hundred dollars monthly. United States citizen.

Luis M. Alzamora, 21 West Street, New York, N. Y. Republic of Peru, Ministry of Foreign Affairs. Development of commercial and cultural relations between Peru and United States. Two hundred dollars a month plus $300 a month office expense. Peruvian citizen.

Vilho Olavi Jarvinen, 99 Hudson Street, New York, N. Y. Valio Cooperative Butter Export Association; Centrallaget Enigheten m. b. t. Reinh. Smeds. & Co. Registrant acts as technical adviser and representative of the principal to the agents (brokers) of Valio Cooperative. Purely commercial; importing cheese. Three hundred dollars a month. Finnish.

The Gilliams Service, Inc., 225 West Thirty-ninth Street, New York, N. Y. Canadian National Railways; Canadian Travel Bureau; Tourist Development Bureau of British Columbia. Distribution of news, matters referring to operations of companies, and tourist literature. Three thousand six hundred dollars a year, $100 per month retainer fee. Canadian.

Dr. Laszlo Telkes, 19 West Forty-fourth Street, New York, N. Y. Hungarian National Museum, Budapest, Hungary. Free reference and research library, which provides expert factual information on all cultural, historic, and artistic problems relating to Hungary. Three hundred and fifty dollars a month. Hungarian.

Bowman, Deute, Cummings, Inc., 215 Market Street, San Francisco, Calif. Australian National Travel Association. Compensation, $7,389.85. New Zealand Government, $27,113.92. Japan Tourist Bureau Board of Tourist Industry, $9,650. Nippon Ysen Kaisha Line, $17,795.95. General advertising.

Acorn Agency, Inc., 1270 Sixth Avenue, New York, N. Y. Montagu interests. Advertising agency. Usual agency practice—payment of 15 percent less amount billed the client. American.

Norwegian American Line Agency, Inc., 24 State Street, New York, N. Y. Den Norske Amerikalinje (Norwegian America Line). Transportation of passengers. General agency—no compensation listed.

Kokusai Bunka Shinkokai, 630 Fifth Avenue, New York, N. Y. (The Society for International Cultural Relations.) Reference library—contact with scholastic and cultural organizations in United States and Japan—educational promotion; Japan art, etc. No compensation listed. Japanese, nonprofit foundation.

French Government Tourist Bureau, Maison Francaise, 610 Fifth Avenue, New York, N. Y. Commissariat General au Tourisme (branch office). Promotion of travel to France. Compensation, dependent upon budget voted by French Parlement. French.

William Irving Hamilton, Inc., 267 Fifth Avenue, New York, N. Y. El Encanto. Advertising agents. Usual agency commission. American.

Juan Aramburu Echevarria, Hotel Elysee, 60 East Fifty-fourth Street, New York, N. Y. Government of Euzkadi. To contact Spanish Basques in this country on behalf of Spanish Basques, refugees of the Spanish civil war, and to procure aid for said refugees. No compensation listed. Spanish.

Ramon de la Sota y MacMahon, Hotel Elysee, 60 East Fifty-fourth Street, New York, N. Y. Government of Euzkadi. To contact Spanish Basques in this country on behalf of Spanish Basques, refugees of the Spanish Civil War, and to procure aid for said refugees. No compensation listed. Spanish.

Manuel de la Sota Alburto, Hotel Elysee, 60 East Fifty-fourth Street, New York, N. Y. Government of Euzkadi. To contact Spanish Basques in this country on behalf of Spanish Basques, refugees of the Spanish Civil War, and to procure aid for said refugees. No compensation listed. Spanish.

N. W. Ayer & Son, Inc., West Washington Square, Philadelphia, Pa. Bermuda Trade Development Board; Yardley & Co., Ltd. (Bermuda); Campagnie Generale (N. Y.); Transatlantique (N. Y.). Advertising agent. Commission 16⅔ percent for radio, newspaper, and periodical advertising. Corporation of the State of Delaware.

Ivan Pouschine, 101 Downing Avenue, Seacliff, Long Island, N. Y. His Imperial Highness, the Grand Duke Cyril of Russia. Represents Grand Duke in all matters. Compensation not listed. Russian.

Orbis Polish Travel Bureau, Inc., 903 Broadway, New York, N. Y. Presumably the Polish Government. Travel dissemination in Poland. No regular or agreed compensation. All expenses are borne by Poland. New York corporation.

British Empire Chamber of Commerce in the United States of America, Inc., 620 Fifth Avenue, New York, N. Y. Federation of British Industries, 21 Tothill Street, London, S. W. 1. Nonprofit organization engaged in disseminating information on behalf of a foreign principal—normal activities of a trade association of manufacturers. Five hundred pounds sterling yearly. British.

Swedish American Line, 636 Fifth Avenue, New York, N. Y. Swedish American Line, A/B Svenski Amerika Linien. Transportation; issues "Monthly Bulletin"—issued and distributed to all subagents of the line in United States (branch office of foreign principal). No compensation listed.

The Dominican Chamber of Commerce of the United States, Inc., Room 3429, 30 Rockefeller Plaza, New York, N. Y. Registrant does not consider itself agent for any foreign principal. It is in part supported by contributions from Government of Dominican Republic. To promote cordial relations and better understanding between Dominican and American business firms and United States; to assemble and have available at its office all important data regarding the Dominican Republic, its laws, taxes, business, advantages, etc.; to be distributed gratis upon request. To encourage investment of foreign capital in creation of new industries, and insure sympathetic understanding of people and business problems. One thousand one hundred and fifty dollars contribution monthly.

Westel W. Willoughby, 1921 Kalorama Road, Washington, D. C. Chinese Government. Technical adviser in matters of internal relations and the drafting of statements; $3,000 per annum (United States money). American.

The American-Swedish News Exchange, Inc., 630 Fifth Avenue, New York, N. Y. Stiftelsen Svensk Amerikanska Nyhetsbyrau (American Swedish News Exchange Foundation). Exchange of news and information between the United States and Sweden so as to promote mutual goodwill and better relations between the two countries. In the year 1937 received $12,977.95 from Sweden; from January 1, to June 30, 1938, received $6,685.39; from July 1 to September 1938 received $2,147.15 (which represents average amounts received in the past). New York corporation.

Furness, Withy & Co., Ltd., 34 Whitehall Street, New York, N. Y. (1) Furness, Withy & Co., Ltd.; (2) Prince Line, Ltd.; (3) Manchester Liners, Ltd.; (4) Johnson-Warren Lines, Ltd. Transportation. No compensation listed. British company.

Joseph Ellner, 331 Fourth Avenue, New York, N. Y. Gdynia America Line, Inc., $4,000 a year; Orbis-Polish Travel Bureau, Inc., $100 a year. Advertising agency—place news in American newspapers. American.

Gdynia America Line, 32 Pearl Street, New York, N. Y. Gdynia America Shipping Lines, Ltd. Transportation and promotion of travel business. Compensation, general agency for foreign principal.

Palcor Agency, 50 Union Square, New York, N. Y. Palestine Correspondence Bureau of Jerusalem, Palestine. Received by cable and mail from Jerusalem, London, and occasionally from other centers, news about developments in Palestine. This news is distributed in United States to English-Jewish, Yiddish, and general newspapers. The news of the Palcor News Agency is utilized by the Associated Press through its Jerusalem correspondents. No salary for services listed. American.

Tetsusaburo Uyeda, Bridlespur Hunt Club, Huntleigh Village, St. Louis County, Mo. Publicity agent for the Board of Tourist Industry of the Japanese Government; railways, Tokyo, Japan; manager of Bridlespur Hunt Club, Huntleigh Village, St. Louis County, Mo., since 1927. Distributes booklets published by Tourist Bureau of Government Railways, Tokyo, Japan. Nonpolitical. Talks to groups on Japanese history. Compensation, receives just enough money to pay for postage stamps for distribution of booklets. Japanese.

Waterman Steamship Agency, Inc., 80 Broad Street, New York, N. Y. Anchors Line, Ltd. Transportation facilities for passengers; advertisement. Commission basis. New York corporation.

Anderson, Davis & Platte, Inc., 1270 Sixth Avenue, New York, N. Y. (1) English sports shop; (2) Glencoe. Advertising agency; $50 a month from Glencoe; no compensation from (1)—accommodation only. United States citizens (members of corporation).

Pan-American Coffee Bureau, 120 Wall Street, New York, N. Y. (1) Departamento Nacional de Cafe; (2) Federacion Nacional de Cafeteros; (3) Instituto Cubano de Establilizacion del Cafe; (4) Associacion Cafetalera de El Salvador; (5) Associacion Agricola de Nicaragua; (6) Institutu Nacional de Cafe. Promoting coffee campaigns in United States. No direct compensation, expenses defrayed out of a fund provided by member entities for a promotional coffee campaign in United States. Unincorporated, organized in United States.

Frederick U. Dodge Co., Inc., 487 Orange Street, Newark, N. J. Mono, Ltd. Preparation of advertising material, magazines and mailing folders. Commission on space used in publications. American.

Charles J. Zeller, 1201 East Fifty-fifth Street, Chicago, Ill. Hideo Masutani, Japanese consul of Chicago, Ill., Tribune Building, Chicago, Ill. Free-lance radio commentator and newspaper and magazine publisher. Southeast news sponsorship; $50 and $110 for each radio and each publication. American.

Alonzo B. Cornell, 111 Broadway, New York, N. Y. Gran Feria Nacional. Chairman of American division of committees, director of publicity. No compensation listed. United States citizen.

Antonio Pacheco Padro, box 510, San Juan, Puerto Rico. (1) Alianza Popular Revolucionaria Americana; (2) Partido Revolucionario Cubano; (3) Amigos de la Union de Republicas Socielistas Sovieticas; (4) Comite Aprista Mexicano. Publications, and weekly paper, and articles for daily papers. No payment. Puerto Rican.

Hendrik August Statius Muller, 25 Broadway, New York, N. Y. Chamber of commerce and industry. Publicity agent of tourist bureau of foreign principals. Distribution of tourist guides issued by principals. No compensation. United States citizen.

Helmut L. Ripperger, 125 West Sixteenth Street, New York, N. Y. The Society for International Cultural Relations (a nonprofit organization) engaged as consultant to Japanese Reference Library (a tentative title), which will be a traveling library, circulating throughout the United States, operating under the auspices of Society for International Cultural Relations. To stimulate cultural relations between the United States and Japan. Three hundred dollars a month plus traveling and office expenses. American.

The Swedish Chamber of Commerce of the United States of America, Inc., 630 Fifth Avenue, New York, N. Y. Swedish Government. A nonprofit organization, rendering service in furtherance of bona fide trade and commerce and of the friendly relationship between the United States and Sweden. Compensation at the discretion of the Swedish Government. New York corporation.

Vincent Paul Walsh, 122 Revere Road, Munsey Park, Manhasset, Long Island, N. Y. Japanese consulate. Financial adviser in promotion of trade financial contacts. Three hundred dollars a month. American.

Leipzig Trade Fair, Inc., 10 East Fortieth Street, New York, N. Y. (1) Leipziger Messant, Kaerpershaft des oeffentlicher Rechts.; (2) Wirtscheftsgruppe Maschinenbau (Association of German Machine Manufacturers). Promotes interest in semiannual Leipzig Trade Fairs; conducts a commercial information service; representation in American and assisting American firms to establish business relations with German commercial agents. Compensation not listed. New York corporation.

Ramon Portela Sobrino, post-office box 1136, San Juan, Puerto Rico. Representative of the Galician Secretary of the Propaganda Comisariat of the Catalonian Generalittat, and of the Popular Center of Iberoamerican Relations of Barcelona. Dissemination of information from Barcelona to be distributed throughout local press. No compensation listed. Spanish.

Royal Netherlands Steamship Co., 25 Broadway, New York, N. Y. Koninklijke Nederlandsche, Stoombost-Maatschippij N. V. Travel service—occasional press releases. No compensation listed. Netherlands.

Arthur Sedlak, 1450 Broadway, New York, N. Y. (1) Czechoslovak Export Institute; (2) First Agricultural Malt Factory; (3) Company for Textile Industry; (4) Selecta Cooperative Enterprises for Selection of Seeds; (5) Latorica A. S. (Lumber); (6) Jan Hernych a Syn. Correspondent of Czechoslovak Export Inst., a government entity to promote business in foreign countries and collective agent for the above-named firms. Commission payable whenever the sold merchandise is paid for. Czechoslovak.

Robert S. Janney, 125 West Sixteenth Street, New York, N. Y. The Society for International Cultural Relations. Field representative of the Japanese Reference Library—traveling library—circulating throughout the United States, operating under the above-named auspices. $100 per month plus travel expenses. American.

Tokyo Commercial and Industrial Museum, 200 Madison Avenue, New York, N. Y. New York branch office, Tokyo Government. General and financial information to dealers of both countries. New York branch office is under management of Tokyo Prefectural Government. Arbitration of business disputes, distribution of catalogs, purpose of expanding business. No compensation listed. Japanese.

Osaka Syosen Kaisya, 17 Battery Place, New York, N. Y. Osaka Syosen Kaisya, No. 1 Sozetyo, Kita-Ku, Oska, Japan. Engaged solely in acting for Osaka Syosen, Kaisya in connection with its vessels touching American ports. No contract of compensation. Japanese.

Pan American Pictures, Inc., 1210 G Street, Washington, D. C. Pan American Press; Mexico News & Photo Service; Diario de la Marina (the People's Press); Alan Foley; Wolff & Lesch; Text & Bilder. Sales agent for these foreign groups in distributing and selling material to American and Canadian groups. No compensation listed; 50–50 basis indicated. American.

Harold Auten, 1540 Broadway, New York, N. Y. Greater Union Theatres, Sydney, Australia; British Empire Films; One-sound Productions; British Empire Films; The T. H. Maser Group of Theatres. Representative in the United States of the above companies. $125 a week. British.

Ellis Advertising Co., 3053–3057 Main Street, Buffalo, N. Y. Astone Products; F. D. Lithleridge; British Furniture Co.; Book Exchange; International Song Service; Libby's Ladies Wear; Yonge St. Clothing Exchange.; Nonsuch, Ltd.; Old County First (Toronto, Canada). Handling, producing, and selling advertising of all forms for above firms. Fifteen percent gross commission. American corporation.

Thomas Cook and Son-Wagons-Lts, Inc., 587 Fifth Avenue, New York, N. Y. (1) Belgian National Railways; (2) Czechoslovak State Railways; (3) Union Castle Line; (4) Royal Mail Lines; (5) Peninsular & Steam Navigation Co.; (6) Thomas Cook & Son, Ltd.; (7) French National Railways. Travel agents. $3,000 a year. American.

Compagnia Italian Turismo, Inc., 626 Fifth Avenue, New York, N. Y. (1) Compagnia Italiano Turismo, S. A., Roma, Italy; (2) Italian State Railways Travel Service. No compensation listed.

Maxon, Inc., 2761 East Jefferson Avenue, Detroit, Mich. Hiram Walker-Gooderham & Works, Ltd.; Gillette Safety Razor Co., of Canada; Japan Crab Packers & Exporters Association; Nozaki Bros.; S. Suzuki & Co.; Formoson Tea Association. Advertising agency. Commission, 15 percent. Michigan corporation.

Nippon Yusen Kaisya, Ltd., 25 Broadway, New York, N. Y. Nippon Ysen Kaisya; branch office handling the steamers of head office which call at New York and Atlantic ports. Booking passengers and cargo. No compensation listed. Japanese.

Mandeville Press Bureau, 6 East Forty-fifth Street, New York, N. Y. Minister of H. Y. P., Province of Nova Scotia; news releases and publicity to promote tourist trade to Nova Scotia; $1,666.66 a month. United States citizen.

Raoul de Roussy de Sales, 70 West Fifty-fifth Street, New York, N. Y. Paris-Soir and Paris-Midi, daily newspapers; correspondent in United States for above newspapers—gives occasional lectures (Havas-News Agency); $450 a month from Paris-Soir and $300 a month from Paris-Midi. French.

Paul E. Bewshea, 620 Fifth Avenue, New York, N. Y. Employee, not agent, of Imperial Airways (Bermuda), Ltd., a company under British registry, but qualified to do business in New York. Commercial information of Imperial Airways, Bermuda, Ltd. Deals in all traffic questions on behalf of the company. No compensation listed—statement, salary not to exceed $500 a month. British.

Italian Tourist Information Office, by Goffredo Pantaleoni, 626 Fifth Avenue, New York, N. Y. Enit (Tourist Information Service), Via Veneto 62, Rome, Italy. Tourist information service. Compensation is in the form of remittances received from Italy under an annual budget covering salaries, rent, and other expenses. Annual budget is in the sum of $60,000, besides advertising, which varies from time to time. Italian.

Robert Wilberforce, director of British Library of Information, 50 Rockefeller Plaza, New York, N. Y. Government of the United Kingdom of Great Britain and Northern Ireland. Library of authoritative public information on political, economic, and social development of British Empire; director, reference library (British equivalent of United States Superintendent of Documents); $2,014, in quarterly payments. British.

Angus S. Fletcher, director of British Library of Information, 50 Rockefeller Plaza, New York, N. Y. Government of United Kingdom of Great Britain and Northern Ireland. Director of library of information; £1,700 per annum. British.

Publicity Associates, 350 Fifth Avenue, New York, N. Y. Imperial Ethiopian Government, Ethiopian Ministry, London. General public relations and advertising counsel. Irregular compensation based upon activity and expense. American.

Buchanan & Co., Inc., 1501 Broadway, New York, N. Y. Schweppes, Ltd.; Ridgwarp, Ltd., London; official tourist office, Tangiers, Morocco; Cunard Line, New York City; Intourist, Inc., New York City. Advertising agents in the placing of commercial advertisements in various United States magazines and newspapers; 15 percent of cost of space purchase. New York corporation.

Arthur Louis Colato, the Waldorf Astoria, New York, N. Y. Savoy Hotel Co., Ltd., London, England. Furtherance of cooperation between United States travel agents and Savoy Hotel Co. Three hundred and seventy dollars a month. British.

Antonio de Irala, Hotel Elysee, 50 East Fifty-fourth Street, New York, N. Y. Government of Euzkadi. To contact Spanish Basques in this country on behalf of Spanish Basques refugess of the Spanish Civil War and to procure aid for said refugees. No compensation listed. Spanish.

Arthur Henry O'Connor, 510 West Sixth Street, Los Angeles, Calif. Australian National Travel Association (a company registered in State of Victoria, Australia). Advertising and publicity to encourage tourist travel to Australia. Salary, £1,000. British.

John J. Sulger, 15 West Forty-seventh Street, New York, N. Y. Rev. Joseph H. Ledit, S. J. Advertising and subscription agent for United States (magazine is a monthly survey of modern atheism, dedicated to furtherance of Catholic activities). Thirty percent is deducted from money collected on all business; the remainder is forwarded to business manager. United States citizen.

Gotham Advertising Co., 250 Park Avenue, New York, N. Y. South African Government; Gotham Publicity, Ltd.; Hoydahl, Ohmes; Publicita, South Africa; Societe Europeeme de Publicitas; Svenska Telegrambyran; Arc's Advertentie-en Uitgeverstebryf; Central Advertising Service; Guaranty Publishing Co.; Sylvester Hvid; W. P. Hartley, Ltd.; Fred L. Myers & Son; Harland & Toksvig, A/S. Advertising agency, representative of United States firms promoting the sales of their domestic products in domestic markets. Usual agency commission. American.

Raymond Lange, Le Petit Parisien, 229 West Forty-third Street New York, N. Y. Le Petit Parisien, Paris, France. Newspaper correspondent for above newspaper in United States. (Member of Association of Foreign Press Correspondents (New York). Paid per article (no regular salary). French.

Doremus & Co., 120 Broadway, New York, N. Y. (1) Bank of Montreal; (2) Shawinigan Water & Power Co. (and Quebec Power Co., subsidiary); (3) Hudson Bay Mining & Smelting Co.; (4) Embassy of Poland; (5) Doremus & Co., Ltd. Financial and commercial advertising agency service. Commission basis. West Virginia corporation.

Swedish Travel Information Bureau, Inc., 630 Fifth Avenue, New York, N. Y. Swedish State Railways; Swedish Traffic Association; promoting travel to Sweden. No compensation listed. New York corporation.

Jean-Paul Freyss, 103 Park Avenue, New York, N. Y. Centre D'informations Documentaires. Editorial correspondent and literary agent. Fifty dollars a month plus $500 monthly expenses. French.

Mikulas V. Mara, Czecho-Slovak Export Institute, Room 2270, 1440 Broadway, New York, N. Y. Czecho-Slovak Export Institute. Promotion of Czechoslovakian foreign trade with the United States and giving information to the Czechoslovakian manufactures about trend of the United States market; assisting manufacturers to have suitable representatives of business connections in the United States. Monthly salary, 3,250 Kc. (Czechoslovakian crowns). Czechoslovak.

Sidney Eric Wharton, care of American Express Co., 330 East Flagler Street, Miami, Fla., Clarke Steamship Co., Ltd. Passenger traffic manager and representative; $4,000 a year. Canadian.

Robert S. Farley, 165 Broadway, New York, N. Y. The Economist, London, England. United States advertising and subscription representative and solicitor for the above publication. Commission arrangement. American.

Lawrence C. Gumbinner Advertising Agency, 9 East Forty-first Street, New York, N. Y. (1) Houbigant, Inc. (New York). (2) The Compania Ron Bacordi (Cuba). Advertising agency—sales promotion. Fifteen percent commission from publications and radio broadcasting companies with which advertising has been placed. All partners are American born.

Knut Olsen, 580 Fifth Avenue, New York, N. Y. Norwegian Government Railways (National Tourist Association of Norway). Travel information. No compensation listed. Paid on mutual 3 months' notice.

Kokusai Kisen Kabushiki Kaisya, 1 Broadway, New York, N. Y. Kokusai Kisen Kabushiki Kaisya, Industrial Bank Building, Tokyo, Japan. Acting for above in connection with the operations of its vessels touching United States ports. No contract of employment. No compensation listed. Japanese.

Reincke-Ellis-Younggreen & Finn, Inc., 520 North Michigan Ave., Chicago, Ill. (1) E. D. Calvert (Canada); (2) Dominion Chain Co., Ltd.; (3) Green's Camps; (4) Lady Mac of Canada, Ltd. Magazine advertisements in United States and in Canadian periodicals. Fifteen percent commission. American.

Frank D. Pavey, 32 Liberty Street, New York, N. Y. Societe Anonyme des Hauts, Fourneaux et Fonderies de Pont-a-Mousson (cast iron pipe manufacturing and associated products). Lawyer; in addition to the professional services, the registrant is expected, when asked to furnish reports and commentaries on events of importance in the industrial and commercial and financial affairs of United States. To keep in touch with legislation in Congress. $200 a month. American.

Brazilian Information Bureau, 551 Fifth Avenue, New York, N. Y. Department of Industry and Commerce of the Ministry of Labor, Industry, and Commerce, Rio de Janeiro, Brazil. Supplying general information about Brazil, its products, commerce, etc. (Nonprofit bureau maintained solely by Brazilian Government.) No compensation listed. Brazilian.

Bruce Bliven, 40 East Forty-ninth Street, New York, N. Y. Manchester Guardian, Manchester, England. Newspaper correspondent. Five hundred pounds a year. American.

Small & Seiffer, Inc., 24 West Fortieth Street, New York, N. Y. (1) The Abbey Effervescent Salt Co.; (2) Snap Co., Ltd., Montreal, Canada. Advertising agency. Fifteen percent advertising agency. Commission. American.

C. A. Mackey & Co., 96 Front Street, New York, N. Y. Republic of Haiti. Importers and distributors of coffee. No compensation listed. Simply disburse funds in accordance with instructions. American.

Board of Tourist Industry of the Japanese Government Railways and Japan Tourist Bureau, 551 Fifth Avenue, New York, N. Y. Board of Tourist Industry of the Japanese Government Railways and Japan Tourist Bureau. Tourist information. Annual budget about $15,000. Japanese.

Frank Presbrey Co. (succeeded by Cecil & Presbrey), 247 Park Avenue, New York, N. Y. (1) Cunard White Star Ltd. (N. Y.); (2) Provincial Bureau of Information (Halifax, Nova Scotia). Advertise for clients who have merchandise or services to sell in United States. Fifteen percent deduction from published rates to all advertising agents allowed. New York Corporation.

Guenther Carl Wiegand, Thirty-fourth and Fifth Avenue, New York, N. Y. (1) Hamburger Fremdenblatt; (2) Rheinisch-Westfaelische Zeitung; (3) Leipziger Neueste Nachrichten and other German newspapers which may be serviced through the Vera Verlagsanstatl G. m. b. H. Employed in research office of James McCreery & Co., and during spare time, writes direct for the above German newspapers. Also writes for Barron's magazine. 200 Rm. ($80) or less monthly. United States Citizen.

Lennen and Mitchell, Inc., 17 East Forty-fifth Street, New York, N. Y. (1) Swedish American Steamship Lines; (2) G. H. Mumm Champagne (Societe de Vinicale de Champagne, Successors & Associates, Inc., a Delaware Corp.), which is a subsidiary of G. H. Mumm Champagne, Rheims, France. Advertising agency. Commission basis. New York Corporation.

American-Czechoslovak Chamber of Commerce, Inc., Suite 1563, 1440 Broadway, New York, N. Y. Prague International Fair, Prague, Czechoslovakia. Czechoslovak Government (Ministry of Commerce). Promoting trade and good will relations between United States and Czechoslovakia. Membership basis $12.50 and $5 a year. Czechoslovak Government contributes subsidies of $500 (1937) and $700 in (1938). American organization.

Ralph Dellevie, 565 Fifth Avenue, New York, N. Y. Colombian State Railways. Travel agent. No compensation listed (purely honorary). American.

Albert Nathan, 804 Cotton Exchange Building, Houston, Tex. (1) National Chamber of Hotels of Mexico; (2) Mexican Hotel Association. Maintaining friendly relations with American hotel asscciations, travel bureaus, and railways. Compensation not yet settled. American.

French Chamber of Commerce of the United States, Inc., 4 East Fifty-second Street, New York, N. Y. List of 100 members—Andre Baudet, Blythe W. Branch, Jean Coignet, etc. Founded in 1896 to foster commercial relations between France and the United States. Receives subsidy of approximately 40,000 francs a year from the French Government of Commerce.

Picard Advertising, Inc., 250 West Fifty-seventh Street, New York, N. Y. Burberrys, Ltd., London, England (manufacturers of coats for men and women). Advertising agency. Fifteen percent commission. American.

North American Office of Havas News Agency (Agence Havas), 50 Rockefeller Plaza, New York, N. Y. Havas News Agency, Paris, France. Gathering news of the United States for world-wide distribution; distribution of news in North America gathered by Havas throughout the world, and received in New York direct from the Havas Office in Paris; $600 a month. French.

Wade Warren Thayer, post-office box 202, Honolulu, T. H. Japanese Consulate General. Attorney, not agent, for Japanese Consulate General, Honolulu. Advise in legal and social matters; $40 a month. American.

Miguel Angel Trujillo, 115 Broad Street, New York, N. Y. (1) Government of Venezuela; (2) Associacion Venezolana de Productores de Cacao. (1) Promotion of travel, trade; (2) information and trend of cocoa prices in New York. (1) 1,000 bolivars a month; (2) no compensation. Citizen of Venezuela, South America.

German-American Chamber of Commerce of the Pacific Coast, 333 Pine Street, San Francisco, Calif. Foreign firms or individuals may become members; however, they are not classed as principals. Promote trade and commerce between the United States and Germany. Nonprofit organization. California corporation.

Italian Chamber of Commerce of New Orleans, 1023–1025 Barracks Street, New Orleans, La. No foreign principal. Receives contracts from Italian Government not exceeding $700 a year. To foster trade and commerce; to supply Italian and American merchants and manufacturers with statistics; to conduct translation departments. Louisiana corporation.

R. Guy Frederick, Arctic Building, Seattle, Wash. Pacific Line Co., Ltd., Vancouver, B. C. Advertising through office in Seattle. Salary not listed. American.

Board of Trade for German-American Commerce, Inc., 10 East Fortieth Street, New York, N. Y. Members as contributors. To create a central organization which will cooperate with all persons to create interest in trade and commerce between United States and Germany. Generally, to assist American enterprise in Germany and German enterprise in America. Members' dues are voluntary. New York corporation.

Robert St. Clair Co., 30 Rockefeller Plaza, New York, N. Y. French Government. Advertising. $250 a month. American.

Douglas L. Cullison, 61 Broadway, New York, N. Y. (1) State of San Luis, Potosi, Mexico (sovereign State); (2) Gen. Satarnino Cedillo (farmer). Fiscal agent, authorized to borrow and administer funds for account of principals. Receives percentage of moneys raised. American.

John M. Walczak, 383 Madison Avenue, New York, N. Y. Polish Telegraphic Agency. Local representative of Polish Telegraphic Agency for United States. Covers news pertaining to Poland and Polish persons and affairs. $195 a month plus $50 expense money a month. American.

J. A. Nash & Co., 10 Pearl Street, New York, N. Y. Compagnie Maritime Belge, S. A. Steamship agency. Commission on freight carried. No compensation carried (listed). American.

French National Railroads, "Maison Francaise," 610 Fifth Avenue, New York, N. Y. French National Railroads. To supply general information to public and travel agencies in United States. No compensation listed. French Government office.

Christopher James Hanratty, room 900, 105 West Adams Street, Chicago, Ill. Canadian National Railway System. In charge of publicity and advertising for Central United States; $4,200 a year. Irish.

(Edmund) Edward Hadley, 1708 R Street NW., Washington, D. C. (1) Montreal Daily Star, Montreal, Quebec, Canada; (2) Evening Telegram, Toronto, Ontario, Canada. Reporter for newspapers. (1) No compensation listed; (2) $40 a month. United States citizen.

Ruthrauff & Ryan, Inc., 405 Lexington Avenue, New York, N. Y. Canadian Pacific Railway Co. Advertising agency; 15 percent agency commission. New York corporation.

Kenyon & Eckhardt, Inc., 247 Park Avenue, New York, N. Y. Canadian Pacific Railway Co. Advertising agency; 15 percent agency commission. New York corporation.

International Documents Service, Columbia University Press, 2960 Broadway, New York, N. Y. (1) League of Nations; (2) International Institute of Intellectual Cooperation; (3) A. W. Sijthoff's Publishing House for the Permanent Court of International Justice; (4) Geneva Research Centre; (5) Editions de L'Annuaire de la Societe des Nations, S. A.; (6) Foreign Affairs Association of Japan for the Japan Yearbook. Publishers and distributors of books; act as sales agents in United States for books of publishers listed above; 40 percent of prices listed. New York corporation.

Mario de Biasi Advertising Agency, Inc., 51 Chambers Street, New York, N. Y. Italian Line. General advertising. Commission basis. American.

Hanus Reiss, 1265 Broadway, New York, N. Y. Czechoslovakian Export Institute in Prague and several Czechoslovak manufacturers. Correspondent of the Czechoslovakian Export Institute and foreign correspondent of the several Czechoslovak manufacturers. One hundred dollars monthly from Czechoslovakian Export Institute and 10-percent commission from the Czechoslovak manufacturers. Czechoslovak.

Alan A. Dudley, 50 Rockefeller Plaza, New York, N. Y. Government of United Kingdom of Great Britain and Northern Ireland. Senior Assistant of British Library of Information. Four thousand six hundred dollars a year. British.

Holland-American Chamber of Commerce for the Pacific Coast States, Inc., 420 Market Street, San Francisco, Calif. Nederlandsch Amerikaansche Kamer van Koophandel, Keizersgracht, 294, Amsterdam, Netherlands. (This is not a principal, but an affiliation, and this chamber cooperates with it, acting as its agent, and they act as our agent.) To foster on Pacific coast interest in commerce, industry, agriculture, and navigation, arts and science of Netherlands and its dominions. No compensation listed. California corporation.

Japanese Committee on Trade and Information, 549 Market Street, San Francisco, Calif. To promote traditional friendly relations between United States and Japan by means of lectures, radio, etc. Contributions received from a number of Japanese in California. Unincorporated committee composed entirely of Japanese subjects in California.

Jerome Charles Caminada, The Times, London, 280 Broadway, New York, N. Y. The Times, London. Assistant correspondent (New York office). Six hundred pounds a year. British (South African).

Louis Stephen Law, 630 Fifth Avenue, New York, N. Y. Grosvenor House (Park Lane), Ltd. Furtherance of business for this hotel by contact with the agents; $9,000 a year. British.

Guardian Newspapers, Inc., 220 West Forty-second Street, New York, N. Y. Engaged in distribution of foreign products, namely, the newspaper publications of the Manchester Guardian and Evening News, Ltd., of Manchester, England. Solicitation of advertising in newspaper publications. Percentage basis. New York corporation.

Dorland International, Inc., R. C. A. Building, Rockefeller Center, New York, N. Y. (1) Rolls Razor, Ltd. (New York); (2) Consulate general of Switzerland (New York); (3) Swiss Fed. RRs.; (4) Harris Tweed Association, Ltd. (London, England). Advertising and publicity agent. Delaware corporation.

India Chamber of Commerce of America, Inc., 665 Fifth Avenue, New York, N. Y. To promote trade and commercial relation—industrial cooperation and cordial and cultural intercourse between India and United States, etc. Dues, $25 a year. New York corporation.

Arnold W. Knauth, 60 East Forty-second Street, New York, N. Y. British Chamber of Shipping. Advice concerning American seaman's laws relative to pending Sheppard bill; 20 guineas, at London, October 21, 1938. American citizen.

Gerard Henri Ravelli, 630 Fifth Avenue, New York, N. Y. The Netherlands Railways. Tourist information. $5,400 a year. Netherlands.

Overseas Mercantile Co., Inc., 13 West Twenty-eighth Street, New York, N. Y. Omnipol Trading Co., Ltd. Jungmannova 17, Praha, Czechoslovakia. Purchase and also on consignment from general merchants in this country of glassware, rugs, etc. Sales, consignment basis. No compensation listed. New York corporation.

Federal Advertising Agency, Inc., 444 Madison Avenue, New York, N. Y. Gran Feria Nacional (Venezuelan World's Fair—1939). Advertising—15 percent of published rates. New York corporation.

Bernard Blachere, 59 West One Hundred and Fifth Street, New York, N. Y. Annuaire du Commerce ("Didot-Bottin"). Publicity agent. (French trade director.) No compensation listed. American.

Emilia Franklin, 21 West Street, New York, N. Y. Department of Fomento of the United States of Venezuela, Caracas, Venezuela. Editing and publishing monthly bulletin, devoted to geographical, industrial, and financial information. Four hundred bolivars ($125). Citizen of Venezuela.

The Venezuelan Chamber of Commerce of the United States, Inc., 21 West Street, New York, N. Y. Banco Caracas, Banco de Venezuela, M. A. Belloso y Hermano, Benzp & Cia., H. L. Bouton & Co., C. A. Fabrica Nacional de Cementos, Carlos J. d'Empaire, Fongana Hemanos, and others. To promote reciprocal lecturing—interchange of ideas—cultural associations, etc. Dues $10 a year. American corporation.

The East Asiatic Co., Inc., 433 California Street, San Francisco, Calif. East Asiatic Co., Ltd. General steamship agents, commission merchants. No compensation listed. California corporation.

Nippon Ysen Kaisya, 404 Union Street, Seattle, Wash. Nippon Ysen Kaisya, Ltd. Advertising steamships. No compensation listed. Japanese.

Margaret Herbst, 522 Fifth Avenue, New York, N. Y. Holland Bulb Exporters Association of Haarlem, Holland. To increase knowledge and demand for Holland-grown bulbs; $20 a week. American.

Al Sherman, 1501 Broadway, New York, N. Y. (1) Odhams Press, Ltd.; (2) Guernsey Star and Gazette; (3) J. Leslie Williams; (4) Allied Newspapers. Representative of British publications and publicist and foreign correspondent. Commission basis. American.

J. C. Bull, Inc., 101 Park Avenue, New York, N. Y. Daimler-Benz A. G. Advertising agency. Manufacturers of various types of passenger cars, trucks, vehicles, etc. Fifteen percent agency commission on advertising bought. United States corporation.

Bach, Bernstein & Associates, 175 Fifth Avenue, New York, N. Y. Advertising & Marketing, Ltd., Ideal House; Oxford Circus, London, England. Advertising and agency and printers. No compensation listed. American.

J. M. Mathes, Inc., 122 East Forty-second Street, New York, N. Y. J. M. Mathes, Inc. Advertising agency for American Viscose Corporation, whose selling agent, Lustre Fibres, Ltd., pays for all advertising done by American Viscose Corporation. Advertising agency, customary agency commission. New York State corporation.

Arthur Kudner, Inc., 630 Fifth Avenue, New York, N. Y. (1) Departmento Racional do Cafe (Rio de Janeiro); (2) Federacion Nacional de Cafeteros; (3) Instituto Cubane de Establizacion del Cafe; (4) Associacion Cafe lera del El Salvador; (5) Association Agricola de Nicaragua; (6) Instituto Nacional de Cafe. Advertising agency. New York corporation.

Benton & Bowles, Inc., 444 Madison Ave., New York, N. Y. J. C. Eno (United States), Ltd. Registrant is agent for J. C. Eno (United States), Ltd., a domestic corporation, which is a subsidiary of J. C., Eno, Ltd., a foreign corporation (Great Britain). Advertising agency. Regular commission of advertising agency. New York corporation.

George M. Massey, 89 Broad Street, New York, N. Y. The Manchester Ship Canal Co. Information bureau for shipper, forwarder, ship broker; information relating to Port Manchester and service connected with the port activities and operations. Yearly salary (no compensation listed). American.

Arthur Donald Bate, 139 East Forty-sixth Street, New York, N. Y. Japanese Chamber of Commerce of New York (New York State corporation, which acts for numerous Japanese organizations, but in itself is not a foreign corporation or organization). Writer, traveler, public speaker, newspaperman, and news agency representative and travel agent (now free lance). Twenty-five dollars per talk, plus travel expense; varies. American.

American Brazilian Association, Inc., 17 Battery Place, New York, N. Y. Casa Pratt, Rio de Janeiro, Compagnie, Brasileira Exportadora; Mr. Carl Kincaid; Mr. Fausto P. Machado; Mr. Richard P. Momsen; Mr. Theo. D'Avila. Membership corporation to promote commercial and cultural relations between United States and Brazil. No compensation listed. New York corporation.

National Railways of Mexico (Workers' Administration), Interoceanic Railway of Mexico, 11 West Forty-second Street, New York, N. Y. National Railways of Mexico. To distribute travel information—railroad business. No compensation listed. Mexican.

Furness (Pacific), Ltd., 351 California Street, San Francisco, Calif. Furness, Withy & Co., Ltd.; Prince Line, Ltd.; Holland-America Line; Royal Mail Lines, Ltd. Los Angeles office is also agent for the following companies: Holland-America Line; Royal Mail Lines, Ltd. General advertising. Fees and commission. Canadian.

Needham & Grohmann, Inc., 630 Fifth Avenue, New York, N. Y. Princess Hotel Co., Ltd., A. S. Cooper & Sons, Southern Rhodesia Government. Participation in New York World's Fair, 1939. Advertising agency. Fifteen-percent commission on space and production charges. New York State corporation.

American Spice Trade Association, 82 Wall Street, New York, N. Y. American Spice Trade Association. Conducting a campaign to educate the American people in the proper use of spices in flavoring food. Funds are submitted by members of trade in United States and also Government of Netherlands Indies and Government of Grenada—British West Indies. No compensation listed. American corporation.

The Norwegian-American Chamber of Commerce, Inc., 115 Broad Street, New York, N. Y. The Norwegian-American Chamber of Commerce. Membership corporation—to promote commercial relations between United States and Norway. $3,000 a year. American corporation.

S. S. Koppe & Co., Inc., 630 Fifth Avenue, New York, N. Y. No foreign principal. Advertising—soliciting of advertising from domestic manufacturers for placement in foreign publications. Fifteen-percent commission paid by United States publishers on advertising placed in their periodicals. American corporation.

New York Note and Share Corporation, 116 Broad Street, New York, N. Y. Major Chrystian M. Kretowicz; Enrique Gil; Norman Smith, Jorge Jacobsen; T. G. Clarke; Arthur Rowe; Charles L. Carter; William D. Cooper; Brian C. Anderson; Petraleas Mexicanos (Mexican Government); Arturo Macari. Purchase and sale of investment securities with foreign countries—in export and import of petroleum—organization of mining and oil companies in Canada and South America; exportation of American manufactured machinery to Poland and England. Commission basis. New York corporation.

Royal Mail Lines, Ltd., 1731 Exchange Building, Seattle, Wash.; (a) Royal Mail Lines, Ltd., London; (b) Nederlandsch-Amerikaansche Stoomvaart Maatschappij, Rotterdam (Holland-America Lines). Operation of steamship and motor vessels; no compensation listed. Corporation of State of Washington.

Newell-Emmett Co., Inc., 40 East Thirty-fourth Street, New York, N. Y.; (1) Thos. Cook & Son, Ltd.; (2) Cie. Internationale des Wagons-Lits; (3) Union Castle Line; (4) Royal Mail Lines; (5) Pacific Steam Navigation Co.; (6) Regie Air Afrique. Advertising agency; commission basis. New York corporation.

Tea Bureau, Inc., 500 Fifth Avenue, New York, N. Y. International Tea Market Expansion Board, Ltd. (This board is an association sponsored by all tea growers in India, Ceylon, Java, and Sumatra.) Advertising; registrant receives an annual budget of $1,000,000. New York corporation.

Ervin S. Acel, Inc., 25 Beaver Street, New York, N. Y. Swedish America Line; Norwegian America Line; Gdynia-America Line; Bernstein Red Star Line. Represents foreign-language newspapers here in United States; distributes advertising. Advertising commission; no compensation. United States citizen.

Holland House Corporation of the Netherlands, room 1218, 630 Fifth Avenue, New York, N. Y. Not acting as agent for any foreign principal, merely receives contributions to enable it to carry out its purposes. To promote an interchange of economic, artistic, cultural, social relationship between Netherlands and its overseas peoples and United States. No compensation listed. New York corporation.

Earl Newson & Co., 597 Madison, Avenue, New York, N. Y. International wool publicity and research secretariat advisory service, educational programs, advertising. To thousand five hundred dollars a month. American.

American Polish Chamber of Commerce and Industry in the United States, Inc., 149–151 East Sixty-seventh Street, New York, N. Y. Amdeta, Ltd., Warsaw, Poland; Bacon Export Gniezno, Poland; H. B. Moeller & Co., Poland; Postal Savings Bank, Poland, etc. To foster trade and commerce between United States and Poland. Foreign membership corporation. No compensation listed.

Pacific National Advertising Agency (formerly the Izzard Co.), 605 Union Street, Seattle, Wash. Hammond Cedar Co., Ltd. (Canada); Nippon Yusen Kaisha (Tokyo, Japan). National Advertising Agency. Commission basis. American corporation.

Intourist, Inc., 545 Fifth Avenue, New York, N. Y. State Tourist Co.; Gorsky Street, Moscow, Union of Soviet Socialist Republics. General tourist and passenger agency. Compensation received upon amount of sales made. New York corporation.

Kenneth Durant (American manager, "TASS" News Agency), 50 Rockefeller Plaza, New York, N. Y. Telegraph agency of Union of Soviet Socialist Republics. Registrant is employee of the New York bureau of the telegraph agency of Union of Soviet Socialist Republics, known as "Tass." Purpose of collecting news of Western Hemisphere for exchange of news and transmission to Moscow. Exchanges news services with Associated Press. Six thousand five hundred dollars a year. United States citizen.

Namstrad, Inc., 120 Wall Street, New York, N. Y. Ticaret turk Anonim Sirketi, Ankara, Istanbul, Balu, and other cities in Turkey. A company founded by five Turkish banks engaged in international commercial transactions. Act as government contractors in developing forestry. Act as purchasing agents in United States. Percentage basis. New York corporation.

T. B. Browne, Ltd., 551 Fifth Avenue, New York, N. Y. None, but affiliated with British corporation, which is to become active. Advertising agency; $500 a month.

Miles M. Sherover, 165 Broadway, New York, N. Y. Centro de Contratocion de Moneda of the Ministry of Finance, Republic of Spain. Office of corporation; engaged in general import and export dealing in securities. Operation of vessels. No compensation listed. United States citizen.

Robert L. Leslie, 325 West 37th Street, New York, N. Y. "L'Illustration" magazine, Paris, France. Advertising World's Fair Number; 5 percent commission on any advertising procured. American.

The Philip Ritter Co., Inc., 511 Fifth Avenue, New York, N. Y. Mattia Locatelli, New York Branch; Bel Paese Sales Co., Inc. Advertising (cheese and olive oil); commission basis. American.

June Hamilton Rhodes, Inc., 366 Fifth Avenue, New York, N. Y. Trimingham Bros., Ltd., Hamilton, Bermuda. Publicity and promotion of British tweed garments; $6,000 a year. American.

Dundes & Frank, Inc., 64 West 48th Street, New York, N. Y. (1) Office of the Commissioner of Union of Soviet Socialist Republics to New York World's Fair, 1939; (2) Intourist, Inc. Advertising; 15 percent commission. American.

Nobuzo Kawai, Japan Foreign Trade Bureau, 1209–1211 Commerce Building, Houston, Tex. Japan Foreign Trade Federation. To develop trade relations between United States and Japan. Advertising; $290 a month. Japanese.

Edward L. Bernays, 420 Lexington Avenue, New York, N. Y. Oxo (United States of America), Ltd., London. Manufacturers of concentrated foods. General advertising and selling; 15 percent commission of billings. American.

Platt-Forbes, Inc., 386 Fourth Avenue, New York, N. Y. Withdrawn.

Ebel Brokerage Co., 506 South Peters Street, New Orleans, La. (1) Argentine Fruit Distributors, Buenos Aires, Argentina; (2) K. O. Kleppe & Co. Distributors of fresh fruits; general advertising of business. Seven-percent commission on sales. American.

W. R. Grace & Co. (W. Va.), 2 Pine Street, San Francisco, Calif. Johnson Line, Stockholm, Sweden. Foreign trade. Commission basis. American.

Italian Chamber of Commerce in Chicago, 201 North Wells Street, Chicago, Ill. Agenzie Generaldi di Navigazione E Transporti; (1) general steamship agencies; (2) provincial councils of corporations; (3) printers and publishers; (4) wool manufacturers; (5) olive oil; (6) alimentary products. To expand commercial relations between United States (Middle West) and Italy. Membership dues, Italian, 200 lire a year; association, $10 a year; regular United States membership, $20 a year.

Gaspar Bilo Mendez, 341 Magnolia Avenue, Long Beach, Calif. Domingo, Diaz A., Panama City, Panama. Writer and research criminologist; publishes in United States many articles on United States national defense and foreign policy; accepts mission as patriotic duty to seek welfare of his country. No compensation listed. Citizen of Panama.

Manfred Zapp, 341 Madison Avenue, New York, N. Y. Transocean G. m. b. H. Berlin (news service). Selling subscriptions for news service—a world-wide service—to American newspapers and radiobroadcast stations. Reichsmarks, 1,200 a month. German.

Quincy Wright, University of Chicago, Chicago, Ill. Fernando de los Rios, Spanish Ambassador, Washington, D. C. To write legal opinions upon certain questions concerning embargo on arms shipment from United States to Spain. $500 plus expenses. American.

Hisakatu K. Watanabe, 549 Market Street, San Francisco, Calif. Japan Foreign Trade Federation. Promote trade relations between United States and Japan; $325 a month. Japanese.

Japan Institute, Inc., 630 Fifth Avenue, New York, N. Y. Japan Institute—sponsored and financed by the Kokusai Bunka Shinkai (Society for International Cultural Relations) of Tokyo. Disseminate facts about Japan by way of lectures, advertising, education. No compensation listed. New York corporation.

Roberts & Reimers, Inc., 551 Fifth Avenue, New York, N. Y. Frederick Dossenbach, managing editor of Swiss Federal Railroads. Advertising. Fifteen-percent commission. American.

China Institute in America, Inc., 119 West Fifty-seventh Street, New York, N. Y. China Foundation for Promotion of Education and Culture; National Tsing Hua University. To promote cultural relations between China and United States; $6,000 a year—subsidy from China Foundation. Chinese.

Clyde Eagleton, New York University, New York, N. Y. Fernando de los Rios, Ambassador of Spain. Write legal opinions upon certain questions concerning embargo on arms shipment from United States to Spain; $500 plus expenses.

Charles E. Mullin, 111 Fourth Street, Huntingdon, Pa. (1) A. J. Hall (inventor of Drisol—unshrinkable wool). Notts, England. (2) Adams & Co., Nottingham, England. Consulting chemist, textile industry. Commission; royalties. American.

The Cramer-Krasselt Co., 733 North Van Buren Street, Milwaukee, Wis. Massey-Harris Co., Racine, Wis. Advertising agency (farm implements). Fifteen-percent agency commission, 2-percent cash discount. American.

Hind, Rolph & Co., Inc., 230 California Street, San Francisco, Calif. Rederiaktubolaget "Oisa" (Disa), Stockholm, Sweden. Import and export steamship agent. Agency basis. California corporation.

Chr. T. Raven (Danish State Railways), 28 West Forty-eighth Street, New York, N. Y. Danish State Railways, Danish Tourist Association. To promote travel interest. No compensation listed. American.

John Nevin Sayre, 2929 Broadway, New York, N. Y. (1) International Fellowship of Reconciliation; (2) Embassies of Reconciliation. Representative of the above; travel, make speeches, seek contributions. Registrant is minister of Protestant Episcopal Church of United States. Services donated—aim to recognize unit of world-wide human family, and belief that love must serve as true guide for personal conduct under all circumstances.

American Globe Trotter, 55 West Forty-second Street, New York, N. Y. Anchor Line; Arnold Bernstein Line; Red Star Line; Canadian Pacific S. S. Ltd.; Cunard White Star, Ltd.; Donaldson Atlantic Line, Ltd.; Canadian Australasian Line, Ltd.; Fabre Line; French Line; Gdynia-America Line; Furness Line; Hamburg-America Line; Holland-America Line; Italian Line; North German Lloyd Line; Norwegian-American Line; Spanish Transatlantic Line; Swedish-American Line; Ken Steamship Co.; Matson Navigation Co., and others. Travel—to distribute literature. Commission basis. New York State.

George Djamgaroff, 14 Wall Street, New York, N. Y. Dominion Government. Advertising and public-relations counsel, $50,000 a year. American.

Marine Safety Devices, Inc., 25 West Forty-third Street, New York, N. Y. A. P. Schat, Utrecht, Holland; G. Burmester, Bremen, Germany; Gertz, International Streamline; Rudder Co., Ltd., London. Design, manufacture safety devices of all kinds (shipping industry). Commission basis. American.

Winternitz & Cairns, 45 East Seventeenth Street, New York, N. Y. Samuel Lamont & Sons, Ltd. (textile and apparel products) linen manufacturers and bleachers. Advertising business. Fifty dollars a month. American.

Donovan, Leisure, Newton & Lumbard, 2 Wall Street, New York, N. Y. Danzig Port & Waterways Board, Danzig. Law firm, legal work. Paid legal services (no compensation listed). American.

The American Express Co., Inc., 65 Broadway, New York, N. Y. Societa Anonima Italiana; Clarke Steamship Co. (commission basis). General shipping—world-wide travel; advertising. Nine hundred dollars a month. United States citizen.

J. Irizarry y Puente, 63 Wall Street, New York, N. Y. Spanish Ambassador, Washington, D. C. Attorney. Two thousand five hundred dollars if wins Navemar case.

Fred Breth, 321 Broadway, New York, N. Y. (1) Samuel Taussig & Sons; (2) Czechoslovak Export Institute. Sales agent of Czechoslovak manufacturers and exporters (linen manufacturers); correspondent of Czechoslovak Export Institute. (1) One hundred and fifty percent monthly; (2) mailing expenses paid. Czechoslovak.

Helen Black, 15 West Ninth Street, New York City, N. Y. Mezhdunarodnaya Kniga, Moscow, Union of Soviet Socialist Republics. Sale of news, photoprints from Soviet Union magazines, plays, and Soviet books in United States. Commission basis. United States citizen.

Dr. Colin Ross, in care German Consulate, 117 West Ninth Street, Los Angeles, Calif. (1) Newspaper correspondent (German newspaper); (2) making a film in connection with Tobis Filmkunst, Berlin. (1) As newspaper correspondent for 24 German newspapers, receives 1000 MK a month for 12 months; (2) on a 50–50 basis.

Jokubas Baronas, in care Flushing Studio, 136–208 Roosevelt Avenue, New York, N. Y. Kooperacijos Bendrove Spandos Fondas (Lithuania). To further sales of publications—Encyclopaedia Lithuania and also Lithuanian books. Twenty-five percent commission on sales. Lithuanian.

Powell Shipping Co., 407 Railway Exchange Building, Portland, Oreg. Royal Mail Lines, Ltd.; Holland-America Line; Nippon Yusen Kaisah; Steamship agent—representative in Portland, Oreg., and vicinity. No compensation listed. American.

Joseph Brainin, 576 Fifth Avenue, New York, N. Y. (Jewish Agency for Palestine), which indirectly subsidizes in part the Jewish Palestine Pavilion at New York World's Fair, for which registrant is public relations counsel. May and June 1938 received $250 a month; September 1938–February 1939, $250 a month; March 1939, $125 weekly. American (naturalized).

Sutton News Service, Inc., 424 Madison Avenue, New York, N. Y. Cia de Navegucion de Cuba, to inaugurate new freight steamship line between New York and New Orleans and Cuban ports. American publicity and advertising. Compensation—to be adjusted from time to time—cost plus 10 percent. New York corporation.

Suejiro Ogawa, 1500 Tribune Tower, 435 North Michigan Avenue, Chicago, Ill. The Japan Foreign Trade Federation. To promote commerce between United States and Japan. Three hundred dollars a month. Japanese.

Gottfried Hesse, 166 Hicks Street, Brooklyn, N. Y. World Club Union. Stimulate international relations through press and circularization, so that people will be invited to correspond with people having similar interests in all countries—to create better international relations. No compensation listed. American.

Eugene Weiss, 918 Fannin Street, Houston, Tex. George Westendorf. Engaged in buying and selling merchandise (individual proposition). No compensation listed. United States citizen.

Abraham Dickenstein, care National Labor Committee for Palestine, 275 Seventh Avenue, New York, N. Y. (1) Workers Bank, Ltd.; (2) Yakhin Agricultural Contracting Cooperative, Ltd.; (3) Hamashbir Hamer Cazi Cooperative Wholesale Purchasing Society, Ltd.; (4) Noa Transportation Cooperative Society, Ltd. Business representative of all of the above-mentioned corporations for such matters as negotiations for the sale of securities and purchases of material and machinery. £22.5 a month plus expenses for wife and two children. Palestinian.

Dean G. Acheson, 701 Union Trust Building, Washington, D. C. Hurban, minister of Czechoslovakia to United States. Attorney at law, Washington, D. C. Diplomatic Service. No amount of compensation agreed upon (paid as services rendered). American.

Konstantin Culen, 434 Lackawanna Avenue, Scranton, Pa. Slovak Daily "Soviak" at Bratislava. Foreign correspondent in United States. Two hundred dollars a month. Slovak (Negro).

Jose de Urresti, Hotel Elysee, 60 East Fifty-fourth Street, New York, N. Y. Basque delegation. To contact Spanish Basques in this country on behalf of Spanish refugees of the Spanish Civil War and get aid for them. No compensation listed. Spanish.

Glenn Griswold, 330 West Forty-second Street, New York, N. Y. Japan Foreign Trade Bureau, Suejiro Ogawa, director. Public relations counselor, advising and assisting Japanese Foreign Trade Bureau in matters pertaining to foreign trade between United States and Japanese importers and exporters. One thousand dollars a month. American.

Rebekah Ward Elliot, 620 Fifth Avenue, New York, N. Y. Hyde Park Hotel, London; Queen Anne's Mansions, London; Easton Court Hotel; Ambassador Hotel; Royal Hotel and others in Italy. Promotion for hotels abroad. Small annual fee from each hotel. American.

Amkino Corporation, 723 Seventh Avenue, New York, N. Y. Engaged in business of distributing Soviet-made films in United States and North and South America. Sell, lease, import Soviet films. Relationship established with Soyuzintorgkino as per contract. No compensation listed. New York corporation.

Kilsoo Kenneth Haan, 101 D Street NE., Washington, D. C. Sino-Korean Peoples League (nonprofit league). To enlist America's sympathy for Korea and to give voluntary service to United States intelligence department and to expose such activities as are opposed to democratic principles of United States. Authorized to accept donations. No compensation listed. Korean.

Ballinger, Clark, Mathewson & Force, 1044 Henry Building, Seattle, Wash. Consolidated Red Cedar Shingle Association of British Columbia. Under proposed Canadian treaty, to spread desire to keep treaty as now drafted. Representative of Association of Manufacturers. Three thousand dollars, including expenses. United States citizen.

Bhicoo Batlivala, care of Colston Leigh, Inc., 521 Fifth Avenue, New York, N. Y. Agent of no foreign principal. Acting as private lecturer under agency of Calston Leigh Lecture Bureau; member of Indian National Congress; lectures on India and Indian affairs. One hundred dollars a week. British.

Finnish Travel Information Bureau, 630 Fifth Avenue, New York, N. Y. Association Finland-Travel. Distribute travel literature, etc., sales agency. Finnish Government pays running expenses; no compensation listed.

French Information Center, Inc., Maison Francaise, 610 Fifth Avenue, New York, N. Y. Off. Francais de Renseignements aux Etats-Unis (French corporation). Organization of a French information center in New York with a correspondent office in Paris to furnish information on all matters involving France, and to make France better known in United States. No compensation listed. French.

H. N. Elterich, Inc., 205 East Forty-second Street, New York, N. Y. Davis & Elterich, Ltd., London. Placing advertising for its clients in foreign markets. Commission basis. United States citizen.

John Gallup Laylin, 701 Union Trust Building, Washington, D. C. Embassy of Republic of Colombia, Washington, D. C. Legal adviser to Embassy with respect to certain financial obligations of Republic of Colombia. Counsel fees, not specified. United States citizen.

Inreklama Service, 261 Fifth Avenue, New York, N. Y. Mezhdunarodnaja Kniga Antiquariat, Moscow. Engaged in solicitation of American advertising for placement in technical and trade publications in the Union of Soviet Socialist Republics and also in the technical publications in the United States for distribution in Union of Soviet Socialist Republics. Exporting and importing books and literature. Forty-percent commission; guarantees orders of $130,000. New York corporation.

Mrs. Herta M. Wagner, 160 East Forty-eighth Street, New York, N. Y. International committee to secure employment for refugee professional workers; to create public interest in the work of the committee, contacting interested organizations, raising funds for committee to be used in foreign lands. Compensation to be determined by committee according to its means. German.

Blue Star Line, Inc., 155 East Forty-fourth Street, New York, N. Y. Blue Star Line, Ltd. Steamship agents. Commission basis. United States corporation.

Polish Telegraphic Agency, 383 Madison Avenue, New York, N. Y. M. Obarski, general director, Warsaw, Poland. News service from New York to Poland, and from Poland to New York. One thousand zlotys monthly. United States corporation.

Pacific Lime Co., Ltd., 804 Arctic Building, Seattle, Wash. Pacific Lime Co., Ltd. (Vancouver, British Columbia, Canada). Engaged in selling in Oregon and Washington time products; object to further trade. No compensation listed. Canadian corporation.

Harold Riegelman, 420 Lexington Avenue, New York, N. Y. Chinese Embassy. Lawyer. Retainer, $1,000 a year. American.

United Council for Civilian Relief in China, Inc., 40 Wall Street, New York, N. Y. Red Cross Society of China, Hong Kong, China. To raise money to relieve suffering of victims of hostilities in China. No compensation. Humanitarian work.

Hornblower and Weeks, 40 Wall Street, New York, N. Y. Republic of Panama. Investment, security dealers, and brokers; developing and placing in operation a refunding plan for the external debt of the Republic of Panama. Three-percent commission of principal amount of new securities issued. American.

James H. Causey & Co., Inc., 63 Wall Street, New York, N. Y. Republic of Panama. Buying, selling, and dealing in securities. Three percent of principal amount of new securities issued. United States corporation.

Schlater, Noyes & Gardner, Inc., 60 Broadway, New York, N. Y. Republic of Panama. Buying, selling, and dealing in securities. Three percent of principal amount of new securities issued. United States corporation (New York corporation).

Norman S. Taber (Norman S. Taber & Co.), 30 Broad Street, New York, N. Y. Republic of Panama. Consultant on State and municipal finance. United States citizen.

Bookniga, Inc., 255 Fifth Avenue, New York, N. Y. Mezhdunarodnaza Kniga, Moscow. Importing and distributing books, literature, and musical works from Union of Soviet Socialist Republics to United States and Canada. No compensation listed. New York corporation.

Cadwalader, Wickersham & Taft, 14 Wall Street, New York, N. Y. Robert Esnault-Pelterie, France. Registrant is a partnership engaged in the practice of law; principal is scientist inventor in aeronautics. Reserve fund; expense, $75,000; entitled to draw $500 a month.

French Article Feature Agency (Jean-Paul Freyss), 103 Park Avenue, New York, N. Y. Telefrance Centre d'Informations Documentaires. Literary agent and article syndicate; $455 a month. French.

Irwin Vladimir & Co., Inc., 570 Lexington Avenue, New York, N. Y. (1) Japan Canned Crab Packers and Exporters Association; (2) Nozaki Bros.; (3) Mitsubshi Co.; (4) Mitsui & Co.; (5) Formosan Government; (6) S. Suzuki & Co. of New York, Ltd. Advertising agency. Fifteen-percent commission. American.

Sven T. Aberg, 420 Lexington Avenue, New York, N. Y. Telefonaktiebolaget. L. M. Ericsson, Stockholm, Sweden. Mercantile agent, promoting sale of products manufactured by manufacturers of the telephones and telephone equipment and electric cables.

Elliott & Nelson, 535 Fifth Avenue, New York, N. Y. Linen Trade Association, Inc., New York; Association des Tollieres de Belgique, Thielt, Belgium (manufacture of linen). Sales promotion, merchandising and publicity counsel and advertising in general field; $500 a month. American.

Lee Chalmers Balch, care of Mr. W. N. Hamaker, 1152 North Western Avenue, Los Angeles, Calif. Partido Revolucionario Anti-Communista, Mexico (a political party organized for the purpose of nominating and electing a President in Mexico in the elections in 1940; party is anticommunistic, anti-Fascist, and anti-Nazist; working for return of constitutional government in Mexico; for a cessation of illegal appropriations and for fair break for capital and labor. No compensation listed, except other than normal expenses of carrying on work. American.

Soferpro (Societe Fermiere de Propagande), 85–05 Elmhurst Avenue, Elmhurst, Long Island, New York. "Soferpro" Societe Fermiere de Propagande, Paris. To rent space for advertisement in Piers in France and Italy (railways, French); 30-percent commission. Italian.

Anchor Line, Ltd., 11 Rockefeller Plaza, New York, N. Y. "Anchor Line," Glasgow, Scotland. Transportation. No compensation listed.

Vasilios Papadakis, care of Royal Greek Legation, Washington, D. C. Royal Greek Government. Visiting world's fairs at New York and San Francisco and a few Greek communities on his way to and from. No compensation listed. Greek.

Thor Eckert & Co., Inc., 17 Battery Place, New York, N. Y. (1) Holland-America Line (H. A. Line Red Star Line Service), Rotterdam Netherlands; (2) Rederi A/B Disa (Brodin Line) Stockholm, Sweden. Transportation, freight; no publicity except sailing data. General agency commission.

Cecil & Presbrey, Inc., 247 Park Avenue, New York, N. Y. Cunard-White Star, Ltd., Provincial Bureau of Information (Province of Nova Scotia). General commercial advertising agency. Fifteen percent gross on advertising bills. United States corporation.

Newell W. Ellison, 701 Union Trust Building, Washington, D. C. Republic of Panama. Legal adviser to Republic of Panama with respect to the refunding of the external debt of the Republic of Panama. Fee, $10,000 plus additional consideration. United States citizen.

Siegfried Brun, 500 Fifth Avenue, New York, N. Y. Institutut National de Export, Bucharest, Rumania. Importer of and commissioner in foodstuffs from Rumania; to act as adviser on commercial and trade conditions in this country and their relationship to Rumania; 20,000 lei a month—equivalent to $145 a month. Austrian.

Institute of Public Relations, Inc., 420 Lexington Avenue, New York, N. Y. United Council for Civilian Relief in China. Public relations counsel—creating good will for clients; $2,500 a month. American.

Arnost (Arne) Laurin, room 2270, 1440 Broadway, New York, N. Y. Dr. Edward Benes. Press agent reporting about the attitude of American press toward Czechoslovakia; $150 a month. Czechoslovakia.

Jan Munzer, room 2270, 1440 Broadway, New York, N. Y. Dr. Edward Benes. Press agent reporting about the attitude of American press toward Czechoslovakia; $148 a month. Czechoslovakia.

Heinz Beller, 17 Battery Place, New York, N. Y. German Government. Director of German library of information; 10,424 reichsmarks per annum. German.

German labor delegation, 815 Riverside Drive, New York, N. Y. Executive of the Socialdemocratic Party of Germany. Free political group aiming to assist all efforts of reconstructing a democratic German republic. No compensation listed. Stateless; former German (deprived of nationality by Hitler government).

Esperia Film Distributing Co., 1650 Broadway, New York, N. Y. (1) Ente Nazionale Industrie Cinematografiche, (2) Instituto Nazionale Luce. Distribution of motion pictures. Sixty percent of net profit. American.

George Sylvester Viereck, 305 Riverside Drive, New York, N. Y. Munchner Neueste Nachrichten, editor-in-chief newspaper. Five hundred dollars a month. American.

Richard L. Dineley, 703 Market Street, San Francisco, Calif. Partido Revolucionario (Anti-Communista). General publicity agent. No compensation listed. American.

Alaric Jacob, 832 National Press Building, Washington, D. C. Reuters News Agency of London. News agency; $395 a month. British.

Roberto Haberman, 70 Pine Street, New York, N. Y. Confederacion Regional Obrera Mexicana. Labor organization in Mexico. No compensation listed. United States citizen.

Arnulf Olsen, 9115 Ridge Boulevard, Brooklyn, N. Y. (1) Norse Radio Press (American concern representing Norwegian Government in distribution of official Norwegian Press by wireless; (2) Danish Consulate, New York). Distributed news sent by wireless by the Norwegian and Danish Governments. Represents Norse Radio Press and Danish Consulate General; $30 and $25 a week respectively for 6 days' reception. Norwegian.

French Cinema Center, Inc., 35 West Forty-fifth Street, New York, N. Y. Centre Nationale de Tourisme. Distributors of information concerning the trades, culture, resorts, motion pictures, etc. No compensation listed. New York corporation.

Hight, Griffin, Deming & Gardner, 80 Broad Street, New York, N. Y. The Government of the Republic of France, Campagnie General Transatlantique (French Line). Purchase of ships and articles of every nature pertaining thereto. Fees upon quantum meruit basis following rendition of service. American.

Charles K. Pikiel, 625 Fifty-fourth Street, Pittsburgh, Pa. Dr. J. Kashelis. Importer and exporter; also commercial attaché of Lithuanian Government. No compensation listed. American.

Japan Information Bureau, 1615 Tribune Tower, Chicago, Ill. Consulate general of Japan. To supply information and publications about Japan to organizations, publishers, and libraries and to individuals. One hundred and fifty dollars a month.

John W. Wheeler-Bennett, British Library of Information, 50 Rockefeller Plaza, New York, N. Y. Government of the United Kingdom of Great Britain and Ireland, through which the British Library information is registered, is consultant honorary consultant to British Library of Information on European affairs and liaison between it and British consular officials. No compensation listed. British.

Glore, Forgan & Co., 38 Wall Street, New York, N. Y. Republic of Panama. Investment; security dealer and broker; adjuster of external debt of Republic of Panama. One and one-half percent of the $15,313,500 bonds issuable under the plan for the readjustment of the external debt, amounting to $229,702.50 to be paid to Glore, Forgan & Co. and Hornblower & Weeks jointly. American.

Aleko E. Lilius, 143 East Thirty-ninth Street, New York, N. Y. (1) Helsingin Sanomat (Helsinki, Finland); (2) Ugebladet Hjemmet, Copenhagen, Denmark. News correspondent. Four hundred dollars a month. American.

Kiyoshi K. Kawakami, 3729 Morrison Street, Washington, D. C. Osaka Mainicki Publishing Co., Osaka, Japan. Daily newspaper—the Osaka Mainchi; the Toky; also Nichi Nichi. Newspaper correspondent. Twelve thousand dollars a year. Japanese.

Garcia & Diaz, 17 Battery Place, New York, N. Y. (1) Compania Transatlantia Espanola (Spanish Line); (2) Compania Espanola de Navegacion Maritima, S. A.; (3) Compania sub American de Vapores. Steamship agent. General advertising.

Gene Lamb, care of Geographical Films, 35 West Forty-fifth Street, New York, N. Y. Board of Tourist Information; Japanese Government railways; Japan explorer, lecturer, author, and producer of motion pictures. All expenses paid; no compensation listed. American.

Alejandro Alfonzo-Larrain, 235 West One Hundred and Eighth Street, New York, N. Y. Government of Venezuela. Tourist commissioner for Government of Venezuela. Four hundred and seven dollars and fifty-two cents a month. Venezuelan.

Hugh Cowper Tennent, 428–433 Dillingham Transportation Building, Honolulu, Hawaii. Government of Dominion of New Zealand. Honorary agent for New Zealand; last few years inactive. Meeting important officials; no compensation listed. American.

Jane Ellis, 14 East Sixtieth Street, New York, N. Y. Finland. Dissemination of facts, information, photos, publicity in radio, and newsreel and publications. Two hundred and fifty dollars a month. American.

The Netherlands Chamber of Commerce in New York, Inc., 10 Rockefeller Plaza, New York, N. Y. (1) Netherlands Government; (2) Nederland Steamship Co.; (3) Rotterdam Lloyd Co.; (4) Netherlands American Chamber of Commerce of Amsterdam; (5) J. K. Smit & Sons. To promote trade between United States and Netherlands. No compensation listed. American corporation.

Charles Recht, 10 East Fortieth Street, New York, N. Y. (1) Government of the Union of Soviet Socialist Republics, by Committee on Arts at Council of Peoples' Commissars; (2) Iniurcollegia (former credit bureau) of Moscow, Union of Soviet Socialist Republics; (3) Peoples' Commissariat for Heavy Industry of Union of Soviet Socialist Republics; (4) Rare Metal Trust of Union of Soviet Socialist Republics; (5) Embassy of Union of Soviet Socialist Republics at Washington, D. C.; (6) Consulate General of the Union of Soviet Socialist Republics at New York City; (7) Commissioner General of the Union of Soviet Socialist Republics to New York World's Fair, 1939; (8) Edward W. Titus; (9) Amtorg Trading Corporation; (10) Amkino Corporation, Bookniga, Inc., Intourist, Inc., Soviet Photo Agency, Kenneth Durant. Attorney for foreign principals, specializes in probate matters. Not less than $2,000 a year. United States citizen.

Canadian National Railway Co., care of J. Raymond Hoover, Metropolitan Bank Building, Washington, D. C. Canadian National Railways. Operator of railroads, hotels, telegraphs, steamship service. No compensation listed. Canadian corporation.

Japanese Importers and Exporters Association of Chicago, 1615 Tribune Tower, Chicago, Ill. Consulate General of Japan. Promotion of American-Japanese trade in the Chicago area. Twenty-five dollars a year. Japanese association.

Luis Martinez Toledo, 21–59 Twenty-seventh Street, Astoria, New York, N. Y. Comite directivo nacional de la campana pro Avila Camacho (National directing committee of Avila—Camacho Campaina). Promote educational campaign among Mexicans in New York, acquainting them with personality of Candidate Avila, who will run for president of Mexico in 1940 election. No compensation listed. Mexican.

David Drucker, 10 East Fortieth Street, New York, N. Y. Amtorg Trading Corporation (N. Y.); Amkino Corporation; Intourist, Inc.; Bookniga, Inc.; Kenneth Durant; Helen Black; Commissioner General of the Union of Soviet Socialist Republics to New York World's Fair; Baltic Sea State Steamship Co.; Peoples' Commissariat for Heavy Industry of Union of Soviet Socialist Republics; Peoples' Commissariat for Foreign Trade of Union of Soviet Socialist Republics; and others. Export and import firm distribution; travel agency; news bureau; photo agency fees. Registrant is attorney for above principals. United States citizen.

South Manchuria Railway Co., New York office, 60 East Forty-second Street., New York, N. Y. South Manchuria Railway Co., Dairen, Manchuria. Transportation and mining. Cost of maintaining office, $57,145.57. No compensation listed. Japanese.

Carroll Prescott Lunt, Apartment 12F, 155 East Forty-seventh Street, New York, N. Y. The China Digest & Spotlite (magazine). Printers and publishers of the magazine. All profits belong to the registrant. American.

Marcelino Garcia Rubiera, 17 Battery Place, New York, N. Y. Direcion General del Turismo, Madrid, Spain. Steamship business, New York. Honorary. No compensation listed. American.

Alfred Andrzej Marski, care of Polish Embassy, 2640 Sixteenth Street NW., Washington, D. C. Polish Government. Presentation to the people of Polish extraction in the United States of the aims of the Polish Government and stimulation of the charitable spirit on behalf of the destitute people of Poland. Traveling and living expenses reimbursed by Polish Government. Salary received as member of the Polish National Council in Angers, France. Polish.

Arka Bozek, care of Polish Embassy, 2640 Sixteenth Street NW., Washington, D. C. Polish Government. Presentation to the people of Polish extraction in the United States of the aims of the Polish Government and stimulation of the charitable spirit on behalf of the destitute people in Poland. Traveling and living expenses reimbursed by Polish Government. Salary received as a member of the Polish National Council in Angers, France. Polish.

Emanuel Silverstone, 729 Seventh Avenue, New York, N. Y. Alexander Korda Film Productions, Ltd. Registrant is employee of principal; supervises the exploitation and distribution of films produced in England by principal; $250 a week. American.

Morris Helprin, 729 Seventh Avenue, New York, N. Y. Alexander Korda Film Productions, Ltd. Registrant is employee of principal—supervises the exploitation and distribution of films produced in England by principal. Two hundred and fifty dollars a week. American.

Kame Muraoka (Nippon Publishing Co.), 216 East Forty-fifth Street, New York, N. Y. Commissioner General of the Japanese Government to New York World's Fair; Consulate General of Japan; Japan Tourist Bureau (Japanese Government). Also many Japanese business houses and individuals. Publisher of the Japanese American Review, newspaper in English language. Newspaper contains news items and cultural matter of interest to Japanese and American subscribers and readers. No definite compensation. Japanese.

Frank Oliver, 832 National Press Building, Washington, D. C. Reuters News Agency. Washington correspondent for Telegraphy to London; American news having its origin in Washington, D. C. Four thousand seven hundred dollars a year. British.

Leonard S. Beller, 20 Vesey Street, New York, N. Y. American Committee for Anti-Nazi Literature (Francis Claud Cockburn, London, England.) Manager of American Office. No compensation listed. American.

Valdemar Emil Christensen, room 710, 280 Madison Avenue, New York, N. Y. Mr. Mogens Lichtenberg, director, Danish Tourist Association; C. Knutsen, director, Danish State Railways, both of Copenhagen, Denmark. To promote tourist business to Denmark. Ten thousand two hundred kroner—approximately $2,100 a year, plus travel expenses. Canadian.

Luis Fernandez Ardois, 1710 Northwest Sixth Street, Miami, Fla. Corporacion Nacional del Turismo (Cuban National Tourist Commission), a branch of the Department of Commerce of the Republic of Cuba. To officially represent; to look after tourist travel to Cuba in Miami, Fla., and other places in the United States. $200 a month. Cuban.

Irish Republican Government Association, 2554 University Place NW., Washington, D. C. Executive Council of Dail Eireanu. Irish Republican Government Association is a society incorporated under the laws of the District of Columbia to assist in organizing the people of Ireland to vote again as they did in 1918 for the American form of government for all Ireland—a sovereign democratic republic, having no connection with the British Crown, for renunciation of the British imposed Partition Agreement of 1921 and for restoration and perpetuation of the Irish Republic formally established in the Irish Republican Parliament in 1919. Representative, Sean O'Deorain, listed as citizen of United States.

Press Alliance, Inc., 227 East Forty-fifth Street, New York, N. Y. Opera Mundi, Paris, France. Newspaper syndicate, dealer in literary and artistic property, and representative of journalists, authors, and artists.

Mr. THILL. Mr. Speaker, the value of placing the foregoing list at the disposal of the American people through the CONGRESSIONAL RECORD, lies in the fact that they can now readily check up on foreign propagandists in their own communities, and if they find certain propaganda agents have not registered in accordance with the law, they can report these propagandists to the Attorney General for prosecution. Under date of April 2, 1940, Attorney General Jackson advised me that only eight individuals and companies have been indicted for failing to register, as provided by law. It seems to me that there are many agents of foreign governments who are viciously propagandizing this country, and who have failed to register with the Secretary of State.

The American reading public has been trained to accept as true the information contained in the daily press; as a result the readers of the daily newspapers accept the information contained in the news articles of European war correspondents, as truthful presentations when as a matter of fact the news articles are censored and colored by the nation which permits the release of the articles. The official government news agencies not only disguise and distort the facts, but they are often guilty of preposterous lying. For example, on February 23, 2 days after Russian planes bombed the Swedish city of Pajala, the official Soviet News Agency issued this statement:

Not a single Soviet plane has flown over Pajala.

But on March 5 the Soviet Government had to admit its planes had bombed Pajala. On another occasion, Russia's Molotov stated to the United States Ambassador in Moscow:

The Soviet Government has not bombed cities and will not do so.

Yet the world knows that Soviet planes almost daily bombed the city of Helsinki and Finnish civilians.

Propaganda was one of the main avenues for developing a war attitude in the minds of the American people from 1914 to 1917. Today the masses are more subject to direct appeal than in 1914, because of the radio. The fact that Americans listen to the radio every day has brought in a new style of war propaganda. The war is discussed on short wave international hook-ups. Germany is particularly active in presenting such propaganda broadcasts. Americans are supposed to listen to the fictional characters of Schmidt and Smith, a German and an Englishman who meet and chat via the short waves over their coffee cups in a Swiss hotel. A similar pair are Johnny and Jimmy, "Canadians," who pronounce the typical colonist's point of view. Another dialog goes on between Fritz and Fred, the "friendly quarrelers." The arguments invariably are won by the German point of view. In this connection I might mention what Hitler states on the subject of war propaganda in his book Mein Kampf. Says Hitler:

It is the task of propaganda not, for instance, to assay the various causes but to emphasize exclusively the one cause it represents. * * * Propaganda must limit itself to saying a very little, and this little, it must keep forever repeating.

British propaganda prior to the last World War was amazing in its methods and in the effect it produced. I have before me Harper's magazine for March 1918. It contains an article entitled, "The United States and the War." This article was written by the Right Honorable Sir Gilbert Parker, and he brazenly reveals that he became responsible for American publicity practically since the day when war broke out between England and the central powers. The scope of his department was very extensive, and its activities covered a wide range. Let me quote his own words, as follows:

Among the activities was a weekly report to the British Cabinet on the state of American opinion, and constant touch with the permanent correspondents of American newspapers in England. I also frequently arranged for important public men in England to act for us by interviews in American newspapers; and among these distinguished people were Mr. Lloyd George (the present Prime Minister), Viscount Grey, Mr. Balfour, Mr. Bonar Law, the Archbishop of Canterbury, Sir Edward Carson, Lord Robert Cecil, Mr. Walter Runciman (the Lord Chancelor), Mr. Austin Chamberlain, Lord Cromer, Will Crooks, Lord Curzon, Lord Gladstone, Lord Haldane, Mr. Henry James, Mr. John Redmond, Mr. Selfridge, Mr. Zangwill, Mrs. Humphrey Ward, and fully a hundred others.

Among other things, we supplied 360 newspapers in the smaller States of the United States with an English newspaper, which gives a weekly review and comment on the affairs of the war. We established connection with the man in the street through cinema pictures of the army and navy, as well as through interviews, articles, pamphlets, etc., and by letters in reply to individual American critics, which were printed in the chief newspapers of the State in which they lived, and were copied in newspapers of other and neighboring States. We advised and stimulated many people to write articles; we utilized the friendly services and assistance of confidential friends; we had reports from important Americans constantly, and established association by personal correspondence with influential and eminent people of every profession in the United States, beginning with university and college presidents, professors, and scientific men and running through all the ranges of the population. We asked our friends and correspondents to arrange for speeches, debates, and lectures by American citizens but we did not encourage Britishers to go to America and preach the doctrine of entrance into the war. Besides an immense private correspondence with individuals, we had our documents and literature sent to great numbers of public libraries, Y. M. C. A. societies, universities, colleges, historical societies, clubs, and newspapers.

These are the methods used 20 to 25 years ago to get the United States into war. Similar methods are being used today, and we can see them at work all around us. Sometimes officials of foreign governments speak out of turn, as did the attorney general of Ontario, just recently. He stated that it was Canada's duty to do everything within her power to enlist the active support of the United States in the cause of the Allies. What sort of a good-neighbor policy is that? Are we good neighbors only if they can use us? Nothing seems more important to some foreigners than to get the United States into war. How much help do they want? Let me quote Attorney General Conant's exact words:

With their vast resources and materials and men and their industrial capacity added to those of the Allies, there could be no question as to the outcome.

Get those words, "and men." They want not only our resources and our materials, not only cash and carry, not only credit, not only bombing planes, but they also want our boys to fight across the seas on foreign battlefields.

In speaking about his dear friend James Cromwell, our present minister to Canada, the Ontario attorney general said:

Let us hope that Mr. Cromwell did express the sentiments of the great majority of the people of the United States of America.

He referred, of course, to the speech Cromwell made in behalf of the Allied cause. Then the attorney general continues:

But let us also hope that action, and not merely professions of faith, will follow.

Get that. He wants action. Does not that mean soldiers, as quickly as possible? He wants us to get into the war to fight their battles.

Every type of propaganda is being used to get us into war. Falsehood is being deliberately used to get this Nation involved in the conflict abroad, just as every belligerent uses falsehood as a weapon of warfare to deceive its own people, to curry the favor of the neutrals, and to misinform the enemy. Foreign propaganda agents are using our freedom of the press and of speech for a purpose which may result in destruction of our form of government. They are trying to entangle us in a conflict that would force a dictatorship upon America. Let us avoid a repetition of the mistake we made in 1914–17, when we listened to the siren voice of paid war propagandists. We must vigorously uncover the artful deceit of these foreign agents; we must expose their falsehoods to the light of truth, because we want no part of war and its hateful consequences. We must fight with all our hearts to remain neutral and at peace.

[Here the gavel fell.]

The SPEAKER pro tempore. Under a previous order, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 2 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the gentleman from New York [Mr. FISH] has introduced today a

resolution which would provide for the purchase, by the United States, of Greenland. As Greenland is a Danish possession and as Denmark is not a sovereign state at the present time, I do not see how this purchase could be negotiated, as Germany is now occupying Denmark. Any negotiations would have to take place with the leaders of Nazi Germany and certainly this would be most unsatisfactory.

Mr. Speaker, I firmly believe that the United States should act, however, for our own protection, and that a protectorate should be declared over Greenland on behalf of the Danish people, on behalf of the 15,000 white people who are in Greenland at the present time, and the 12,000 Eskimos who also live in Greenland. When peace is restored in Europe and Denmark regains her sovereignty I shall be in accord with a purchase plan because I believe, without qualification, that Greenland should belong to the United States.

Mr. Speaker, I ask unanimous consent to address the House for 5 minutes tomorrow after the disposition of business on the Speaker's table, and at the conclusion of legislative business in order for the day and after any special orders heretofore entered.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. Under special order heretofore entered, the gentleman from New York [Mr. MARCANTONIO] is recognized for 10 minutes.

Mr. MARCANTONIO. Mr. Speaker, in view of the lateness of the hour, I ask unanimous consent that the special order granting me permission to address the House at this time be vacated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 40. Concurrent resolution creating a special joint committee to investigate the matter of losses resulting from the Mediterranean fruitfly eradication campaign in Florida in 1929 and 1930; to the Committee on Rules.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker pro tempore:

H. R. 6039. An act to amend laws for preventing collision of vessels, to regulate equipment of certain motorboats on the navigable waters of the United States, and for other purposes;

H. R. 6693. An act to amend the provisions of law relating to the use of private vehicles for official travel in order to effect economy and better administration;

H. R. 6901. An act granting increase of pensions to certain widows of veterans of the Civil War;

H. R. 7922. An act making appropriations for the executive office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1941, and for other purposes; and

H. J. Res. 289. Joint resolution to amend section 5 of Public Law No. 360, Sixty-sixth Congress.

The SPEAKER pro tempore announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 218. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 6039. An act to amend laws for preventing collision of vessels, to regulate equipment of certain motorboats on the navigable waters of the United States, and for other purposes;

H. R. 6693. An act to amend the provisions of law relating to the use of private vehicles for official travel in order to effect economy and better administration;

H. R. 6901. An act granting increase of pensions to certain widows of veterans of the Civil War;

H. R. 7922. An act making appropriations for the executive office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1941, and for other purposes; and

H. J. Res. 289. Joint resolution to amend section 5 of Public Law No. 360, Sixty-sixth Congress.

ADJOURNMENT

Mr. COLMER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 4 minutes p. m.) the House adjourned until tomorrow, Friday, April 19, 1940, at 12 o'clock noon.

MOTION TO DISCHARGE COMMITTEE

APRIL 15, 1940.

TO THE CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of rule XXVII, I, Hon. JOHN E. RANKIN, move to discharge the Committee on Rules from the consideration of the resolution (H. Res. 444) entitled, "a resolution for the consideration of H. R. 9000," which was referred to said committee March 28, 1940, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. J. E. Rankin.
2. J. E. Van Zandt.
3. W. A. Pittenger.
4. Martin L. Sweeney.
5. R. T. Buckler.
6. John G. Alexander.
7. Charles L. Gerlach.
8. Ivor D. Fenton.
9. James C. Oliver.
10. Edwin A. Hall.
11. Homer D. Angell.
12. Robt. F. Jones.
13. J. Thorkelson.
14. H. Carl Andersen.
15. Karl Stefan.
16. Lee E. Geyer.
17. Arthur B. Jenks.
18. Chester H. Gross.
19. Oscar Youngdahl.
20. J. Harry McGregor.
21. J. M. Robsion.
22. A. C. Schiffler.
23. John M. McCormack.
24. Carl Vinson.
25. Francis E. Walter.
26. John J. Dempsey.
27. Usher L. Burdick.
28. Stephen Bolles.
29. Everett M. Dirksen.
30. James W. Mott.
31. Joseph R. Bryson.
32. James G. Polk.
33. Fred C. Gartner.
34. George W. Johnson.
35. Overton Brooks.
36. Butler B. Hare.
37. Charles F. Risk.
38. Jno. K. Griffith.
39. A. J. Elliott.
40. James P. Richards.
41. Thomas D'Alesandro, Jr.
42. W. P. Lambertson.
43. E. C. Gathings.
44. Eugene B. Crowe.
45. Clyde T. Ellis.
46. Fadjo Cravens.
47. John C. Kunkel.
48. John M. Coffee.
49. Charles H. Leavy.
50. John R. Murdock.
51. Frank O. Horton.
52. Frank B. Keefe.
53. Pat Cannon.
54. Will Rogers.
55. Raymond S. Springer.
56. Geo. W. Gillie.
57. Frank W. Fries.
58. B. W. Gearhart.
59. W. Ben Gibbs.
60. F. L. Crawford.
61. Jennings Randolph.
62. Knute Hill.
63. J. O. Fernandez.
64. James A. Shanley.
65. Newt V. Mills.
66. Harry R. Sheppard.
67. Reid Murray.
68. Martin F. Smith.
69. Harry N. Routzohn.
70. John F. Hunter.
71. M. C. Tarver.
72. Jesse P. Wolcott.
73. John Lesinski.
74. B. M. Vincent.
75. Rudolph Tenerowicz.
76. Paul Brown.
77. Gerald W. Landis.
78. Joe Hendricks.
79. J. Hardin Peterson.
80. Thomas A. Flaherty.
81. Jed Johnson.
82. Wilburn Cartwright.
83. Frank Carlson.
84. Abe Murdock.
85. A. L. Ford.
86. Edith Nourse Rogers.
87. Wright Patman.
88. Frank R. Havenner.

89. John C. Martin.
90. Charles Hawks, Jr.
91. Pius L. Schwert.
92. Compton I. White.
93. Jerry Voorhis.
94. Fred J. Douglas.
95. Albert G. Rutherford.
96. George S. Williams.
97. Ed. V. Izac.
98. Noble J. Johnson.
99. Bob Mouton.
100. W. D. Mills.
101. James F. O'Connor.
102. A. Leonard Allen.
103. Joseph A. McArdle.
104. Noble J. Gregory.
105. W. H. Larrabee.
106. Lewis D. Thill.
107. Henry C. Dworshak.
108. J. Harold Flannery.
109. Chas. A. Wolverton.
110. Francis Case.
111. W. S. Jacobsen.
112. Richard J. Welch.
113. R. S. McKeough.
114. Vito Marcantonio.
115. Carroll Reece.
116. Matthew A. Dunn.
117. Eugene J. Keogh.
118. W. L. Nelson.
119. John L. McMillan.
120. John C. Schafer.
121. Joshua L. Johns.
122. Wm. Lemke.
123. Carl T. Curtis.
124. Anton J. Johnson.
125. James Wolfenden.
126. James Seccombe.
127. Robert T. Secrest.
128. Foster Stearns.
129. H. K. Claypool.
130. Stephen Pace.
131. B. J. Gehrmann.
132. Ben F. Jensen.
133. Thomas F. Ford.
134. Joseph J. O'Brien.
135. Henry O. Talle.
136. John McDowell.
137. Robert J. Corbett.
138. Michael J. Bradley.
139. Walter A. Lynch.
140. Kent E. Keller.
141. Martin J. Kennedy.
142. Chauncey W. Reed.
143. M. Michael Edelstein.
144. James H. Fay.
145. William H. Sutphin.
146. Albert E. Austin.
147. B. J. Monkiewicz.
148. Forest A. Harness.
149. René L. DeRouen.
150. John H. Tolan.
151. Ralph O. Brewster.
152. Francis J. Myers.
153. Richard M. Simpson.
154. Mon. C. Wallgren.
155. A. F. Maciejewski.
156. Fred Bradley.
157. Charles I. Faddis.
158. Merlin Hull.
159. Warren G. Magnuson.
160. D. Lane Powers.
161. Walter S. Jeffries.
162. Wm. W. Blackney.
163. Luther Patrick.
164. J. W. Flannagan, Jr.
165. Clyde L. Garrett.
166. Thomas D. Winter.
167. Robert L. Rodgers.
168. J. Francis Harter.
169. George N. Seger.
170. Leo E. Allen.
171. W. T. Byrns.
172. James M. Fitzpatrick.
173. Thos. H. Cullen.
174. Karl E. Mundt.
175. Emanuel Celler.
176. Michael J. Kennedy.
177. Jas. McAndrews.
178. John J. Delaney.
179. Donald L. O'Toole.
180. Thomas A. Jenkins.
181. E. M. Schaefer.
182. Clare G. McMillan.
183. Guy L. Moser.
184. Joe B. Bates.
185. Joseph L. Pfeifer.
186. Arthur B. Healey.
187. M. H. Evans.
188. Edw. J. Hart.
189. Michael J. Kirwan.
190. Mary T. Norton.
191. Sol Bloom.
192. Andrew L. Somers.
193. Louis Ludlow.
194. Albert L. Vreeland.
195. Samuel Dickstein.
196. Lansdale G. Sasscer.
197. George H. Bender.
198. Wm. B. Barry.
199. Nat Patton.
200. W. R. Poage.
201. A. J. May.
202. James P. McGranery.
203. C. Jasper Bell.
204. C. Arthur Anderson.
205. Thos. C. Hennings, Jr.
206. U. S. Guyer.
207. Jack Nichols.
208. Leonard W. Schuetz.
209. L. C. Arends.
210. Dan R. McGehee.
211. Vincent F. Harrington.
212. Lyndon Johnson.
213. Charles R. Clason.
214. James A. O'Leary.
215. Edward H. Rees.
216. J. Buell Snyder.
217. Harry P. Beam.
218. W. F. Norrell.

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, April 18, 1940.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings on the following resolution on Wednesday, April 24, 1940:

House Joint Resolution 509, to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war. Hearings will be held at 10 a. m.

The Committee on Merchant Marine and Fisheries will hold hearings on the following bill on Tuesday, April 30, 1940:

H. R. 8355, to admit the American-owned steamship *Port Saunders* and steamship *Hawk* to American registry and to permit their use in coastwise and fisheries trade. Hearing will be held at 10 a. m.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds Friday, April 19, 1940, at 10:30 a. m., for the consideration of House Joint Resolution 487. Important. The hearings will be held in room 1501, New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the bridge subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., Friday, April 19, 1940, for the consideration of H. R. 7864, to authorize the construction of a bridge across the Ohio River at or near Cannelton, Perry County, Ind.

COMMITTEE ON INSULAR AFFAIRS

There will be a meeting of the Committee on Insular Affairs on Friday, April 19, 1940, at 10 a. m., for the continued consideration of H. R. 8239, creating the Puerto Rico Water Resources Authority, and for other purposes.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, April 24, 1940, at 10:30 a. m., to hold hearings on H. R. 909, a bill providing for the purchase by the United States of the segregated coal and asphalt deposits in Oklahoma from the Choctaw and Chickasaw Tribes of Indians.

EXECUTIVE COMMUNICATIONS, ETC.

1554½. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting a request that Congress appropriate the budget item for the Work Projects Administration with certain definite provisions (H. Doc. No. 712); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COFFEE of Nebraska: Committee on Agriculture. S. 3237. An act to amend section 301 (a) of the Sugar Act of 1937; without amendment (Rept. No. 1977). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 9121. A bill to authorize the establishment of boundary lines for the Wilmington National Cemetery, N. C.; without amendment (Rept. No. 1978). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 8826. A bill to authorize an appropriation to assist in defraying the expenses of the American Negro Exposition to be held in Chicago, Ill., during 1940; with amendment (Rept. No. 1979). Referred to the Committee of the Whole House on the state of the Union.

Mr. LYNDON B. JOHNSON: Committee on Naval Affairs. S. 3014. An act to amend the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902 (32 Stat. 662), so as to provide uniformity in the pay of all civilian employees of the Navy Department appointed for duty beyond the continental limits of the United States and in Alaska; without amendment (Rept. No. 1980). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAAS: Committee on Naval Affairs. S. 3016. An act to amend the act approved February 15, 1929, entitled "An

act to permit certain warrant officers to count all active service rendered under temporary appointments as warrant or commissioned officers in the Regular Navy, or as warrant or commissioned officers in the United States Naval Reserve Force, for purpose of promotion to chief warrant rank," so as to permit service in the National Naval Volunteers to be counted for purposes of promotion; without amendment (Rept. No. 1981). Referred to the Committee of the Whole House on the state of the Union.

Mr. DREWRY: Committee on Naval Affairs. S. 3017. An act to amend the act entitled "An act to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States at Quantico, Va.," approved June 24, 1935 (49 Stat. 395), so as to permit the removal of certain encumbrances on the lands concerned; without amendment (Rept. No. 1982). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUTPHIN: Committee on Naval Affairs. S. 3065. An act authorizing the sale of fuel, electric current, ice, and water at isolated naval stations; without amendment (Rept. No. 1983). Referred to the Committee of the Whole House on the state of the Union.

Mr. HESS: Committee on Naval Affairs. S. 3098. An act authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dudley F. Wolfe; without amendment (Rept. No. 1984). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 8692. A bill to amend the act to regulate the practice of podiatry in the District of Columbia; with amendment (Rept. No. 1986). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 8846. A bill to provide for the retirement of certain members of the Metropolitan Police Department of the District of Columbia, the United States Park Police force, the White House Police force, and the members of the Fire Department of the District of Columbia; without amendment (Rept. No. 1987). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 9326. A bill to provide educational employees of the public schools of the District of Columbia with leave of absence, with part pay, for purposes of educational improvement, and for other purposes; without amendment (Rept. No. 1989). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 7865. A bill to amend the act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto, approved June 6, 1892, and acts amendatory thereof; with amendment (Rept. No. 1990). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma. Committee on Indian Affairs. Senate Joint Resolution 101. Joint resolution defining and classifying gratuity expenditures allowable as offsets in favor of the United States and against the Five Civilized Nations or Tribes of Indians; without amendment (Rept. No. 1991). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Indian Affairs. S. 1450. An act to provide funds for cooperation with school district No. 13, Froid, Mont., for extension of public-school buildings to be available to Indian children; with amendment (Rept. No. 1992). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. S. 2523. An act to provide for the construction, extension, equipment, and improvement of public-school facilities at McCurtain, Okla., Haskell County; without amendment (Rept. No. 1993). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 9210. A bill to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes," approved July 15, 1932, and for other purposes; without amendment (Rept. No. 1994). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JENKS of New Hampshire: Committee on Naval Affairs. S. 3009. An act authorizing the President to present the Navy Cross to Capt. Frank N. Roberts, United States Army; without amendment (Rept. No. 1985). Referred to the Committee of the Whole House.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 9284. A bill to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. A. L. Ridings; without amendment (Rept. No. 1988). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 9441. A bill to accept the grant to the United States of certain land by the State of South Carolina and to authorize its use by the United States Coast Guard; to the Committee on Merchant Marine and Fisheries.

By Mr. WEST:

H. R. 9442. A bill authorizing construction, operation, and maintenance of a project for flood control, and for the conservation, regulation, and utilization of the waters of the Rio Grande, and authorizing appropriation for that purpose; to the Committee on Foreign Affairs.

By Mr. FISH:

H. R. 9443. A bill providing for negotiations by the President with a view to the acquisition, by purchase, of Greenland; to the Committee on Foreign Affairs.

By Mr. CLEVENGER:

H. R. 9444. A bill to regulate the sale of seed inoculants, soil inoculants, inoculated fertilizers, and analogous biological products in the District of Columbia, to regulate interstate traffic in said articles, and for other purposes; to the Committee on Agriculture.

By Mr. LEAVY:

H. R. 9445. A bill for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes; to the Committee on Indian Affairs.

By Mr. BREWSTER:

H. R. 9446. A bill to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to marine schools in the State of Maine; to the Committee on Merchant Marine and Fisheries.

By Mr. McLAUGHLIN:

H. R. 9447. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. BROOKS:

H. R. 9448. A bill to provide pensions for disabled veterans of the World War, under similar conditions, and in the same amounts, as now provided for disabled veterans of the Spanish-American War; to the Committee on World War Veterans' Legislation.

By Mr. LESINSKI:

H. R. 9449. A bill to extend the benefits of title II of the Social Security Act, as amended, to employees of States, political subdivisions thereof, and instrumentalities of States or political subdivisions, and for other purposes; to the Committee on Ways and Means.

By Mr. VINSON of Georgia:

H. R. 9450. A bill to transfer the active list of the Construction Corps to the line of the Navy, and for other purposes; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARDEN:

H. R. 9451. A bill for the relief of Luther H. Daw; to the Committee on Claims.

By Mr. CULKIN:

H. R. 9452. A bill granting an increase of pension to Kate L. Schultz; to the Committee on Invalid Pensions.

By Mr. FADDIS:

H. R. 9453. A bill to provide a license to the Atlantic Refining Co., and for other purposes; to the Committee on Military Affairs.

By Mr. LEONARD W. HALL:

H. R. 9454. A bill for the relief of Guy T. Morris; to the Committee on Claims.

By Mr. HOFFMAN:

H. R. 9455. A bill for the relief of Stanley Everett Davis; to the Committee on Naval Affairs.

By Mr. McCORMACK:

H. R. 9456. A bill relating to the World War service of Dr. Patrick Henry Mullowney; to the Committee on Military Affairs.

By Mr. MURRAY:

H. R. 9457. A bill granting a pension to Ida Buskie; to the Committee on Pensions.

By Mr. PETERSON of Florida:

H. R. 9458. A bill granting a pension to Louise Phillips; to the Committee on Pensions.

By Mr. LEONARD W. HALL:

H. R. 9459. A bill for the relief of James Morris; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7504. By Mr. HART: Petition of the Board of Commissioners of the City of Union City, N. J., endorsing and approving the provisions of House bill 8288; to the Committee on Appropriations.

7505. Also, memorial of the American Preparedness and Safety Committee, Burke, S. Dak., requesting that the potential hydroelectric power of the Missouri River in South Dakota be developed for the processing of the vast manganese, chromium, and tin deposits in the Chamberlain-Oacoma district of that State; to the Commmitee on Military Affairs.

7506. Also, petition of the Board of Chosen Freeholders of Bergen County, N. J., protesting against the importation of refined sugar produced by cheap labor in the tropics; to the Committee on Agriculture.

7507. By Mr. LUTHER A. JOHNSON: Petition of M. C. Dickson, F. B. Allen, Claude L. White, and Fred Smith, of Corsicana, and G. M. Chapman, H. I. Oliphant, Andrew McClung, J. D. Holland, J. O. Barnett, F. B. Jennings, Andrew Talley, W. L. Bain, Jr., J. C. Spencer, W. B. Newsom, P. N. Stockton, W. A. Hill, H. P. Adams, and George Kimes of Kerens, Tex., favoring House bill 1; to the Committee on Ways and Means.

7508. By Mr. KEOGH: Petition of the Federation of Flat Glass Workers of America, Columbus, Ohio, opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7509. Also, petition of the Industrial Union of Marine and Shipbuilding Workers of America, Camden, N. J., opposing any amendments to the National Labor Relations Act; to the Committee on Labor.

7510. Also, petition of Local 129, United Shoeworkers of America, opposing any amendments to the Wagner National Labor Relations Act; to the Committee on Labor.

7511. Also, petition of E. H. Kellogg & Co., New York City, concerning House Resolution 420, to investigate sugar control; to the Committee on Rules.

7512. Also, petition of the Sheet Metal Workers International Association, Local Union No. 28, of New York City, favoring the passage of House bills 5878, 5876, and 8279, introduced by Congressman WARREN G. MAGNUSON; to the Committee on the Judiciary.

7513. By Mr. SPRINGER: Resolution of the International Brotherhood of Teamsters, Chauffeurs, Stablemen, and Helpers of America, Local 691, Richmond, Ind., urging support of Senate bill 591; to the Committee on Banking and Currency.

7514. Also, resolution of Painters Local No. 1033, Muncie, Ind., urging support of Senate bill 591, a bill authorizing the United States Housing Authority to make an additional $800,000,000 in loans; to the Committee on Banking and Currency.

7515. By Mr. WOLCOTT: Petition of Don McLachlan, chairman, Cherry Growers of Antrim County, Mich., and 11 others, urging the passage of House bill 6208, to permit cherries, among other fruits and vegetables, to be included in a marketing agreement under the Agricultural Adjustment Administration; to the Committee on Agriculture.

7516. By the SPEAKER: Petition of the Bergen County Women's Republican Club, Hackensack, N. J., petitioning consideration of their resolution with reference to the Sugar Act; Senate bills 1620 and 1650, the National Health Act; to the Committee on Foreign Affairs.

7517. Also, petition of Slovak I. W. O. district committee (Ladislav Sobol), Pittsburgh, Pa., petitioning consideration of their resolution with reference to antialien bills; to the Committee on Immigration and Naturalization.

7518. Also, petition of the Journeymen Barbers Union, Local 207, Elkhart, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7519. Also, petition of the United Cement, Lime & Gypsum Works International Union, Local 30, Mitchell, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7520. Also, petition of Societa' M. S. Fratellanza Italiana, Union City, N. J., petitioning consideration of their resolution with reference to House bills 2033 and 2036, concerning immigration and naturalization; to the Committee on Immigration and Naturalization.

7521. Also, petition of the Bartenders Local 130, Kokomo, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7522. Also, petition of the National Maritime Union, New York, N. Y., petitioning consideration of their resolution with reference to the marine hospital located at the city of Cairo, Ill.; to the Committee on Merchant Marine and Fisheries.

7523. Also, petition of We the Americans, Inc., Philadelphia, Pa., petitioning consideration of their resolution with reference to House bill 5228, concerning the Naturalization Act; to the Committee on Immigration and Naturalization.

7524. Also, petition of Painters Local No. 47, Indianapolis, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7525. Also, petition of Chauffeurs, Teamsters, and Helpers Local Union, No. 543, La Fayette, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7526. Also, petition of the Allis-Chalmers Workers Union, No. 248, United Automobile Workers of America, Congress of Industrial Organizations, petitioning consideration of their resolution with reference to the Norton bill and the Congress of Industrial Organizations' program; to the Committee on Labor.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 19, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, at early dawn, as we look toward the east, we know that the morning is coming, that the light is advancing, and that ere long the sun will pour forth its light and fullness. O Sun of Righteousness, send out Thy light, that we may perceive the fading of the night and the coming of the day. We yearn with deep desire to be Thy children with the morning promise and hope and with the right attitude toward God and man. It is blessed to live, but it is more blessed to live well, for our works do follow us. Through the future years, when foundations will have crumbled, the influences sent forth from this Chamber will be part of the great pattern of the world's history. Oh, may our ambition ever be to serve our country and conform our wills to Thy holy purpose. Grant that we may walk humbly and patiently before men and be filled with the spirit of the Master, giving it increasing strength day by day, and Thine shall be the praise. In the name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8438. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes.

The message also announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 437) entitled "Joint resolution authorizing the President of the United States of America to proclaim Citizenship Day for the recognition, observance, and commemoration of American citizenship," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHANDLER, Mr. MILLER, and Mr. WILEY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4929) entitled "An act to amend the act of June 23, 1938 (52 Stat. 944)."

EXTENSION OF REMARKS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an interesting and informative address delivered at the commemoration of the one hundredth anniversary of the establishment of the Supreme Court of Texas.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address delivered by Federal Security Administrator Paul V. McNutt last Sunday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from the Sandusky Daily News, of Ohio, on the subject of prosecution and persecution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. EDWIN A. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial from the Binghamton Press entitled "The Fourth Reorganization Memo."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include quotations from the Treasury Daily Balance Sheet and also quotations from certain magazines.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial from the San Antonio Express.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE YELLOWSTONE NATIONAL PARK

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to strike from the Union Calendar the bill (H. R. 6975) to provide for the reconveyance to the State of Montana of a portion of the land in such State within the boundaries of the Yellowstone National Park, Union Calendar No. 622.

The Clerk read the title of the bill.

Mr. RICH. Mr. Speaker, reserving the right to object, what does this bill do?

Mr. O'CONNOR. Mr. Speaker, I will say to the gentleman that the bill simply was designed to take a part of a mountain out of the Yellowstone Park and give it to the State of Montana. It is a bill which I introduced, and by reason of changed conditions I do not desire that the bill be passed; therefore I ask that it be stricken from the calendar.

Mr. RICH. We are perfectly happy to do that.

Mr. O'CONNOR. I thought you would be.

The SPEAKER pro tempore. Without objection, the bill will be stricken from the calendar.

EXTENSION OF REMARKS

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a telegram I received this morning.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARNOLD. Mr. Speaker, I have a communication from our beloved colleague PAUL W. SHAFER, of Battle Creek, Mich., in which he says:

> I am now at my home in Battle Creek, surrounded by a body cast, which I am told will be removed in another 4 or 5 weeks. I am greatly encouraged by the progress I am making toward recovery, and am hopeful of being back on the job in Washington before the end of the present session.

I know it is the fervent hope of the entire membership of this House that he will be able to be with us before the end of this session of the Congress. [Applause.]

SELECTION BOARDS, UNITED STATES NAVY

Mr. VINSON of Georgia. Mr. Speaker, I call up the conference report upon the bill (H. R. 4929) to amend the act of June 23, 1938 (52 Stat. 944), and ask unanimous consent that the statement of the conferees be read in lieu of the report.

The SPEAKER pro tempore. The gentleman from Georgia calls up a conference report on the bill H. R. 4929 and asks

unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement of the conferees.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4929) to amend the act of June 23, 1938 (52 Stat. 944), having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 10, and 11.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 6, and 9, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: Section 9, subsection (b), change the period to a colon and add the following proviso: *"Provided,* That officers who are or who may hereafter be assigned to engineering duty only or to aeronautical engineering duty only may be recommended for retention in addition to the number equal to the percentage furnished to the board by the Secretary of the Navy"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows:

"(d) The recommendations of selection boards in the case of officers who are now or may hereafter be assigned to engineering duty only or to aeronautical engineering duty only shall be based upon their comparative fitness for the duties prescribed for them by law. Upon promotion they shall be carried as additional numbers in grade. Officers assigned to engineering duty only or to aeronautical engineering duty only shall succeed to command on shore only when designated to do so by the Secretary of the Navy."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: *"Provided further,* That all such officers who were transferred to an appointment in the permanent grades or ranks in the Navy pursuant to the Act of June 4, 1920 (41 Stat. 812), and who were on July 21, 1939 assigned to duty involving flying shall be retained on the active list until June 30, 1944, and they may become eligible for selection as provided and as limited in subsection (d) of this section: *And provided further,* That any officer who was placed on the retired list in the grade of commander on June 1, 1939, or who was or may hereafter be placed on the retired list in the grade of commander pursuant to this subsection after June 1, 1939, who had not or shall have not completed twenty-three years of service for pay purposes at the time of retirement shall receive from the date of his retirement retired pay computed at the rate provided for officers who have completed twenty-three years of service for pay purposes,"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"(m) To meet emergency or special needs of the Navy, the President is hereby authorized to retain on active duty, or to order to active duty if retired, not more than two officers above the grade of captain in the Navy. While serving on active duty such officers shall have the highest grade or rank held by them on active duty and receive the full pay and allowances of the highest grade and the personal money allowance of the highest rank held by them on active duty, exclusive of flight or submarine pay. Officers retained on or ordered to active duty pursuant to this subsection shall become additional numbers in their grades, and if of the rank of admiral or vice admiral shall be in addition to the number of admirals and vice admirals otherwise authorized by law. Nothing contained in this subsection shall be construed as repealing other provisions of law under which officers may be retained on active duty or under which retired officers may be ordered to active duty."

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: Strike out the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 2. Any officer who may heretofore have been placed on the retired list pursuant to the provisions of section 13 or subsection 15 (e) of the Act of June 23, 1938 (52 Stat. 944), or both of them, shall receive the retired pay of a rear admiral of the upper half."

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: Change the number of "Sec. 4" to "Sec. 3" and the date of "January 3, 1940" to "January 3, 1941,"; and the Senate agree to the same.

CARL VINSON,
P. H. DREWRY,
M. J. MAAS,
Managers on the part of the House.

DAVID I. WALSH,
MILLARD E. TYDINGS,
FREDERICK HALE,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4929) to amend the act of June 23, 1938 (52 Stat. 944), submit the following written statement explaining the effect of the action agreed on by the conference committee and submitted in the accompanying conference report:

On amendment No. 1: Restores the language of the House providing that the Commander in Chief of the United States Fleet may not serve on the selection boards for the selection of officers.

On amendment No. 2: Restores the language of the House which provides in effect that medical records, along with the other official records of officers, will be furnished to the selection board for its consideration in the selection of officers.

On amendment No. 3: Modifies the amendment of the Senate to permit the retention of officers assigned to engineering duty only or aeronautical engineering duty only in addition to those representing the percentage furnished the board by the Secretary of the Navy.

On amendment No. 4: Modifies House language to provide that recommendations of selection boards in the case of officers assigned to engineering duty only and aeronautical engineering duty only shall be based upon their comparative fitness for the duties prescribed for them by law. Makes all such officers, upon promotion, additional numbers in grade. Prohibits officers assigned to engineering duty only or to aeronautical engineering duty only from succeeding to command on shore unless designated to do so by the Secretary of the Navy.

On amendment No. 5: Strikes out the House provision to require the reports of the selection board to include a statement giving reasons actuating the selection of every officer recommended for selection and the reasons for passing over those officers not recommended.

On amendment No. 6: Strikes out the House provision to provide that officers selected as best fitted shall, when promoted, take their place in the next higher grade in accordance with the place they held when they were originally commissioned in the Navy. This House provision made no provision for the promotion of officers adjudged as fitted for promotion.

On amendment No. 7: Modifies the House provision for retaining all fitted officers on active duty until June 30, 1944, to provide that only wartime aviators who were commissioned under the act of June 4, 1920, and who are now assigned to duty involving flying shall be retained on active duty until June 30, 1944. Other officers of the fitted group may be retained under existing law if their services are needed. This amendment inserts the language of the Senate providing that commanders who were on June 1, 1939, or who may hereafter be placed on the retired list pursuant to section 12 (f) of the act of June 23, 1938, and who have not completed 2 years of commissioned service shall receive the retired pay of a commander with 23 years' service.

On amendment No. 8: Modifies the language of the House to authorize the President to recall to or retain on active duty not more than two officers of the retired list above the grade of captain. Such officers, while on active duty, to have the highest rank held by them before retirement and to receive the highest pay and allowances they received before retirement.

On amendment No. 9: Strikes out the House provision which provision would have prevented the counting of temporary and Reserve commissioned service for retirement purposes.

On amendment No. 10: Restores the House provision which requires that a sufficient number of officers of the Navy of the grade of rear admiral be designated each year for retirement in order to maintain an average of nine vacancies annually in that grade. Under existing law an average annual number of eight such vacancies must be maintained.

On amendment No. 11: Strikes out the proposal of the Senate to repeal existing law requiring a specified average number of annual vacancies in the grade of rear admiral in the Navy and in the grade of general officers of the line of the Marine Corps.

On amendment No. 12: Eliminates from the bill language which would require selection boards to be convened for the purpose of designating rear admirals of the junior half of that grade for retention on active service. The provision in existing law, as amended, accomplishes this purpose by providing for the designation of officers in this grade for retirement. Existing law is preferred to the proposal contained in this amendment.

On amendment No. 13: Strikes out language inserted by the Senate which would make void the action of any boards convened pursuant to the act of June 23, 1938, for the purpose of designating flag officers of the Navy and general officers of the Marine Corps for retirement to maintain an average number of annual vacancies, and substitutes therefor language which would grant to any officer who has been so designated for retirement the retired pay of a rear admiral of the upper half.

On amendment No. 14: Inserts language proposed by the Senate directing the Secretary of the Navy to appoint a board of officers to investigate and report upon the question of promotion and retirement of officers of the staff corps of the Navy and officers assigned to engineering duty only and aeronautical engineering duty only. It requires the Secretary of the Navy to transmit the report of this Board to Congress in January 1941.

CARL VINSON.
P. H. DREWRY.
M. J. MAAS.
Managers on the part of the House.

Mr. VINSON of Georgia. Mr. Speaker, the conferees are unanimous in this report. Unless there is some question that some Member desires to ask, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to, and a motion to reconsider laid on the table.

EXTENSION OF REMARKS

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a discussion of the slow-motion political assassination of Governor McNutt, as contained in an article in the Christian Science Monitor of yesterday.

The SPEAKER pro tempore. Is there objection?

There was no objection.

DEVELOPMENT OF INLAND WATERWAYS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection?

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that my remarks may appear in the Appendix.

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting a brief letter from the Air Line Pilots' Association.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. JONKMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an editorial.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HORTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an editorial from the Fort Wayne News-Sentinel commenting on a recent statement made by our colleague the gentleman from South Dakota [Mr. MUNDT].

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a resolution of District No. 1 of the Council of World War Combat Veterans.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CROP INSURANCE FOR COTTON

Mr. FULMER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate bill 2635 and consider it in Committee of the Whole instead of H. R. 6972, to amend the Federal Crop Insurance Act of 1938. This bill is identical with the House bill, except that the word "tobacco" is included in the Senate bill. We propose to offer an amendment to take that out.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

Mr. TABER. Mr. Speaker, I reserve the right to object to have the gentleman explain the matter.

Mr. FULMER. The Senate bill is the same as the House bill, except that the Senate included tobacco with cotton. We propose simply to put cotton in with wheat under the insurance plan. We want to substitute the Senate bill, with the understanding that we will offer an amendment to take out tobacco, because the tobacco people do not ask for it.

Mr. TABER. Mr. Speaker, I object.

CALL OF THE HOUSE

Mr. RICH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Pennsylvania makes the point of order that there is no quorum present. Obviously there is not.

Mr. FULMER. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 76]

Andrews	Englebright	Kilburn	Sacks
Austin	Faddis	Kocialkowski	Schuetz
Boland	Fay	Lemke	Schulte
Brewster	Fenton	Lewis, Ohio	Schwert
Brooks	Ferguson	McArdle	Scrugham
Buckley, N. Y.	Fish	McDowell	Seger
Burdick	Flannagan	McGranery	Shafer, Mich.
Burgin	Ford, Thomas F.	McLean	Shanley
Byrne, N. Y.	Gavagan	Maloney	Sheridan
Carlson	Gifford	Massingale	Simpson
Carter	Gilchrist	Merritt	Smith, Ill.
Cartwright	Goodwin	Mitchell	Steagall
Casey, Mass.	Green	Mouton	Sullivan
Celler	Hess	Murdock, Utah	Taylor
Connery	Hook	Myers	Thomas, N. J.
Corbett	Houston	O'Day	Tibbott
Crowther	Izac	O'Leary	Vorys, Ohio
Culkin	Jacobsen	O'Toole	Ward
Darrow	Jarrett	Patrick	Weaver
Dickstein	Jenkins, Ohio	Pfeifer	Wheat
Dingell	Jennings	Plumley	Whelchel
Ditter	Kelly	Rabaut	White, Ohio
Douglas	Kennedy, Martin	Risk	
Durham	Kennedy, Michael	Robsion, Ky.	
Ellis	Keogh	Rockefeller	

The SPEAKER pro tempore (Mr. WHITTINGTON). Three hundred and thirty-three Members have answered to their names. A quorum is present.

Further proceedings under the call were dispensed with.

FEDERAL CROP INSURANCE ACT

Mr. FULMER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6972) to amend the Federal Crop Insurance Act.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6972, with Mr. DUNCAN in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. FULMER. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. DOXEY].

Mr. DOXEY. Mr. Chairman, in opening the discussion today on this amendment to the present crop-insurance law. I want to say that within the limited time we have for debate it will not be my purpose to go into detail and endeavor to

analyze the bill at the present time. A number of our colleagues have already spoken upon the measure and they discussed it in detail several days ago. However, it will be my purpose at this time to give the members of this committee a little background as to the history of this legislation, which possibly some of you do not know.

Congress was called into special session by President Roosevelt November 15, 1937, for the purpose of enacting general farm legislation.

From that date on, the Committee on Agriculture of both the House and the Senate were in constant session until the Agricultural Adjustment Act of 1938 was passed and signed by the President on February 16, 1938.

The House passed the bill December 10, 1937. The Senate passed the bill December 17, 1937. It was sent to conference on December 18, 1937.

The conferees on the part of the House were Marvin Jones, of Texas; H. P. Fulmer, of South Carolina; Wall Doxey, of Mississippi; Clifford R. Hope, of Kansas; and J. Roland Kinzer, of Pennsylvania. The conferees on the part of the Senate were E. D. Smith, of South Carolina; George McGill, of Kansas; J. H. Bankhead, of Alabama; Carl A. Hatch, of New Mexico; J. P. Pope, of Idaho; Lynn J. Frazier, of North Dakota; and Arthur Capper, of Kansas.

The conference committee worked during the Christmas holidays of 1937 and submitted to Congress their conference report on H. R. 8505—the Agricultural Adjustment Act of 1938—on Monday, February 7, 1938.

The conference report was approved by the House on February 9, 1938, and was approved by the Senate on February 14, 1938.

The members of this conference committee worked many days; yea, even weeks on this measure. Many differences between the House and the Senate had to be ironed out and adjusted.

One of the items in this constructive and far-reaching farm program was the question of crop insurance.

The agricultural adjustment bill, as it passed the House, did not contain any provision for crop insurance, but when the Senate passed the agricultural adjustment bill it included a provision for crop insurance on wheat.

When the conferees of both the House and the Senate began to consider the bill, quite a bit of consideration was devoted to the question of crop insurance.

The conferees determined to make the farm legislation as broad and inclusive as possible. They wanted to do as much as they could for the national welfare and the general welfare in particular of the American farmer.

Therefore, after much consideration and long study, title V, known as the Federal Crop Insurance Act, was made a part of the farm conference report that afterward became a law and was known as the Agricultural Adjustment Act of 1938.

I was one of the members of this conference committee who insisted and urged that cotton be included along with wheat in the crop-insurance provisions, because there was pending at that time before the House Committee on Agriculture a bill by the distinguished chairman of the committee, Mr. JONES, and also one by our distinguished friend the gentleman from South Carolina [Mr. FULMER], with reference to crop insurance. Those bills that were then before the House Agriculture Committee included both wheat and cotton. Naturally, therefore, the House conferees said, "If you are going to have any crop-insurance plan, we feel that cotton should be included." That was the problem with which we were faced with reference to crop insurance in conference.

In our conference, however, it was argued, and the facts disclosed that at that time there were not sufficient data available as to cotton to include cotton in the insurance plan.

It was agreed by all conferees that the insurance plan was novel and was just an experiment on the part of the Government.

Finally, after due deliberation, it was agreed in conference to try out the insurance plan on just the one commodity—wheat—and that just as soon as the proper data were available as to cotton it would be the next agricultural commodity to be included in the insurance provisions.

That was the understanding among the conferees. It amounted to a "gentlemen's agreement," in my opinion. I believe the other members of the conference committee will agree with me in that view. Senators Pope and McGill, who were both very much interested in this provision, and were members of the conference committee, are not now Members of the Senate, but if they were I feel sure they would both verify my statement in this regard.

In fact, we then and we hope now to expand this crop-insurance feature to other agricultural commodities. We do not expect to confine it just to wheat and cotton but to fruits, vegetables, and other crops if and when the necessary data are available and the facts and circumstances justify it.

That was clearly the intention of the conferees, for we provided in our conference report, under the title Investigation for Crop Insurance, that—

> There is authorized to be appropriated to the Secretary of Agriculture the sum of $150,000, or so much thereof as may be necessary until such study is completed, for making a study of a feasible and practicable plan of crop insurance for fruits, vegetables, and all other crops. The Secretary is directed, as soon as he has completed such study or has sufficient information available to justify a report, to report his findings and recommendations with respect to such plan or plans to the Congress at the earliest practicable date.

As a result, we have a marvelous store of information in this regard given us by the Department of Agriculture in a document known as House Document No. 277, Seventy-sixth Congress, first session, A Suggested Plan for Cotton Crop Insurance.

However, not having the data with regard to cotton available at the time the conferees were considering the crop-insurance feature of the Agricultural Adjustment Act of 1938, the conferees agreed that the crop-insurance feature of the bill would at that time be made applicable only to wheat for the year 1939 and see how it worked.

Consequently, we set up the Federal Crop Insurance Corporation and authorized an appropriation of $6,000,000 for the crop-insurance program pertaining to wheat, knowing that the administration of the program for the first year or two would necessarily require a greater outlay of expenditure by the Government than in later years, as we had to set up a system and get it to functioning properly. That wheat-crop insurance program has been in effect now on the wheat crop of 1939.

In the limited time that I have at my disposal I will not attempt to analyze or discuss the provisions of this present bill in detail. It has been discussed by some of my colleagues and explained generally.

However, we all agree that the time has arrived for us to enact legislation, including cotton, in the general crop-insurance plan.

I appeared before the Rules Committee of the House and asked that a rule be given for the consideration of this crop-insurance bill, stating at the time that I certainly would be most happy to advocate the inclusion of other agricultural commodities in this general crop-insurance plan if and when the proper data is presented to Congress regarding them and the facts and circumstances justify the inclusion of any other specific agricultural commodity.

We all realize that from the inception of this crop-insurance program it was to be regarded as a large-scale program in protecting farmers from unavoidable crop losses. This proposed legislation insures only against losses in production. It has nothing to do with insuring as to prices of agricultural commodities.

This crop-insurance plan has been studied for a long while. Much research work has been done in regard to it. As a result of this extensive work and background, fairly accurate requirements can be established at this time with reference to the two major agricultural commodities, wheat and cotton.

Personally, I feel that the program will work out much more satisfactorily with reference to cotton than it has with reference to wheat.

I base this opinion on the fact that throughout the cotton-producing areas there are not as many complete crop failures as there are, generally speaking, throughout the wheat-producing areas.

The history with reference to cotton pertaining to States, counties, and even farms is complete to a marked degree. The general average production over a period of years is firmly established, and I have no doubt but what the insurance principle can be successfully applied to the cotton crop.

Naturally, any Government insurance plan, whether it relates to wheat, cotton, or any other agricultural commodity, has to grow. From a practical standpoint we all know that for the first year or two there will necessarily be more administrative expenses than there will be after the system begins to properly function.

Furthermore, there will be fewer applications the first few years than there will be in after years as the program develops and gets on a substantial basis.

I will not attempt here to discuss how this law has worked with reference to the 1939 wheat crop insurance program. You gentlemen from the wheat sections are generally familiar with the growing popularity of this program among the wheat growers of this Nation.

Coming from a cotton section as I do, I feel that the crop-insurance plan for cotton should be included as a part of our general farm program.

As I have often said on the floor of this House, there is no one single piece of legislation that is going to solve the cotton farmer's problem. We have to approach and attack these many farm problems from many angles. However, I feel that this crop-insurance plan would provide for the cotton farmer a better distribution of income from year to year and would alleviate some of the hardships brought about by periodical crop failures.

Our cotton crop is financed largely through credit means, and when a farmer has a cotton-crop failure he not only experiences a reduction in his cash income but the cotton farmer of the South necessarily has to carry over his debts and incur other obligations that he cannot meet even if he has a good crop the next year.

However, with this plan of crop insurance in operation for the cotton farmer, if he took out Government crop insurance, which, of course, is purely voluntary, and then experienced a crop failure, he would be reimbursed either on the 75 or 50 percent average yield per acre planted on his cotton farm, which would give him enough money to certainly help him with his living expenses and keep him from having to seek more credit elsewhere.

My colleagues full well realize that many a farmer seeks to be and is placed on the relief rolls because he has had a crop failure. However, if Government crop insurance is available and he has taken advantage of it, he will not have to seek the relief rolls. Therefore, to my mind, this crop-insurance plan should certainly reduce the Government relief rolls in areas that have suffered and will suffer in the future from either partial or total crop failures.

This crop-insurance plan also provides or at least approaches what has been termed an "ever-normal granary." The wheat and the cotton paid to the Government by the farmer as premiums are stored by the Government and repaid in kind to those who suffer losses. Of course, where the insured requests cash, he is paid cash, and the Government has a right to sell a sufficient amount of the commodity collected as premium to take care of the cash outlay paid in losses. I feel that this plan can be made to work with reference to cotton.

Take the 10 counties that compose the Second Congressional District of Mississippi that I have the honor to represent in Congress. They are all cotton-producing counties and the following table has been worked out with regard to these 10 counties in my district to show the tentative county average loss costs for the base period, 1933 to 1938, inclusive, for cotton-crop insurance.

County	Average loss cost for the 6-year base period, 1933–38 [1]	
	Lint 75 percent	Lint 50 percent
	Pounds	*Pounds*
Benton	10.0	0.8
De Soto	8.5	.5
Lafayette	6.2	.5
Marshall	8.9	.6
Panola	7.4	.6
Tallahatchie	9.6	.4
Tate	8.1	.6
Tippah	8.3	.9
Union	9.7	.5
Yalobusha	7.5	1.0

[1] These loss-cost figures for the 6 years, 1933–38, will be adjusted to reflect the loss experience for the 11 years 1928–38 when county yield figures for 1938 become available from the Division of Crop and Livestock Estimates. Minimum premium rates would be established under both the 75- and 50-percent plans.

The base figures show the average premium that would be required to be paid in each county per acre. However, that does not mean that each farm in the same county would pay the same premium. One farmer on his general average, according to the past history of his farm, might be required to pay 10 pounds of lint cotton per acre as premium, whereas another farmer in the same county with a different background and a different cotton history for his farm might be required to pay either a little more or a little less than 10 pounds per acre as premium.

The county committee and those in charge of the program in each county, as well as the State and the Federal Government authorities, all have the cotton history of each county and of each farm within the county. Therefore, if administered like I understand the Department intends to administer it, I feel the cotton-insurance program will mean a great deal to our cotton farmers, who depend on their cotton crop as their major source of cash income.

The bill provides that this program will be administered by the Federal Crop Insurance Corporation and that the State and county committees already established and handling other farm programs would be used in the administration of this cotton crop insurance program.

The premiums are paid by the insured in kind. The insurance reserves are built up out of the premiums so paid. If the insured desired to pay his premiums in cash, that cash would be used and invested in cotton. In other words, the Government is supposed to have on hand at all times either enough of the commodity in kind or the cash on hand to pay the losses.

Claims for the losses could be paid to the farmer by issuing to him a warehouse receipt for a certain amount of cotton or by selling a sufficient amount of cotton from the reserve so built up and paying to the farmer the cash that would be equivalent to the amount of cotton due him as the result of his losses.

Each farm would have a separate coverage per acre and a separate program rate per acre, so, to my mind, it would not be very hard to administer this law equitably and satisfactorily.

The purpose and intent of the law is to have the Government pay the expenses of administration, you might say as a donation to the program, but the losses would be paid out of the reserve built up by the collection of the premiums paid in by the individual farmer.

I feel that this cotton crop insurance plan will meet a real need and prove to be an important and fundamental part of the Federal Government's general farm program. Of course, it is based on risk, chance, and other elements incident to any insurance plan.

It is the intention of Congress that this plan will provide for protection against losses of cottonseed as well as losses of lint cotton.

It necessarily will take time to work out all the details in connection with the program, but the broad principle is that this insurance plan shall apply to all cotton grown in the United States except sea-island cotton.

I trust that all of you who are interested in agriculture will help us pass this proposed legislation, for when we have proved that it works satisfactorily with regard to wheat and cotton we can then extend the program to include other agricultural commodities that some of you are more primarily interested in than you are in wheat and cotton.

This crop-insurance plan will produce and develop closer cooperation among farmers, increase their incomes, promote better farming methods, and enable more farmers to own their farms.

Crop insurance is an important and necessary part of our general farm program, and certainly should be made to include cotton.

The bill that we are now considering provides for the crop insurance to apply to the 1940 cotton crop. However, I am of the opinion that on account of the lateness of the season and the fact that this measure may not be signed by the President until after the 1940 cotton crop is planted, especially in some sections, this bill should be amended so that the insurance plan will apply to the 1941 cotton crop instead of the 1940 crop. I have discussed this with the members of our committee, and I think they agree with me in this regard. Therefore I feel certain a committee amendment to this effect will be offered at the proper time, and I hope it will be approved by this House.

I am sorry my time is up, but there are a number of Members who want to speak on this bill, and the entire time for its consideration is limited. I am sure other Members will explain other features of the bill. I hope there will be no question and no trouble in passing this bill by a great majority. I thank you. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the distinguished gentleman from Mississippi [Mr. DOXEY] has told you that there is a great deal of factual information in House Document No. 277 with relation to cotton, and the application of crop insurance to this crop. He is correct. This does not mean, however, that every time a theory is worked out on paper it will work out in actual practice. During the past 7 years we have had many experiences along this line, theories have been worked out on paper, but when they were put into actual practice they turned out to be failures.

I am not opposing insurance for cotton, but I do oppose this legislation at the present time, because when a system is set up for the insuring of cotton or other crops in this country I want to be sure that it will be a sound system which will work for the benefit of the farmers of this country. I do not believe that the Department of Agriculture, in its insurance division—and I am satisfied that no Member of Congress—has definite information to show that the wheat program which has been in operation only a little over a year has been a success. Several private companies have tried to insure crops during the last two decades, three companies in particular. They tried it for 1 year, and went out of business, because it nearly put them out of business.

Mr. GREEN, who inaugurated the crop-insurance plan for wheat, a very able man, did give the committee some of the soundest information it ever had on the subject of trying crop insurance for wheat. It was trying out an experiment, he said, and that it would take a period of 5 to 6 years before we could determine whether that experiment would succeed or fail. We have had 1 full year of crop insurance for wheat. If we were to judge the legislation by what took place last year we would find that the organization lost money; in other words, it lost more than 2,300,000 bushels of wheat in addition to the administrative cost which ran about $4,800,000.

I feel that if we are going to establish the biggest insurance business in the world, which it will be if we start insuring all farm crops—and all farmers are entitled to that coverage, once we start—that we should be perfectly sure we have a sound system based upon experience in actuarial figures submitted to us from what has been observed and tried out in wheat. We have no yardstick to go by when it comes to cotton. It is true a great deal of statistical information has been submitted to us on cotton, but there are 2,000,000 cotton farmers in this country. Cotton production now will run from 12,000,000 bales to 18,000,000 bales, and you can figure that if 12,000,000 bales of cotton should be insured up to 75 percent of the yield per acre, this in itself would be one of the biggest insurance undertakings in the world. But when you add on the production of 800,000,000 bushels of wheat for insurance, when you add on 2,540,000,000 bushels of corn, and when you add barley, rye, oats, vegetables, fruits, and all other commodities, the organization that would be set up here, if it is not sound will have to be financed by the Federal Government through contributions from the General Treasury.

If we are going to establish a system in the United States to insure crops from all types of losses and injury from pests, then we should be sure that the experiment which has been going on with wheat is a success; that it is self-sustaining and that it will carry itself without cost to the Treasury of the United States. I know the farmers want to be made safe so far as the production of their crops is concerned, because there is no greater hazard than the production of agricultural commodities; but they do not want this to be financed out of the Treasury of the United States. It is true that at the present time the Government stands all administrative expenses and the cost last year run close to $5,000,000. There was a personnel of around 1,500 permanent employees, which has been gradually reduced, but with tens of thousands of men throughout the country who are operating on a per diem when they work, these too are also a part of this organization.

The cotton-insurance amendment which is before us today provides for $6,000,000 of administrative expense for next year, which means that several hundred additional employees will be added to the insurance organization in addition to putting the county and township committees to work in the cotton areas of the South who will also receive $4 or $5 a day for going out to measure up the land and assist in the administration of the act. The extension of this program to cotton will build up an additional bureaucratic organization in the Nation's Capital and in the country.

As far as I am concerned, I am not ready to support a measure of this kind until I am satisfied that the experiment on wheat will work out without any cost to the Treasury of the United States.

Mr. PACE. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Georgia.

Mr. PACE. Does the gentleman propose to repeal the wheat-crop insurance program?

Mr. AUGUST H. ANDRESEN. I am not proposing to repeal the wheat-crop insurance, no; nor did I so state. The gentleman knows that as soon as the wheat-crop insurance program has proven to be successful I will vote to put all commodities into an insurance program.

Mr. PACE. The gentleman would want to respect any agreement between the conferees on the part of the House and the Senate with respect to including cotton, would he not?

Mr. AUGUST H. ANDRESEN. I do not feel that I am bound by any agreement of which I am not aware. I have talked with some of the conferees on my side of the aisle with reference to whether or not there was an agreement, and I am told that they know nothing of such agreement.

Some of the Members from the cotton area may not know how much this is going to cost the cotton farmers as far as insurance premiums are concerned. I spent several hours with Mr. Smith, who is now in charge of the insurance program, day before yesterday, and he told me that the premiums on cotton would run from 5 to 25 percent of the average production of cotton, which means that in some instances one-quarter of the cotton produced on a particular piece of land will have to be paid as a premium for 75-percent coverage. That seems to me to be a great deal, but, of course, maybe you gentlemen from the cotton section feel that all of the cotton farmers want this program and will go into it. If they do, they will have to pay the premium, and there will be approximately 2,000,000 cotton farmers in it.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CRAWFORD. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. May I ask, when these premiums are assessed against the farmer, in other words, when a crop of growing cotton is insured and the premium collections are made against the cotton acreage, does the farmer deliver cotton in payment of the premium?

Mr. AUGUST H. ANDRESEN. That is part of the program. He has to deliver lint cotton as payment for his premium. But it is not really working out that way. Let me tell you how the premiums are paid on wheat. Ninety percent of the premiums paid on wheat last year were not paid in wheat. They were paid in deductions from the soil-conservation checks by an assignment from the farmer who was to receive that check over to the Insurance Corporation to pay his premium.

Mr. CRAWFORD. I want to see if I understand this matter correctly. Through that machinery of administration, instead of actual lint cotton being delivered in payment for the premium, the buying power of the cotton farmer for consumer goods, which he would have had in his possession through a distribution of the soil-benefit checks, is withheld from him in benefit-payment settlements and goes back to the Insurance Corporation in payment for the premium and the cotton remains in the farmer's hands and moves into the commercial market?

Mr. AUGUST H. ANDRESEN. The gentleman is correct. When the insurance corporation gets this money from the A. A. A., then it goes into the market and buys cotton, places that cotton in storage, and I do not know how much storage it will have to pay on the cotton when it is stored in warehouses for a period of 10 or 12 months; but on wheat, for the present year, they have 15,000,000 bushels on hand and in storage, and they are paying a storage charge of 6½ cents a bushel to carry that wheat, or nearly $1,000,000 for storage to carry the premiums for this year's crop.

Mr. KNUTSON. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Minnesota.

Mr. KNUTSON. I read the other day some place that the Government is paying some concern 25 cents a bale for inspecting and grading 12,000,000 bales of cotton now in storage.

Mr. AUGUST H. ANDRESEN. I am not familiar with that, but I would say that is very reasonable.

Mr. KNUTSON. And they found a large part of it is of inferior quality.

Mr. CRAWFORD. I may say to the gentleman from Minnesota who made that interrogation that I believe the record will disclose that the Commodity Credit Corporation has gotten into one of the most fantastic positions that one could imagine in that since we made our barter agreement with England to trade some 600,000 bales of cotton for rubber we find the Government in possession of about 6,750,000 bales or more of cotton. Now we are caught in a web of circumstances wherein the cotton factors are being paid a fantastic sum of money to grade and look into the quality and character and staple of each bale in order to select only 600,000 bales to go to England. I find that out of the first 2,000,000 bales so sampled and checked only approximately 300,000 bales have been selected, and that the department has assumed that the additional cotton must be so graded and checked and that we must burden the Treasury with the expense of doing so; and beyond the 2,000,000-bale limit they proceed without competitive bids for doing the work. To me it is one of the most unusual procedures, and I believe this House should take the necessary action to stop it.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 5 additional minutes to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman will find that a good many fantastic things have been done and are being done today.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Minnesota.

Mr. KNUTSON. It is my information that out of every six bales that have been graded only one or two have been found to be up to specifications.

Mr. CRAWFORD. British standard?

Mr. KNUTSON. British standard, yes; in other words, we are allowing them to come out on the good cotton and they leave us with all the shoddy.

Mr. CRAWFORD. May I answer that?

Mr. AUGUST H. ANDRESEN. Let me finish this. I will see that the gentleman gets a little time.

Mr. CRAWFORD. The reason I wanted to stress this point is that cotton is now held by the Federal Government and every taxpayer in the Federal Government and every Member of Congress is today concerned about cotton whether he wants to be or not. We pulled this Government-owned cotton out of the warehouse monopoly some few months ago and cut the carrying charge from about 25 cents per bale per month to approximately 10 to 12½ cents per bale per month. Now, immediately we get it out of the clutches of unreasonable warehousemen, it gets into this sampling racket.

Mr. AUGUST H. ANDRESEN. I thank the gentleman for contributing to my speech.

With reference to the wheat situation for last year, there were 166,000 policies written covering wheat, and, mind you, there are better than 3,000,000 wheat growers in the United States. The cost of writing these individual policies last year was around $28 a policy.

This year there are 378,519 insurance policies, and they have been written at a cost of approximately $10 a contract. The total coverage of wheat insured this year is 106,266,000 bushels. From the April 1 crop estimates furnished by the Department of Agriculture it appears that we will have at least a 25-percent loss in the production of winter wheat throughout the Southwest. A large number of policies on wheat have been written in the Southwest. If this 25-percent loss occurs, it means that it will cost the Insurance Corporation, in addition to the 15,000,000 bushels of premiums collected, at least another 10,000,000 bushels to pay a 75-percent coverage on the wheat insured; and that is all it does—it covers from 50 to 75 percent of the average normal production of the wheat grown on any particular farm.

As I said, we have around 3,000,000 wheat farmers in the United States, which means that there are 3,000,000 different insurance rates for wheat farmers because there is a different rate for every farm in this country. When we get 2,000,000 cotton farmers into the picture, we will have 2,000,000 different rates to insure the cotton farmers of the United States. I am not objecting so much to that, but what I do want to point out is that until this program has been tried on wheat over a period of years no accurate determination can be made by the Department or the Corporation in charge of the administration of the insurance law or by Congress as to the success of the plan. If we are to set up a sound insurance corporation—one that will finally and eventually cover all farm commodities—we must act on sound actuarial experience rather than be motivated by our political aspirations in order to try to satisfy some section of the country.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 3 additional minutes to the gentleman from Minnesota.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I should like to know from what time the crop is insured. Is it true, as has been rumored, that it is insured from the time the seed goes into the ground?

Mr. AUGUST H. ANDRESEN. It is insured before the seed goes into the ground. No policy is written after the seed is put into the ground.

Miss SUMNER of Illinois. Is it insured against failure of the seed to germinate?

Mr. AUGUST H. ANDRESEN. Yes; it is insured against everything except price.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Georgia.

Mr. PACE. I know the gentleman would not intentionally make a misstatement, but he said it is insured against germination. That is expressly prohibited by the language of the act. It is not insured as to germination.

Miss SUMNER of Illinois. I should like to know against what it is insured.

Mr. AUGUST H. ANDRESEN. I may say to the gentleman from Georgia [Mr. PACE] that Mr. Smith, who is in charge of the Insurance Corporation, told me definitely day before yesterday that the policies are written before the seed goes into the ground.

Mr. PACE. Yes.

Mr. AUGUST H. ANDRESEN. We agree on that; and that it covers crop losses on from 50 to 75 percent of the crop from drought.

Mr. PACE. Will the gentleman let me read the act?

Mr. AUGUST H. ANDRESEN. I am sorry, but I have only 1 minute. It covers crop losses from drought, from flood, from destruction from pest, and other causes.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Connecticut.

Mr. MILLER. Is there any protection against the so-called moral hazard; anything to prevent the farmer from planting his crop and not taking good care of it?

Mr. AUGUST H. ANDRESEN. There is supposed to be some protection against that, because the county and township committees are to inspect and see that the man puts the seed in the ground that is covered by the insurance in a proper way.

Miss SUMNER of Illinois. It seems to me if you are insuring against failure of seeds to germinate, you are likely to be placed in the position of insuring against a man's ability or inability to pick his seed or, in other words, his ability to farm his land.

Mr. AUGUST H. ANDRESEN. There might be instances where a man would fail to put in seed that would germinate, but most of the seed does germinate. Once in a while, probably, it will not; but where the seed has been actually put in the ground, a farmer will be able to recover his insurance if it shows that he has engaged in good husbandry and in good farming practices upon the land that he operates.

Let me again urge upon you, in conclusion, not to break down this entire system by bringing in other groups here before we have completed our experiment. After we have found that that experiment is a success, then we can go to work to take in all agriculture under this scheme, but it should be self-sustaining and should be able to carry its own weight and stand upon its own feet. [Applause.]

Mr. FULMER. Mr. Chairman, I yield 7 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. From a very ancient and very wise Book we learn that the angel Gabriel will some day blow his horn and wind things up. That is the day to which the distinguished gentleman from Minnesota who has just spoken must refer when he says that we should wait for cotton-crop insurance until we know with final certainty exactly how insurance of wheat crops will ultimately pan out. Nothing is certain save death and taxes. Even the weatherman's predictions occasionally fail of fulfillment, and weather is but one of the risks against which all-risk crop insurance insures.

The world runs on faith. You have faith in the mechanism of your automobile, known as the differential, to take you around the next corner, and if you did not you would be a fool to turn.

You have faith in the road builders when you drive down a dark road with a beam of light going out ahead probably 500 feet, and you know within reason that there is going to be a curve within a mile or two, yet you plunge right on at 60 miles an hour because you have faith in the engineers who designed the highway and in the maintenance crews. "Faith is the substance of things hoped for, the evidence of things not seen," and we live in the enjoyment of that substance; we rely safely on that evidence. Not until the Day of Judgment can you know positively the net result of any farm program.

A colored farmer down in Alabama—and this is a true story—5 weeks before Christmas, made his yearly settlement with his landlord. The cash balance coming to him, $700, he deposited in the savings bank. He came back a week later and asked for his usual advances for Christmas. The landlord said to him, "Why, Charlie, you have more money than I have. You have $700 in the savings bank, and don't owe a dime. Why don't you use some of your own money, and not borrow against your next year's crop at a higher rate of interest than the bank is paying you?" The farmer replied: "Well, captain, you don't understand. You don't think I am fool enough to risk my own money on a cotton crop, does you?" [Laughter.]

There is nothing much more uncertain, and yet from year to year, if we have sufficient spread of risk, it is just as certain as the minute of the death of the average man in this room as figured by the actuaries. Life insurance and every other insurance risk is built upon a spread among hundreds of thousands of policyholders, and they know to the minute when the average man in every group is going to die. That is the foundation of the institution of insurance. The reason that private companies have not made a success of crop insurance is simply because they lack spread of coverage. Insure a sufficient number at adequate premium rates and the success of no other venture is more certain.

Mr. DOXEY. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. It is always a pleasure for me to yield to the distinguished gentleman from Mississippi.

Mr. DOXEY. And the further fact that they insured the price. We are not insuring as to price.

Mr. HOBBS. That is right. I thank the gentleman for that contribution.

The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], a most estimable gentleman, is thoroughly in favor of crop insurance as a sound, general principle. He will tell you so himself. He simply questions the wisdom of extending crop insurance to cover cotton at this time, before the final net result of our wheat crop-insurance program shall have been proven. Such an argument, if accepted, would prevent cotton crop insurance at any time, or, in other words, forever; for any year, the next year's wheat experience might change the picture.

I accept his challenge. In his own home county, in 1939, there were only 46 policyholders. Forty-six premiums were collected, and the indemnity paid those 46 policyholders exceeded by 2 to 1 the amount of premiums paid. The proof of the pudding is the eating, so, having tasted the sweet benefits of wheat-crop insurance, the number of policyholders in that same county of Goodhue increased from 46 to 513 in 1940. In the State of Minnesota, from which the gentleman hails—and which he so ably represents—in 1939, there were 10,280 policyholders of wheat insurance, but, in 1940, 21,267 have availed themselves of the protection of the Wheat Insurance Act. Therefore it is evident that the wheat farmers of Goodhue County and of Minnesota believe in wheat-crop insurance, think that it is succeeding, and have faith that it will be increasingly successful as the spread of coverage is extended.

The whole Wheat Belt agrees with Minnesota. In 1939 only 166,000 wheat farmers took wheat-crop insurance. In 1940 some 400,000 did.

Doubtless this increasing spread of coverage will continue and enable us to run the wheat-crop-insurance venture on a 10-year basis of calculation without loss to the Government.

It was amusing to hear the able gentleman from Minnesota fall into a confession of faith. He said it looks as if there will be a 25-percent loss on winter wheat. How dare you, sir, to speculate on the future? How can you argue from an unproved assumption?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Certainly, at any time.

Mr. AUGUST H. ANDRESEN. In making that statement I referred to the crop report of April 1, as issued by the Department of Agriculture and that reported a net loss of approximately 25 percent in the winter-wheat area, and if that is sustained in the final production, then the insurance corporation will have to bear a large percentage of that loss, which is quite apparent.

Mr. HOBBS. I have only to say that the crop report is merely an estimate. The estimators may have good reason for the faith that is in them, but you decry faith.

The passage of this bill will not put the Government into competition with any private business. There is no private business operating in this field. Nor is there desire on the part of private business to again enter it.

If over a 10-year period, without cost to the Government, cotton crop insurance may operate to enhance purchasing power and to stabilize income of 2,000,000 citizens in the lowest income brackets, how dare we deny such benefits to them and through them to the national economy?

We who favor this measure have faith by reason of the known facts of wheat crop insurance, the known facts of human nature, and of the institution of insurance in other fields, that such results may be assuredly expected. Let no doubting Thomases thwart this righteous and reasonable purpose.

Mr. FULMER. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, if the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], who spoke in opposition to this bill, were consistent, it strikes me in all fairness he should have introduced and promoted a bill repealing existing law with respect to crop insurance on wheat. I think it is a fair statement to say that all the arguments submitted by the gentleman in opposition to the extension of this program to cotton are applicable to the wheat program. It is easy to find fault, it is easy to criticize, but in all fairness, if the crop insurance is not a good program, I believe that the gentleman from Minnesota, a ranking member of the minority on the Committee on Agriculture, should submit a better program, one more constructive.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. In just a moment. Congress has given much consideration to the matter of insurance in connection with crops. During the Coolidge and during the Hoover administrations there were rather extensive hearings with respect to insurance against price decline, and I remind the gentleman that the Agricultural Marketing Act of June 15, 1929, contained a provision authorizing the Federal Farm Board to initiate an insurance program, upon the application of the cooperative associations, against price decline. I promoted that feature of the legislation and personally I think that the Federal Farm Board would have done better if it had authorized that program. The pending bill has passed the Senate. Its purpose is to extend the crop-insurance program to cotton. The President of the United States in submitting this matter to the Congress in 1937 stated that the experience with respect to wheat was to be used as a backlog in extending this program to other crops when desired by farmers. I have read the hearings on the pending bill. I am sure that the administration's program has sustained a loss for the first year, but it must be kept in mind that this crop-insurance program is a pioneering one. I think the Federal Crop Insurance Corporation has done a good job. They have collected statistics and information that should be useful not only in extending this program to cotton but to other crops. It strikes me that the data, the factual data with respect to crop risks, the fact that they do not undertake to insure full crops, that they merely insure 75 percent production, and the further fact that they can profit by experience in wheat, should be of benefit in the administration of the pending program. There are hazards that confront the farmer that do not confront the manufacturer.

Probably 60 percent of the factors that enter into farming are the weather, insects, and matters beyond the control of the farmers. There is a definite problem. The Congress of the United States in 1938 undertook to solve that problem by eliminating the distress that would follow the failure of crops, in providing for insurance on wheat, with a very definite understanding and with the expressed intent of extending those provisions to cotton and other crops as soon as reports could be made and studies submitted to Congress.

I submit that it is not a good reason for denying this extension to cotton, that other crops have not been studied, and that reports and factual data on other crops have not been submitted. I believe if this program is extended to cotton and reports and factual information are later submitted covering other crops, crop insurance could and should be extended to other commodities [Applause.]

I extend my remarks to quote the President of the United States in his letter transmitting the report of the committee on crop insurance in 1937:

> I believe that legislation should authorize the application of similar programs to other commodities when it is established that producers desire them, and the application of the plan to wheat is to provide the backlog of experience in applying the principles of crop insurance.

The Federal Crop Insurance Act of 1938, as amended, is limited to wheat. It was intended to utilize the experience in wheat so as to extend crop insurance to other crops. Studies were made and a suggested plan for cotton-crop insurance was submitted to Congress on May 2, 1939, and published as House Document 277, Seventy-sixth Congress, first session. A similar bill passed the Senate on July 19, 1939, and hearings were conducted by the House Committee on Agriculture in July 1939. The committee has approved the pending bill. It is now in order, therefore, to extend the benefits of crop insurance to cotton.

COST OF ADMINISTRATION

It has been stated that the costs of administration were almost as large as the value of the wheat paid in kind as insurance. Those who make this criticism overlook the fact that crop insurance is a pioneering undertaking. There is no crop insurance by private companies against production hazards. There are no all-risk crop policies by private companies available. Hail insurance is available, but the costs are really prohibitive.

Again, it was essential that an organization be set up the first year. Factual studies had to be made; data had to be assembled. The ground work for a sound program had to be done. There is a loss for the first year's operation. Such has been the case with many insurance companies. Profits do not obtain every year. Some years are good and some years are bad. Again, some insurance companies succeed and others fail. The failures, however, are not an argument against the soundness of the principle. It is better for the Government to have made an adequate appropriation and laid a broad and solid foundation for the first year of the wheat program than to have made inadequate provisions.

WHEAT INSURANCE

The hearings disclose that the operations in wheat have been fairly satisfactory. On the whole, the program has been successful. Many more wheat growers will utilize the program in 1940 than took advantage of it in 1939. Enough experience has been obtained and enough data accumulated to warrant the extension of the program to cotton.

THE PROGRAM

The program was designed to meet the problems of all-crop insurance. Provision is made for the measurement of risks, for the avoidance of price insurance, for the elimination of hazards by limiting the insurance to 75 percent of the average crop, to the proper selection of risks, and to the limitation of insurance only to seeded crops. Additional provisions are made for perfecting organization, and provisions are made for the payment of premiums in kind or the cash equivalent.

Only those cooperating with the agricultural-adjustment program can obtain crop insurance. Good-farming prac-

tices should obtain, and they will be promoted by compliance with the program.

It was to be expected that pioneering would be expensive. The experience obtained should be valuable not only for wheat but for other crops. The extensive researches that have been conducted should result in the accumulation of actuarial data for the application of cotton, corn, and other crops. I personally would like to see the administration obtain the best actuarial and insurance talent available. If the cotton and wheat programs fail, it means that other crop insurance will not be adopted.

Already improvements have been made as a result of experience. New methods of measuring risks have been evolved. Yields have been established for each farm, and rates have been made for established insurable yields and premium rates. It was fortunate that the Agricultural Adjustment Act was amended to enable farmers to provide for crop-insurance premiums by drawing against payments to be earned under the agricultural-conservation program.

INSURANCE

The farmer insures his home and his barn against fire and tornado. He insures his life. Crops are most uncertain. Insurance in connection with agricultural relief has been considered in hearings on agricultural legislation in Congress for many years. As I have stated, there were extensive hearings covering crop insurance against price decline some 10 or 12 years ago. Insurance against price decline must not be confused with the pending bill which provides for production insurance. The two programs are different. I repeat to emphasize that Congress has made rather thorough investigations respecting insurance. Crop insurance was under consideration, therefore, prior to the adoption of the Agricultural Adjustment Act.

THE PROBLEM

More than 2,000,000 American farmers depend upon cotton for their income. Crop failures are beyond the control of the growers, and these failures result in bankruptcy to producers. Protection against unavoidable production hazards has long been needed.

Crop failures occur annually in all parts of the Cotton Belt. The result is that many farmers are without income. Crop insurance would provide against hazards beyond the control of the farmers. The growers would be enabled to pay their debts despite crop failures.

While crop insurance is not a solution for all of the problems of the farmer, it will make a substantial contribution toward many of the difficulties that confront the farmer.

Weather hazards are a most important factor in growing cotton. Insect pests are the largest single hazard in cotton growing, but droughts, floods, hail, and other disasters beyond the control of the growers are important factors. In the district that I represent there was a strip from 1 to 5 miles wide and approximately 50 miles long where matured cotton crops were practically destroyed in September 1939 by hail. Farmers were unable to pay their debts. It was necessary for the relief agencies to provide for employment and support for the farmers who were dependent upon their crops for their income and for their support.

COTTON NEXT CROP

It was the intention of the Federal Crop Insurance Act that an all-risk insurance program should be tried as an experiment on wheat, and if found successful it would then be extended to other crops. It was understood that cotton would be the second crop to be given consideration.

The farmer cannot definitely control his output as can the manufacturer or the industrialist. He plows and cultivates upon faith. Good husbandry and good farming are essential, but after all the farmer's production is determined by factors over which he has no control, and for which he is in no wise responsible. The uncertainty of production multiplies the farmer's hazards, and contributes to the country's problems. All parts of the country, as well as the Cotton Belt, are interested in the success of cotton growers. There is no better market for the manufacturers of other parts of the country than the Cotton Belt of the South. If the crops of the farmers fail, there are fewer markets for the manufacturers.

For almost a hundred years cotton has been the principal export crop of the United States. It is true there have been declines in recent years, but these declines have not been because of the agricultural adjustment program. High tariff walls and agreements between countries for trade in kind, as well as other causes beyond the control of the United States, have contributed to the decline in cotton exports in recent years. The program for crop insurance on wheat should be extended to cotton. As soon as available reports have been submitted and adequate data furnished, the program should be extended to other crops.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER. Mr. Chairman, before somebody reminds me of the fact, I might as well state that I do have within my district several large insurance companies. Hartford County is the insurance center of the United States, and I dare say that possibly half of the Members of this House at one time or another have sent premiums in one form or another to the city of Hartford.

I believe in insurance. I believe in the institution of insurance. I was particularly interested in the remarks of the gentleman from Alabama [Mr. HOBBS], in which he pointed out that last year we had 166,000 risks on wheat insurance; that this year we would have 375,000. His argument was that if we got sufficient spread, then there will not be any such losses. That is certainly true of sound insurance. Spread is important. As the gentleman said, the insurance companies can tell almost to the minute when any given man in any given group will die; but that is because the rates for insurance, the mortality tables, and experience are based on an accurate mathematical formula. If we could get a sound formula for establishing rates on wheat, cotton, and tobacco, or any other crop, then it is true that the greater the spread, the less likelihood there is for loss. But if we are operating on an unsound actuarial basis—and I am not competent to say that we are or are not, because I do not believe we have had the experience—if the actuaries could establish a sound basis, then the old-line companies throughout the country would establish a rate that the farmers could meet, but thus far they have not been able to establish a rate that would be profitable and low enough to attract purchasers.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield.

Mr. AUGUST H. ANDRESEN. Three old-line insurance companies did try out insuring crops, and after trying it for 1 year the losses were so tremendous that they discontinued the business.

Mr. MILLER. Private insurance companies do not have the taxpayers to fall back upon.

Mr. HARE. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. HARE. In the insurance they were able to establish a correct actuarial basis only after years of experience. They were not able to do so at the beginning. The same thing would apply in crop insurance, whether it be cotton, wheat, tobacco, or any other crop.

Mr. MILLER. I hope the gentleman will not misunderstand me. I believe in insurance. I would like to see private companies work this out. I do say that if it were possible to establish a sound basis, I believe the companies would be glad to write such risks. They are writing in the gentleman's State, I understand. In South Carolina last year the insurance companies wrote $1,825,000 of premium income on hail insurance on tobacco crops alone.

Mr. HARE. The point I was trying to make is that we would not be able to establish a dependable basis for agriculture without some experimentation.

Mr. MILLER. And so far the experience has been disastrous.

Mr. AUGUST H. ANDRESEN. That is the reason why wheat was selected as the commodity upon which the experiment should be made in order to establish the experience.

Mr. HARE. The gentleman is not ready to abandon the idea of insuring wheat, is he?

Mr. AUGUST H. ANDRESEN. No; but I say we should try out that experiment and see whether or not it is sound before we add other commodities.

Mr. MILLER. I just want to add this thought: As I have indicated, the old-line insurance companies would gladly write this business. I take this opportunity to point out that I think there are very few Members who feel unkindly toward these insurance companies, because, after all, the insurance companies of the United States have been a godsend to this country during the past 7 years. The millions and billions of dollars that they have paid into every community on one type of risk or another has acted as a cushion during this period of depression. They have been sound. They have developed carefully. They have tried to establish sound rates; I am unalterably opposed to having the Government go into the insurance business. The Government certainly should not be expected to write unsound risks; risks that no sound company could consider at the premium charged by the Government.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield 7 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, I do not believe that any Member who will give serious thought to this subject, including the distinguished gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], will seriously contend, assuming that crop insurance is still in the experimental stage, that we get a fair and complete test out of the one crop of wheat. I will tell you why I do not think so. There are several reasons. We do not raise much wheat down in my country. A test on wheat will give us no test of climatic conditions in the cotton regions, nor will it give us a test of excessive moisture, frosts, or insect pests as they relate to cotton. The causes of loss in the crops of cotton and wheat, comparing these two, are shown from data appearing on page 2 of House Document 277, where is given the result of studies of the things that produce a reduction of wheat and the things that produce a reduction in cotton. Let me give you some of the high lights. Six percent of the reduction from a full yield in cotton is caused by excessive moisture, but in the case of wheat excessive moisture causes only 2 percent loss. In the matter of freezing there is but a 1-percent reduction of production in cotton on that account, whereas in wheat the reduction from this cause is 4½ percent. In the case of cotton, reduction in yield is due 18.6 percent to insect infestation, whereas in wheat only 1 percent is due to this cause.

Now, do you as businessmen think the one crop of wheat, which has many things peculiar to itself, could give you a fair test of crop insurance? I do not think the gentleman from Minnesota, upon reflection, will insist upon that position. I am not so selfish as to believe that wheat and cotton would be perfect subjects for this trial, but I do believe sincerely that with wheat representing the great western and northern area and cotton representing the great southern area, these two combined would give us the best test we could find in this Nation, and I think the gentleman will agree with me.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. AUGUST H. ANDRESEN. I thoroughly agree with the gentleman, and what I have said here has not been against cotton, as the gentleman knows.

Mr. PACE. I know; but the gentleman has taken the position that we should try the plan out on wheat for 6 years, let the wheat crop of his State be insured, and then, after possibly he and I some 6 or 8 years from now may not be here, this body would take up for consideration the question whether or not we would include cotton. By that time we would have completed the experiment on wheat, yet there would have been no test whatever on cotton.

Mr. AUGUST H. ANDRESEN. I am sure the gentleman will be here not only 6 years from now but 25 years from now, long after I am gone.

Mr. PACE. We never know.

Mr. AUGUST H. ANDRESEN. The thing I am concerned about is that when we start out on a comprehensive crop-insurance plan, and when we start to taking in other crops, we want to be sure that we are doing it on a sound and consistent basis.

Mr. PACE. So do I.

Mr. AUGUST H. ANDRESEN. That is all I am trying to get. I want the experience with wheat before we start on something else.

Mr. PACE. Now, if the gentleman will pardon me a minute, let me say that I carry insurance on my home, and I am sure the gentleman carries insurance on his home. Why? Because we can afford to pay the small premium, but we cannot afford the financial loss of our homes. Just the same, the farmer would like to have some assurance that when he plants his seed in the ground he has a reasonable assurance of reaping a crop. We have unemployment insurance today. The Government protects those who lose their jobs. We have the great social-security system providing for those in old age. But you know there is not a farmer in the Nation who is eligible under that program. Everything seems to be all right for everybody until we get to the man who is producing the wealth of this Nation, until we get to the man who is providing the food and fiber to maintain this Nation, but when we get down to him some of you want to leave him without any security or protection.

This program started late in 1939. Its record is not perfect, and therefore, you say, the whole thing must be damned. I do not agree with that at all. I think the farmers of this Nation, unless something is done before long, are going to rise up and punish those who fail or refuse to provide them with the same protection and security which is now being enjoyed by other groups.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. HOLMES. The gentleman stated that the Federal Government furnishes unemployed insurance. I call the gentleman's attention to the fact that labor and industry pays for it.

Mr. PACE. Yes; and let me say here that every dime of this money comes from a fund created by premiums paid by the farmers—this cotton program. The only expense to the Government at present is the administrative expense, and if I have my way, as soon as the program is definitely worked out, I shall propose that the administrative expense be included in these premiums so it will be on a 100-percent self-sustaining basis.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield for one question?

Mr. PACE. I yield.

Mr. AUGUST H. ANDRESEN. Does the gentleman mean that Congress has done nothing for the cotton farmers during the past 7 years?

Mr. PACE. No, I certainly do not mean to say that.

Mr. AUGUST H. ANDRESEN. I am glad to hear the gentleman say that.

Mr. PACE. But I do say, in response to the gentleman, that I think that the wheat and cotton and other farmers of this Nation are entitled to a 100-cent dollar rather than the 73-cent dollar they are getting paid today. They are entitled to a parity price for their crops; they are entitled to a parity income; they are entitled to the same protection which the manufacturer enjoys; they are entitled to the same security granted other groups; they are entitled to benefits to overcome the burden the tariff places on them. I am sure the Congress has tried to help, but we have not solved the farm problem, and there are many things that need to be done. A parity price and the security of crop insurance are two of those things.

Mr. Chairman, I am including, in my remarks for the RECORD, the following statements prepared for me by the Department of Agriculture, and to which I invite the special attention of the Members:

INFORMATION RELATIVE TO CROP INSURANCE

The idea involved in the plan for all-risk crop insurance is not a new one. Benjamin Franklin suggested it in his day. The Department of Agriculture has conducted surveys and studies relative to such insurance for a quarter of a century, and insurance companies have experimented with the idea in limited areas for brief periods of time.

The failure of insurance companies in their limited attempts to establish such a type of insurance has been due in the main to their lack of reliable data, a proper spread of the risk involved, the necessary administrative set-up for placing such insurance and adjusting losses, together with the fact that they guaranteed the price as well as the yield.

In the summer of 1936, President Roosevelt appointed a special committee which was charged with the responsibility of conducting a proper survey with reference to the feasibility of formulating an all-risk crop-insurance program. That committee later submitted a favorable report, wherein it advised that a program of that nature be established for wheat.

That the issue involved is not a political one is evidenced by the fact that both President Roosevelt and Governor Landon, during the 1936 campaign, expressed themselves as favorable to a plan for all-risk crop insurance. In fact, both the Democratic and Republican platforms contained provisions in support of such insurance. Since that time, other national leaders have espoused the principle involved.

That the idea is not a new one, even in national legislative channels, is evidenced by the fact that several Senators and Congressmen, previous to the time the present law was enacted, had introduced measures suggesting such insurance. Senators Sheppard, McNary, Pope, and Representatives Sinclair, Hope, Fulmer, Sheppard (California), and perhaps others, had sponsored such proposals.

Whereas leading farm organizations may have differed at times in their advocacy of various plans to meet the needs of agriculture and to solve farm problems, they have been, and still are, united in their support of crop insurance. As a matter of fact, such organizations have had an important part in initiating the plans which finally resulted in the formulation of the present crop-insurance program.

All-risk crop insurance is based upon sound and well-established principles of insurance. The premium rates in the present program have been based upon actuarial data which have been carefully assembled, and which are representative of past experience over a definite period of years. Rates so calculated should balance losses over a like period of years in the future.

The crop-insurance program is planned on a national scale, but the rates for each farm are based upon the crop-loss experience of the farm, the experience of the county in which the farm is located, and, to a very limited degree, upon the experience of the counties bordering on the county. As a result, sections of the country where the risks may be low are not required to contribute toward paying for the higher cost of insurance in those sections where the risks may be high.

At the outset, the crop-insurance program was purposely limited to one crop, namely, wheat, to provide a concrete experiment as to the feasibility of such insurance. Profiting by the experience thus gained, substantial improvements have been made in the 1940 insurance program. The rate structure has been materially improved through careful checking of yields and lengthening of the base period. With each passing year it will be possible further to improve all phases of the program.

The present set-up, wherein the Federal Crop Insurance Corporation administers the program jointly with Agricultural Adjustment Administration, affords close contact with the growers in selling the insurance to them, in checking the yields and losses, and in making appraisals. This close cooperation is proving helpful alike to the growers and to those charged with the administration of the act.

The capital stock of the Federal Crop Insurance Corporation is supplied through an authorization of Congress providing for $100,000,000, $20,000,000 of which has been appropriated. Of the latter amount, about $2,000,000 has been used the first year in the payment of losses. Although premiums should equal losses over a longer period of years, differences one way or the other will naturally appear in individual years.

In its 1936 report President Roosevelt's special committee estimated that had crop insurance been in effect in 1930–35, under a 50-percent participation, premiums would have exceeded losses by 70,000,000 bushels the first 3 years, while losses would have exceeded premiums by 68,000,000 bushels the next 3 years. Consequently, it may be noted that present developments are not out of line with expectations expressed at the time the present crop-insurance program was first advocated.

As to the fact that the indemnity payments for the 1939 crop exceeded premiums for that year by approximately 50 percent at a time when the annual production for the Nation was about normal, it should be borne in mind that a normal national yield does not necessarily mean a normal yield in the particular areas participating most heavily in the insurance. That was true in some of the Great Plains States in 1939, where the wheat crop was 11 percent below normal in Nebraska, 24 percent below normal in Kansas, 29 percent below normal in South Dakota, and 18 percent below normal in Texas.

To put it in another way, for 1939, 6,695,771 bushels of wheat have been received in payment of premiums where 9,949,450 bushels have been paid out in losses, a difference of 3,253,679 bushels. In five of the larger wheat-producing States, namely, Kansas, Nebraska, Oklahoma, South Dakota, and Texas, 2,669,003 bushels of wheat have been received in premiums where 6,087,912 bushels have been paid out in losses, a difference of 3,418,909 bushels. Hence, the difference between premiums and losses in those 5 States was 165,230 bushels greater than the difference in premiums and losses for the entire Nation.

Where the drought in certain States was largely responsible for the lack of sufficient premium wheat to meet losses in 1939, other factors have naturally contributed to the result. One such outstanding factor is to be found in the effect which the late closing date, and the privilege of insuring after seeding (now discontinued) had in enabling the grower to insure where the prospect for a crop seemed poor, and to refrain from doing so where the prospect was more favorable later in the season.

Each year will disclose such variations. The extent of the variations will depend upon the percent of participation, the total national yield, and the spread of the losses and their relationship to average yields on participating farms. Then too, as far as the 1939 program is concerned, it should be admitted in all candor that it is humanly impossible to establish a new system of insurance, calculate premium rates, appraise yields and adjust losses, without some attending imperfections at the outset.

Administrative expenses and the cost of storage are paid by the Federal Government, and rightly so, because of the national benefits resulting from the program. While the crop-insurance program affords security to the individual grower and the community wherein he resides, it likewise furnishes benefits to others who are interested in the increased national farm buying power which such security to agriculture affords.

The initial cost of administering an insurance program, where much of the expense involves the cost of establishing such a program, is not to be compared with the cost of its administration after the initial period has passed. That is especially true where an effort is being made to establish such a program in a new field where experience is lacking, where no precedent can be found as a guide, and where the undertaking is largely of a pioneering nature. That, in brief, is the situation as it related to the administration of the Federal crop-insurance program for 1939.

During the first year, in addition to the outlay of necessary funds for the current administration of the crop-insurance program, those charged with its administration found it necessary to expend additional amounts incidental to the organization of a new set-up. That is, those funds which were needed for assembling actuarial data, for acquiring office fixtures and supplies, and for extensive educational purposes. Then, too, they found it desirable to expend other funds in planning the 1940 program, as well as in assembling information relative to other crops.

The experience of both stock and mutual insurance companies will verify the truth of the statement that the sales and operating expenses during the initial period, ranging from 1 to 10 years, has equaled or exceeded the total losses paid for that period. For instance, in case of the farmers' mutual windstorm insurance companies, their expenses over the first 10-year period averaged $1.58 per dollar of losses paid. The Federal Crop Insurance Corporation expended less than that proportionately for that purpose during the first year of its administration of the program.

The Spectator, insurance yearbook for 1939, reveals that for administrative expenses in 1938, out of total receipts from premiums written, 332 stock, fire, and marine insurance companies expended $326,305,985, or 45.31 percent of $720,157,663 received; 41 stock, automobile insurance companies expended $17,506,594, or 28.22 percent of $62,446,832 received; 151 advanced premium mutual fire insurance companies expended $30,205,074, or 34.51 percent of $87,535,817 received; and 5 farm mutual fire-insurance companies expended $1,101,967, or 35.14 percent of $3,135,608 received. In other words, according to this yearbook, these 529 stock and mutual insurance companies engaged in a fire, windstorm, hail, automobile, and other kindred insurance business expended a total of $375,119,620, or 42.98 percent of $872,875,920 received, for administrative expenses in 1938.

Using the same approach for the purpose of a comparison, we find that the estimated expense of administering the 1940 crop-insurance program will be $5,923,200 (amount appropriated for that purpose), or 37.16 percent of $15,938,200 estimated total receipts (appropriation plus estimated receipts from premiums). In arriving at this latter figure, it is estimated that an approximate total of 15,000,000 bushels of wheat will be received in payment of premiums for 1940, with a cash equivalent of $10,015,000 on the basis of wheat prices at the time premiums were paid. On the basis of the present prices of stored premium wheat, the comparative cost of the administration of the program for 1940 would be much lower.

The experience which the Federal Crop Insurance Corporation has gained through administration of the program for the first year and an increase in the volume of business is enabling it to reduce very definitely the administrative cost per policy received. It now seems that such cost for 1940 may be less than one-half of what it was in 1939. Aside from the effect which a material increase in the number of policies has had, improved methods involving simplification of procedure, elimination of duplication, and fewer and

more direct contacts, and other like changes have contributed materially toward that result.

That the program has been highly acceptable to wheat growers is evidenced by the fact that, where 166,000 paid-up applications were received in 1939, more than 378,000 such applications have thus far been received for the 1940 program. Increased interest in crop insurance is further evidenced by legislation which has been proposed to extend the program to other crops, especially to cotton, tobacco, corn, fruits, and vegetables.

Although crop insurance does not supply a panacea for all farm ills, the security which it provides has had a definite appeal to farmers in areas affected by crop losses, especially in those Great Plains States, where wheat growers have suffered severe losses in recent years. Such crop conditions have contributed materially toward creating an interest in crop insurance, not only in wheat-growing areas but elsewhere.

In the past the burdens of crop failure have been beyond the resources of the individual grower. In fact, during a 10-year period extending from 1926 to 1936, the Federal Government expended for emergency agricultural relief a total of $600,000,000, and did so largely because of crop failures. The crop-insurance program is materially reducing the need for Federal and State Government relief in wheat areas, and will have a like effect in other areas as soon as the program may be extended to apply thereto.

Because of increased taxes, interest, and debts, as well as greater hazards, at least in some areas, and the uncertainty of markets and effective demand, together with increased overhead, the individual grower is more dependent now upon cash income than he was in the earlier days. Crop insurance definitely assures him of that. While crop insurance would have been helpful even in those earlier days referred to, diversification, rotation, and a limited carry-over for each year largely sufficed to safeguard the growers' farming operations.

A better understanding of the purpose of the program, as well as the benefits to be derived therefrom on the part of the growers themselves, is resulting in closer cooperation on their part. Each grower realizes more clearly each day that better farming will not only assure his eligibility to participate in the program in the future but will aid in increasing the coverage and in reducing the rate for the farm. Being willing to make that contribution himself, he will become increasingly more insistent that other growers do likewise.

Better farming, increased income, cooperation among farmers, sympathetic Government assistance, and the farmers' efficient administration of their own program, locally and in the State, will aid materially in reducing the dangers of farm bankruptcy and land foreclosure, resulting in nonresident land ownership and tenancy. Just as the national farm program, as a whole, is contributing toward that result, it is increasing the possibilities of more farmer-owned and farmer-operated farms in every rural community.

No effort is made here to define technical terms as, for instance, what is meant by "all risk" insurance, "payment in kind," "coverage," "workmanlike manner," or to answer questions like "Who may insure?" "When and where are premiums paid?" "How are rates calculated?" And "Where and how is premium wheat stored?", etc. Such definitions and answers to such questions are contained in FCI–Information Bulletin No. 9, entitled "Questions and Answers on Wheat Crop Insurance."

HOW THE COTTON-CROP-INSURANCE PLAN WOULD HAVE WORKED IN SELECTED COUNTIES IN 1939

A general idea of how the cotton-crop-insurance plan might have operated in selected counties had the insurance been in effect on the 1939 crop may be obtained by assuming that insurance had been written in 1939 on the same representative farms selected at random which were used in developing the actuarial basis for insurance. From available acreage and yield data it was possible to develop average yields and premium rates per acre for insurance on the 1939 crop for the sample farms in accordance with the insurance plan outlined by the Department of Agriculture in the publication entitled "A Suggested Plan for Cotton-Crop Insurance."

Under this plan the average yield for each farm for the base period 1933 to 1938, inclusive, was determined as the average of the yield figures for the farm for these 6 years. These annual yield figures for a substantial proportion of farms in each county are on file in the office of the county agricultural conservation committee. The 6-year average yield was then adjusted by a statistical process in order to reflect the yield on the individual farm for the longer, more representative period of years 1928 to 1938, inclusive. The amount of insurance per acre for the farm under the 75-percent plan would be 75 percent of the adjusted average yield. This figure is commonly referred to as the coverage per acre.

The premium rate per acre was computed for each farm by averaging the loss experience for the farm with the loss experience for the county. The county-loss experience, or loss cost, represents the average of the loss experiences of all sample farms in the county. As in the case of average yields, the loss-experience figures represent 6-year data for individual farms adjusted to the 11-year basis. Thus the premium rate per acre for a farm would be the loss experience (or average loss per planted acre) for the farm for the 6 years, 1933–38, adjusted to reflect the 11-year (1928–38) loss experience, and then averaged with the county loss experience for the same 11 years. Consequently the farm premium rate reflects both the risks that affect the individual farm and those that affect all farms in the county alike.

The premium rate per acre thus developed was applied to the acreage planted to cotton in 1939 on each sample farm to arrive at the total premium that would have been paid for the farm.

In order to determine the loss in yield per acre, if any, that each farm sustained in 1939, the actual yield for each farm in 1939 was compared with the amount of insurance per acre. Had a farm been insured for 200 pounds of lint per acre and the 1939 yield amounted to 150 pounds per acre, then the grower would be entitled to indemnification for 50 pounds per acre, or the cash equivalent thereof, determined from current market prices. In case the farm yielded 200 pounds per acre or more in 1939, then no indemnity for loss would be due.

The five counties in which 1939 yields have been analyzed in this study to determine the extent of crop losses had an insurance program been in effect in 1939 are Lauderdale and Colbert Counties in northwestern Alabama, Marengo County in southwestern Alabama, Chickasaw County in eastern Mississippi, and Washington County in the Mississippi Delta. All of these counties except Washington represent an area in which widespread crop losses occurred in 1939. Cotton yields in the Delta were considerably above the average in 1939 so that the experience in Washington County serves as a contrast to that in the other counties.

A summary of the results that could have been expected in the five selected counties in Alabama and Mississippi had the same farms been insured under the 75-percent plan in 1939 is shown in table 1.

TABLE 1.—*Average basis for insurance in selected counties, had a cotton-crop-insurance program been in effect in 1939* [1]

State and county	Adjusted average yield per acre	Average coverage per acre	Average premium rate per acre, 1939	Average premium rate per acre as a percent of the average coverage per acre, 1939	Average premium per farm, 1939	Average cotton acreage per farm, 1939
	Pounds lint	*Pounds lint*	*Pounds lint*	*Percent*	*Pounds lint*	*Acres*
Alabama:						
Colbert	214	161	7.4	4.6	75	10.1
Lauderdale	236	177	5.9	3.3	78	13.3
Marengo	159	119	8.5	7.1	145	17.0
Mississippi:						
Chickasaw	180	135	13.2	9.8	213	16.1
Washington	291	218	14.4	6.6	1,646	114.3

[1] Yield and premium rate figures are based on the plan and the procedure outlined in H. Doc. 277, 76th Cong., 1st sess., entitled "A Suggested Plan for Cotton-Crop Insurance." They represent average figures for sample farms in each county for the years 1933 to 1938, inclusive, adjusted to reflect the experience during the years 1928 to 1938, inclusive. Premium rates shown are for lint coverage, and were not increased to provide additional protection against losses of cottonseed. Actual acreage and yield data for 1939 were obtained for each sample farm.

The average of the yields used as a basis for insurance ranged from 291 pounds of lint in Washington County, Miss., to 159 pounds in Marengo County, Ala. Within the counties the yields showed wider variations between farms, ranging from 485 pounds to 76 pounds in Washington County, and from 287 pounds to 35 pounds in Marengo County. Yields that would be used as the basis for insurance on the 1941 crop would include the 1939 experience and would not be the same as those used for the insurance in 1939.

Premium rates per acre also varied widely between farms, although the premium rate for a farm would be based partly on the variation in yield on the farm and partly on the average variation in yield on sample farms in the county. The county average premium rate per acre was highest in Washington County (14.4 pounds) but was lower in Lauderdale County, Ala. (5.9 pounds), than in Marengo County (8.5 pounds). In Washington County the premium rate per acre for individual farms ranged from 38 pounds to 9 pounds, and in Marengo from 33 to 5 pounds. As in the case of yields, premium rates for insurance in 1941 would include the 1939 experience and might be lower or higher than for 1939. Furthermore, the premium rates used in this study were based on lint coverage and were not increased to provide insurance protection against losses in yields of cottonseed.

A comparison of the premium rates per acre for the country as a whole or for an individual farm does not reflect the cost of insurance in terms of the protection offered, because yield (or coverage) and premium rates per acre are not often directly related to each other. This means that a high-yielding farm may have a low premium rate, or vice versa. Premium rates per acre expressed as a percentage of the coverage affords a better comparison. On this basis the per-acre cost of this "all risk" crop insurance to the average farmer was 9.8 percent in Chickasaw County; 7.1 percent in Marengo County; 6.6 percent of the coverage in Washington County, Miss.; 4.6 percent in Colbert County; and 3.3 percent in Lauderdale County, Ala. Thus the premium rate in terms of protection afforded was highest in Chickasaw County, Miss., and lowest in Lauderdale County, Ala.

The average acreage planted to cotton per farm in 1939 varied from 114.3 acres in Washington County, Miss., to 10.1 acres in

Colbert County, Ala. Consequently the total premium per farm amounted on the average to 1,646 pounds of lint in Washington County and 75 pounds for the average grower in Colbert County. In four of five counties shown in table 1, the average premium payment per farm would have been less than a bale of cotton. Even in Washington County the total premium for almost 54 percent of the farms would have amounted to less than 500 pounds of lint. In the other four counties the total premium would have amounted to as much as 500 pounds of lint on only 4 percent of the farms studied. This indicates that the payment of premiums in the cash equivalent or by some means other than in lint cotton would be desirable or necessary in practically all cases.

CROP LOSSES IN 1939

The county average yield per acre in 1939, the percent of all farms studied on which losses would have been sustained had the farms been insured under the 75-percent plan in 1939, and the average loss per insured acre are shown in table 2. The 1939 crop was below 70 percent of the average for the 11 years, 1928–38, in all of the five counties except Washington, Miss. In Colbert, Marengo, and Chickasaw Counties the yield in 1939 was about 55 percent of the 11-year average, and losses were sustained on three-fourths of all farms studied in these counties. The premium rate that would have been paid for insurance in 1939 amounted on the average to 9.7 pounds per acre in these three counties, and the average loss that would have been sustained was 48.1 pounds per insured acre. Thus the average loss per insured acre that would have been sustained in 1939 in these three counties was over five times as large as the premium per acre that farmers would have paid for insurance. It should be kept in mind that the 1939 average yield per acre in each of these counties was lower than for any year during the 11 years, 1928–38. In fact, complete crop failures in 1939 were reported on about 9 percent of the farms studied in these three counties. As in the premiums, the indemnities shown are for lint loss and were not increased to provide for additional indemnification for losses in yields of cottonseed.

TABLE 2.—*Average cotton yields, the percentage of farms on which losses would have been sustained had the 1939 crop been insured under the 75-percent plan in selected counties, the average lint loss per insured acre in pounds, and as a percent of the 1939 premium* [1]

State and county	Average yield 1928 to 1938, inclusive	Average yield, all sample farms in 1939		Percent of sample farms having losses under 75 percent plan in 1939	Average loss per insured acre, 1939	Percent 1939 indemnity was of 1939 premium
		Lint	Percent of 11-year average			
	Pounds lint	*Pounds*	*Percent*	*Percent*	*Pounds lint*	*Percent*
Alabama:						
Colbert	214	119	55	75	50.6	686
Lauderdale	236	164	69	54	35.0	591
Marengo	159	89	59	74	34.8	410
Mississippi:						
Chickasaw	180	83	51	75	58.9	445
Washington	291	380	134	3	.6	4

[1] Based on data for sample farms selected at random in each county. These farms would reflect the county experience in 1939 had they been representative of the farms insured. Indemnities are for lint cotton and were not increased to provide additional indemnification for losses in yields of cottonseed.

The most important single factor contributing to the severe crop losses in this area was excessive rains which began in May and continued into July. Most farmers were only able to cultivate a small portion of their crops. Most of the cotton on bottom land was either washed up, covered up, or drowned out. A few crops were destroyed by hail. Conservative estimates made late in June indicated that the crop could not exceed 40 percent of average.

Washington County, Miss., was included in this study for the purpose of comparing the experience in a county in which very few losses occurred with that in the other counties where losses were common. The county yield in this county in 1939 was 34 percent above the 11-year average, and losses in yield under the 75-percent insurance plan occurred on only 3 percent of the farms studied. The average indemnity per insured acre amounted to only 0.6 pound, or about 4 percent of the county average premium rate per acre that would have been paid in 1939.

If insurance had been written on one-half of the acreage in each of the five counties, the total indemnities collected by farmers would have exceeded the premiums they paid by 3,791 bales, as shown in table 3. In this table the average premium rate per acre and average loss per insured acre for each county were applied to one-half the acreage planted in the county in 1939. The highest loss ratio would have been in Colbert County, where indemnities would have exceeded premiums by 1,434 bales, while the lowest ratio would have occurred in Washington County, where premiums would have exceeded indemnities by 1,583 bales. The similarity between total premiums and total indemnities and the excess of indemnities over premiums in the three Alabama counties is striking.

TABLE 3.—*Total premium, total indemnity, and excess of indemnity, or premium, had one-half the total acreage in each county been insured under the 75-percent plan in 1939*

State and county	One-half of 1939 cotton acreage	Total premium	Total indemnity	Excess	
				Indemnities over premiums	Premiums over indemnities
Alabama:	*Acres*	*Bales* [1]	*Bales* [1]	*Bales* [1]	*Bales* [1]
Colbert	15,850	244	1,678	1,434	----------
Lauderdale	22,650	281	1,658	1,377	----------
Marengo	22,600	401	1,645	1,244	----------
Mississippi:					
Chickasaw	13,810	383	1,702	1,319	----------
Washington	54,925	1,553	70	----------	1,583
Total	129,835	2,962	6,753	3,791	1,583

[1] 500-pound-gross-weight bales.

The accuracy of an estimate of the result of an insurance program in the area represented by this group of counties had the 1939 crop been insured would depend on the extent to which the sample farms represented the farms on which insurance would be written in an insurance program. Moreover, the experience in these 5 counties could hardly be expected to accurately represent the experience in any large area of Alabama or Mississippi. However, four of the counties do represent a section in western Alabama and eastern Mississippi, in which cotton yields were generally lower in 1939 than they had been for a number of years. The other extreme is represented by Washington County, Miss., where yields in 1939 were considerably above the average.

This wide variation in yields between comparatively small areas shows how very low yields causing severe losses even in one section of a State might be offset by high yields and very few losses in another section of the State. It also demonstrates that by a spread of risks over the entire Cotton Belt severe losses in a given area during any year would be offset by fewer losses in other areas, because extreme crop losses over the entire cotton-growing area have never occurred simultaneously.

While crop failures occur every year in one part of the Cotton Belt or another, losses as severe as those in part of Alabama and Mississippi in 1939 are very infrequent in that area. Consequently, growers in the area are not as well prepared to meet financial difficulties brought about by crop failures as those in areas where losses are expected at more frequent intervals. For many farmers in the area the indemnity that would have been received for their 1939 crop loss would have been sufficient to pay premiums on insurance for as many as 10 or 12 succeeding years, provided such severe losses did not reoccur during that period.

"ALL RISK" CROP INSURANCE FOR COTTON

Most cotton farmers have at one time or another seen their crop destroyed or substantially damaged from causes over which they have no control. In view of the fact that cotton has always been a cash crop, produced largely on borrowed money, the loss of a crop brings about financial difficulties not only for the current year but frequently causes increased debt burdens for several additional years.

Crop losses from drought, excessive moisture, flood, hail, etc., cannot be prevented. They occur every year in one part of the Cotton Belt or another. Is there, then, any economically sound method by which farmers can secure protection against such losses? Many of the risks from the standpoint of the individual are eliminated or reduced through insurance in practically every type of business enterprise except farming.

Whether or not insurance against unavoidable production hazards is feasible for crops such as cotton or wheat depends to a substantial degree on (1) the development of a sound actuarial basis by which the risks can be measured; (2) the development of a program that will be attractive to all growers, in order to avoid adverse selection of risks in a county or area and between areas; and (3) competent administration of the program, including the setting up of farm coverage and premium rate per acre figures that will reflect the risks on the farm as nearly as possible, and the fair and just settlement of losses.

The Federal crop-insurance program, which provides for "all risk" insurance coverage against unavoidable production hazards on wheat crops was placed into operation for the first time on the wheat crop harvested in 1939. It was expected that experience with the insurance of wheat crops would illustrate the practical application of crop-insurance principles to this crop and would at the same time serve as an indication of how some of the problems in connection with the insurance of other crops could be worked out.

During its first year of operation the Federal Crop Insurance Corporation wrote 166,000 insurance contracts, which were distributed over about 1,200 counties in 30 States. Wheat growers paid in nearly 7,000,000 bushels of wheat or the equivalent in cash as premiums for insurance on about 7,589,000 acres. Claims for indemnities amounting in all to nearly 9,950,000 bushels were paid on about one-third of the policies.

The Federal Crop Insurance Corporation has already written over 378,000 insurance contracts covering over 10,000,000 acres of the 1940 wheat crop. This includes largely winter wheat, and estimates indicate that a total of possibly 385,000 growers will use the "all risk" insurance as a means of insuring their 1940 wheat crops. The increased interest in wheat-crop insurance in the second year amply demonstrates the popularity of "all risk" insurance for that crop. It also gives some idea of how cotton-crop insurance would be accepted by cotton growers.

The plan for insuring cotton crops, developed in the Bureau of Agricultural Economics and outlined in House Document No. 277, Seventy-sixth Congress, first session, entitled "A Suggested Plan for Cotton-Crop Insurance," is comparable in most respects to the wheat-crop insurance program, except for certain differences due to the nature of the crops. The need for and applicability of such a program in a typical southeastern cotton area can be shown by further and more detailed analysis of cotton-yield data collected by the Bureau and used in the development of the suggested insurance plan.

The hazards that the cotton farmer must face in producing a crop of cotton are no less than those involved in producing wheat or any other major crop. Consequently the need for cotton-crop insurance, as reflected by crop failures or substantially reduced cotton yields from these unavoidable production hazards, is as pronounced as for other crops. It is true that widespread crop failures occur less frequently in most of the Cotton Belt than in the Great Plains. Losses that do occur are therefore less spectacular than the wheat-crop failures in 1934 and 1936.

The fact that severe damage to cotton crops such as that suffered by farmers in parts of Alabama and Mississippi in 1939 occurs infrequently is not an indication that insurance protection is not needed. This point can be illustrated by the experience with wheat-crop insurance. The demand for insurance on wheat crops has been just as pronounced east of the Mississippi River where crop failures are infrequent as in the Great Plains where crop failures are common. One reason for this is the fact that wheat yields are higher and premium rates are lower in the Eastern States, so that risks to be carried are smaller, and more protection against crop loss is available at a lower cost.

Similar demands for cotton-crop insurance will no doubt exist, because under the plan now being considered, a farmer does not have to lose his crop in order to be eligible for indemnification. He can get insurance coverage up to 75 percent of his average yield. If his average yield per acre during a representative period of years is 400 pounds, he could get insurance protection up to 300 pounds per acre. If his yield on a crop insured for 300 pounds per acre amounted to 200 pounds, he would be indemnified for 100 pounds per acre, or the difference between his yield and his coverage.

That this type of protection against crop losses from unavoidable causes would be highly desirable is illustrated by table 1 which shows the annual yields of a representative sample of farms in typical counties during the years 1933–38, inclusive, the percent of farms in this sample selected in each county on which losses would have been sustained each year under the 75-percent plan, and the estimated number of farms in each county to which this percentage would apply. These Alabama, Georgia, Mississippi, and Arkansas counties should be representative of an area where cotton yields are fairly stable. The estimated number of farms in each county on which losses would have occurred had this period been used as a basis for insurance represents the percentage of all farms in the sample on which yields each year fell below 75 percent of the 1933–38 average for the farm applied to the total number of farms in the county. This means that if 10 percent of the farms in the sample studies had losses in a given year, then about 10 percent of all farms in the county could be expected to have losses that year. The 6 years 1933–38 probably do not represent a period of sufficient length on which to base insurance. However, a study of yields during this period should give some idea of how yields fluctuate from farm to farm and county to county in a normal period of years.

TABLE 1.—*Annual cotton yields of a representative sample of farms, by counties, showing the estimated number and percentage of all farms in each county that would have had losses under the 75-percent insurance plan during each of the years 1933 to 1938, inclusive*

State and county	Year	Annual yield all sample farms		Farms having losses	
		Pounds	Percent of the 6-year average	Percent of farm in sample	Estimated number of farms in county
Alabama:					
Colbert County	1933	189	78.8	51.8	1,134
	1934	231	96.3	16.5	361
	1935	197	82.1	28.2	618
	1936	243	101.3	4.7	103
	1937	301	125.4	5.9	129
	1938	277	115.4	4.7	103
Jackson County	1933	285	93.4	20.5	986
	1934	287	94.1	13.3	640
	1935	270	88.5	27.7	1,332
	1936	317	103.9	7.2	346
	1937	343	112.5	2.4	115
	1938	326	106.9	14.5	697
Alabama—Continued.					
Lauderdale County	1933	210	84.7	30.6	1,194
	1934	259	104.4	7.1	277
	1935	199	80.2	36.5	1,425
	1936	250	100.8	4.7	183
	1937	266	107.3	5.9	230
	1938	303	122.2	1.2	47
Lawrence County	1933	234	83.9	30.6	1,103
	1934	274	98.2	5.9	213
	1935	217	77.8	55.3	1,993
	1936	271	97.1	16.5	595
	1937	366	131.2	2.4	86
	1938	311	111.5	5.9	213
Limestone County	1933	256	96.2	20.0	717
	1934	283	106.4	1.2	43
	1935	213	80.1	36.5	1,308
	1936	208	78.2	42.4	1,520
	1937	296	111.3	1.2	43
	1938	337	126.7	1.2	43
Madison County	1933	218	83.2	31.2	1,371
	1934	261	99.6	7.5	330
	1935	219	83.6	30.0	1,318
	1936	247	94.3	15.0	659
	1937	320	122.1	5.0	220
	1938	309	117.9	6.2	272
Morgan County	1933	275	92.6	21.2	914
	1934	277	93.3	14.1	608
	1935	229	71.1	41.2	1,775
	1936	315	106.1	.7	30
	1937	364	122.6	1.2	52
	1938	324	109.1	7.1	306
Arkansas:					
Drew County	1933	193	62.5	29.4	564
	1934	184	78.6	55.3	1,061
	1935	204	87.2	23.5	451
	1936	238	101.7	10.6	203
	1937	326	139.3	5.9	113
	1938	261	111.5	18.8	361
Georgia:					
Mitchell County	1933	187	82.0	44.7	603
	1934	234	102.6	8.2	111
	1935	214	93.9	21.2	286
	1936	251	110.1	11.8	159
	1937	248	108.8	13.3	206
	1938	232	101.8	14.1	190
Sumter County	1933	210	97.7	20.0	229
	1934	208	96.7	14.1	162
	1935	215	100.0	14.1	162
	1936	220	102.3	18.8	215
	1937	239	111.2	14.1	162
	1938	196	91.2	34.1	391
Mississippi	1933	198	72.8	52.4	1,256
	1934	253	93.0	13.1	314
	1935	215	79.0	50.0	1,198
	1936	305	112.1	3.6	86
	1937	356	130.9	0	0
	1938	308	113.2	8.3	199
Marshall County	1933	176	77.9	44.7	933
	1934	227	100.4	17.6	367
	1935	161	71.2	62.4	1,303
	1936	218	96.5	22.4	468
	1937	259	114.6	4.7	98
	1938	317	140.3	5.9	123

It will be noted from the table that losses occurred each year in all of the 12 counties studied, except in Lee County, Miss., in 1937. The proportion of farms having yields below three-fourths of their average ranged from 62.4 percent, or 1,303 farms in Marshall County, Miss., in 1935, to none in Lee County, Miss., in 1937. During 1935, which was probably the most unfavorable year from 1933 to 1938 in this area, due to drought, over 36 percent, or 9,769 farms out of a total of 26,795 farms, in the seven Alabama counties studied, probably had yields low enough to justify a claim for indemnity under the 75-percent insurance plan. Nearly 56 percent of the 4,485 farms in Lee and Marshall Counties, Miss., would have had losses below three-fourths of their average yield during 1935.

A study of actual farm yields from year to year shows that losses in cotton yields occur every year in one place or another. Even in 1937, when cotton yields generally were the highest in history, 3.3 percent, or about 875, of the approximate 26,800 farms in the seven Alabama counties shown in table 1, had less than three-fourths of an average crop. In Mitchell and Sumter Counties, Ga., nearly 15 percent of all farms produced less than 75 percent of an average crop in 1937, in spite of the fact that the average yield in these counties was 10 percent above normal in 1937.

It is significant to note that these crop losses continue to occur each year, even though the average yield of all farms has generally shown an upward trend since 1933. For instance, the average

yield of the 12 counties shown in table 1 was about 30 percent higher in 1938 than it was in 1933, yet the 1938 yield on more than 8 percent of all farms studied in these counties was less than three-fourths of their 1933–38 average.

The number and percentage of all farms in the 12 selected counties on which yields were below three-fourths of the 1933–38 average during 1 or more of the years 1933–38 is shown in table 2. The advantages of having protection against crop losses through crop insurance are demonstrated by the fact that 47 percent of the farms in these counties had yields below three-fourths of their average in at least 1 year of the 6; 21 percent suffered such losses during 2 years of the 6; and 5 percent lost in 3 or more years. These percentages remained somewhat uniform from county to county, indicating that about the same percentage of farms in each county had losses 1 or more years. Individual farms are not identified in this table, and, as a consequence, a given farm having losses in 3 years may or may not be included in those having losses in 2 years or 1 year.

The fact that losses occurred during each year does not necessarily mean that premium rates for insurance based on past loss would be high, because many of the losses were small. It is true, however, that losses were most severe in the years when the most farms had losses.

TABLE 2.—*Percentage of farms in a sample group in selected counties having yields during 1 or more of the 6 years 1933–38 which were below 75 percent of their 6-year average, and the estimated total number of farms in the counties having such losses in yields*

State and county	Farms having yields below 75 percent of their average					
	1 year		2 years		3 years or more	
	Percent of farms in sample	Estimated number of farms in county	Percent of farms in sample	Estimated number of farms in county	Percent of farms in sample	Estimated number of farms in county
Alabama:						
Colbert	49.4	1,082	25.9	567	3.5	77
Jackson	41.0	1,972	16.9	813	3.6	173
Lauderdale	42.4	1,655	20.0	781	1.2	47
Lawrence	55.3	1,993	20.0	721	7.1	256
Limestone	52.9	1,896	22.4	803	1.2	43
Madison	42.5	1,868	16.2	712	6.2	273
Morgan	49.4	2,129	16.5	711	2.4	103
Arkansas:						
Drew	49.4	948	25.9	497	13.0	249
Georgia:						
Mitchell	58.8	793	18.8	254	5.9	79
Sumter	48.2	552	23.5	269	5.9	68
Mississippi:						
Lee	41.7	1,000	28.6	686	9.5	228
Marshall	37.6	785	40.0	835	11.8	246
Average	46.7	----------	21.4	----------	5.2	----------

In 1933 nearly 31 percent of the farms in the 12 counties had yields below three-fourths of their average, as shown in table 3. However, few, if any, of these crop losses were complete crop failures because the average loss in 1933 on the sample farms studied amounted to about 14 pounds of lint per acre. While crop losses occurred on more than 60 percent of the farms in Marshall County, Miss., in 1935, the average loss per insured acre was only 22 pounds in that county in 1935. On the other hand, the average loss per insured acre in Lawrence County, Ala., during 1935 was 24 pounds, and losses occurred on 55 percent of the farms. The fact that crop losses are usually not extreme in this area indicates that premiums taken in would have exceeded losses paid out during 4 of the 6 years, 1933–38. During the 2 years when indemnities would have exceeded premiums more than one-third of all farms sustained losses justifying indemnification, and the county yields amounted, on the average, to about 80 percent of normal.

During the years 1933–38, losses occurred on about 10 percent of the sample farms in years when the crop equaled the 6-year average, and losses during such years amounted to about one-third of premiums paid in. In years when the crop was 75 percent of the 6-year average, losses about doubled the premiums and would have been paid on about 60 percent of the farms. Premiums and indemnities would probably have balanced in years when the crop amounted to about 85 percent of average, during which years indemnities would have been paid on about 25 percent of the farms.

These estimates probably would not prove accurate in any given year, because they are based on average conditions, assume for the county, as a whole, the same relationship between average yields and average losses per insured acre as for the sample farms, and do not reflect any adverse selection of risks. Furthermore, the years 1933–38, inclusive, probably do not represent a period of sufficient length to serve as the basis for a crop-insurance program. However, the estimates do illustrate the crop-insurance principle of building up in years of good crops when premiums exceed indemnities of reserves that could be used for payment of losses in years of poor crops when indemnities would exceed premiums.

The average premium rate per acre for insurance of 75 percent of the average yield for a farm, based on losses during a representative period of years, would amount to about 10 pounds of lint per acre in the Alabama counties listed, or the equivalent of about $1 per acre at 10-cent cotton. This premium-rate figure would be higher than the average lint loss per acre during the 6 years, 1933–38, because it would include insurance coverage against average losses of cottonseed, as well as lint. The indemnities for losses would also be higher when indemnities for average loss in yield of cottonseed are included. However, the premium rate and the indemnity per acre would be increased by the same percentage in order to offer insurance against average losses in yields of cottonseed.

The average yield for these counties during the 6 years, 1933–38, was about 260 pounds, so that this premium rate would be for a coverage of about 195 pounds per acre. Thus, farmers would, on the average pay for this all-risk insurance, a premium amounting to a little more than 5 percent of the coverage.

These yield and premium-rate figures constitute a part of the actuarial basis for cotton-crop insurance developed by the Department of Agriculture from a study of cotton yields for the 6 years, 1933–38, on nearly 70,000 farms in over 900 cotton-growing counties. The Department's suggested plan for crop insurance with respect to cotton is based on this and other research conducted during the past several years.

TABLE 3.—*Percentage of farms having losses in yields and the average lint loss per "insured" acre under the 75-percent plan in selected counties by years, 1933 to 1938, inclusive*[1]

State and county	Percentage of farms having losses and average lint loss per acre by years, 1933–38, inclusive											
	1933		1934		1935		1936		1937		1938	
	Farms having losses	Average loss per insured acre	Farms having losses	Average loss per insured acre	Farms having losses	Average loss per insured acre	Farms having losses	Average loss per insured acre	Farms having losses	Average loss per insured acre	Farms having losses	Average loss per insured acre
Alabama:	*Percent*	*Pounds*	*Percent*	*Pounds*	*Percent*	*Pounds*	*Percent*	*Pounds*	*Percent*	*Pounds*	*Percent*	*Pounds*
Colbert	52	21	17	4	28	9	5	1	6	1	5	1
Jackson	21	5	13	5	28	8	7	2	2	1	15	5
Lauderdale	31	14	7	1	37	9	5	3	6	1	1	0.3
Lawrence	31	16	6	1	55	24	17	4	2	4	6	2
Limestone	20	10	1	0.2	37	9	42	15	1	1	1	1
Madison	31	18	8	2	30	10	15	5	5	1	6	4
Morgan	21	5	14	4	41	16	1	2	1	3	7	4
Georgia:												
Mitchell	45	18	8	2	21	8	12	2	15	5	14	6
Sumter	20	5	14	5	14	5	19	6	14	2	34	6
Mississippi:												
Lee	52	24	13	3	50	13	4	1	0	0	8	2
Marshall	45	20	18	5	62	22	22	4	5	2	6	0.2
Arkansas: Drew	29	13	55	12	24	5	11	2	6	1	19	3

[1] A farm would have a loss when the yield in any year fell below 75 percent of the 6-year (1933–38) average yield for the farm. The average loss per insured acre is the total deficiency in yield below 75 percent of the average, divided by the acreage of farms in the sample.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, it is a rather singular thing that such a great innovation as crop insurance was never discussed on this floor at length before it was adopted. In 1937 and 1938 the Senate wrote the crop-insurance feature into the Agricultural Adjustment Act of 1938, and it came to the House in the form of a conference report. Very little discussion was had on the floor of the House when the conference report was brought up for consideration. There is one thing

sure, and that is that we regarded it as an experiment, and if you cherish any doubt on that subject, let me read you from page 1664 of the RECORD for the third session of the Seventy-fifth Congress the language of our good friend the gentleman from Mississippi [Mr. DOXEY], a member of the House Committee on Agriculture:

We have further provided in this report, more in the nature of an experiment than anything else, crop insurance for wheat with a view of seeing how it is going to work. We realize that this is just an experiment.

Mr. Chairman, unless the data and unless the procedure under which this original experiment has been carried to a reasonable conclusion is established, I have some doubt as to whether it ought to be extended to another commodity. May I say that I am not opposed to insurance on crops as a principle, but I do say, and I think I can establish from the record, that it is still in the experimental stage.

When Mr. Leroy Smith, Director of the Federal Crop Insurance Corporation, appeared before the Subcommittee on Agriculture in December of last year, as we were preparing the data on the agricultural appropriation bill for 1941, the gentleman from Missouri [Mr. CANNON] made this observation:

Good insurance business at least provides premiums high enough to pay the total losses. Of course, in private industry it should pay the total losses and overhead and some little profit. You have from the business point of view had a bad business year for the Government. Do you attribute that to the fact that you have set the premiums too low or that the losses have been abnormally large?

Mr. Smith, Director of the Federal Crop Corporation, answered:

The losses have been abnormally large in the main wheat States.

This has been in operation for at least 1 year and the Director of the Insurance Corporation tells us that the losses have been abnormally large and that their actuarial data are not complete.

Let us go into the next crop year of 1940, and here is what Mr. Smith says:

The condition for wheat at the present time on account of weather conditions is as bad as it has been for a half century, some report, which, of course, indicates that probably we will have losses again for another year.

They have not definitely established the kind of actuarial data necessary to project this kind of a proposal or program into the field of some other agricultural commodity, and if you have any doubt on that score, we included for the Federal Crop Insurance Corporation an item of $148,000 for research. It is carried here as an item of research and development in connection with the establishment of bases for crop insurance.

Let me read what the Federal Crop Insurance Corporation submitted to us by way of justification on this matter. I quote from their own report:

However, the act recognizes the need for crop insurance on other agricultural commodities and directed that this research be done. Good progress has been made in assembling data on cotton and the details worked out thus far indicate the desirability of continuing the study.

Mr. Chairman, that is not my language. That is the Federal Crop Insurance Corporation speaking. If there is a desirability of continuing the study for a while, why do we project the Congress, the people, and the Federal Treasury into an insurance program on another commodity when we have not yet established a completely sound basis for wheat, which was the only one we recognized for experimental purposes when the act was first set up? Mr. Smith, of the Crop Insurance Corporation, also indicates that there ought to be certain readjustments. Let me read you the following colloquy:

Mr. CANNON, chairman of the committee, asked:

Do you expect to raise your rates or do you expect to wait for a favorable year to recoup your losses?—

Referring, of course, to wheat; and Mr. Smith, Director of the Insurance Corporation, answered:

We should not make any adjustment in rates until our analysis of our own experience indicates the need for changes.

Then Mr. CANNON asked:

You say you should or you should not?

Mr. SMITH. We should not until our research into our own experience indicates the need.

Mr. Chairman, that means nothing more than that this whole matter is still on something of an experimental basis. I may say to my friends over here that I think the weakness of this bill coming on for consideration at this time is not that the insurance principle is bad but, rather, that we ought to have at least another year or perhaps 2 years in order to make certain that we are not making a mistake. Suppose we are proceeding on the wrong premise, and suppose we go on for awhile, and there is no adjustment in this rate structure; if we make an identical mistake on another commodity that involves as much money and as much acreage as cotton, it would be unfair to the taxpayers of the country, and it would be unfair to the Congress of the United States to be put in that position. They were asking this year for an administrative appropriation of a little over $5,400,000. They sustained the losses last year on the ground it was an abnormal crop year. Now, Mr. Smith, the director says that the conditions for wheat are as bad in 1940, and there will be additional losses. There may have to be a readjustment in rates. They may have to recast this whole schedule. Then why not wait a year or two? I think that is the weakness of the bill before us at the present time.

Mr. PACE. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Georgia.

Mr. PACE. Does the gentleman feel that we would have any better test as to other commodities when we confine it to only one that is not general all over the Nation?

Mr. DIRKSEN. The gentleman will agree that all of the things that have been evolved thus far are more or less speculative, and we do not know whether they will work out in practice that way or not, for the good reason that we approached it on this one commodity, wheat, and as a result we took a loss in the first year, we will take a loss the second year, and probably have to recast the basic structure. That is the answer. I have no objection to the principle of crop insurance, but I do say we can make a terrible mistake, so why not wait until we have some more experience on wheat?

Mr. WHITTINGTON. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true that under this bill the program will not go into effect until 1941 so far as cotton is concerned, and we will then have additional experience?

Mr. DIRKSEN. Why not wait until we have the experience first, so that we may be able to determine what the situation is?

Mr. WHITTINGTON. I think we can be perfecting the machinery and making arrangements in the meantime.

Mr. DIRKSEN. May I say to the gentleman from Mississippi that once the determination is made and we are absolutely certain about the statistical data and the actuarial matter, instead of coming in here with a bill in which you define agricultural commodities as being restricted to wheat and cotton, you should bring us a bill including rice, corn, and the other basic farm commodities. It was stated here yesterday that there would be no objection to adding corn, but, frankly, I am not anxious that corn be added until we can be sure that we are not making a mistake.

Mr. FULMER. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from South Carolina.

Mr. FULMER. May I say to the gentleman that when we had this bill up the only reason that cotton was not put in was because the Department of Agriculture said it did not have the facts and the statistics but stated it would make an investigation and submit it to the Congress. The conferees then understood it would come in, and they have submitted complete information about cotton. May I say to the gentleman that it would work on cotton much better than wheat if it would work at all. Now we come in, as understood, with cotton. I may say that it may take 2 or 3 years or 5 years,

but every old-line insurance company and every private company has taken anywhere from 2 to 5 years to work out a fair program.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois.

Mr. DIRKSEN. Let me answer that observation. I believe everybody in the Congress understood at the time that we were taking wheat for experimental purposes. Whatever actuarial data was available from the private companies certainly was not sufficient as far as the Government was concerned, because their whole experience was rather tragic and disastrous. The only way the Government could approach it would be to take at least one commodity and try it, so we simply crossed our fingers and decided that if there was a loss, all well and good; we at least would document some data on the subject and know which way to move. It cannot be contended that it is still not in the experimental stage, because the manager of the Federal Crop Insurance Corporation indicated as much before the Subcommittee on Agricultural Appropriations.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The capital stock is $20,000,000?

Mr. DIRKSEN. Yes.

Mr. AUGUST H. ANDRESEN. If the crop materializes as indicated by the manager, Mr. Smith, and we have a poor crop this year, and the entire capital stock is wiped out, does the gentleman believe the Committee on Appropriations will provide additional capital for the Corporation to continue in 1941?

Mr. DIRKSEN. I will answer that in the light of the past by saying that when the Commodity Credit Corporation had the same difficulty we followed the provision in the law whereby it was mandatory for the Secretary of the Treasury to make the report to the Congress, and then we had to repair the capital stock to the extent of over $100,000,000.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Kentucky.

Mr. MAY. As I understand this bill, it merely amends certain sections of the Federal Crop Insurance Act and extends the provisions of that act to additional crops.

Mr. DIRKSEN. To one additional crop.

Mr. MAY. What is the other?

Mr. DIRKSEN. Cotton.

Mr. MAY. It was wheat, and now it includes both wheat and cotton?

Mr. DIRKSEN. That is right.

Mr. MAY. If there are going to be any crops included, why not include all crops?

Mr. DIRKSEN. I have just raised that question. Why include any crop until we are sure we are on good ground? Let us be satisfied for another year, or perhaps 2 years, before we go any further. [Applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield 7 minutes to the gentleman from Washington [Mr. LEAVY].

Mr. LEAVY. Mr. Chairman, I happen to be on the same subcommittee with the able, distinguished, and industrious gentleman who just preceded me, the gentleman from Illinois [Mr. DIRKSEN]. I have the highest regard for his good judgment and for his industry, and likewise his conclusions when he can entirely free himself from that which shows a partisan element or bias.

We had this matter of crop insurance before us last year in connection with making the initial appropriation at the commencement of this program, and while I do not recall, and perhaps it would be improper for me to say if I did, just where the gentleman stood on it in the subcommittee. I know that when it went into the main committee a fight again was made against it, and it carried by only one vote. I know the CONGRESSIONAL RECORD will show that when we came on the floor of the House with it in the appropriations the fight was bitter against it on the ground that we were embarking upon an experiment that was so new and so strange that it was an unsafe and an unwise thing to do. However, we voted the money—$20,000,000 of capital stock for this corporation and $5,000,000 for administrative costs.

The insurance plan has been in operation 1 year. It affects my district, because I am from one of the great wheat-growing sections. The bill before us, however, does not in the slightest, and could not under the wildest stretch of the imagination, ever apply to any crop of cotton that will be grown in my district, because we are beyond the limits where cotton can be produced. I certainly would not support this bill if I thought it jeopardized the best interest of my own constituents, the wheat growers. However, 1 year's experiment has demonstrated, as I draw conclusions from facts, that it is a workable program and a desirable program and that it ought to be expanded as rapidly as possible to both cotton and corn, at least, as the program is based so largely on a nonperishable crop. It may be that they can later work out mechanics that will fit a perishable crop, but wheat, corn, and cotton fit into this program almost perfectly.

The losses last year were nearly 2,000,000 bushels of wheat, in round numbers. The premiums are collected in wheat—that is, the premiums are paid in kind and the losses are paid in kind, unless the insured elects otherwise. Last year the farmers paid something over 7,000,000 bushels in premiums and the Government paid back 9,000,000 bushels in losses.

Of course, it was not profitable. First, it was never intended to be a profit-making institution; but, second, look at this fact, and this ought to be a very controlling fact. The United States wheat crop last year was only 90 percent of the normal crop over the base period of 8 years. In the great wheat-producing States of North Dakota, South Dakota, Kansas, Nebraska, Oklahoma, and the western part of Texas the wheat crop was only a 75-percent crop over the same base period, consequently losses were unusually high. This program at least brought relief to the extent of 75 percent of a normal crop to thousands of American farmers who were insured in this first year who otherwise would have been reduced to the unhappy and unfortunate situation of being relief clients.

Mr. MURDOCK of Arizona. Does the gentleman know of any other program of greater self-help for farmers? Does he know of any other means whereby they can bear one another's burdens better than through this plan?

Mr. LEAVY. My capable colleague from Arizona has stated the matter perfectly.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I want to finish my statement first, if I may.

Crop insurance has a tendency, if carried to its ultimate conclusion, to stabilize crop production of major crops. It has a tendency, and one that is desirable, of taking marginal and submarginal lands out of production. Those lands that cannot economically be farmed in wheat or cotton or in corn would naturally be taken out of production, because there the premium charge would be so much higher than it is in a region of certain production and of high acreage yield.

Now, let us come to the question of whether we are infringing upon the private insurance companies. That has been debated upon the floor here before. In the first place, let me say this is not in any sense a profit-making institution; not so intended or designed. The law itself provides that administrative costs shall be paid out of the Federal Treasury. There is no question about that. But it is an undertaking to insure to the farmer who is engaged in a business for a livelihood that is the most hazardous of all the businesses in the Nation, and that is producing a farm crop. Being taken on a Nation-wide basis this program can be made, if we have adopted the proper premium rate, an absolutely workable program.

Now, opponents say, "Let us wait another year and then put cotton into this program." In the first place, as has

been indicated here, the cotton crop will not come in until 1941. If this bill is passed cotton will not be affected until next year; then, let me say further, the factors and conditions surrounding cotton production in so many of their features are entirely different from those surrounding wheat production. The same argument that was made a year ago against wheat production is now being made against cotton production. If we had refused to act in reference to wheat, we, of course, would have no wheat program today. As a result we have such valuable experience that this year there was no opposition to continuing the wheat program. There is only one way to secure experience in a new field, and that is to enter into such field.

I am willing to concede to my friend from Illinois [Mr. DIRKSEN], and to anyone else, that if the premium base is unsound we should change it, but last year's experience in wheat does not indicate that at all, in the light of the unusual natural conditions that then prevailed.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 1 minute.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I yield.

Mr. DIRKSEN. I just want to make sure the RECORD is kept straight. I recall no effort to strike crop insurance from the appropriation bill either in subcommittee or in the full committee. Maybe an effort was made to reduce the administrative amount somewhat, because some of the Members thought perhaps the amount was too high, but no effort was made to destroy the crop-insurance item in the appropriation bill.

Mr. LEAVY. In the first appropriation bill?

Mr. DIRKSEN. No; in the appropriation bill of this year.

Mr. LEAVY. Oh, no; there was no effort made this year; I expressly referred to last year.

Mr. DIRKSEN. And the other thing is that as early as 1938 the Secretary of Agriculture sent a letter to the Senate recommending crop insurance on fruits and vegetables. Now, if you are going to include cotton, let us go the whole hog and include them all.

Mr. LEAVY. I think ultimately we should do that, as we prove the ground as time goes on. I desire to say that the Republican Party, as well as the Democratic Party, in their platform of 1936, promised the American farmers crop insurance. [Applause.]

Mr. DIRKSEN. We do not quarrel with that, either.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. COFFEE].

Mr. COFFEE of Nebraska. Mr. Chairman, it is with reluctance that I take the floor in opposition to this bill because of the interest of my very good friends from the South in its adoption.

I feel that this crop-insurance program should continue on wheat alone for a few years longer in order to justify the experiment before it becomes too much involved. I know that unless it can make a good showing in the future the Appropriations Committee will refuse to make the necessary appropriations and the crop-insurance program will cease to exist. This danger becomes more imminent when you add cotton to the present insurance program.

These facts should be borne in mind. In the first year 70,000,000 bushels of wheat were insured. The premiums collected amounted to 7,000,000 bushels of wheat, and the total losses were 9,300,000 bushels of wheat. This statement alone indicates that it would require 30 percent increase in the premiums to offset the total loss the first year of its operation. This, of course, would not be justified on the basis of only 1 year's experience.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield.

Mr. COLMER. I am sure that my distinguished friend from Nebraska is very broad-minded and unselfish. He favors this insurance upon wheat, does he not?

Mr. COFFEE of Nebraska. I do. I want to see the program made as nearly self-sustaining as possible.

Mr. COLMER. The gentleman would not want to see it removed from wheat?

Mr. COFFEE of Nebraska. I would not until we can see whether or not it is going to be a feasible and a workable program.

Mr. COLMER. I understand that, and, as I understand, the gentleman does support it. Does not the gentleman think, in all fairness, he ought to give another basic commodity, like cotton, an opportunity to come under this program?

Mr. COFFEE of Nebraska. I am trying to indicate why I think it is not advisable now. If you will bear with me a few minutes, I think I can give you my views. It cost $4,800,000 in administrative costs the first year to collect 7,000,000 bushels of wheat in premiums, which, at that time, was worth approximately $3,500,000.

Is there any insurance program that is sound that would necessitate an overhead expense of $4,800,000 to collect $3,500,000 in premiums? I am not condemning the wheat program because that is only 1 year's experience. Let us give the crop-insurance program a chance to operate and see whether or not it can be made to operate on a sound basis. If it cannot, naturally it will be discontinued. In case it can be placed on a sound basis, the officials who are pioneering the field should have a chance to work this out. Then, after the program can be shown to be feasible on wheat, other commodities might logically be considered. If cotton is included now, you may be assured there will be a demand soon to include fruits and vegetables and every other commodity. Congress has appropriated $20,000,000 capital for the Federal Crop Insurance Corporation. That may be sufficient to take care of the experimental stages in this wheat program during the next few years. With wheat out on a raft in deep water, to pile cotton on it, too, may sink the whole program. If you add these other commodities at this time, you will jeopardize the possibility of carrying out this experiment in insurance on wheat.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. Yes.

Mr. LEAVY. The gentleman made the statement that it cost $5,000,000 to administer the first year.

Mr. COFFEE of Nebraska. Four million eight hundred thousand dollars.

Mr. LEAVY. Which is correct; but for the next year the same sum of money is appropriated to administer three times as many policies, covering more than three times the acreage and more than three times the production.

Mr. COFFEE of Nebraska. How do you account for such a heavy overhead expense?

Mr. LEAVY. Because they were setting up the agency last year and they needed hundreds of people to set it up, just like every insurance business does in the beginning.

Mr. COFFEE of Nebraska. For the fiscal year 1940, there was appropriated $5,423,000 with an additional $500,000 of unexpended balance, to cover the administrative expense. For the fiscal year 1941 we have provided $5,423,000 together with not to exceed $100,000 of unexpended balance. How are we going to carry out and find a true picture of this crop-insurance program unless you let that program run for a few years on wheat to demonstrate its feasibility?

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. Yes.

Mr. PACE. Does the gentleman think that you can do that when you have a crop that is representative of only one part of the Nation, when the conditions are different as to productivity?

Mr. COFFEE of Nebraska. Wheat is raised in most of the States in the Nation. There are about 30 States represented in the wheat-insurance program.

Mr. PACE. What about the other 18?

The CHAIRMAN. The time of the gentleman from Nebraska has again expired.

Mr. FULMER. Mr. Chairman, I yield 7 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, according to the record I hold in my hand there were only 202 policyholders in the entire State of North Carolina under the wheat-insurance program for 1939. In the State of Nebraska, the home State of my esteemed and distinguished friend, the gentleman from Nebraska [Mr. COFFEE], there were 56,874 policyholders. On 1,258,643 acres of Nebraska land 13,114,000 bushels of wheat were insured. In Tazewell County, the home county of the distinguished gentleman from Illinois [Mr. DIRKSEN], in 1939 there were 436 policyholders and in 1940, 826. I am advised that in his congressional district the policyholders have more than doubled for 1940.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes.

Mr. MAY. I suppose the gentleman wants to make a vote for this bill if he can. I know very little about it, because I have not had any opportunity to give it consideration. I would like to have a brief explanation of the theory of the program, whether it is taking wheat out of production or insuring against failure of crop.

Mr. COOLEY. It would be diffcult for me to explain the mechanics of the bill in the brief time at my disposal.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I will.

Mr. COFFEE of Nebraska. Does not the gentleman think that the program as far as wheat is concerned will be jeopardized, in view of the $20,000,000 capital structure, in the event we add other commodities to this crop-insurance program?

Mr. COOLEY. No; I do not share the gentleman's fear in that regard. In pointing out the fact that the gentleman has 56,000 policyholders in his State, where I have only 202 in my State, I just want it understood that I do not have a great deal of personal interest in this wheat program. With regard to cotton, I live in a State that processes approximately 2,000,000 bales of cotton annually, and we produce approximately 300,000 bales. So the program does not mean a great deal to the State of North Carolina, but I do believe it means a lot to the cotton and wheat farmers of the Nation.

I am frank to admit that this program is still in an experimental stage. I do not believe anyone will contend that it is not. Evidence before the committee indicated that it would perhaps require 5 or 6 years to satisfactorily conduct this experiment. We all know that but for the failure of the Department of Agriculture to furnish us with the proper data at that time, cotton would have been included in this experiment. I do not believe the cotton farmers of the Nation should be held up for 5 or 6 years pending the determination of the successful operation of the experiment on wheat. It may be that we are losing money. Certainly we expected to lose money. We have no right to complain about or even mention the administrative costs, as I see it, because we knew we were putting on the Government the burden of the administrative cost.

Now, suppose we have lost money in the drought-stricken areas of the wheat section of this country, which, of course, includes the State from which my good friend the gentleman from Nebraska [Mr. COFFEE] comes, and the distinguished minority member of the committee. Suppose we have lost money there. It has gone into the hands of distressed farmers who would, in all probability, have been forced upon the relief rolls. If we are furnishing relief in that way to the farmers of the country and at the same time conducting an experiment which may prove to be of tremendous value to American agriculture, then I do not think it is a bad program.

I wish I had time to discuss the machinery of this Crop Insurance Corporation. Never before in the history of America has such an experiment been undertaken. No private insurance company would have the resources or the courage to undertake such a program as this. I will say to the gentleman from Connecticut [Mr. MILLER] that it is a fact that his insurance companies do a large business down in the tobacco section in writing hail insurance for tobacco. I do not have any reason to want to invade the field which is adequately covered by private insurance companies of America, but in the tobacco section we pay a tremendous premium for hail insurance. All-risk insurance is unknown to the tobacco farmers of America.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MILLER. I suppose the gentleman knows there is no insurance company in the United States that has ever made a dollar on hail insurance, even though the rates are high?

Mr. COOLEY. Well, I did not know that. I will accept the gentleman's statement. That shows clearly the necessity for the experiment which will enable either private corporations or some public corporation to furnish insurance to the farmers of the Nation.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I am delighted to yield to the gentleman from Kentucky.

Mr. MAY. I grew up on a farm and I am always in sympathy with farmers' programs and have a great deal of confidence in the distinguished membership of this House which comes from the Cotton Belt, and usually follow them when they have a bill like this; but I think we ought to get the gentleman from Nebraska [Mr. COFFEE], who represents a real wheat-producing State, right in the RECORD. His argument was that we should not spread the program to any other product on account of the matter of finances until we made a test of it. That was the sum and substance of what he said. Is that not right?

Mr. COOLEY. I think that is right.

Mr. MAY. The gentleman from Nebraska was not opposing the program as it is, but wanted to experiment a little further on one crop, wheat?

Mr. COOLEY. I think that the gentleman from Kentucky clearly states the position of the gentleman from Nebraska. I understand that the gentleman from Nebraska does not want to repeal the law which makes possible crop insurance for wheat, but he feels that we should wait until the success of the program has been more definitely determined.

I have known the gentleman from Nebraska, HARRY B. COFFEE, intimately and well since 1934, when we both first came to Congress. I know that he is not selfish, and I would not for one minute leave the impression that he is unwilling to accord to other sections of the country the same relief which he is willing for his own State and constituents to receive and enjoy. He may be correct in the position he has taken in suggesting that the crop-insurance program should not embrace cotton or other commodities until the complete success of the experiment has been determined. I shall not even argue that point with him; but my recollection is quite clear and definite that our committee, of which he is an able and distinguished member, knew at the time we reported the crop-insurance bill that a request would be made for cotton to be included just as soon as the data on cotton was made available by the Department of Agriculture, which at the time we reported the bill, was engaged in making the necessary survey and collecting the necessary information. We also knew that the success of the experiment could not be determined by 1 year's operations. I am sure that no member of the committee is taken by surprise at the suggestion that cotton now be included in the crop-insurance program.

I am sure my friend from Nebraska is most vitally concerned about the cost of crop insurance, as he is and always has been concerned about extraordinary expenditures of Federal funds. This experiment will, of course, be costly; but in view of the fact that it has been undertaken and is greatly needed, and especially in view of the fact that it is an experiment which only the Government can afford to undertake, I feel that we are thoroughly justified in insisting upon the program being extended to cotton, a crop which is grown in a different section of the country from that in which wheat is produced. As pointed out by another distinguished member of our committee, the gentleman from Georgia [Mr. PACE], by including the two crops the Corporation will be able to conduct an experiment by large-scale operations in different

sections of the country upon two of our major crops, and in a few years it may be possible to put the crop-insurance program on a self-sustaining basis.

I hope that we may at the earliest possible date be able to extend the benefits of all-risk crop insurance to the tobacco growers of the country. I intend to introduce a bill at this session of Congress, the purpose of which is to include tobacco in the crop-insurance program. I know that the Corporation is not in a position at this time to undertake a crop-insurance program for tobacco, but I indulge the hope that sufficient information may be collected at some time in the near future which will justify extending the benefits of crop insurance to those who are engaged in producing one of our principal export and surplus farm commodities.

I am tremendously interested in the success of the experiment. I hope that the bill under consideration will be approved, that cotton will be included, and that the operations of the Corporation will be so successful that we may at a later date be justified in extending benefits of the program to the producers of other farm commodities. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY. Mr. Chairman, I am not opposed to this bill because it is for cotton. I am not, necessarily, opposed to any sound insurance plan. I am opposed to this bill in general, at this time, because the people of this country do not want to put the Federal Government further into the insurance business, or any other business.

In addition: (1) The wheat-insurance plan has not been in effect long enough to give a reliable yardstick. If the present information that is available about wheat insurance is to be used as a yardstick, I am sure we should hesitate before we go further into the insurance business; (2) there is no justification for insuring only a few basic crops that have already had millions upon millions of dollars that have not been given to the other important crops of our country. All agricultural products should be included or we should vote down this kind of legislation. Kick the camel out of the tent, or lead him out and turn him loose; (3) many New Deal projects are being and will be liquidated at 30 to 40 percent on the dollar. Why not ask for evidence of some successful projects before we go out on a limb with a new program of federal insurance?

The people of this country are not asking for any new schemes for spending their money. They are getting more insistent every day for programs of common sense in all governmental activities. [Applause.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I wish to say to the Members of this House that we always get excited over nonessentials. This bill is not going to remedy the farmers' difficulties. As a matter of fact, I do not care what kind of legislation you pass, until the Members of this House have sufficient intelligence and courage to give to the farmers of this Nation cost of production, agriculture will be a failure and so will all this class of legislation.

I wish to state further that in all this discussion there is nothing Republican or Democratic about this bill. Surely agriculture is not Democratic or Republican. I asked a gentleman on my side of the aisle just a minute ago whether he did not believe that sauce for the gander was sauce for the goose, whether sauce for the wheat farmer was not sauce for the cotton farmer. He answered that it depended upon whether the goose was Republican or Democratic. I am in hopes that Members on both sides of the aisle will get together and that we may have a nonpartisan wedding of the goose and the gander and give the same treatment to cotton that we have asked and received for wheat.

This bill does not mean very much in the solution of the agricultural problem. I want to say to my friend the gentleman from Kentucky [Mr. MAY]—and I shall be glad to yield to him in a minute—that I would prefer to have him come up and sign petitions Nos. 5 and 6 and do something real for the American farmers. Then we will not need all this fool stuff—this make-believe legislation.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. MAY. I would like to leave the petitions where they are until we take care of these cotton farmers and wheat farmers. I merely want to say to the gentleman that over in my district both Republicans and Democrats eat wheat and wear cotton clothes, and even those who do not belong to either party do likewise.

Mr. LEMKE. I would like to say further that the eating of wheat and the wearing of clothes made of cotton the farmer produces is nonpartisan.

I am told that it takes one man an hour to produce a pound of cotton, and he gets about 8 cents a pound when he sells it. In other words, the producer gets 8 cents an hour for his work. Eight cents an hour with which to feed and clothe himself and his family and pay his landlord. I feel that when Congress permits such a condition to exist it is guilty of criminal neglect.

No matter how much insurance you provide, you cannot save that situation by putting him in the hole to the extent of the cost of his premium on the insurance. He is already sinking. To my wheat-growing farmers may I say that the same thing is true, that no insurance plan is going to solve the problem so long as the wheat farmer does not get cost of production. Although I am for this bill because it is fair, it is just, if you give this insurance to the wheat farmer you ought to give it to the cotton farmer. Yet I do not have faith that it will solve the basic problem. Let us consider this proposition for a few minutes.

The farmers have been feeding and clothing the people of this Nation. It seems to me the time has come when we should quit making a fuss about experiments. You have experimented—both parties—with the farmer until he is sick and tired of it. He wants the real thing now. I am sorry we have only 121 signatures on the cost-of-production petition, but I am sure before this week is out we shall have more—at least, we ought to. I am sure that the 435 Members of this House will have the good nature and good sense to give us an opportunity to bring the cost-of-production and Frazier-Lemke refinance bills up for consideration by signing petitions Nos. 5 and 6. Now, let us do the sensible thing and then we can take care of these side issues, because, after all, this is just a side issue. I am for it because it is no more of a side issue than the insurance on wheat.

Let me call attention to the suggestions made by the gentleman from Illinois [Mr. DIRKSEN] that the officers of the Wheat Insurance Division in the Department of Agriculture who testified before the committee certainly showed that under the wheat program wonderful progress has been made, more progress than has been made in any other division with which the Department of Agriculture has had anything to do.

In conclusion permit me to state there is no reasonable excuse why we should not give the same treatment to cotton that we give to wheat, but we will have done nothing worth while for either cotton or wheat when we do it. Now let me touch the wheat insurance for a minute.

In my State they insure wheat to about 6 bushels an acre. The premium is about 2 bushels an acre, and the poor farmer has to live on the other 4. The premium may even have to be increased. I repeat, therefore, the insurance program cannot solve the agricultural problem. The thing we should do—and I cannot see why we do not get down to earth and tackle the problem basically—is to assure the farmers of cost of production.

There is no question but that thousands of farmers have lost their homes because of the low prices they receive for their commodities, and there is no question but what there ought to be some insurance against that. Some of my friends say, "But that is an experiment; it is too risky for the Government of the United States to go into and help out." All the Government of the United States is asked to furnish is the machinery. The farmers furnish the risk. In closing, let me ask: If crop insurance is too risky for the Government

of the United States, is not farming too risky for the farmers of the United States? [Applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. Chairman and Members of the Committee, on yesterday it appears that about two-thirds of the time on the rule was used in talking about politics. I want to state frankly that this bill does not have anything to do with whether or not Mr. Roosevelt will offer for a third term or whether or not the Republican Party will be successful next November.

I believe that if you will give me your careful attention I shall be able to prove to you that we have a good, sound, constructive proposition.

The purpose of this bill, H. R. 6972, is to amend the Crop Insurance Act so as to include cotton.

In 1938 a bill introduced in the Senate by Senator Pope was attached to the 1938 agricultural adjustment bill creating a Crop Insurance Corporation, authorizing $100,000,000 as capital stock.

This bill was considered in conference between the two Houses, and the only reason that cotton was not placed in the bill at that time was because the Secretary of Agriculture stated that it would be impossible to put a cotton-insurance program into operation for the reason that he did not have sufficient information, statistics, and so forth.

However, it was definitely understood at that time that cotton would be taken care of later, and the Secretary was authorized to make an investigation and report his findings to the Congress.

This information was submitted to the Congress in May 1939 and is contained in House Document 277.

All-risk crop insurance makes available to the wheat and cotton grower an economic device whereby he can meet the cost of crop failure in advance and on the installment plan. This means more security for the grower, and it will reduce the need for governmental expense in the form of relief. It will do much to prevent the economic and social losses which follow crop failure, such as foreclosures of farms and increased absentee ownership and tenancy. It will aid soil conservation by assuring the grower that he will reap the rewards of better farming methods and by assuring him of income to finance conservation work. It will help farmers to plan ahead with greater certainty and to gamble less with the weather. All of this will mean, in turn, greater security and, consequently, greater stability for every rural community dependent on wheat and cotton income.

In 1939 the appropriation for the administration of the Corporation was five and one-half million, of which they used $4,800,000.

During the first year of the administration of the wheat program 166,000 farmers applied for insurance, and, according to the information that we have from the Department, they have 378,519 applications for 1940, or an increase of over 200 percent.

I note that the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], also the gentleman from Nebraska [Mr. COFFEE], are objecting to this bill solely on the ground that we have not had a sufficient try-out on wheat, and it appears that they would be highly pleased if we would permit the wheat program to continue, perhaps 2, 3, or 5 years, and then, after we have found out that a satisfactory and proper premium rate could be worked out, perhaps, if they were still in Congress, they would then permit cotton to come in.

I am surprised at their attitude for the reason, in Minnesota, if you will compare the applications for insurance in 1939 with 1940, you will find that they have about a 400-percent increase—totaling for 1940, 21,270.

In the State of Nebraska in 1939 they insured 12,841 farmers. However, in 1940 we have insured 56,874. This would clearly indicate that it must be a very satisfactory program, and just why these gentlemen are perfectly willing to hold on to wheat insurance and are doing everything possible to prevent cotton farmers from coming in on an equal basis is beyond my comprehension.

Naturally, this being the first opportunity on the part of the Government to carry out an insurance program on any crop, it would be impossible to be absolutely correct in fixing premium rates.

It will be stated by some Members, no doubt, that wheat insurance was not a success in 1939, in that while the Corporation received about 7,000,000 bushels of wheat in payment of premiums, the Corporation had to pay out to farmers for losses because of destruction to the wheat crop around nine and one-half million bushels—two and one-half million bushels more than the Corporation received in the way of premiums.

If you will average this wheat at $1 per bushel, it would be very apparent that the Corporation had a loss of about two and one-half million dollars in its first year's operation. The actual amount, however, was less than $2,000,000 in actual cash.

In the hearings held on this bill, page 19, you will find that Mr. Johnson, representing the Department of Agriculture, stated, in referring to certain mutual companies, that they lost, including the expense of administration, during their first year's operation, $7.78 for every dollar received.

Now, let us compare this with the showing made by the Insurance Corporation during its first year.

As stated, they received 7,000,000 bushels of wheat as premium payments. At $1 per bushel, this would amount to $7,000,000. We find that they paid out nine and one-half million bushels, or, at the same price, nine and one-half million dollars. This would indicate a net loss of $2,500,000, or a loss of 36 cents for every dollar received; or, if you will take into consideration the expense of administration, $4,800,000, the loss would be two dollars for every one received.

Now, compare this loss with the mutual companies' losses of $7.78, and you will agree that this Federal insurance program was much more successful than the private companies.

This makes a very successful showing for the administration of the act, especially in that it is a known fact that a large number of applications during the first year came from that section of the wheat country where they have frequent disastrous losses because of drought, and so forth.

I contend that this is purely a business proposition.

Suppose the Government has some losses during the first 3, 4, or 5 years, until the program could be put on a sound basis. The losses will not compare with the amount of money that we are spending for relief and in the way of grants to farmers because of the loss of their crops for various reasons.

According to the information that I have here in a document issued by the Department of Agriculture, we have spent $615,000,000 for this type of relief during the past 10 years, or sixty-one and one-half millions annually.

I imagine there are Members who, rather than vote for this bill, would prefer to go on spending millions in the way of relief, instead of actually doing a good, sound, commonsense thing by passing this bill so as to be able to eliminate that large class of farmers who annually, because of drought, flood, or for some other reason, have suffered the loss of their crops and are forced on W. P. A. or on relief rolls.

Now, here is the trouble about giving relief under such circumstances to farmers: The relief money is used to maintain themselves and their families. They do not get a sufficient amount to pay any of their taxes, interest on their loans, or any of their obligations. Therefore, because farmers are not properly protected, it is the one thing that is bringing about tax delinquency, increasing tenancy, and increasing unemployment.

Let us take a concrete case. Suppose a farmer who usually produces 100 bales of cotton is covered under this program for three-fourths the value of that cotton and cottonseed. Suppose cotton is selling for 10 cents per pound; 100 bales would mean $5,000. Should this farmer have a total loss, without insurance, there is nothing coming to him except whatever relief or money in the way of grants that he can secure—and it is secured at the expense of the taxpayers of this country.

However, under the insurance bill, he would receive three-fourths of that $5,000, which would amount to $3,750, besides

the amount of three-fourths the value of the cottonseed, which would enable him to pay these obligations, or practically so; and you would have thousands of farmers off the relief rolls and thousands of farmers continuing to own their lands.

Some days ago Mr. Goss, who has been connected with the Farm Credit Administration, stated before our committee that one reason why the Farm Credit Administration had closed out 100,000 farmers since 1933 was because of the price received by farmers.

Now, he was really speaking of farmers who produced a normal crop, and certainly if that is true, what about thousands of farmers who annually lose half of their crops or all of their crops; because of some disaster for which they are not at all responsible?

I want to quote you a paragraph from a letter received from Secretary Wallace, which should clearly indicate to you just what I am talking about.

I quote:

In the States of Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas the Farm Security Administration expects to advance loan funds for this fiscal year in the amount of $40,974,947 and to extend grants in the amount of $9,400,000.

Now, remember, these funds are coming from the Farm Security Administration in addition to the millions that we are spending in the way of W. P. A. work and relief.

THE 1939 GRANTS

In 1939 the Rural Rehabilitation Agency made grants to 118,220 farmers in 11 Southern States amounting to $3,549,000.

I am placing in the RECORD at this point a list of these States, the number of farmers, and the amounts of the grants made in each State.

Grants made in Southern States in 1939

States	Rural rehabilitation grants by Farm Security Administration	
	Grants	Amount
	Number	
Alabama	15,920	$667,000
Arkansas	11,480	257,000
Florida	3,370	101,000
Georgia	8,510	300,000
Louisiana	5,930	116,000
Mississippi	45,150	685,000
North Carolina	1,160	62,000
Oklahoma	5,530	378,000
South Carolina	6,340	211,000
Tennessee	1,340	55,000
Texas	13,490	717,000
Total	118,220	3,549,000

Let me give you some startling figures as to farm-land mortgage delinquencies in 1939. This does not refer to the 100,000 farmers who have been foreclosed on since 1933. These figures refer to farmers who are still trying to hold on to their lands in the 11 Southern States:

Percentage of Federal land-bank loans and land bank commissioner loans that were delinquent at the end of 1939

State	Federal land-bank loans, 1939	Land bank commissioner loans, 1939
	Percent	*Percent*
Alabama	32.0	44.9
Arkansas	8.4	9.9
Florida	29.1	14.7
Georgia	35.7	32.9
Louisiana	25.7	31.4
Mississippi	33.7	48.5
North Carolina	25.6	29.6
Oklahoma	18.1	28.0
South Carolina	35.5	36.9
Tennessee	9.9	13.5
Texas	18.7	17.5

Dr. Black, who is now at the head of the Farm Credit Administration, stated some days ago:

About 1,057,000 land-bank and commissioner loans were outstanding on January 1, this year, of which some 254,000 were delinquent.

Loans with delinquent installments totaled $662,585,000.

Of course, the outcome for many seriously delinquent farmers depends on climatic conditions, crops, and prices.

Now, if this statement is true, and it is definitely true, this bill, if passed, would go a long way in offsetting crop losses brought about by climatic conditions, hailstorm, flood, drought, and insect infestation.

Let me give you a few figures representing drought-relief loans for the years 1935 up to and including 1938:

In 1935 the amount was	$65,513,583
In 1936 the amount was	60,397,062
In 1937 the amount was	57,113,320
In 1938 the amount was	54,763,757

Look up the records and you will find that very little of the drought-relief loans have ever been repaid to the Government. You remember many loans that we made to the drought-stricken farmers in the Northwest taking their notes for same, and, as stated, if you will look up the records, of these loans, you will find perhaps millions of dollars unpaid.

During this session of the Congress, as usual, several bills have been introduced authorizing large appropriations to take care of farm relief because of the loss of crops for various reasons.

I hold in my hand several bills. Here is one introduced by my friend and colleague the gentleman from Mississippi [Mr. DOXEY] authorizing an appropriation of $60,000,000. Here is another introduced by my good friend the gentleman from North Dakota, Judge LEMKE, authorizing $20,000,000.

First and last, we pass some of these bills.

However, if these bills are not passed you can rest assured, as previously stated, these relief costs will be taken care of under the Farm Security Administration in the way of grants or with W. P. A. funds in the way of employment or W. P. A. relief.

Therefore, as stated, the purpose of this bill is to permit farmers to be able to secure insurance benefits by paying their own way in making premium payments.

Some days ago Mr. Baldwin, who represents the Farm Security Administration, appeared before our committee.

I asked him this question:

Is it not a fact that where you operate in areas where they have insurance on their wheat crop where you have these disasters these farmers are in much better shape than where they have not had insurance on cotton crops, for instance?

Mr. BALDWIN. I think that that is going to help them considerably. The farmers who have taken advantage particularly of wheat insurance last year will, naturally, be in a much better shape than those who have not taken it, and they are going to be in better shape, Mr. FULMER, than the farmers who are raising other crops on which there is no insurance available.

Mr. FULMER. In other words, like a good many of the cotton States. We will take down in Mississippi, my friend DOXEY'S district, where the cotton crop was practically destroyed last year, they did not have an opportunity of getting insurance like the wheat people, and the demand on the Rehabilitation Administration for relief and grants are much greater.

Mr. BALDWIN. Our job would be much easier if these people had some way in which they could insure their crops.

Now, I want to call this especially to the attention of those of you who represent city districts. The thing that you are deeply interested in is the largest appropriation possible for W. P. A. employment and for relief purposes.

A vote for this bill will be a vote for an increased amount of money to be used for relief purposes, without increasing the W. P. A. appropriations.

Now, why do I make this statement?

If you fail to pass this bill, and we have to continue to spend sixty-odd million dollars annually to take care of farmers who have disastrous crop failures causing them to have to secure W. P. A. work or go on relief, naturally, we are taking away from you that which could actually go to the unemployed and those who are entitled to work who do not live on the farm.

I contend that it will be much easier to work out a good, sound insurance program on cotton than on any other crop because we come more nearly having a uniform crop of cotton each year than is the case with any other crop.

Something has been said along this line: "Why do you not put corn, potatoes, and various other crops under this bill?"

I want to state to you frankly and conscientiously that I am just as anxious to provide insurance for other crops as I am in providing insurance for wheat and cotton; but why not, those of you who are interested in other crops, do the thing that we have done—have the Department of Agriculture get the necessary facts and information which would indicate whether or not certain crops can be covered by Federal insurance, and, if it can be done, then come in and add an additional amendment to the act to take care of these crops?

The original act provides for the Secretary of Agriculture making investigation as to other crops.

If any of you representing any district or State can secure from the Secretary of Agriculture at this time a statement that he is now in a position to add any other crop, I will vote, and the rest of the cotton Members will vote, for such an amendment.

This is not a political matter; but it is purely a business proposition, and, as I have indicated, is in the interest of economy, and I believe will do more to assist farmers to continue as landowners than anything that we have done up to this time.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. As I understand, the cotton grower and the wheat grower are not compelled to take this insurance; it is entirely voluntary?

Mr. FULMER. The gentleman is correct.

Mr. BROWN of Georgia. I also understand that this agency is supposed to set up rules and regulations under which the growers of wheat and cotton will pay premiums and the Government will not suffer any loss; that is the hope.

Mr. FULMER. That is right.

Mr. BROWN of Georgia. How can anybody object to a bill of this kind, which is purely voluntary and is self-paid-for by farmers like any other insurance.

Mr. FULMER. May I say there are only two objections against this bill. One is, I am fearful that the wheat program will not be successful; wait 2 to 5 years until we try it. The other is, if you put cotton in, corn and every other farm product will want to come in.

If and when information can be had about other crops if this information would indicate that the program would work on other products, then I have no objection to these products coming. However, wheat and cotton are major farm products and should be under the program.

Mr. AUGUST H. ANDRESEN. Will the distinguished new chairman of the Committee on Agriculture yield to me? As the gentleman knows, we always work together in that committee, and I do not think there has been any partisan politics.

Mr. FULMER. That is right, and I am surprised at the gentleman now, in that we have put your wheat farmers in, and you are for that, but you do not want my cotton farmers to come in.

Mr. AUGUST H. ANDRESEN. The gentleman is proposing that that is exactly what is going to happen if this bill passes, and I am almost persuaded to vote for the bill if that is what is going to take place.

Mr. FULMER. I would be surprised if the gentleman did vote for the bill, and yet he knows it is a good proposition.

Mr. AUGUST H. ANDRESEN. I hope the gentleman is correct that this bill, if it passes, is going to do away with the necessity of appropriating relief money for these tenants and sharecroppers.

Mr. FULMER. Well, the gentleman ought to know that his farmers who had insurance in 1939, with crop losses, received their insurance payments, and they did not even ask for and did not get W. P. A. work or relief.

Mr. AUGUST H. ANDRESEN. We have been doing that for a number of years in the South as well as in the North.

Mr. FULMER. We have had very little in the way of relief given to cotton farmers in the South except during this administration under W. P. A. and other types of relief.

However, this was true for the reason of crop losses which practically put farmers in the same position as the unemployed people.

We have been making seed loans for a number of years, but the cotton farmers in the South have paid back to the Federal Government practically 100 percent of these seed loans.

In the meantime, as stated, I want to impress this upon you, that the passage of this bill will mean millions which are now going to farmers for W. P. A. work and relief can be used for millions of unemployed people living in the city, and in other walks of life, who do not live on the farm. [Applause.]

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 502 of the Federal Crop Insurance Act, as amended, is hereby amended by substituting the word "crop" for the word "wheat-crop" and by substituting the words "agricultural commodities" for the word "wheat."

SEC. 2. That section 506 (h) of said act, as amended, is amended by striking out the words "for wheat and other agricultural commodities."

SEC. 3. That section 508 of said act, as amended, is amended by striking out the first comma in subsection (a) thereof and inserting in lieu thereof the following: "and with the cotton crop planted for harvest in 1940."

Mr. FULMER. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. FULMER: On page 1, line 13, after the word "in", strike out "1940" and insert "1941."

Mr. FULMER. Mr. Chairman, may I say the purpose of this amendment is to have the bill go into operation in 1941 instead of 1940, in that it is too late at this time to have it go into effect as to 1940.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 4. That section 508 of said act, as amended, is further amended by striking out the words "producers of wheat against loss in yields of wheat", in the first sentence, and substituting in lieu thereof the words "producers of the agricultural commodity against loss in yields of the agricultural commodity."

SEC. 5. That section 508 of said act, as amended, is further amended by substituting the words "the agricultural commodity" for the word "wheat", in the third sentence of subsection (a).

SEC. 6. That sections 508 (b), (c), and (d) and 516 (a) of said act, as amended, are further amended by substituting the words "the agricultural commodity" for the word "wheat" wherever it appears.

SEC. 7. That section 508 of said act, as amended, is further amended by adding at the end thereof the following new subsection:

"(e) In connection with insurance upon yields of cotton, to include provision for additional premium and indemnity in terms of lint cotton to cover loss of cottonseed, such additional premium and indemnity to be determined on the basis of the average relationship between returns from cottonseed and returns from lint cotton for the same period of years as that used for computing yields and premium rates."

SEC. 8. That section 516 (a) of said act, as amended, is amended by striking out the figures "$6,000,000" and substituting in lieu thereof the figures "$12,000,000."

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: On page 3, beginning in line 1, strike out all of section 8.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I would like to obtain some information and ascertain whether or not my understanding of this section is correct. Does this, section 8, provide an expenditure of $12,000,000 from our almost bankrupt Treasury just for administrative purposes with reference to this cotton and wheat insurance program?

Mr. FULMER. It authorizes not in excess of that amount for the administration of cotton and wheat. As the gentleman knows, they had $6,000,000, and they only used $4,800,000 the first year.

Mr. SCHAFER of Wisconsin. You have used $6,000,000 for administrative purposes when the insurance was restricted to wheat alone. What was the total volume of that insurance, so we may obtain a rough idea of the percentage of the administrative cost of this gigantic, socialistic Government-insurance program?

Mr. FULMER. May I say to the gentleman that they used $4,800,000. They did not use the entire amount.

Mr. SCHAFER of Wisconsin. And how much insurance did they write?

Mr. FULMER. They wrote 166,000 applications, in comparison with 378,500 so far in this year of 1940.

Mr. SCHAFER of Wisconsin. Does not the gentleman believe that is a very high administrative cost for writing the amount of insurance which has been written? One hundred and sixty-six thousand policies at an administrative cost of $4,800,000 is $22.90 a policy.

Mr. FULMER. But I expect the amount of insurance to increase with the addition of cotton, and it is not to exceed that amount.

Mr. SCHAFER of Wisconsin. Mr. Chairman, we now have a national debt of more than $44,000,000,000, and in addition thereto about $7,000,000,000 of obligations of agencies and instrumentalities of the Government which have been guaranteed by the Federal Government. For many long years the Federal Government has been running in the red several billion dollars a year, and it is now time to act with reference to economy and retrenchment in Government expenditures as well as to talk in favor of economy, because the time is not far distant when our Federal Government will go bankrupt if we do not curb the reckless spending spree of public money. We will then have inflation, with misery, distress, despair, and chaos such as we would never believe possible.

I do not believe that the Federal Government should expand its activities in competition with private business in legitimate fields of private business endeavor. I sincerely hope that the Republican Party, which will take charge of the Federal Government after the November election, will follow the principles enunciated by the Republican Party and let the Government function along governmental lines and get out of competition with private business so that we can encourage private business to expand and prosper, to the end that the tax dollars may be furnished to keep the Government running, and to the end that unemployment may be reduced in the United States.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. Yes.

Mr. COOLEY. Does the gentleman know of any private corporation that has undertaken to write an all-risk crop insurance such as is contemplated by this program?

Mr. SCHAFER of Wisconsin. If we are going to write crop insurance and spend such an amount for administrative purposes to take care of writing insurance for cotton and wheat, then you should write insurance for corn and barley, and you should insure the poultry raiser and guarantee that his chickens will lay so many eggs a day, and the dairy farmer, that his cows will give so many quarts of milk a day. The Government should not operate a subsidized competition in any legitimate field of private business endeavor.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

OPPOSES SCHAFER AMENDMENT

Mr. JOHNSON of Oklahoma. Mr. Chairman, I rise in opposition to the amendment. The speeches that we have heard so far today from those opposing this legislation to extend crop insurance to include cotton have usually begun by saying that they favored the principle of insurance but were opposed to the pending bill. If I remember correctly, when wheat insurance was first being considered, the same opposition was voiced at that time. They were for the principle of wheat insurance but opposed to the bill. Then we were told that it was fantastic and even socialistic, according to the opposition of wheat insurance. We were told over and over that it just could not work, but I call your attention to the fact that not one Member who made the dire predictions about wheat insurance has even suggested that crop insurance as applied to wheat be repealed.

The gentleman from Wisconsin [Mr. SCHAFER], who has proposed the pending amendment to strike from this bill section 8, joins the other objectors in saying he is for insurance. He is for the principle of insurance, but he is opposed to section 8, which all of us know is the heart of the bill. To eliminate section 8 would destroy the bill. The most practical way to destroy any law is to eliminate the appropriation for its enforcement. No one knows that any better than does the gentleman from Wisconsin. I think it is fair to say, however, that the good-natured gentleman from Wisconsin offered the amendment in a jesting manner in order to make his usual daily outburst in opposition to anything and everything done or attempted by President Roosevelt and the national administration.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Inasmuch as I have mentioned the gentleman I yield to him.

Mr. SCHAFER of Wisconsin. I did not offer the amendment in a jesting manner. I offered the amendment to save $6,000,000 for our almost bankrupt Government. My amendment will not destroy the bill because you would have $6,000,000, which should be sufficient for administrative purposes.

Mr. JOHNSON of Oklahoma. Then if the gentleman is really serious, I must say frankly I am surprised that he has his facts so twisted. Every member of the committee, regardless of whether he favors or is opposed to this bill, will agree that to take section 8 from it would definitely kill the measure. If that is not true I invite any Member to rise now and deny it.

It has been amusing to hear so many of the opponents of this measure base their opposition on the statement that wheat insurance has been such a miserable failure. Time after time the opposition has pointed to the first year's large administrative expense. No one pretends to say that administrative expense has not been high. That was naturally expected. It is still in an experimental state, but the fact that there were approximately four times as many applications from farmers, for 1940 wheat insurance as in 1939 is sufficient evidence our wheat farmers like it and that it is not the dismal failure some would have you believe. [Applause.]

Again I desire to remind members that every speaker who has taken the floor against this measure, when asked if he would favor repealing the wheat insurance, either evaded answering the question or admitted that he would not repeal the present law.

Hr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I will be glad to yield to the gentleman from Alabama.

Mr. HOBBS. I will ask if the gentleman's information does not tally with that of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], that the cost per policy was $28 on wheat insurance the first year and only $10 the second year?

Mr. JOHNSON of Oklahoma. That is correct.

Mr. HOBBS. And, in the second place, if it is not a fact that merely because $6,000,000 is authorized is no reason that it must be spent?

Mr. JOHNSON of Oklahoma. That is also correct. And I will say that in the third year the administrative cost will undoubtedly be still considerably less. And I might add that the cotton program will profit by the mistakes made in administering the wheat program.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. KEEFE. Does the gentleman conceive that the experience of 1 year under this wheat program is a sufficient

guide to demonstrate that this program is a workable program, when it is conceded at the inception of the program that the whole thing was in the nature of an experiment?

Mr. JOHNSON of Oklahoma. Answering the gentleman, I will remind him that this cotton-insurance plan will not go into effect until 1941, at which time we will definitely have considerable additional information. There is no question but that, by 1941, it will be a decided success; not as much a success as it will be 2 or 3 or 4 years from now, but I do say that while it is still in the experimental stage, it has actually been far more successful than it was really anticipated. I further predict that cotton insurance will be even a greater success than the wheat program has been to date.

There is no question but that there was a general understanding that if wheat insurance was reasonably successful, that cotton would be added to the law. Not only that, but the CONGRESSIONAL RECORD will disclose that there was such an agreement. Now, we see the rather unusual spectacle of Members of Congress, coming largely from wheat sections, who have profited by wheat insurance, here bitterly opposing the carrying out of that agreement by extending crop insurance to include cotton. Of course, it takes gentlemen with great courage to stand here and refer to the pending bill as fantastic and socialistic, and vote against this measure when they do not produce a bale of cotton within the boundaries of their congressional districts. [Laughter.]

Some of you, who hail from the Wheat Belt and who are so active against this measure, have suggested we wait 6 years to extend crop insurance to cotton. If that were done, the opposition then would probably suggest we wait 16 years. That would be equally as logical as waiting 6 years. Six or sixteen years of the wheat-insurance program would not definitely prove or disprove anything so far as cotton is concerned. [Applause.]

In the State of Oklahoma there were only 7,079 wheat-insurance policies for the year 1939; yet in the same State, for the year 1940 there have thus far been issued 23,380 wheat-insurance policies. The same is true of other States. So it comes with poor grace and not in keeping with the facts to base the opposition to this measure on the grounds that wheat insurance has failed. Let us vote down this Schafer amendment, that has for its purpose the destruction of the pending measure, and then pass this bill and give the distressed cotton farmers a new ray of hope. [Applause.]

Mr. SPARKMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of reading a letter that I have received from one of the leading farmers in my district, because I think it represents the farmer's point of view in regard to this measure:

ATHENS, ALA., *April 17, 1940.*

HON. JOHN J. SPARKMAN,
Washington, D. C.

DEAR MR. SPARKMAN: I want to thank you for calling my attention to your speech in regard to crop insurance. It is of much interest to me, as I have spent many unhappy hours during an extremely dry or wet season when it looked like our crops were doomed, or when a cloud was coming up and thinking perhaps we would have a hailstorm and destroy the crop.

I have often wondered why we poor farmers who have no other source of income other than our crops could not have some protection and that kind of thing would have to come through Federal Government. I have mentioned this to several county agents, but this couldn't be carried by individual counties, as the loss would cover an entire county.

I don't think any ideas I might suggest would be better than your own ideas expressed in your interesting speech.

I notice many representatives endorse your plan and I see no reasons for objections from any, whether living in the North or South.

Sincerely,

M. A. PHILLIPS.

To me, just as to that farmer, it seems that this bill is simply a good business measure to enable the farmers together to carry the burden of insurance against the hazards of crop failure.

In this connection, I want to call attention to the statement that was made a short time ago by the gentleman from Wisconsin [Mr. SCHAFER], in which he referred to this as a socialistic experiment. I would like to call his attention to the fact that in the 1936 campaign the Presidential candidates for both parties endorsed the idea of crop insurance. In his Des Moines speech, reported on September 23, 1936, Mr. Landon, candidate for President on the Republican ticket had this to say:

I am now going to mention a subject that is in neither platform—crop insurance. It is a question in which we have long been interested in Kansas. In fact, some of our Republican leaders in farm legislation have been in the forefront in working it out. We realize that there are difficulties. But insurance companies are writing policies today covering risks that they did not consider feasible a few years ago. I believe that the question of crop insurance should be given the fullest attention.

In the light of that statement, I cannot see how any faithful follower of the principles of the Republican Party can claim that this is launching into a socialistic adventure. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SCHAFER].

The amendment was rejected.

The Clerk read as follows:

SEC. 9. That said act, as amended, is further amended by redesignating section 518 as section 519, and by addition thereto of the following new section:

"SEC. 518. 'Agricultural commodity,' as used in this act, means wheat or cotton, or both, as the context may indicate."

The CHAIRMAN. Under the rule the Committee will now rise.

Accordingly the Committee rose; and Mr. COOPER having assumed the chair as Speaker pro tempore, Mr. DUNCAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 6972) to amend the Federal Crop Insurance Act, and, pursuant to House Resolution 271, he reported the same back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER pro tempore (Mr. COOPER). Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. FULMER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2635) to amend the Federal Crop Insurance Act, strike out all after the enacting clause, and insert the provisions of the House bill, H. R. 6792, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill, as amended.

The bill was ordered to be read a third time, and was read the third time.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. SCHAFER of Wisconsin. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SCHAFER of Wisconsin moves to recommit the bill to the Committee on Agriculture with instructions to report the same back forthwith with the following amendment: Strike out section 8.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 39, noes 98.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I respectfully object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently the count just made by the Chair shows there is not a quorum present. The roll call is automatic.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 112, nays 207, answered "present" 2, not voting 109, as follows:

[Roll No. 77]

YEAS—112

Alexander	Gamble	Jonkman	Rogers, Mass.
Andersen, H. Carl	Gartner	Kean	Routzohn
Anderson, Calif.	Gerlach	Keefe	Ryan
Angell	Gillie	Knutson	Sandager
Arends	Goodwin	Kunkel	Schafer, Wis.
Austin	Graham	Lambertson	Schiffler
Ball	Grant, Ind.	Landis	Seccombe
Bates, Mass.	Gross	LeCompte	Secrest
Bender	Guyer, Kans.	Luce	Smith, Ohio
Blackney	Gwynne	McGregor	Springer
Bolton	Hall, Edwin A.	McLeod	Stearns, N. H.
Bradley, Mich.	Hall, Leonard W.	Maas	Sumner, Ill.
Brewster	Halleck	Marshall	Sweet
Brown, Ohio	Hancock	Martin, Mass.	Taber
Case, S. Dak.	Harness	Michener	Thill
Chiperfield	Harter, N. Y.	Miller	Thorkelson
Church	Hawks	Mott	Tinkham
Clason	Hoffman	Mundt	Treadway
Clevenger	Horton	Murray	Van Zandt
Cluett	Hull	O'Brien	Vorys, Ohio
Crawford	Jeffries	Oliver	Vreeland
Culkin	Jenkins, Ohio	Osmers	Wadsworth
Dirksen	Jenks, N. H.	Powers	Wigglesworth
Ditter	Jensen	Reed, Ill.	Williams, Del.
Dondero	Johns	Reed, N. Y.	Winter
Dworshak	Johnson, Ill.	Rees, Kans.	Wolfenden, Pa.
Elston	Johnson, Ind.	Rich	Woodruff, Mich.
Engel	Jones, Ohio	Rodgers, Pa.	Youngdahl

NAYS—207

Allen, La.	Doxey	Kilday	Rankin
Allen, Pa.	Drewry	Kinzer	Rayburn
Anderson, Mo.	Duncan	Kirwan	Richards
Andresen, A. H.	Dunn	Kitchens	Robertson
Arnold	Edmiston	Kleberg	Robinson, Utah
Barnes	Elliott	Kocialkowski	Rogers, Okla.
Barry	Evans	Kramer	Romjue
Bates, Ky.	Ferguson	Lanham	Rutherford
Beam	Fernandez	Larrabee	Sabath
Beckworth	Fitzpatrick	Leavy	Sasscer
Bell	Flannagan	Lemke	Satterfield
Bland	Flannery	Lesinski	Schaefer, Ill.
Bloom	Folger	Lewis, Colo.	Schuetz
Boehne	Ford, Miss.	Ludlow	Shannon
Boykin	Ford, Thomas F.	McAndrews	Sheppard
Brooks	Fries	McCormack	Short
Brown, Ga.	Fulmer	McGehee	Smith, Conn.
Bryson	Garrett	McKeough	Smith, Va.
Buck	Gathings	McLaughlin	Smith, Wash.
Buckler, Minn.	Gavagan	McMillan, Clara G.	Smith, W. Va.
Burch	Gearhart	McMillan, John L.	Snyder
Burdick	Geyer, Calif.	Maciejewski	Somers, N. Y.
Byrns, Tenn.	Gibbs	Mahon	South
Byron	Gore	Mansfield	Sparkman
Camp	Gossett	Marcantonio	Spence
Cannon, Fla.	Grant, Ala.	Martin, Ill.	Starnes, Ala.
Cannon, Mo.	Gregory	Martin, Iowa	Stefan
Carlson	Griffith	May	Sumners, Tex.
Claypool	Hare	Mills, Ark.	Sutphin
Coffee, Nebr.	Harrington	Mills, La.	Sweeney
Coffee, Wash.	Hart	Monroney	Talle
Collins	Havenner	Moser	Tarver
Colmer	Healey	Murdock, Ariz.	Tenerowicz
Cooley	Hendricks	Myers	Terry
Cooper	Hennings	Nelson	Thomas, Tex.
Costello	Hobbs	Nichols	Thomason
Courtney	Hope	Norrell	Tolan
Cox	Hunter	Norton	Vincent, Ky.
Cravens	Jacobsen	O'Connor	Vinson, Ga.
Creal	Jarman	O'Neal	Voorhis, Calif.
Crowe	Johnson, Luther A.	Pace	Wallgren
Cullen	Johnson, Lyndon	Parsons	Warren
Cummings	Johnson, Okla.	Patman	Weaver
Curtis	Johnson, W. Va.	Patton	Welch
D'Alesandro	Jones, Tex.	Pearson	West
Darden	Kee	Peterson, Fla.	White, Idaho
Davis	Kefauver	Peterson, Ga.	Whittington
Dempsey	Keller	Pittenger	Williams, Mo.
DeRouen	Kennedy, Martin	Poage	Wood
Dies	Kennedy, Md.	Polk	Woodrum, Va.
Disney	Keogh	Ramspeck	Zimmerman
Doughton	Kerr	Randolph	

ANSWERED "PRESENT"—2

Cole, N. Y. Wolcott

NOT VOTING—109

Allen, Ill.	Boland	Buckley, N. Y.	Caldwell
Andrews	Bolles	Bulwinkle	Carter
Barden	Boren	Burgin	Cartwright
Barton	Bradley, Pa.	Byrne, N. Y.	Casey, Mass.
Celler	Flaherty	McDowell	Sacks
Chapman	Ford, Leland M.	McGranery	Schulte
Clark	Gehrmann	McLean	Schwert
Cochran	Gifford	Magnuson	Scrugham
Cole, Md.	Gilchrist	Maloney	Seger
Connery	Green	Mason	Shafer, Mich.
Corbett	Harter, Ohio	Massingale	Shanley
Crosser	Hartley	Merritt	Sheridan
Crowther	Hess	Mitchell	Simpson
Darrow	Hill	Monkiewicz	Smith, Ill.
Delaney	Hinshaw	Mouton	Steagall
Dickstein	Holmes	Murdock, Utah	Sullivan
Dingell	Hook	O'Day	Taylor
Douglas	Houston	O'Leary	Thomas, N. J.
Durham	Izac	O'Toole	Tibbott
Eaton	Jarrett	Patrick	Walter
Eberharter	Jennings	Pfeifer	Ward
Edelstein	Kelly	Pierce	Wheat
Ellis	Kennedy, Michael	Plumley	Whelchel
Englebright	Kilburn	Rabaut	White, Ohio
Faddis	Lea	Reece, Tenn.	Wolverton, N. J.
Fay	Lewis, Ohio	Risk	
Fenton	Lynch	Robsion, Ky.	
Fish	McArdle	Rockefeller	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Wolcott (for) with Mr. Steagall (against).
Mr. Rockefeller (for) with Mr. Chapman (against).
Mr. Robsion of Kentucky (for) with Mr. Boren (against).
Mr. Hess (for) with Mr. Hook (against).
Mr. Kilburn (for) with Mr. Maloney (against).
Mr. Plumley (for) with Mr. Green (against).
Mr. Jennings (for) with Mr. Gehrmann (against).
Mr. Mason (for) with Mr. Durham (against).
Mr. White of Ohio (for) with Mr. Burgin (against).
Mr. Wheat (for) with Mr. Cartwright (against).
Mr. Gifford (for) with Mr. Magnuson (against).
Mr. Carter (for) with Mr. Rabaut (against).
Mr. Hinshaw (for) with Mr. Clark (against).
Mr. Leland M. Ford (for) with Mr. Houston (against).
Mr. Reece of Tennessee (for) with Mr. Hill (against).
Mr. Cochran (for) with Mr. Barden (against).
Mr. Barton (for) with Mr. Massingale (against).
Mr. Monkiewicz (for) with Mr. Fay (against).
Mr. Douglas (for) with Mr. Sullivan (against).
Mr. Hartley (for) with Mr. Patrick (against).
Mr. Eaton (for) with Mr. Boland (against).
Mr. Lewis of Ohio (for) with Mr. Caldwell (against).
Mr. McLean (for) with Mr. Delaney (against).
Mr. Thomas of New Jersey (for) with Mr. Michael J. Kennedy (against).
Mr. Andrews (for) with Mr. Lynch (against).
Mr. Shafer of Michigan (for) with Mr. Mouton (against).

Until further notice:

Mr. Crosser with Mr. Holmes.
Mr. Bulwinkle with Mr. Wolverton of New Jersey.
Mr. Pfeifer with Mr. Gilchrist.
Mr. Kelly with Mr. Risk.
Mr. Walter with Mr. Simpson.
Mr. Cole of Maryland with Mr. Allen of Illinois.
Mr. Murdock of Utah with Mr. Fish.
Mr. Edelstein with Mr. Darrow.
Mr. O'Toole with Mr. Fenton.
Mr. McGranery with Mr. Jarrett.
Mr. Flaherty with Mr. Bolles.
Mr. O'Leary with Mr. Corbett.
Mr. Sheridan with Mr. McDowell.
Mr. Faddis with Mr. Seger.
Mrs. O'Day with Mr. Shanley.
Mr. Byrne of New York with Mr. Pierce.
Mr. McArdle with Mr. Merritt.
Mr. Bradley of Pennsylvania with Mr. Eberharter.
Mr. Dingell with Mr. Ward.
Mr. Ellis with Mr. Harter of Ohio.
Mr. Schwert with Mr. Connery.
Mr. Casey of Massachusetts with Mr. Mitchell.
Mr. Buckley of New York with Mr. Taylor.
Mr. Celler with Mr. Schulte.
Mr. Dickstein with Mr. Sacks.
Mr. Lea with Mr. Scrugham.
Mr. Whelchel with Mr. Englebright.

Mr. OSMERS changed his vote from "nay" to "yea."

Mr. WOLCOTT. Mr. Speaker, I have a pair with the gentleman from Alabama, Mr. STEAGALL. Had he been present he would have voted "nay." For that reason I withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 200, nays 113, answered "present" 1, not voting 116, as follows:

[Roll No. 78]

YEAS—200

Allen, La.	Drewry	Kirwan	Rankin
Allen, Pa.	Duncan	Kitchens	Rayburn
Andersen, H. Carl	Dunn	Kleberg	Rees, Kans.
Anderson, Mo.	Edmiston	Kocialkowski	Richards
Arnold	Elliott	Kramer	Robertson
Barnes	Ellis	Lanham	Robinson, Utah
Barry	Evans	Larrabee	Rogers, Okla.
Bates, Ky.	Ferguson	Leavy	Romjue
Beam	Fernandez	Lemke	Sabath
Beckworth	Fitzpatrick	Lesinski	Sasscer
Bell	Flannagan	Lewis, Colo.	Satterfield
Bland	Flannery	Ludlow	Schaefer, Ill.
Boykin	Ford, Miss.	Lynch	Schuetz
Brooks	Ford, Thomas F.	McAndrews	Shannon
Brown, Ga.	Fries	McCormack	Sheppard
Bryson	Fulmer	McGehee	Smith, Conn.
Buck	Garrett	McKeough	Smith, Va.
Buckler, Minn.	Gathings	McLaughlin	Smith, Wash.
Burch	Gearhart	McMillan, Clara G.	Smith, W. Va.
Burdick	Geyer, Calif.	McMillan, John L.	Snyder
Byrns, Tenn.	Gibbs	Maciejewski	Somers, N. Y.
Byron	Gore	Mahon	South
Caldwell	Gossett	Mansfield	Sparkman
Camp	Grant, Ala.	Marcantonio	Spence
Cannon, Fla.	Gregory	Martin, Ill.	Starnes, Ala.
Cannon, Mo.	Griffith	Martin, Iowa	Stefan
Carlson	Hare	Mills, Ark.	Sumners, Tex.
Case, S. Dak.	Harrington	Mills, La.	Sutphin
Claypool	Hart	Monroney	Sweeney
Coffee, Wash.	Havenner	Moser	Talle
Collins	Healey	Murdock, Ariz.	Tarver
Colmer	Hendricks	Myers	Tenerowicz
Cooley	Hennings	Nelson	Terry
Cooper	Hobbs	Nichols	Thomas, Tex.
Costello	Hope	Norrell	Thomason
Courtney	Hunter	Norton	Tolan
Cox	Jacobsen	O'Connor	Vincent, Ky.
Cravens	Jarman	O'Neal	Vinson, Ga.
Creal	Jensen	Pace	Voorhis, Calif.
Crowe	Johnson, Luther A.	Parsons	Wallgren
Cullen	Johnson, Lyndon	Patman	Warren
Cummings	Johnson, Okla.	Patton	Weaver
D'Alesandro	Johnson, W. Va.	Pearson	Welch
Davis	Jones, Tex.	Peterson, Fla.	West
Dempsey	Kee	Peterson, Ga.	White, Idaho
DeRouen	Kefauver	Pfeifer	Whittington
Dies	Keller	Pittenger	Williams, Mo.
Disney	Kennedy, Md.	Poage	Wood
Doughton	Kerr	Ramspeck	Woodrum, Va.
Doxey	Kilday	Randolph	Zimmerman

NAYS—113

Alexander	Engel	Keefe	Ryan
Anderson, Calif.	Gamble	Kinzer	Sandager
Andresen, A. H.	Gartner	Knutson	Schafer, Wis.
Angell	Gerlach	Kunkel	Schiffler
Arends	Gillie	Lambertson	Seccombe
Austin	Goodwin	Landis	Secrest
Ball	Graham	LeCompte	Smith, Ohio
Bates, Mass.	Grant, Ind.	Luce	Springer
Bender	Gross	McGregor	Stearns, N. H.
Blackney	Guyer, Kans.	McLeod	Sumner, Ill.
Bolton	Gwynne	Maas	Sweet
Bradley, Mich.	Hall, Edwin A.	Marshall	Taber
Brewster	Hall, Leonard W.	Martin, Mass.	Thill
Brown, Ohio	Halleck	Michener	Thorkelson
Chiperfield	Hancock	Miller	Tinkham
Church	Harness	Mundt	Treadway
Clason	Harter, N. Y.	Murray	Van Zandt
Clevenger	Hawks	O'Brien	Vorys, Ohio
Cluett	Hoffman	Oliver	Vreeland
Coffee, Nebr.	Horton	Osmers	Wadsworth
Cole, N. Y.	Hull	Polk	Wigglesworth
Crawford	Jeffries	Powers	Williams, Del.
Culkin	Jenks, N. H.	Reed, Ill.	Winter
Curtis	Johns	Reed, N. Y.	Wolfenden, Pa.
Dirksen	Johnson, Ill.	Rich	Woodruff, Mich.
Ditter	Johnson, Ind.	Rodgers, Pa.	Youngdahl
Dondero	Jones, Ohio	Rogers, Mass.	
Dworshak	Jonkman	Routzohn	
Elston	Kean	Rutherford	

ANSWERED "PRESENT"—1

Wolcott

NOT VOTING—116

Allen, Ill.	Buckley, N. Y.	Cochran	Dingell
Andrews	Bulwinkle	Cole, Md.	Douglas
Barden	Burgin	Connery	Durham
Barton	Byrne, N. Y.	Corbett	Eaton
Bloom	Carter	Crosser	Eberharter
Boehne	Cartwright	Crowther	Edelstein
Boland	Casey, Mass.	Darden	Englebright
Bolles	Celler	Darrow	Faddis
Boren	Chapman	Delaney	Fay
Bradley, Pa.	Clark	Dickstein	Fenton
Fish	Jenkins, Ohio	Mitchell	Scrugham
Flaherty	Jennings	Monkiewicz	Seger
Folger	Kelly	Mott	Shafer, Mich.
Ford, Leland M.	Kennedy, Martin	Mouton	Shanley
Gavagan	Kennedy, Michael	Murdock, Utah	Sheridan
Gehrmann	Keogh	O'Day	Short
Gifford	Kilburn	O'Leary	Simpson
Gilchrist	Lea	O'Toole	Smith, Ill.
Green	Lewis, Ohio	Patrick	Steagall
Harter, Ohio	McArdle	Pierce	Sullivan
Hartley	McDowell	Plumley	Taylor
Hess	McGranery	Rabaut	Thomas, N. J.
Hill	McLean	Reece, Tenn.	Tibbott
Hinshaw	Magnuson	Risk	Walter
Holmes	Maloney	Robsion, Ky.	Ward
Hook	Mason	Rockefeller	Wheat
Houston	Massingale	Sacks	Whelchel
Izac	May	Schulte	White, Ohio
Jarrett	Merritt	Schwert	Wolverton, N. J.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Gavagan (for) with Mr. Jenkins of Ohio (against).
Mr. Gilchrist (for) with Mr. Simpson (against).
Mr. Steagall (for) with Mr. Wolcott (against).
Mr. Chapman (for) with Mr. Rockefeller (against).
Mr. Boren (for) with Mr. Robsion of Kentucky (against).
Mr. Hook (for) with Mr. Hess (against).
Mr. Maloney (for) with Mr. Kilburn (against).
Mr. Green (for) with Mr. Plumley (against).
Mr. Gehrmann (for) with Mr. Jennings (against).
Mr. Durham (for) with Mr. Mason (against).
Mr. Burgin (for) with Mr. White of Ohio (against).
Mr. Cartwright (for) with Mr. Wheat (against).
Mr. Magnuson (for) with Mr. Gifford (against).
Mr. Rabaut (for) with Mr. Carter (against).
Mr. Clark (for) with Mr. Hinshaw (against).
Mr. Houston (for) with Mr. Leland M. Ford (against).
Mr. Hill (for) with Mr. Reece of Tennessee (against).
Mr. Barden (for) with Mr. Cochran (against).
Mr. Massingale (for) with Mr. Barton (against).
Mr. Fay (for) with Mr. Monkiewicz (against).
Mr. Sullivan (for) with Mr. Douglas (against).
Mr. Patrick (for) with Mr. Hartley (against).
Mr. Boland (for) with Mr. Eaton (against).
Mr. Delaney (for) with Mr. McLean (against).
Mr. Michael J. Kennedy (for) with Mr. Thomas of New Jersey (against).
Mr. Mouton (for) with Mr. Shafer of Michigan (against).
Mr. O'Toole (for) with Mr. Short (against).
Mr. Dickstein (for) with Mr. Andrews (against).

General pairs:

Mr. Crosser with Mr. Holmes.
Mr. Bulwinkle with Mr. Wolverton of New Jersey.
Mr. Kelly with Mr. Risk.
Mr. Walters with Mr. Bloom.
Mr. Cole of Maryland with Mr. Allen of Illinois.
Mr. Murdock of Utah with Mr. Fish.
Mr. Edelstein with Mr. Darrow.
Mr. McGranery with Mr. Jarrett.
Mr. Flaherty with Mr. Bolles.
Mr. O'Leary with Mr. Corbett.
Mr. Sheridan with Mr. McDowell.
Mr. Faddis with Mr. Seger.
Mrs. O'Day with Mr. Shanley.
Mr. Byrne of New York with Mr. Pierce.
Mr. McArdle with Mr. Merritt.
Mr. Dingell with Mr. Ward.
Mr. Keogh with Mr. Harter of Ohio.
Mr. Schwert with Mr. Connery.
Mr. Casey of Massachusetts with Mr. Mitchell.
Mr. Buckley of New York with Mr. Taylor.
Mr. Celler with Mr. Schulte.
Mr. Lea with Mr. Scrugham.
Mr. Boehne with Mr. Crowther.
Mr. May with Mr. Englebright.
Mr. Smith of Illinois with Mr. Fenton.
Mr. Folger with Mr. Lewis of Ohio.
Mr. Darden with Mr. Mott.
Mr. Eberharter with Mr. Tibbott.
Mr. Martin J. Kennedy with Mr. Sacks.

Mr. GREGORY. Mr. Speaker, my colleague the gentleman from Kentucky, Mr. CHAPMAN, is unavoidably detained. He requested me to state that if present he would have voted "yea" on the bill just passed.

Mr. WOLCOTT. Mr. Speaker, I have a pair with the gentleman from Alabama, Mr. STEAGALL. If present, he would have voted "yea." I therefore withdraw my vote of "nay" and vote "present."

The result of the vote was announced as above recorded.

A similar House bill (H. R. 6972) was laid on the table.

A motion to reconsider was laid on the table.

APPOINTMENT TO COMMITTEE ON LABOR

Mr. MARTIN of Massachusetts. Mr. Speaker, I send a resolution to the Clerk's desk and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 467

Resolved, That HARRY N. ROUTZOHN, of Ohio, be, and he is hereby, elected to the Committee on Labor of the House of Representatives.

The resolution was agreed to.

UNIFORM SYSTEM OF BANKRUPTCY

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (Rept. No. 1997), which was referred to the House Calendar and ordered to be printed:

House Resolution 468

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 9139, a bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

EXTENSION OF REMARKS

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting therein an article by Jay Franklin.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

There was no objection.

COMMITTEE TO INVESTIGATE THE INTERSTATE MIGRATION OF DESTITUTE CITIZENS

Mr. LEWIS of Colorado, from the Committee on Rules, submitted the following privileged resolution (Rept. No. 1998), which was referred to the House Calendar and ordered to be printed:

House Resolution 63

Resolved, That the Speaker appoint a select committee of five Members of the House, and that such committee be instructed to inquire into the interstate migration of destitute citizens, to study, survey, and investigate the social and economic needs, and the movement of indigent persons across State lines, obtaining all facts possible in relation thereto which would not only be of public interest but which would aid the House in enacting remedial legislation. The committee shall report to the House, with recommendations for legislation, and shall have the right to report at any time.

That said select committee, or any subcommittee thereof, is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States (U. S. C., title 2, sec. 192).

EXTENSION OF REMARKS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. VAN ZANDT] may have leave to extend his own remarks in the Appendix of the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article entitled "At Ford's Theater Seventy-five Years Ago Tonight," by Emanuel Hertz, appearing in the New York Times magazine of April 14, 1940.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. GEARHART]?

There was no objection.

Mr. SMITH of Connecticut. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article from the Baltimore Sun of this morning entitled "Army Needs Versus Economy."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut [Mr. SMITH]?

There was no objection.

ADJOURNMENT OVER

Mr. COOPER. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There was no objection.

EXTENSION OF REMARKS

Mr. PACE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and to include therein certain statements and figures prepared for me by the Department of Agriculture on the subject of cotton.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia [Mr. PACE]?

There was no objection.

Mr. DOXEY. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today on the crop-insurance bill and to include therein certain tables relating to crop insurance.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi [Mr. DOXEY]?

There was no objection.

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter which I have received from the Constitutional Money League of America.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida [Mr. PETERSON]?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Oklahoma [Mr. MASSINGALE], who is unavoidably absent, may have leave to extend his own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma [Mr. JOHNSON]?

There was no objection.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on the crop-insurance bill and also to extend my own remarks on a bill which I introduced today with reference to the tobacco section of the A. A. A.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY]?

There was no objection.

Mr. HEALEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by Postmaster General Farley at Cambridge, Mass., in connection with the first-day sale of the Charles W. Eliot commemorative stamp, and also to include therein the remarks of Mr. Jerome D. Greene, representing Harvard University.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

ANNOUNCEMENT

Mr. GEYER of California. Mr. Speaker, owing to circumstances over which I had no control, I was absent during roll calls 74 and 75. Had I been present I would have voted "yea" on roll call No. 74 and "nay" on roll call No. 75.

EXTENSION OF REMARKS

Mrs. CLARA G. McMILLAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by Hon. Henry F. Grady, Assistant Secretary of State, before the D. A. R. last night.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from South Carolina?

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill under consideration today, and I further ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein an analysis of my bill, H. R. 8206, as analyzed by the president of the Small Mine Operators of Arizona.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on a bill I introduced today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which they may revise and extend their remarks in the RECORD with reference to the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

WIDOWS' AND ORPHANS' BILL

Mr. JOHNSON of Oklahoma. Mr. Speaker, I rise for the purpose of discussing two matters that our World War veterans, their families, and other dependents are tremendously interested in.

In the first place, I desire to express my deep interest in H. R. 9000 to provide for more adequate compensation for widows and orphans and other dependents of World War veterans. This legislation, if and when enacted, will fill a long-delayed need for legislation by this Congress to, in a small measure, do its duty to the dependents of World War veterans. [Applause.]

As Members of Congress may recall, this bill was up for consideration on what is known as the Consent Calendar recently, but its passage was blocked by the objections of three Members. For several years I have been urging legislation of this kind, and I know that the American Legion, Veterans of Foreign Wars, and veterans throughout the country are especially interested in liberalizing the pension laws to give relief to the widows and orphans of World War veterans who up to this time have been ignored by Congress. A petition was immediately filed at the Speaker's desk in an effort to force a vote on this bill. The petition has now the required 218 signatures, which means there will be a vote on this important measure some time after May 13. I do not hesitate to predict that when the vote is taken on this important bill, that it will pass this House by an overwhelming majority. [Applause.]

Let me add that at the recent Sixth District American Legion Convention held at Chickasha, Okla., Legionnaires of the Sixth District went on record unanimously endorsing H. R. 9000 and urging that Congress enact this legislation during the present session of Congress. I feel safe in saying that the sentiment so expressed is that of a vast majority of the war veterans and their families of the entire country.

Incidentally, I was also delighted to learn that the Legionnaires of the district I have the honor to represent in Congress, in convention assembled, heartily approved of my record in Congress in support of legislation affecting the disabled World War veterans, their widows, orphans, and other dependents, according to a telegram I received from the district commander. [Applause.]

Now, Mr. Speaker, there is one other matter I desire to discuss. I refer to a new regulation liberalizing the definition of permanent and total disability issued by General Hines, Administrator of Veterans' Affairs, which comes as a signal victory for the non-service-connected disabled veterans of the World War.

It is also a victory for the American Legion and Veterans of Foreign Wars, both of which organizations have been clamoring for such a regulation ever since the unreasonable and unjustifiable interpretation of the so-called Economy Act enacted by Congress several years ago. This interpretation has particularly been unfair to non-service-connected veterans who are rated at less than 100 percent disabled. Bill after bill has been introduced by veterans in Congress to correct these injustices, and committee after committee from the Legion and the Veterans of Foreign Wars have called on General Hines in an effort to do justice to these veterans who have been discriminated against under the heartless and unreasonable interpretation of the law. The new regulation not only corrects the injustices done for non-service-connected cases but it has a provision also liberalizing regulations concerning service-connected cases.

It marks another important milestone in the history of the Veterans' Administration and provides a more liberal standard for the determination of permanent and total disability as applied to veterans of the World War.

The new regulation will make it possible for thousands of unemployable disabled war veterans to be rated by local rating agencies as totally and permanently disabled, who heretofore have been unjustly discriminated against.

A service letter under date of April 2, 1940, from General Hines, which I am herewith inserting in the RECORD, will be of special interest to the World War veterans of Oklahoma and the Nation. This is especially true with reference to our disabled former service men, their widows and orphans, and dependents. The new liberalized regulation is as follows:

VETERANS' ADMINISTRATION SERVICE LETTER

ADMINISTRATOR'S OFFICE,
April 2, 1940.

Subject: Total-disability ratings under Public, No. 2, Seventy-third Congress, and the 1933 rating schedule.

1. The attention of all rating agencies is directed to the following statement of policy approved this date, which is quoted herewith for the guidance of all concerned:

"Total-disability ratings under Public, No. 2, Seventy-third Congress, and the 1933 rating schedule may be assigned without regard to the specific provisions of the rating schedule, except as outlined herein, when the disabled person is, in the judgment of the rating agency, unable to secure or follow a substantially gainful occupation as a result of his disabilities: *Provided*, That if there is only one disability, this disability shall be ratable at 60 percent or more, and that, if there are two or more disabilities, there shall be at least one disability ratable at 40 percent or more, and sufficient additional disability to bring the combined rating to 70 percent or more. Total-disability ratings, when the above conditions are met, may be granted for deafness, the organic loss of speech, for the amputation or loss of use of either hand or of either lower extremity above the knee (as to these amputations and losses of use, when followed by continuous unemployability after incurrence), as single disabilities or for other organic disabilities or combinations, including organic disabilities. For the purpose of Veterans Regulation 1 (a), part III, only, the above specified 60-percent, 40-percent, and 70-percent percentage requirements may be reduced by 10 percent on the attainment of age 60; and by an additional 10 percent on the attainment of age 65; and there shall be no percentage requirements for total-disability ratings in the cases of unemployable veterans who have attained the age of 70. The attainment of age 70 will not of itself warrant rating as permanently and totally disabled; in addition thereto disability sufficient to produce unemployability will be required. Nothing contained in this paragraph will prevent a total-disability rating for such disabilities and combinations of disabilities, including loss of use of two extremities, or loss of sight of both eyes, or being helpless or bedridden, and other disabilities, as are assigned specific ratings of 100 percent for the severity in question, but if the disabled person is employable, compliance with the terms of the schedule for such ratings will be required. When total disability under this paragraph is under consideration, the veteran will be required to submit a statement in affidavit form covering his employment, or unemployment, over a period of at least 1 year."

2. A disabled person meeting the regulatory or schedular requirements for 100-percent ratings is entitled to a total-disability rating

regardless of employment. Similarly, cases which do not meet the regulatory or schedular requirements, but which, in the opinion of the rating agency represent total disability on the average basis—i. e., whose employment represents highly exceptional effort or ability to overcome the handicap of disability—are entitled to central office consideration under R. & P. R–1142, and should be so submitted.

3. The unemployability of the individual may be established, with age, constitutional defects, limitation of occupational experience, and ability, particularly limitation to manual labor, as important contributing factors. In such cases it is important to ascertain the exact relationship between the particular manifestations of disability and resumption of work in the field of previous employment or of other types of employment. As a requirement for total-disability rating it must be established to the satisfaction of the rating agency that the disabilities are the principal cause of the continued unemployability.

4. Such inferiorities as mental deficiency, psychopathic inferiority, etc., do not of themselves indicate disability, either partial or total. When the medical industrial history and other evidence points to mental deficiency or psychopathic personality as important factors, it is essential to insure complete psychiatric examination and, if indicated, social-service report. When neuropsychiatric disease, mental deterioration, failing memory, and concentration (as with cerebral arteriosclerosis) are superimposed upon such conditions, the whole extent of social and industrial inadaptability, partial or total, in accordance with the rating schedule and paragraph 1 of this service letter, will be ascribed to the disease factor. Similarly, when injury or disease, as fracture or arthritis, is superimposed upon physical defect, the whole subsequent limitation of occupational activity resulting from the defect and the superimposed disease or injury will be ascribed to the disease or traumatism.

5. It is the policy of the Veterans' Administration to resolve the benefit of all reasonable doubt in favor of claimants, to the end that every veteran who is unable to secure and follow substantially gainful employment, with disability as the cause of such inability, will be given full consideration. Rating agencies will exercise great care in the determination of total disability and permanent and total disability to make sure that all claims are properly rated, based on the facts found. Any case in which unemployability is established, but in which the above-prescribed requirements for total-disability ratings, in service-connected cases, or for permanent total-disability ratings in non-service-connected cases are not met, will be referred to the central office, after proper development, under R. & P. R–1142.

6. Pending promulgation of the first paragraph above as a regulation, this service letter, dated April 2, 1940, will be cited as authority for ratings under its terms.

FRANK T. HINES,
Administrator of Veterans' Affairs.

MUST HAVE FLOOD CONTROL OF WASHITA RIVER BASIN

Mr. JOHNSON of Oklahoma. Mr. Speaker, several days ago I inserted in the CONGRESSIONAL RECORD five resolutions adopted at a recent important meeting of the Washita Valley Improvement Association. This meeting was widely attended by leading progressive and wide-awake citizens from every county in the State of Oklahoma through which the Washita River traverses. The resolutions in question are sufficient evidence that the people along the great, rich Washita Valley and its tributaries are flood-control and water-conservation minded and that they are determined that a real, practical flood-control program must be inaugurated without further delay on the Washita River Basin.

Recently I appeared before the Flood Control Committee of the House and was accorded the privilege of making a statement reviewing some of the history of the fight of our people for flood control and water conservation in this basin, at which time I also stated my position very definitely on any flood-control program to be promulgated, and I trust started, by the Federal Government on the Washita. My recent statement before the Flood Control Committee of the House is as follows:

Mr. Chairman, I am pleased to have the opportunity of appearing before the Flood Control Committee of the House at this time in support of a flood-control and water-conservation program for the great fertile Washita River Basin.

Having served on the Flood Control Committee several years ago with your distinguished and able chairman, and having visited many of the flood-control areas, including the Mississippi from Cary, Ill., to New Orleans, I feel that I have gathered considerable first-hand information concerning the many perplexing flood-control problems throughout the country.

May I further preface my remarks by saying that during the years I was privileged to serve on this committee, I advocated persistently the construction of comparatively small dams on the upper tributaries of the Mississippi as a practical and certain permanent solution to our flood-control problems so far as the Mississippi Basin is concerned. This area, as you know, drains about 30 States.

In the past, I have appeared before this committee in behalf of an authorization for a series of dams including the Canton Dam, in Blaine County, Okla. That dam and some others have heretofore been authorized, and I am advised by the Army engineers that actual construction will start on the Canton Dam sometime during the summer of 1940. I have also in the past expressed my interest and deep concern in the Washita, which heads in the Panhandle of Texas and traverses through western Oklahoma in a southeastern direction and empties into the Red River near the proposed Denison Dam, a distance of over 500 air miles and, of course, several times as many river miles.

In the Washita Valley Basin there are over 450,000 acres of land as fertile as the Nile. This rich basin includes the most thickly populated rural area of the State of Oklahoma. The side hills along the Washita Valley are sandy and fast eroding, as these hillsides are practically all in cultivation. This erosion has become so serious that it is fast filling up the Washita River with sand, silt, and mud that finds its way to the main stream of the Washita from its hundreds of small tributaries. Within the past several years we have seen some devastating floods on the Washita and we shudder to contemplate what another major flood would mean on this river.

Several years ago while serving as a member of the Flood Control Committee of the House, I began to hound this committee and the Army engineers in an effort to secure a real comprehensive flood-control survey on the Washita River. At first the Army engineers were very cool to the suggestion. In fact, they appeared to be interested only in the lower Mississippi, but the people in the Washita Valley were flood-control minded and determined that the Federal Government should not continue to ignore the Washita.

A few years ago a meeting was called in Chickasha, Okla., by those interested in the flood control on the Washita River. I urged the then Chief of the Army Engineers to send one of the high-ranking Army engineers to this meeting who would be in a position to speak with some authority. A well-known engineer from the Vicksburg office attended the meeting.

When it was suggested by our representative citizens that a series of small dams be constructed on the tributaries of the Washita as a practical means of controlling floods on Red River and ultimately the Mississippi, the Army engineer ridiculed the suggestion and actually had the unmitigated gall to state publicly to our farmers and businessmen assembled that a series of dams on the tributaries of the Washita River, if constructed, would have no effect whatever on the floods of the lower Mississippi River.

Perhaps this Army engineer had read the report of the first alleged preliminary survey of the Army engineers of 1909 (H. Doc. 209–61–2), which was everything but favorable to a flood-control program on the Washita. Or he may have looked up the discussion of another purported survey of 1917 on Red River and its tributaries (H. Doc. 848–65–2), which was also unfavorable.

I am glad to state, however, Mr. Chairman, that the policy of the Army engineers in general has undergone a considerable change in recent years. Under the able leadership of General Schley and his excellent Corps of Engineers they are now advocating a much more practical flood-control program than they formerly did by the construction of just such dams as they or their predecessors ridiculed a few years ago.

In 1934 the Army engineers started the first comprehensive survey ever made on the Washita and its tributaries. A report of that survey is contained in the Army engineers report of the Washita under date of December 2, 1935, on Red River and its tributaries (H. Doc. 378–74–2).

Of course, there have been several surveys made by the Army Engineers and other governmental agencies on the Washita River since those alleged surveys of 1909 and 1917, which were, in fact, no real surveys at all, but more or less a statement of the then unfavorable policy of dams on tributaries of small streams. I am advised, however, by General Schley and others in the office of the Army engineers, that a recent detailed survey has been made on the Washita from the mouth at Denison to where it heads not far from the New Mexico line. I am told that this survey is now complete in every detail and that it will be in the Washington office soon. I am hopeful, of course, that it will contain sufficient information and recommendations that this committee will feel amply justified in including the entire Washita basin in any flood-control authorization bill that may be passed by this Congress.

I might add here that in the several preliminary surveys that have been made by the Corps of Army Engineers some 24 or 25 dams have been surveyed on tributaries of the Washita. I am, of course, hopeful that all of these dams will be included and recommended by this final permanent survey of the Army engineers, as well as that of another important survey recently completed by the Department of Agriculture.

Of course, I do not anticipate that it would be practical to start construction on all 25 dams at one time, but I am hopeful that final reports of both the Army engineers and the Department of Agriculture may recommend the starting of the construction of at least three or four small dams on tributaries of the Washita at once. May I further express the hope that the Army engineers' report does not recommend any large dams on the lower main stream of the Washita, for even a layman knows that such large expensive dams are impractical. Furthermore, they are not desired by our citizens.

I believe I stated a moment ago that several agencies have made surveys on this basin. I know that the Soil Conservation Service has had men on the Washita surveying the situation, not only for small dams but in an effort to formulate a program of building

check dams and terraces along the entire Washita Valley. In addition to that the Soil Conservation Service has, so I am advised, taken pictures of practically every section of land along the Washita from Denison Dam to the Texas Panhandle line. The Bureau of Agricultural Economics has also had their experts on the Washita, and as I understand, have one small project in operation near Cheyenne, in an effort to experiment on erosion control.

It is my understanding that the Department of Agriculture, in its final report of the Washita Basin has or will recommend the construction of some 24 or 25 small dams on the tributaries of the Washita, and that this report will recommend starting actual construction on at least 3 or 4 of these proposed dams at an early date. One dam near Cheyenne, one on Cobb Creek in Caddo County, and another further down the stream on Rush Creek, a few miles from the Grady-Garvin County line. Included in that report I feel sure will also be recommendation of a dam on the Little Washita in Grady County. It is my understanding that all of the 24 or 25 dams, if constructed by the Department of Agriculture, would cost a total of $30,000,000. The dams proper would cost approximately $14,500,000, and the watershed treatment of erosion control about $15,000,500.

Since I have made reference to Denison Dam, let me say to this committee that I have made it plain, publicly and privately, that Denison Dam is not my pet project; nor is it a separate project with a separate appropriation, as some seem to think, but it is part of a flood-control program for the entire State of Oklahoma. However, as this committee knows, Congress has authorized $54,000,000 for Denison Dam. Since that authorization was made the Army engineers have lowered the spillway elevation several feet and in so doing have effected a saving of some $5,500,000. Since the recently discovered oil field above Denison Dam it may be practical to further lower the dam or spillway a few or several feet. I maintain that all of the $5,500,000 saving made, and any further amounts that may be saved by any alterations in the dam or spillway, should by all means be spent on the Washita and other tributaries above Denison. In this connection I refer members of this committee to H. R. 10618, Seventy-fifth Congress, third session. This act authorizing Denison Dam specifically provides that any benefits that can be assigned from the Denison project shall be reserved for projects in Oklahoma, such as the Altus project and on other tributary streams to Red River

I might say here, Mr. Chairman, that at my urgent suggestion the Reclamation Service also sent several of its experts to the Washita to make a survey of the practicability of a reclamation project in that great basin. It appears that all of the preliminary work has been done by the various Federal agencies and that it is up to this committee to make the next move, and I sincerely hope that before this Congress adjourns the Flood Control Committee of this House will include the great Washita basin in any flood-control bill that may be presented to Congress. I am sure our people are not particularly interested in which agency of the Government actually constructs the proposed dams on the Washita basin as long as they are properly located and, of course, properly constructed. As I stated a moment ago, the farmers, businessmen, and citizens generally along this great fertile valley are flood-control conscious. Our people want action before another devastating flood sweeps down that valley, bringing the destruction of life and property in its wake. They see millions of dollars spent in other areas and wonder why the Washita has been thus neglected.

Only recently there was organized at Chickasha, Okla., what is known as the Washita Valley Improvement Association. Mr. Otto Wray, of Fort Cobb, Okla., is the president of that association, and Lula K. Pratt, of Cheyenne, is secretary-treasurer. The vice presidents are Dick Longmire, of Pauls Valley; R. L. Wheeler, of Chickasha; Wesley Phillips, of Foss. Tom G. Gann, of Ninnekah, is chairman of the board of directors, which is made up of some of the leading businessmen and farmers of the Washita basin.

Judge R. L. Lawrence, of Anadarko, and George Wingo, of Fort Cobb, are among our leading citizens who have pioneered in advocating a real flood-control program for the entire Washita basin. Of course, there are many others whose names I should like to mention. I am advised by Don McBride, State engineer, who has rendered outstanding service in helping to get that valley organized, that there are now over 700 enthusiastic members of the Washita Valley Improvement Association.

This organization covers 18 counties along the Washita River Basin. May I call your attention to resolutions adopted by this association under date of February 29, 1940, which resolutions I placed in the Appendix of the RECORD, page 1663. These resolutions are very specific in their recommendations. They point out in no uncertain terms that the flood problems can be solved by the construction of small dams on the tributaries. This is especially true as applied to the Washita. I know full well that the citizens of this great valley would vigorously oppose the construction of large flood-control dams on the main stream of the Washita as a solution to the flood problem. That would be no solution at all. Such a method of flood control, which Army engineers have heretofore recommended, would defeat the purpose of the undertaking by inundating the alluvial lands in the valley and driving thousands of farmers out. I said a few moments ago that I hoped the Army engineers would not again recommend the construction of one or more large dams on the lower stream of the Washita. To actually construct 4 large dams on the main stream of the Washita and ignore the 25 small proposed dams on its tributaries would not begin to solve our problem, but would only add to the present serious problems in that great valley. It would flood thousands of acres of fertile lands and add an unreasonable burden in relocation and rehabilitation of our farm population.

Mr. Chairman, I am extremely anxious to get a real flood-control program started on the Washita at the earliest possible date, but I give notice now that, irrespective of what the Army engineers' final report on the Washita may recommend, as a Representative in Congress from one of the congressional districts affected in Oklahoma, that I shall continue to oppose any impractical, absurd, expensive, and out-of-date theory of flood control that would propose a series of four or more large dams on the main stream of the Washita River rather than a large number of small dams on its tributaries.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a statement I made before the House Committee on Flood Control.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a newspaper article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

RURAL ELECTRIFICATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix of the RECORD.]

ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to find out what the program will be for next week.

The SPEAKER pro tempore. Monday is District of Columbia day.

Mr. MARTIN of Massachusetts. Does the Speaker know what bill the Committee on the District of Columbia intends to bring in?

The SPEAKER pro tempore. I do not.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New York.

Mr. MARCANTONIO. I have received information that on Monday the bill amending the child-labor law, but in a slightly changed form, will again be called up by the Committee on the District of Columbia. I say this to inform the opponents of the bill so that they may be here.

The SPEAKER pro tempore. On Tuesday the bill called the Army promotion bill will come up under a rule. On Wednesday the memorial services will be held, and there will be nothing else on that day. The remainder of the week will be devoted to the consideration of the so-called amendments to the Wage-Hour Act.

Mr. MARTIN of Massachusetts. That is, the so-called Barden amendments?

The SPEAKER pro tempore. The Norton, Ramspeck, and Barden bills are all in order under the rule.

EXTENSION OF REMARKS

Mr. McKEOUGH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a newspaper article with relation to the earnings of the industrial corporations of the country in 1939, which recently appeared in a Chicago newspaper.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Connecticut [Mr. MILLER] is recognized for 45 minutes.

THE WIDOWS' AND ORPHANS' PENSION BILL

Mr. MILLER. Mr. Speaker, thanks to the generosity of the House, I was permitted yesterday to address the House out of order during consideration of the rule on the bill just passed. For that reason I do not intend to take more than 2 or 3 minutes of the 45 minutes allotted to me this afternoon, as I discussed at quite some length the bill, H. R. 9000, and under permission granted I have extended those remarks and will insert them in the RECORD today.

However, I want to reply briefly to the remarks made by the distinguished chairman of the Committee on World War Veterans' Legislation. During his remarks yesterday he pointed out or said that he knew there were a lot of large income-tax payers in Connecticut. I interrupted him and asked him if he thought that was a fair question, and his answer was, "Yes; it was a fair question, because he felt that the opposition to this bill was coming from outside influences." I regret exceedingly that the chairman of that important committee should take that attitude. I knew the chairman of that committee by reputation long before I came to the House. I have appeared before his committee as a private citizen and as a representative of the American Legion, and I think the records of his own committee will prove that I have appeared here, and I came down here at my own expense to plead before his committee for certain veterans' legislation. It is the first time since the organization of the American Legion that, because of deep and abiding conviction, I have felt compelled to oppose legislation proposed by the Legion, and it is a sorry day for the American Legion if any member of that organization is to have his motives questioned because he sees fit to oppose the provisions of legislation they have introduced, and I regret that the chairman should have no higher regard for my integrity than to imply to the Members of this House that in opposing this legislation I am concerned about any financial institutions in my own district, and I want the RECORD to show that I say on my honor as a Member of this House that no representative and no employee and, to the best of my knowledge, nobody directly or indirectly connected with any financial institution in my own district of anywhere else has ever even discussed with me the provisions of this bill or suggested in any shape or form that I should oppose this legislation. I am opposing it on my own authority and because of my own convictions. [Applause.]

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Under the special order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to take just one-half minute to say that I did not agree yesterday afternoon with the gentleman from Connecticut [Mr. MILLER] in his views regarding the so-called widows' and orphans' bill because I favor its passage; I do want to say, however, that the courage and the integrity of the gentleman from Connecticut [Mr. MILLER] cannot be questioned. He is intellectually honest, intellectually courageous, and physically courageous. He is a living example, Mr. Speaker, of courage, and a great example to all of us. [Applause.]

EXTENSION OF REMARKS

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein correspondence with Mr. Kraft, of the Kraft Cheese Co.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HILL, for 2 weeks, on account of important business.

To Mr. SHANLEY, for 3 days, on account of official business.

To Mr. CLAYPOOL, for 1 week, on account of business.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 20 minutes p. m.) the House, under the order heretofore adopted, adjourned until Monday, April 22, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings on the following resolution on Wednesday, April 24, 1940:

House Joint Resolution 509, to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war. Hearings will be held at 10 a. m.

The Committee on Merchant Marine and Fisheries will hold hearings on the following bill on Tuesday, April 30, 1940:

H. R. 8855, to admit the American-owned steamship *Port Saunders* and steamship *Hawk* to American registry and to permit their use in coastwise and fisheries trade. Hearing will be held at 10 a. m.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, April 24, 1940, at 10:30 a. m., to hold hearings on H. R. 909, a bill providing for the purchase by the United States of the segregated coal and asphalt deposits in Oklahoma from the Choctaw and Chickasaw Tribes of Indians.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds Wednesday, April 24, 1940, at 10:30 a. m., for the consideration of House Joint Resolution 487. Important. The hearings will be held in room 1501, New House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1555. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 10, 1940, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of waterway from Punta Rasa to Fort Pierce and Stuart, Fla., via Caloosahatchee River and Canal, Lake Okeechobee, and St. Lucie Canal and River, authorized by the River and Harbor Acts approved August 26, 1937, and June 20, 1938 (H. Doc. No. 696); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

1556. A letter from the Board of Governors of the Federal Reserve System, transmitting the Twenty-sixth Annual Report of the Federal Reserve System covering the operations during the calendar year 1939; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DARDEN: Committee on Naval Affairs. H. R. 9266. A bill providing for the reorganization of the Navy Department, and for other purposes; with amendment (Rept. No. 1995). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 9236. A bill to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931; without amend-

ment (Rept. No. 1996). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 468. Resolution to provide for the consideration of H. R. 9139, a bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; without amendment (Rept. No. 1997). Referred to the House Calendar.

Mr. LEWIS of Colorado: Committee on Rules. House Resolution 63. Resolution authorizing a select committee to investigate the interstate migration of destitute citizens; without amendment (Rept. No. 1998). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CASE of South Dakota:

H. R. 9460. A bill to add to the Verendrye National Monument the site where in 1743 the Verendryes planted plates claiming the Northwest Territory for France; to the Committee on the Public Lands.

By Mr. COOLEY:

H. R. 9461. A bill to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. KEFAUVER:

H. R. 9462. A bill designating the person who shall act as President if a President shall not have been chosen before the time fixed for the beginning of his term, or when neither a President-elect nor a Vice-President-elect shall have qualified; to the Committee on the Judiciary.

By Mr. MAGNUSON:

H. R. 9463. A bill to amend section 2, chapter 368, Forty-sixth Statutes at Large, page 1467, March 2, 1931, relating to extra compensation of inspectors and employees of the Immigration and Naturalization Service; to the Committee on Immigration and Naturalization.

By Mr. REECE of Tennessee:

H. R. 9464. A bill to amend the act of May 22, 1926 (44 Stat. 616), as amended, providing for the establishment of the Great Smoky Mountains National Park, and for other purposes; to the Committee on the Public Lands.

By Mr. DARDEN:

H. Res. 469. Resolution providing for the consideration of H. R. 9266, a bill providing for the reorganization of the Navy Department, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHURCH:

H. R. 9465. A bill granting the Distinguished Service Medal to Albert W. J. Johnsen; to the Committee on Military Affairs.

By Mr. FAY:

H. R. 9466. A bill for the relief of Frank Reilly; to the Committee on Military Affairs.

By Mr. HOFFMAN:

H. R. 9467. A bill for the relief of Adam Lotsbaich; to the Committee on Immigration and Naturalization.

By Mr. HULL:

H. R. 9468. A bill for the relief of E. J. Ide; to the Committee on Claims.

By Mr. JOHNSON of West Virginia:

H. R. 9469. A bill granting an increase of pension to Mary C. Lowe; to the Committee on Invalid Pensions.

By Mr. MILLS of Arkansas:

H. R. 9470. A bill for the relief of William Johnson; to the Committee on Claims.

By Mr. PEARSON:

H. R. 9471. A bill for the relief of George P. Crawford; to the Committee on Claims.

By Mr. ROBSION of Kentucky:

H. R. 9472. A bill granting a pension to Cynthia Mayes; to the Committee on Invalid Pensions.

By Mr. SHORT:

H. R. 9473. A bill granting a pension to Mary Jane Patterson; to the Committee on Invalid Pensions.

By Mr. SPARKMAN:

H. R. 9474. A bill for the relief of certain employees of the Department of War; to the Committee on Claims.

By Mr. VOORHIS of California:

H. R. 9475. A bill for the relief of Marie L. Silcox; to the Committee on Claims.

By Mr. BOEHNE:

H. R. 9476. A bill granting an increase of pension to Minne Weitzel; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7527. By Mr. HARTER of New York: Petition of the Atlantic States Shippers Advisory Board, New York City, opposing the St. Lawrence Waterway Treaty; to the Committee on Foreign Affairs.

7528. By Mr. MARTIN J. KENNEDY: Petition of the New York Board of Trade, Inc., New York City, expressing opposition to Senate bill 1032, which is to extend the Walsh-Healey Act; to the Committee on Labor.

7529. Also, petition of the New York Board of Trade, Inc., New York City, expressing approval of Senate bill 3046, which extends the benefits of the act to prevent pernicious political activities; to the Committee on the Judiciary.

7530. Also, petition of the New York Board of Trade, Inc., New York City, urging support of a program to reduce the cost of the Federal Government with a view to balancing the Federal Budget; to the Committee on Appropriations.

7531. Also, petition of the Atlantic States Advisory Board, New York City, expressing approval of House bill 360, to investigate the proposed Great Lakes-St. Lawrence deep-waterway and power project; to the Committee on Interstate and Foreign Commerce.

7532. Also, petition of the United Mine Workers of America, Washington, D. C., concerning the National Labor Relations Act; to the Committee on Labor.

7533. By Mr. MICHAEL J. KENNEDY: Petition of the Sheet Metal Workers' International Association, Local No. 28, of New York City, supporting House bills 5875, 5876, and 8279; to the Committee on Naval Affairs.

7534. Also, petition of the Central Trades and Labor Council of New York City, representing 600,000 workers affiliated with the American Federation of Labor, endorsing House bill 9195, which embodies amendments to the National Labor Relations Act; to the Committee on Labor.

7535. Also, petition of Local No. 802 of the American Federation of Musicians, representing 22,000 professional musicians, urging enactment of Senate bill 280, which prohibits the trade practice known as compulsory block-booking in the leasing of motion-picture films; to the Committee on Interstate and Foreign Commerce.

7536. Also, petition of the United Furniture Workers of America, representing 38,000 workers, opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7537. Also, petition of the National Maritime Union of America, opposing the Norton and Smith amendments to the Wagner National Labor Relations Act; to the Committee on Labor.

7538. Also, petition of the International Association of Machinists, supporting the Norton amendments to the National Labor Relations Act; to the Committee on Labor.

7539. Also, petition of the United Mine Workers of America, opposing the Norton and Smith amendments to the Wagner Labor Relations Act; to the Committee on Labor.

7540. Also, petition of the Federation of Flat Glass Workers of America, opposing the Norton and Smith amendments to the Labor Relations Act; to the Committee on Labor.

7541. Also, petition of E. H. Kellogg & Co., of New York City, advocating home production to fulfill our sugar requirements; to the Committee on Agriculture.

7542. Also, petition of the State, County, and Municipal Workers of America, opposing amendments to the National Labor Relations Act; to the Committee on Labor.

7543. Also, petition of the New York Committee to Aid Agricultural Workers, opposing the Barden amendments to the Wages and Hours Act; to the Committee on Labor.

7544. Also, petition of the Transport Workers Union of America, representing 90,000 members employed on public transportation facilities throughout the United States, opposing the Norton and Smith bills for amendment of the Wagner Labor Relations Act; to the Committee on Labor.

7545. By Mr. KEOGH: Petition of the United Office and Professional Workers of America, opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7546. Also, petition of the Utility Workers Organizing Committee, New York City, opposing the Norton and Smith bills amending the National Labor Relations Act; to the Committee on Labor.

7547. Also, petition of the Steel Workers Organizing Committee, Pittsburgh, Pa., opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7548. Also, petition of the Quarry Workers International Union of North America, Barre, Vt., opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7549. Also, petition of the Farm Equipment Workers Organizing Committee, Chicago, Ill., opposing the Smith and Norton bills amending the National Labor Relations Act; to the Committee on Labor.

7550. Also, petition of the International Union Playthings and Novelty Workers of America, New York City, opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7551. Also, petition of the International Union of Mine, Mill, and Smelter Workers, Denver, Colo., opposing the Norton and Smith amendments to National Labor Relations Act; to the Committee on Labor.

7552. Also, petition of the American Legion of Kings County, Brooklyn, N. Y., favoring sugar legislation that will protect the jobs of the Brooklyn, N. Y., sugar-refinery workers; to the Committee on Agriculture.

7553. By Mr. LAMBERTSON: Petition of F. H. Beers and 77 other residents of Leavenworth County, urging the enactment of House bills 7980 and 7950 into law to provide for disabled veterans and their dependents; to the Committee on World War Veterans' Legislation.

7554. By Mr. LUDLOW: Petitions of employees of the Veterans' facility at Indianapolis, Ind., supporting House bill 7708, for the abolition of compulsory payments for quarters, subsistence, and laundry; to the Committee on Expenditures in the Executive Departments.

7555. By the SPEAKER: Petition of the American Legion of Kings County, Department of New York, petitioning consideration of their resolution with reference to House bill 7239, concerning immigration and naturalization; to the Committee on Immigration and Naturalization.

7556. Also, petition of the American Legion of Kings County, Department of New York, petitioning consideration of their resolution with reference to importation of refined sugar made in the tropical islands; to the Committee on Agriculture.

7557. Also, petition of the Baptists of Puerto Rico, Ponce, P. R., petitioning consideration of their resolution with reference to our President in sending to the Vatican a personal emissary; to the Committee on Foreign Affairs.

7558. Also, petition of Local Union No. 3, International Brotherhood of Electrical Workers, New York City, N. Y., petitioning consideration of their resolution with reference to the appropriations for the Department of Justice; to the Committee on the Judiciary.

7559. Also, petition of the Philadelphia City Council, City Hall, Philadelphia, Pa., petitioning consideration of their resolution with reference to Senate bill 2009, known as omnibus transportation bill; to the Committee on Interstate and Foreign Commerce.

7560. Also, petition of Lodge 700, of the International Workers Order at East Pittsburgh, Pa., petitioning consideration of their resolution with reference to un-American actions; to the Committee on Rules.

7561. Also, petition of the United Mine Workers of America, District 50, Local 12120, East Chicago, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7562. Also, petition of Local Union No. 414, International Brotherhood of Teamsters, Chauffeurs, Stablemen, and Helpers of America, Fort Wayne, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7563. Also, petition of B. R. C. of A., New Leaf Lodge, No. 1221, Terre Haute, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

SENATE

MONDAY, APRIL 22, 1940

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Eternal God and Father of us all, in whom is our hope, our joy, and from whom is our inspiration: Be graciously pleased to keep in the hollow of Thine hand the destiny and welfare of America. At this sacred moment of approach to Thee we invoke Thine especial blessings upon our President, Vice President, the Members of the Congress, the judiciary, and all others in authority, that they may be earnest in their personal devotion to the high demands of character, generous and free in public service and in the promotion of the noble causes of mankind. As a people give to us the vision of truth that no falsehood can defeat; of right that no wrong can crush; of goodness that no evil can overpower, for we know that Thou art on the side of every soul that seeks the righteous life and joins Thee in service for the coming of Thy kingdom. Thus, in these dark and difficult days, we acknowledge Thee to be the Lord, and bless Thee for the hope of a world redeemed, for the dream that hears again the song of the morning stars and the shout of the sons of God that shall herald the new creation of love and peace in the hearts of men. In our dear Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Friday, April 19, 1940, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bone	Chandler	Downey
Ashurst	Bridges	Chavez	Ellender
Austin	Brown	Clark, Idaho	George
Bailey	Bulow	Clark, Mo.	Gerry
Bankhead	Burke	Connally	Gibson
Barbour	Byrd	Danaher	Gillette
Barkley	Byrnes	Davis	Glass
Bilbo	Caraway	Donahey	Green

Gurney	Lodge	Pepper	Tobey
Hale	Lucas	Pittman	Townsend
Harrison	Lundeen	Reed	Truman
Hatch	McKellar	Russell	Tydings
Hayden	McNary	Schwartz	Vandenberg
Herring	Maloney	Schwellenbach	Van Nuys
Hill	Mead	Sheppard	Wagner
Holman	Miller	Shipstead	Walsh
Hughes	Minton	Slattery	Wheeler
Johnson, Calif.	Murray	Stewart	White
Johnson, Colo.	Neely	Taft	Wiley
King	Norris	Thomas, Idaho	
La Follette	O'Mahoney	Thomas, Okla.	
Lee	Overton	Thomas, Utah	

Mr. MINTON. I announce that the Senator from Florida [Mr. ANDREWS], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from West Virginia [Mr. HOLT], the Senator from Nevada [Mr. MCCARRAN], the Senator from Maryland [Mr. RADCLIFFE], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], and the Senator from New Jersey [Mr. SMATHERS] are detained from the Senate on public business.

Mr. AUSTIN. I announce the necessary absence of the Senators from North Dakota [Mr. FRAZIER and Mr. NYE].

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 7079) to provide for the appointment of additional district and circuit judges; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. WALTER, Mr. HOBBS, Mr. GUYER of Kansas, and Mr. GWYNNE were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4929) to amend the act of June 23, 1938 (52 Stat. 944).

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3406) for forest protection against the white-pine blister rust, and for other purposes.

The message also announced that the House had passed the following bill and joint resolution in which it requested the concurrence of the Senate:

H. R. 6324. An act to provide for the more expeditious settlement of disputes with the United States, and for other purposes; and

H. J. Res. 431. Joint resolution to extend to the 1940 New York World's Fair and the 1940 Golden Gate International Exposition the provisions according privileges under certain customs and other laws to the expositions of 1939.

REDUCTION OF CAPITAL FUNDS OF CERTAIN CREDIT CORPORATIONS (S. DOC. NO. 184)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States in relation to Senate Resolution 243 (submitted by Mr. BYRD and agreed to April 8, 1940), calling on the Director of the Bureau of the Budget for information concerning the proposed reduction of the capital funds of certain "credit corporations," and pertaining to proposed reduction in the capital of various credit agencies of the Government, which was referred to the Committee on Banking and Currency and ordered to be printed.

EMPLOYMENT OF PANAMANIAN CITIZENS ON THE CANAL (S. DOC. NO. 183)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting draft of a proposed provision pertaining to section 2 of the bill (H. R. 8668) making appropriations for the fiscal year ending June 30, 1941, for civil functions administered by the War Department, and for other purposes, as passed by the Senate on the 17th instant, relative to the employment of citizens of Panama in connection with work on the Panama Canal, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

REPORT OF BOARD OF GOVERNORS, FEDERAL RESERVE SYSTEM

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the Twenty-sixth Annual Report of the Board of Governors of the System, covering operations for the year 1939, which, with the accompanying report, was referred to the Committee on Banking and Currency.

REPORT OF THE TEXTILE FOUNDATION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the board of directors of the Textile Foundation, transmitting, pursuant to law, the annual report of the Foundation for the year 1939, which, with the accompanying report, was referred to the Committee on Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate petitions of several citizens of Ogden, Utah, and vicinity, praying that Government construction work be performed by construction companies rather than under the W. P. A., which were referred to the Committee on Appropriations.

He also laid before the Senate memorials of sundry citizens of East Chicago, Ind., and vicinity, remonstrating against amendment of the national labor relations or the wage and hour laws, which were referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by homesteaders of Waiakea Homesteads in the vicinity of Hilo, county of Hawaii, T. H., praying for the enactment of such sugar-quota legislation as will be most beneficial to the Territory of Hawaii, which was referred to the Committee on Finance.

He also laid before the Senate a resolution of the Irish-American National Club of New York City, N. Y., endorsing the so-called Walsh resolution, being the joint resolution (S. J. Res. 157) authorizing the President of the United States to present to Eire on behalf of the people of the United States a statue of Commodore John Barry, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution of the American Legion of Kings County, Brooklyn, N. Y., favoring the enactment of House bill 7239, to authorize the naturalization of Filipinos who are permanent residents of the United States, which was referred to the Committee on Immigration.

He also laid before the Senate a resolution of the National Aviation Day Association, favoring the creation of standing committees of the Senate and House of Representatives on aviation affairs, which was referred to the Committee on Rules.

Mr. WALSH presented resolutions of Peter A. Bowler Camp, No. 63, United Spanish War Veterans, of Rockland; Columbia Post, No. 51, of South Boston; Earle T. Wardell Post, No. 12, of Beverly; Old Dorchester Post, No. 65, of Dorchester; and Merrill L. Simonds Post, No. 130, of Palmer, all of the American Legion, in the State of Massachusetts, favoring the erection of a general hospital and diagnostic center in the vicinity of Boston, Mass., which were referred to the Committee on Finance.

Mr. GREEN presented the following resolution of the General Assembly of the State of Rhode Island, which was referred to the Committee on Foreign Relations:

Resolution requesting the Senators and Representatives from Rhode Island in the Congress of the United States to use their earnest efforts to have passed the bill now pending in Congress, introduced by Congressman RUDOLPH G. TENEROWICZ, calling for an appropriation of $50,000,000 by the United States Government for the aid of Polish war refugees

Whereas there is now pending in the Congress of the United States a bill of the greatest importance to the life of a stricken country, namely, the bill presented by Congressman RUDOLPH G. TENEROWICZ, calling for an appropriation of $50,000,000 by the United States Government for the aid of Polish war refugees; and

Whereas by all the rules of humanity and civilization this great and generous country of ours should come to the assistance of these stricken peoples: Now, therefore, be it

Resolved, That this general assemply respectfully requests the Senators and Representatives from Rhode Island in the Congress of the United States to make every effort to have passed the pending legislation introduced by said Congressman TENEROWICZ, calling for an appropriation of $50,000,000 by the United States Government for the aid of Polish war refugees; and be it further

Resolved, That the secretary of state be authorized to transmit duly certified copies of this resolution to the Senators and Representatives from Rhode Island in the Congress of the United States.

REPORTS OF COMMITTEES

Mr. BARKLEY, from the Committee on the Library, to which was referred the joint resolution (H. J. Res. 385) establishing a Greenville Memorial Commission to formulate plans for the construction of a memorial building to commemorate the Treaty of Greene Ville, at Greenville, Ohio, reported it without amendment.

Mr. HILL, from the Committee on Military Affairs, to which was referred the bill (S. 3266) to provide pensions, compensation, retirement pay, and hospital benefits to certain Reserve officers of the Army of the United States, reported it with an amendment to the title and submitted a report (No. 1458) thereon.

Mr. HOLMAN, from the Committee on Immigration, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 2909. A bill for the relief of Dexter and Elizabeth Shiomi (Rept. No. 1459);

H. R. 7246. A bill for the relief of Madeline Vera Bucholz (Rept. No. 1460); and

H. R. 7814. A bill for the relief of Gerald Henry Simpson (Rept. No. 1461).

Mr. HOLMAN also, from the Committee on Immigration, to which was referred the bill (H. R. 2948) for the relief of Morris Hoppenheim, Lena Hoppenheim, Doris Hoppenheim, and Ruth Hoppenheim, reported it with an amendment and submitted a report (No. 1462) thereon.

Mr. MALONEY, from the Committee on Immigration, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3256. A bill to enable Sadao Tanaka to remain permanently in the United States (Rept. No. 1463); and

S. 3373. A bill to enable Kurt Frings to enter and remain permanently in the United States (Rept. No. 1464).

Mr. MALONEY also, from the Committee on Immigration, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 2760. A bill for the relief of Mijo Stanisic (Rept. No. 1465); and

S. 2995. A bill for the relief of John Horvath (Rept. No. 1466).

Mr. HUGHES, from the Committee on Immigration, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

S. 2969. A bill for the relief of Louise Thorne (Rept. No. 1467);

S. 3412. A bill for the relief of John Nicholas Chicouras (Rept. No. 1468);

S. 3442. A bill to authorize the cancelation of deportation proceedings in the case of Minas Kirillidis (Rept. No. 1478); and

H. R. 5827. A bill to authorize the cancelation of deportation proceedings in the case of John L. Harder and children, Paul William Harder, Irvin W. Harder, Edna Justina Harder, Elsie Anna Harder, and Elizabeth Harder (Rept. No. 1479).

Mr. SMATHERS, from the Committee on Immigration, to which was referred the bill (S. 2774) for the relief of Jose Mauri, reported it with an amendment and submitted a report (No. 1469) thereon.

Mr. AUSTIN, from the Committee on Immigration, to which was referred the bill (S. 2775) for the relief of Henry Gideon Schiller, reported it with an amendment and submitted a report (No. 1470) thereon.

Mr. HERRING, from the Committee on Immigration, to which was referred the bill (S. 3245) for the relief of Maria Teresa Valdes Thompson, reported it without amendment and submitted a report (No. 1471) thereon.

Mr. KING, from the Committee on Immigration, to which was referred the bill (H. R. 6965) for the relief of Stina Anderson, reported it with an amendment and submitted a report (No. 1472) thereon.

He also, from the same committee, to which was referred the bill (S. 3204) for the relief of Louise Hsien Djen Lee Lum, reported it without amendment and submitted a report (No. 1480) thereon.

Mr. STEWART, from the Committee on Immigration, to which was referred the bill (S. 2768) authorizing the naturalization of Thomas A. Lambie, reported it without amendment and submitted a report (No. 1477) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 2757. A bill for the relief of Bonifacio Suso (Rept. No. 1475); and

S. 2964. A bill for the relief of Joseph L. Lipsher and Esther Mila Lipsher (Rept. No. 1476).

Mr. SCHWELLENBACH, from the Committee on Immigration, to which was referred the bill (S. 2148) for the admission of Ruth Molimau Kenison to American citizenship, reported it without amendment and submitted a report (No. 1481) thereon.

He also, from the same committee, to which was referred the bill (S. 2669) to admit Mrs. Orris R. Grimmesey permanently to the United States, reported it with amendments and submitted a report (No. 1473) thereon.

He also, from the same committee, to which was referred the bill (H. R. 3094) for the relief of Luise Ehrenfeld, reported it with an amendment and submitted a report (No. 1474) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 6964. An act for the relief of Mr. and Mrs. Nathan Kaplan (Rept. No. 1482).

H. R. 7306. An act for the relief of John R. Elliott (Rept. No. 1483); and

H. R. 8317. An act for the relief of the Hermosa-Redondo Hospital, C. Max Anderson, Julian O. Wilke, Curtis A. Wherry, Hollie B. Murray, Ruth M. Laird, Sigrid I. Olsen, and Stella S. Guy (Rept. No. 1484).

Mr. SCHWARTZ, from the Committee on Military Affairs, to which was referred the bill (S. 3131) to extend the benefits of the United States Employees' Compensation Act to members of the Officers' Reserve Corps and of the Enlisted Reserve Corps of the Army who were physically injured in line of duty while performing active duty or engaged in authorized training between dates of February 28, 1925, and July 15, 1939, both inclusive, and for other purposes, reported it without amendment and submitted a report (No. 1485) thereon.

Mr. McNARY, from the Committee on Indian Affairs, to which was referred the bill (S. 1432) authorizing the Snake or Piute Indians of the former Malheur Indian Reservation of Oregon to sue in the Court of Claims, and for other purposes, reported it with amendments and submitted a report (No. 1486) thereon.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on April 18, 1940, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 2993. An act to authorize an exchange of lands between the city of San Diego, Calif., and the United States, and acceptance by gift of certain lands from the city of San Diego, Calif.;

S. 3067. An act authorizing appropriations to be made for the disposition of the remains of personnel of the Navy and Marine Corps and certain civilian employees of the Navy, and for other purposes;

S. 3440. An act to amend the Locomotive Inspection Act of February 17, 1911, as amended, so as to change the title of

the chief inspector and assistant chief inspectors of locomotive boilers; and

S. J. Res. 218. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SLATTERY:

S. 3821. A bill to authorize an appropriation to assist in defraying the expenses of the American Negro Exposition to be held in Chicago, Ill., during 1940; to the Committee on the Library.

By Mr. HALE:

S. 3822. A bill to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to marine schools in the State of Maine; to the Committee on Naval Affairs.

By Mr. BURKE:

S. 3823. A bill for the relief of Fred A. Bailey; and

S. 3824. A bill for the relief of Arthur C. McCune and Caroline McCune; to the Committee on Claims.

By Mr. McNARY:

S. 3825. A bill to amend the Internal Revenue Code, as amended, for the purpose of imposing a tax on santonin and salts thereof imported into the United States; to the Committee on Finance.

By Mr. GIBSON:

S. 3826 (by request). A bill for the restriction and control of immigration for the protection of American homes and industry; to the Committee on Immigration.

By Mr. ADAMS:

S. 3827. A bill to amend the act for the preservation of American antiquities, approved June 8, 1906 (34 Stat. 225), and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. STEWART:

S. 3828. A bill to amend section 107 of the Judicial Code, as amended, to eliminate the requirement that suitable accommodations for holding the court at Winchester, Tenn., be provided by the local authorities; to the Committee on the Judiciary.

By Mr. TRUMAN:

S. 3829. A bill to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes; to the Committee on Interstate Commerce.

By Mr. TYDINGS:

S. 3830. A bill to authorize members of the Police Force and Fire Department of the District of Columbia to reside at a distance of not more than 12 miles from the District of Columbia; to the Committee on the District of Columbia.

By Mr. NEELY:

S. 3831. A bill to extend indefinitely the time before which valid applications may be filed for disabled emergency officers' retirement benefits, and for other purposes; to the Committee on Finance.

By Mr. PEPPER (for himself, Mr. HILL, Mr. ELLENDER, Mr. LEE, Mr. MEAD, Mr. MURRAY, Mr. GUFFEY, Mr. SCHWARTZ, Mr. WAGNER, Mr. MINTON, Mr. GREEN, and Mr. SCHWELLENBACH):

S. J. Res. 250. Joint resolution to authorize the Work Projects Administration to maintain in employment not less than the number of persons employed by it on April 1, 1940; to the table.

HOUSE BILL AND JOINT RESOLUTION PLACED ON CALENDAR OR REFERRED

The following bill and joint resolution were each read twice by their titles and ordered to be placed on the calendar or referred as indicated below:

H. R. 6324. An act to provide for the more expeditious settlement of disputes with the United States, and for other purposes; to the calendar.

H. J. Res. 431. Joint resolution to extend to the 1940 New York World's Fair and the 1940 Golden Gate International Exposition the provisions according privileges under certain customs and other laws to the expositions of 1939; to the Committee on Finance.

CHANGE OF REFERENCE

Mr. GLASS. Mr. President, with the consent of the proponents of the Senate bill (S. 3638) to permit the Smithsonian Gallery of Art Commission to purchase a model of the winning design for the proposed Smithsonian Gallery of Art, and for other purposes, which was erroneously referred to the Committee on Appropriations, I move that the Committee on Appropriations be discharged from the further consideration of the bill, and that it be referred to the Committee on the Library.

The VICE PRESIDENT. The question is on the motion of the Senator from Virginia.

The motion was agreed to.

AMENDMENT TO RIVER AND HARBOR BILL—CHANNEL TO HOG ISLAND, HINGHAM BAY, MASS.

Mr. WALSH submitted an amendment intended to be proposed by him to House bill 6264, the river and harbor authorization bill, which was ordered to lie on the table and to be printed.

SUPPLEMENT TO COMPILATION OF LAWS RELATING TO REGULATION OF CARRIERS

Mr. TYDINGS (by request) submitted the following resolution (S. Res. 259), which was referred to the Committee on Interstate Commerce:

Resolved, That the Interstate Commerce Commission is hereby requested to prepare in such manner as is deemed by it to be necessary and desirable in the circumstances and transmit to the Senate a manuscript in form suitable to be printed, to supplement and bring as closely to date as is practicable Senate Document No. 166, Seventieth Congress, first session, and Senate Document No. 139, Seventy-third Congress, second session, entitled "Compilation of Federal Laws Relating to the Regulation of Carriers Subject to the Interstate Commerce Act, with Digests of Pertinent Decisions of the Federal Courts and the Interstate Commerce Commission and the Text of or Reference to General Rules and Regulations," and that such manuscript when transmitted by the Commission to the Secretary of the Senate be printed as a Senate document.

COMPILATION OF OUTSTANDING LEGISLATION AND IMPORTANT COURT DECISIONS, 1933–40 (S. DOC. NO. 187)

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed as a Senate document a digest of all the outstanding laws enacted since the 4th of March 1933, together with the decisions of the Supreme Court with respect thereto, and other pertinent data, in which the Senate will find much interest, prepared by the Legislative Reference Service of the Library of Congress.

The VICE PRESIDENT. Without objection, it is so ordered.

REEXAMINATION OF WILLAMETTE RIVER, OREG. (S. DOC. NO. 185)

Mr. McNARY. Mr. President, at the request of the Senate Committee on Commerce, I ask unanimous consent that a report of the Chief of Engineers, War Department, on the reexamination of Willamette River, Oreg., with a view to flood control on Pudding River, be printed, with the accompanying illustration, as a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 3800) to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. THOMAS of Oklahoma. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. SMITH, Mr. THOMAS of Oklahoma, Mr. BANKHEAD, and Mr. MCNARY conferees on the part of the Senate.

ADDRESS BY THE PRESIDENT TO YOUNG DEMOCRATIC CLUBS

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a radio address delivered by the President of the United States on April 20, 1940, to various young Democratic clubs, which appears in the Appendix.]

ADDRESS BY SENATOR WALSH ON LEGAL JUSTICE

[Mr. WALSH asked and obtained leave to have printed in the RECORD an address on the subject of legal justice, delivered by him at the dedication of the new courthouse at Waltham, Mass., April 21, 1940, which appears in the Appendix.]

CHINESE SILVER SOUGHT TO STRENGTHEN JAPAN'S HOLD ON NORTH CHINA

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD a statement prepared by him, and entitled "Chinese Silver Sought To Strengthen Japan's Hold on North China," which appears in the Appendix.]

ADDRESS BY REPRESENTATIVE C. ARTHUR ANDERSON TO DEMOCRATIC STATE CONVENTION AT ST. LOUIS

[Mr. CLARK of Missouri asked and obtained leave to have printed in the RECORD an address delivered by Representative C. ARTHUR ANDERSON as permanent chairman of the Democratic State convention at St. Louis, Mo., April 15, 1940, which appears in the Appendix.]

RADIO NEWS INTERVIEW WITH REPRESENTATIVE DEMPSEY, OF NEW MEXICO

[Mr. HATCH asked and obtained leave to have printed in the RECORD a radio news interview with Representative DEMPSEY, of New Mexico, concerning the so-called Hatch bill, which appears in the Appendix.]

ADDRESS BY WENDELL L. WILLKIE BEFORE TOLEDO CIVIC FORUM AND ROTARY CLUB

[Mr. BURKE asked and obtained leave to have printed in the RECORD an address delivered by Wendell L. Willkie before the Toledo Civic Forum and Rotary Club on March 4, 1940, which appears in the Appendix.]

THE UNITED STATES AND THE PHILIPPINES—ADDRESS BY SALVADOR ARANETA

[Mr. GIBSON asked and obtained leave to have printed in the RECORD a radio address delivered by Salvador Araneta on the United States and the Philippine Islands, which appears in the Appendix.]

AIR SAFETY BOARD

[Mr. AUSTIN, for Mr. MCCARRAN, asked and obtained leave to have printed in the RECORD a letter from Paul M. Norman, a telegram from the Air Pilots of Denver, Colo., and editorials from the Wyoming State Tribune, the New York Times, the San Diego Union, the Los Angeles Times, and the New York Sun, all relating to the Civil Aeronautics Authority and the Air Safety Board, which appear in the Appendix.]

DAVID SAPOSS

[Mr. GREEN asked and obtained leave to have printed in the RECORD a letter from Mary Bartlett, chief, division of women and children, State of Rhode Island, in commendation of David Saposs, Director, Division of Economic Research for the National Labor Relations Board, which appears in the Appendix.]

ARTICLE BY HERBERT HOOVER ON RECOGNITION OF SOVIET RUSSIA

Mr. VANDENBERG. Mr. President, ex-President Herbert Hoover, writing in the current Collier's Weekly, defines our recognition of Soviet Russia as a gigantic political and moral mistake. I wholly agree with him. He thinks the least we should do about it is to sever our ambassadorial relations. Again I agree, as I have repeatedly stated on the floor of the Senate. But whether we all agree in detail or not, there certainly must be new acknowledgment that treachery and seduction—the old Trojan horse technique—are now glaringly seen as favorite weapons of the Berlin-Moscow axis. Such being the case, America is put on stern, sharp notice to review her own potential jeopardies in this respect, and one of the greatest of these jeopardies is our acknowledged infiltration of world revolutionists under inspiration and orders from Moscow, in direct and contemptuous violation of the Litvinoff-Roosevelt agreement of 1933.

Our national defense is not alone a matter of ships and men. It is equally a matter of excising the roots of internal treason. It "can happen here." Eternal vigilance is the price of peace.

I ask that Mr. Hoover's discussion of what he calls Russian Misadventure be printed in the RECORD.

The VICE PRESIDENT. Without objection, the article will be printed in the RECORD.

The article is as follows:

[From Collier's Weekly of April 27, 1940]

RUSSIAN MISADVENTURE

(By Herbert Hoover)

The safety and defense of the United States in a world armed to the teeth does not wholly consist of being properly armed ourselves nor of maintaining our neutrality in the present wars.

It depends upon maintaining the respect of other nations. It depends upon our giving vigorous moral support to decent standards of conduct between nations. It depends upon our freedom from the pitfalls of power politics. It depends upon our keeping free of propaganda and interference in our domestic affairs by foreign governments and foreign ideologies.

In other words, our safety and defense depends greatly upon the wisdom of our foreign policies.

In these lights I propose to analyze Mr. Roosevelt's recognition of the Communist Government of Soviet Russia, and its consequences to the American people and to mankind.

The events of the past 6 months have further illuminated this policy and point to two major reasons for a reexamination now.

Errors in foreign policies often cannot be fully corrected. But because errors are made is no sign that nothing can be done about it. When we see that the consequences result in continued disintegration of decent standards in the world and at home, we should at least reassert our position on these standards.

The recognition of Russia is a test of statesmanship. With two-thirds of the world at war, vast problems will arise daily, the solution of which will determine our peace abroad and our peace at home. The capacity and judgment in the past should be examined before we elect leadership for the difficult years before us.

Recognition or nonrecognition of new governments and the exchange of ambassadors or ministers is one of the protections to international decency that nations have developed over centuries. These measures are not merely to provide afternoon teas for cooky pushers in foreign service or avenues for the red tape of ponderous verbiage in communications. These are measures designed to safeguard nations from grave consequences.

At once let me make it quite clear that in analyzing the recognition of Russia and its consequences I am not advocating war with Russia. Nor am I advocating that we in the remotest degree interfere with the internal affairs of Russia. That is the business of Russia alone.

When our neighbors choose to live a life of disrepute, we do not shoot them up. But we can hold up the moral and social standards in the community a little better if we do not associate with them. Or take part in their parties. Or invite them into our homes. Or present them to our children.

Recognition of new governments is thus more than a reestablishment of legalistic or trade relations. It is a sign that we believe they are respectable members of the family of nations. It gives to them right of entry into our homes. It gives them a recommendation to our neighbors.

Further, let me say that I am not interested in "red" baiting. I have no anxiety that the Communists will pull off a Communist revolution in the United States. That is not what happens. What does happen is that a people get annoyed and indignant over Communist sabotage of national life and poisoning of the wells of liberty. Then in a rage they go Fascist and put the Communists down by cruelty and violence. Or in milder form they go vigilante. Both of these reactions are the defeat of liberty. That is the Communist contribution to the abandonment of democracy in a number of nations outside Russia. Communism everywhere has paved the way for fascism. And daily we see the two systems approach the same form of sheer tyranny and despotism.

We may summarize some first-hand history.

For a number of years before the Great War I, as an American engineer, practiced my profession in Russia. In the building of large industrial works I came to know only too well the sufferings of a people under the Czarist despotism. I came to know the gentle character of the great mass of the Russian people. I knew their strivings toward better family and community life. I saw their rising aspirations of liberty. I saw their frustrations against the repression of an intolerable aristocracy.

Finally, in 1916, due to the internal demoralization of the Great War, the Czar was compelled to recall the Parliament (the Duma) of the people to ward off rebellion. At that I rejoiced. In March 1917 the courageous men of this Parliament overthrew the Czarist government. These were not Communists—they were liberal-minded patriots. They created a representative republic under Kerensky. I felt that even the dreadful losses of the Great War might have compensations in the glow of rising liberty that dawned across the bleak Russian steppes.

In November 1917, however, the Communists, as the Bolshevik Party, in cooperation with Czarist forces, overthrew the democratic government. A bloody curtain descended upon the Russian people. The hope of liberty in Russia had been assassinated. The four modern Horsemen of Hate, Terror, Atheism, and Imperialism were started on the march in the world.

MASSACRE, NOT REVOLUTION

The Communist revolution was not a revolt against the Czarist regime. It was a massacre under the softer word "liquidation" of all the liberal men and liberal women in Russia. Nearly every member of those brave parliaments who raised the banner of liberty against the Czarist regime was executed without a semblance of justice or compassion. The remaining few still live in exile abroad.

Incidentally, this Communist Government deserted the United States in the Great War and gave support to our enemy.

We move on to 1919.

With the armistice arose the question of the recognition of the Communist Government of Russia by the United States. President Wilson requested from me a memorandum upon the matter. It contained these lines:

"* * * The Bolsheviki most certainly represent a minority * * * as such they constitute a tyranny that is the negation of democracy * * * they have resorted to terror, bloodshed, and murder to a degree long since abandoned even amongst reactionary tyrannies. * * * We cannot even remotely recognize this murderous tyranny * * * without transgressing on every national ideal of our own. * * *"

Woodrow Wilson, in fact, needed no such advice. In August 1920 his views and those of the Democratic Party were ably reviewed by Secretary of State Bainbridge Colby—which I condense:

"* * * at the moment when the work of creating a popular representative government based upon universal suffrage was nearly completed, the Bolsheviki * * * an inconsiderable minority of the people, by force and cunning seized the powers and machinery of government, and have continued to use them with savage oppression. * * *

"* * * The responsible spokesmen * * * have declared that * * * the very existence of bolshevism * * * depends * * * upon revolution in all the other great civilizations, including the United States.

"Moreover, it is within the knowledge of the Government of the United States that * * * the Third International * * * is heavily subsidized by the Bolshevist Government from the public revenues of Russia, has for its openly avowed aim the promotion of the Bolshevist revolution throughout the world.

"* * * There can be no confidence * * * if pledges are to be given * * * with a cynical repudiation * * * already in the mind of one of the parties.

"We cannot recognize * * * a government which is determined and bound to conspire against our institutions."

IN THE NAME OF HUMANITY

And now we come to 1921, and the 12 years of Republican administrations.

A great famine descended upon south Russia. The lives of 20,000,000 people were threatened. This famine was in large part due to the undermining of national productivity by the Communist Government. But the Communist leaders appealed to America in the name of humanity. They had expropriated hundreds of millions of American savings invested in Russia. They had repudiated their debt to our Government. But we, being a democracy, listened only to the cry for compassion. We had no desire to punish the Russian people for the wickedness of their oppressors. It fell to me to organize and direct the distribution of more than $75,000,000 worth of American food to those helpless people. We saved the lives of those millions.

And now, after all these years, opens a revealing incident. It appears, from disclosures before the Dies Committee, that during that famine, under a false-front organization, "The Friends of Soviet Russia," absolutely controlled from Moscow, the Communists in the United States in competition with the American relief organizations raised $1,000,000 from the American public for relief of Russia. They now confess that they never sent a cent to Russia but used it for Communist propaganda in the United States. There is no better commentary on the morals or cruelty of the Soviet Government.

During this period from 1919 to 1933 the Moscow Government was busy everywhere in the effort to destroy democratic governments. These destructions were a large part of the rise of nazi-ism in Germany and of fascism in Italy. In England Soviet officials were arrested and expelled for conspiracy against the Government.

The Republican administrations for 12 years refused to give the Soviet Government recognition, despite constant propaganda on its part and that of its fellow travelers.

During this time we held to the ground, first, that the Communist Government of Russia, with its foundations in cruelty, terror, destruction of liberty and religion, and murder, should not be given the dignity and respectability of recognition from freemen. Such recognition would increase its destructive power against all free nations and all freemen.

Second, that such recognition would open the floodgates of Russian-subsidized Communist propaganda and conspiracy upon the American people.

And third, we knew from a thousand evidences that promises were valueless from a government that openly flaunted all the decencies of men.

While it was not our business, yet such recognition would further cement the hold of 2,000,000 Communists upon 150,000,000 suffering people in their own country.

Thus four Presidents and four Secretaries of State concurred in these views.

We move on to November 16, 1933.

On that date President Roosevelt recognized Soviet Russia.

The same conditions still prevailed in Russia as when President Wilson denied recognition and they had been confirmed by 14 years of bloody terror. They had been confirmed by the constant effort of Moscow to destroy democratic government everywhere.

Upon that recognition by President Roosevelt there was this explicit agreement:

"* * * the Government of the Union of Soviet Socialist Republics (agree) to respect scrupulously * * * to refrain from interfering in any manner in the internal affairs of the United States * * * to refrain and to restrain all persons * * * under its direct or indirect control * * * from any act * * * liable in any way whatsoever to injure the tranquillity, prosperity, order, or security * * * or any organization or propaganda * * * in any part of the United States, its Territories, or possessions. * * * Not to permit the formation * * * of any organization or group * * * which has as an aim the overthrow * * * of the political or social order * * * of the United States. * * *".

President Roosevelt in announcing this great step said:

"I trust that our nations henceforth may cooperate for their mutual benefit and for the preservation of the peace of the world."

SIX YEARS OF OUR GOOD NEIGHBOR

We move on to 1940 and inspect the consequences.

We have now had 6 years of these good-neighbor relations with the Soviet Government.

Overnight we were flooded with conspiracy to overthrow our institutions. The number of actual members of the Communist Party in our country increased at once by 100 percent. But these numbers were trivial. Of more importance is that under the sympathetic attitude of this recognition a score of camouflaged fellow-traveler and front organizations grew apace, controlled by inner cells of Communists. A dozen of them have been exposed, which influenced ideas among millions of people who did not know their origins and control. I need not relate the whole horrid chapter.

As to the fidelity of the Communist Government to its agreement, the unanimous report of the Dies committee, based upon exhaustive research and testimony, says:

"* * * The Communist Party is a foreign conspiracy masked as a political party. * * * The party's activities constitute a violation of the treaty of recognition."

That is the one made by President Roosevelt in 1933. The report continues:

"* * * The Communist Party under instructions from the Comintern (Moscow) has from time to time pursued policies in direct violation of the laws of the United States. * * * Moscow has from the very beginning of the Communist Party in the United States supplied the party here with funds for its subversive activities."

Now, let us look at the Communist Government at work against nations of freemen in its "cooperating * * * for the preservation of the peace of the world."

On August 22, 1939, the world was startled by an alliance of Fascist Hitler and Communist Stalin. This was no surprise to thinking people to whom the blood brotherhood was well known. It was embarrassing to a vast number of pseudoliberals who had tried to envisage fascism as the sole living devil of civilization.

Nine days after this junction these governments simultaneously attacked independent Poland. They destroyed the freedom of a great people.

Fourteen days later the independence of Latvia and Estonia was destroyed.

We move on again for 60 days. On November 30 last came the unprovoked attack by Russia upon little Finland. Here the might of 160,000,000 Russians was thrown against 3,500,000 peace-loving and liberty-loving Finns. Do I need to describe these scenes? Where before in all civilized time has the slaughter of women and children been applied in an attempt to force the surrender of courageous men?

Is all this "cooperation for the peace of the world"?

We may explore certain other consequences of this recognition of Soviet Russia directly upon American life.

As a sop for the recognition, an appeal was made to the cupidity of the American people. We were told in 1933 that upon this recognition Russia would buy a vast amount of American goods. A good part of American business was brought to support recognition by huge promises of new business.

What is the record? During the almost exactly 6 years from the day of Russian recognition down to the day Poland was attacked we sold a total of about $200,000,000 worth of goods to 160,000,000 people in Russia. That is less than 7 percent of what we sold 10,000,000 people in Canada in the same period. It is a curious commentary that in the 6 years prior to the recognition we sold Russia almost $500,000,000, or more than twice as much.

The copybooks one time said that good does not come out of evil.

Nor should I neglect to mention another item. Prior to 1934 we refused to allow the import of Russian gold. Since recognition we have bought directly and indirectly over $300,000,000 in

gold from Russia at $35 per ounce. A large part of this gold is produced by the bleeding fingers of hundreds of thousands of farmers who have been condemned to Siberia for no reason but that they wanted to farm their own farms. That gold is produced by forced labor. It helps the Soviet Government finance the destruction of small nations.

And another commentary on this whole bloody trade is that in the 5 months since Poland was attacked our sales of goods to Russia have increased 300 percent. That represents a large addition of gasoline, copper, alloys, etc., to aid in the subjugation of the liberties of the Finns and the Poles or other peoples.

LABOR PAYS THE PRICE

But there are still more overriding consequences. One result of recognition of the Soviet Government is its interference in American domestic life.

That recognition in 1933 was vigorously protested by such responsible leaders of American labor as William Green, John Frey, Matthew Woll, and others as endangering the whole American labor movement. It was protested by thinking men and women everywhere.

Benjamin Stolberg, in a notable article a few months ago, gave an illuminating exposure of the subsequent Communist penetration of American labor unions under Moscow's direction and the consequences:

"They organize whispering campaigns of unprintable character-assassination against critics. They bring pressure to bear on every worker. * * * In unions which have employment departments they never send a known anti-Communist to a job. * * * They try their best to get him fired. * * * Their two principal techniques are organized confusion and organized terrorism. * * * The Communists have never hesitated either to break strikes or to precipitate irresponsible walk-outs. * * * The Communists called almost 200 unauthorized sit-downs."

Similar evidence has been given by labor leader after labor leader struggling on one hand to maintain the fundamentals of free men against the Communists and on the other to maintain the rights of labor with employer.

The free speech and free press that are essential to liberty give the Communists the full right to expound a fantastic philosophy under which free speech would be suppressed. But they have not been content with peaceful exposition. They have repeatedly organized disturbances of the public order as a means of propaganda.

Hunger marches of well-fed men, stimulating riots, were a specialty of the Communist front unemployed councils in various parts of the country.

THE TRUTH ABOUT THE BONUS MARCH

It is now established by their own confessions that it was the Communist front Workmen's Ex-Service League that organized the bonus march of deluded veterans on Washington. After Congress had refused their proposals and the administration had paid the fare home of all veterans who had come in good faith, the Communists provoked attacks upon the police in the streets of the National Capital. At that time we identified hundreds of Communists among them who were not veterans at all.

The District authorities finally demanded troops to prevent the killing of men in these riots. After the troops took charge not one shot was fired, not one man injured.

The lie that a Republican administration had slaughtered innocent veterans of the American Army was made a part of the campaign in 1932.

These are only samples.

There has been much interference in our American political life. Not content to follow Democratic processes by organizing their own open political party and seeking change of government through the ballot, they, their fellow travelers, and their false-front organizations have been active within other political parties. I do not for a moment suggest that the New Deal is Communist. But it has neither refused their aid nor properly exorcised them from New Deal support. It is unnecessary to recite the now publicly known labors of Earl Browder, Moscow, and the Communist press to attain this end.

And not the least of their services were as distributors of sewer literature, lies, smears, slander, and libel, with which they flooded the ignorant. They emerged into the role of organized poisoners of the minds of the American people.

If it were not for the back drop of tragedy there might be grim humor in President Roosevelt's wishes and warm congratulations to the Soviet Government on its seventeenth anniversary.

Of far deeper importance than all this is the corruption of the spirit of liberalism itself. The basic philosophy of our national life is liberalism in its historic sense. The first pillars of liberalism are intellectual and spiritual liberty. That is freedom of thought, speech, press, and worship. Through representative government, equality of rights, government by law, not by men, we sought that minorities and individuals may live in security. Around this structure were built all the details of justice, of trial by jury, of regulation against oppression and exploitation.

Essential to intellectual and spiritual liberty is also economic freedom. That is the right of men to choose their own jobs, to undertake their own adventures, to receive and enjoy the reward of their own efforts, to save for their families and for their old age.

We stand for economic liberty, for free enterprise regulated to prevent abuse, not because it is a property system or a capitalist system or a profit system or a chamber of commerce slogan. We are for it because we know that it is inseparable from intellectual and spiritual freedom. It has been proved a thousand times that economic liberty cannot be suppresed without suppressing every other liberty. And the most monumental proof of all time is communism, and its great exemplar is Soviet Russia.

Liberalism calls for more than even intellectual, spiritual, and economic liberty and the security of these rights. It calls for respect for the dignity of men. It calls for the development of the individual character in men and women, free of fear and filled with hope. It calls for mercy, for compassion, for tolerance. It holds that the sum of individual accomplishments and character of men makes the sum of human progress.

Having stated these perhaps commonplaces of liberalism, does anything of this sort exist in Russia under communism?

What have been the reflexes of this clash in fundamentals upon American liberalism? We have always possessed a large group of sympathetic, idealistic minds who are impatient with the slow and ofttimes discouraging processes of democracy in remedy of injustices. They sincerely welcome each new human hope.

From the outbreak of communism in Russia, the ranks of American liberals were at once split. A considerable group gave sympathy and credulity to the Communist revolution, sincerely believing it was the new hope for Russia. Soon they were justifying every atrocity, every phase of this despotism. From the gradual drinking of this poison men who believed themselves liberals fell into support of collectivism in some form. At once went up the cry of "Recognize Russia." It became a slogan whereby those who did not bow down were denounced as reactionary.

In any event we have seen a strange hybrid that can be called "totalitarian liberalism." We have seen it in so-called liberal publications. We have seen it in some college professors. We have seen it in some misled youth. We have seen it in the Halls of Congress. We have seen statism planted in the American Government.

THE NEED AND THE REMEDY

This attitude of the mind—the belief that the expansion of Government dictation creates liberty—appears to be the philosophy of these "totalitarian liberals."

And yet many such people become indignant if one suggests they are not liberals. Some of them in the past few months have drawn back in horror from the picture now exposed. Our newspaper columns are full of explanations, and some forthright apologies.

Today the need among intellectuals in the United States is to conserve liberalism from this totalitarian aberration. For a demon has entered into the minds of many liberal men and women that, like the demon of the Gadarene swine, will plunge them and us over a precipice.

What does all this add up to?

Soviet Russia, since the New Deal formally granted recognition to Stalin's government, has been poisoning vigorously the intellectual and spiritual life of this country. Moscow has maintained in this country a vast propaganda machine, not to make us friendly to Russia, but to control and dominate the political and economic life of America. It seeks to foment race hatred among those of our own citizens whom they call the minorities—that is, the Negroes and the foreign-born. It seeks to stir up class hatred among the American people.

Soviet Russia, through this machine, seeks to influence the attitude of the United States in its relations to other countries that would involve us in power politics.

The facts that I have related become plainer every day. Yet we are holding in friendship the red hand that grabbed a part of Poland and forced a treaty that despoiled Finland.

The recognition of Soviet Russia was a gigantic political and moral mistake. It was not a mistake proved from change of circumstance. It was a mistake obvious from the beginning.

Would it not establish self-respect, would it not contribute to reestablish moral standards in a sorry world, if we took some action?

To withdraw technical recognition at this time of a world aflame might be misinterpreted as warlike. But the moral equities would be at least reasserted if we withdrew our Ambassador and left the technical representation of a chargé d'affaires. Why are we more tender of tyranny in Communist Russia than in Nazi Germany?

We criticize some of our youth because we say they are "red." We criticize certain labor unions because we say that they are dominated by Communists. We arrest certain Americans because they serve Soviet Russia in this country illegally. Yet we do not stop to think that it was our own Government that set the mark of respectability on Soviet Russia and the things these people advocate.

THE CALENDAR

Mr. BARKLEY. I ask unanimous consent that the Senate proceed to the consideration of bills on the calendar to which there is no objection.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The clerk will state the first measure on the calendar.

The first business on the calendar was the resolution (S. Res. 58) providing that a calendar day's notice shall suffice in connection with suspension of a rule.

Mr. VANDENBERG. Let the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

The resolution (S. Res. 74) providing for a Committee on Civil Aviation was announced as next in order.

Mr. VANDENBERG. Let the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

The joint resolution (S. J. Res. 45) to amend the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes," was announced as next in order.

Mr. KING. Let the joint resolution go over.

The VICE PRESIDENT. The joint resolution will be passed over. The bill S. 783) to amend the act, as amended, entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States," approved February 7, 1925, was announced as next in order.

Mr. KING. Mr. President, several of these Indian bills are on the calendar. We are not ready to report on them. Let them go over. They are Senate bills 783, 790, 1222, 767, and 864.

The VICE PRESIDENT. The bills will be passed over.

The bill (S. 1303) to amend the Agricultural Adjustment Act of 1938, as amended, with respect to cotton, was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 795) to provide for the education of all types of physically handicapped children, to make an appropriation of money therefor, and to regulate its expenditure, was announced as next in order.

Mr. LODGE. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 570) to regulate interstate and foreign commerce in agricultural products; to prevent unfair competition; to provide for the orderly marketing of such products; to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production, and for other purposes, was announced as next in order.

Mr. McKELLAR (and other Senators). Over. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1305) to promote the general welfare through appropriation of funds to assist the States and Territories in providing more effective programs of public education was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2203) to amend certain sections of the Social Security Act was announced as next in order.

Mr. LODGE. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S. J. Res. 34) for the relief of W. K. Richardson was announced as next in order.

Mr. KING. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 517) to amend the Communications Act of 1934 to prohibit the advertising of alcoholic beverages by radio was announced as next in order.

Mr. KING. I should like an explanation of the bill.

The PRESIDENT pro tempore. An explanation is requested.

SEVERAL SENATORS. Over. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1730) to amend the civil-service law to permit certain employees of the legislative branch of the Government to be transferred to positions under the competitive classified civil service was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1650) to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 915) to provide for the more expeditious settlement of disputes with the United States, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, the House has passed a bill substantially the same in character.

Mr. ASHURST. Mr. President, pardon me—the House has passed House bill 6324.

Mr. KING. Yes; and I shall move that the House bill be placed upon the calendar; and at a later date, after conferring with our leader, I shall ask for the consideration of the House bill.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1740) to promote business and economic research in the United States by establishing and maintaining in connection with State university schools of business administration, research stations to cooperate with the Department of Commerce was announced as next in order.

Mr. CHANDLER. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 145) proposing an amendment to the Constitution of the United States relating to old-age assistance was announced as next in order.

SEVERAL SENATORS. Over. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 1296) to amend paragraphs (b), (c), and (d) of section 6 of the District of Columbia Traffic Act, 1925, as amended by the acts of July 3, 1926, and February 27, 1931, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 84) proposing an amendment to the Constitution of the United States for a referendum on war was announced as next in order.

Mr. VANDENBERG. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The joint resolution (S. J. Res. 140) proposing an amendment to the Constitution relating to the power of the Congress to declare war was announced as next in order.

Mr. VANDENBERG. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 2687) to establish a circuit court of appeals for patents was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 409) to protect American labor and stimulate the employment of American citizens on American jobs was announced as next in order.

Mr. SCHWELLENBACH. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 5643) to invest the circuit courts of appeals of the United States with original and exclusive jurisdiction to review the order of detention of any alien ordered deported from the United States whose deportation or departure from the United States otherwise is not effectuated within 90 days after the date the warrant of deportation shall have become final; to authorize such detention orders in certain cases; to provide places for such detention; and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2573) to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of regulating interstate and foreign commerce in rice and providing for the orderly marketing of rice at fair prices in interstate and foreign commerce was announced as next in order.

Mr. CHANDLER. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1970) to eliminate certain oppressive labor practices affecting interstate and foreign commerce, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2830) to provide for the registration of aliens was announced as next in order.

Mr. SCHWELLENBACH. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2510) to promote the general welfare through the appropriation of funds to assist the States and Territories in providing more effective programs of public kindergarten or kindergarten and nursery-school education was announced as next in order.

Mr. LODGE. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (H. J. Res. 367) to authorize the Secretaries of War and of the Navy to assist the governments of American republics to increase their military and naval establishments, and for other purposes was announced as next in order.

SEVERAL SENATORS. Over. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The resolution (S. Res. 168) providing for an investigation of the immigration of aliens into the United States was announced as next in order.

Mr. SCHWELLENBACH. Let the resolution go over.

The PRESIDENT pro tempore. The resolution will be passed over.

PHOSPHATE RESOURCES

The joint resolution (S. J. Res. 199) amending Public Resolution 112 of the Seventy-fifth Congress, and Public Resolution 48 of the Seventy-sixth Congress, was announced as next in order.

Mr. BARKLEY. May we have an explanation of the joint resolution? It was reported by the Senator from South Carolina [Mr. BYRNES].

Mr. KING. Let it go over.

Mr. BYRNES. Mr. President, the Senator from Florida [Mr. PEPPER] wanted to make a statement about the joint resolution. He is not here. I suggest that it go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

Mr. BYRNES subsequently said: I ask unanimous consent to return to Senate Joint Resolution 199, which was passed over only a few moments ago. I make that request because the Senator from Florida [Mr. PEPPER] may not return before the call of the calendar has been completed.

The joint resolution, which was reported from the Committee to Audit and Control the Contingent Expenses of the Senate, simply provides for an extension of time within which the Joint Congressional Committee to Investigate the Adequacy and Use of the Phosphate Resources of the United States can report its findings. The joint resolution does not appropriate any additional money. It simply extends the time for the filing of the committee's report.

Mr. KING. It does not continue in force the authority and power of the committees to hold hearings and make investigations, but merely extends the time within which it shall report?

Mr. BYRNES. That is all.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. Without objection, the Senate will return to the joint resolution.

The joint resolution (S. J. Res. 199) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the life of the committee provided for by Public Resolution No. 112 of the Seventy-fifth Congress creating a Joint Congressional Committee to Investigate the adequacy and Use of the Phosphate Resources of the United States, and Public Resolution No. 48 of the Seventy-sixth Congress, and the time for making its final report is extended to January 15, 1941.

BILLS PASSED OVER

The bill (S. 3130) relating to the citizenship and compensation of certain employees on military construction work in the Panama Canal Zone was announced as next in order.

Mr. BARKLEY. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 7941) relating to the citizenship and compensation of certain employees on military construction work in the Panama Canal Zone was announced as next in order.

The PRESIDENT pro tempore. This bill and the preceding one are identical bills.

Mr. KING. Let them both go over.

The PRESIDENT pro tempore. The two bills will be passed over.

The bill (H. R. 169) to facilitate the control of soil erosion and flood damage originating upon lands within the exterior boundaries of the Cleveland National Forest in San Diego County, Calif., was announced as next in order.

Mr. McKELLAR. May we have an explanation of the bill? Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 2009) to facilitate the control of soil erosion and flood damage originating upon lands within the exterior boundaries of the Angeles National Forest was announced as next in order.

Mr. WHITE. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 2417) to facilitate the control of soil erosion and flood damage originating upon lands within the exterior boundaries of the Sequoia National Forest, Calif., was announced as next in order.

Mr. WHITE. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3226) to facilitate and simplify national-forest administration, was announced as next in order.

Mr. ADAMS. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3136) to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws, was announced as next in order.

SEVERAL SENATORS. Over. Over.

The PRESIDENT pro tempore. The bill will be passed over.

JOHN C. CROSSMAN

The bill (S. 3339) for the relief of John C. Crossman was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. SHEPPARD. Mr. President, the Committee on Claims, in reporting the bill, state that after looking into it carefully they believe that it is very meritorious, and should be approved. Mr. Crossman was at maneuvers held by the National Guard, and while in the line of duty he sustained these injuries.

Mr. McKELLAR. Mr. President, did the Department recommend the passage of the bill?

Mr. SHEPPARD. The Secretary of War did not recommend it, but the Committee on Claims had his recommendation before it when it passed on the matter.

Mr. McKELLAR. Let the bill go over, if the Secretary did not recommend its passage.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (H. R. 5089) conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representative of the estate of Rexford M. Smith was announced as next in order.

Mr. AUSTIN. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

BILL INDEFINITELY POSTPONED

The bill (S. 2455) to confer jurisdiction on the Court of Claims to hear and determine the claim of Mount Vernon, Alexandria & Washington Railway Co., a corporation, was announced as next in order.

The PRESIDENT pro tempore. This bill has been adversely reported.

Mr. KING. I presume we should take some action upon it.

The PRESIDENT pro tempore. Without objection, the bill will be indefinitely postponed.

RESOLUTIONS AND JOINT RESOLUTION PASSED OVER

The resolution (S. Res. 232) limiting debate on general appropriation bills was announced as next in order.

Mr. VANDENBERG. Let the resolution go over.

The PRESIDENT pro tempore. The resolution will be passed over.

The joint resolution (S. J. Res. 114) authorizing the Bureau of Labor Statistics to make studies of productivity and labor costs in industry was announced as next in order.

Mr. VANDENBERG. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The resolution (S. Res. 240) further continuing Senate Resolution 711, Seventy-fourth Congress, authorizing an investigation of railroad financing and certain other matters was announced as next in order.

Mr. WHITE. Let the resolution go over.

The PRESIDENT pro tempore. The resolution will be passed over.

EXTENSION OF COMMODITY EXCHANGE ACT TO HIDES

The Senate proceeded to consider the bill (S. 2377) to amend the Commodity Exchange Act as amended, to extend its provisions to hides, which was read as follows:

Be it enacted, etc., That the third sentence of subsection (a) of section 2 of the Commodity Exhange Act, as amended, is amended to read as follows: "The word 'commodity' shall mean wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, mill feeds, butter, eggs, Solanum tuberosum (Irish potatoes), wool tops, and hides."

Mr. BARKLEY. May we have an explanation of the bill?

Mr. LODGE. Mr. President, I shall be very glad to explain the bill. It is a measure to put hides under the Commodity Exchange Act. That is all that the bill proposes to do. It is endorsed by the Acting Secretary of Agriculture and by all the Government authorities concerned.

When other commodities were put under regulation hides were left out. Speculation developed in hides which caused a very abnormal price situation. The bill, if enacted into law, would subject hides to the same type of regulation. It would result in the consumer paying less and the producer receiving a better price, and I think would be satisfactory to all concerned.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. ASHURST. The fact that the bill originated in the Senate gives assurance that it does not in any way look toward free trade in hides. I am very much opposed to any movement being taken looking toward the reduction of the tariff duty on hides.

Mr. LODGE. I can assure the Senator that such an idea is furthest from my mind.

Mr. ASHURST. I was about to say, the fact that it is a Senate bill gives such assurance. But we have to be on guard for it will be recalled that a leading Republican statesman of bygone days, a man of transcendent genius and great power, was always eager to have free trade in hides. I refer to James G. Blaine. I am opposed to any movement looking toward free trade in hides or any other product of the farm. I have not had time to examine the bill, but I am glad to take the assurance of the able Senator from Massachusetts that it will assist the cattle raisers in getting a higher price for the hides he produces.

Mr. LODGE. I think that would be the result. I am not so eloquent a protectionist as is the Senator from Arizona, but I am just as convinced a one.

Mr. ASHURST. I believe that.

Mr. BARKLEY. Mr. President, will the Senator from Massachusetts yield?

Mr. LODGE. I yield.

Mr. BARKLEY. If I understand the bill, it subjects hides to the same regulation with respect to the commodity markets that is now in force with respect to other commodities under the control of the Department of Agriculture and other agencies of the Government pertaining to that problem.

Mr. LODGE. That is correct.

Mr. BARKLEY. It has no relationship whatever to duties on importations, or anything like that. It is purely a domestic regulation.

Mr. LODGE. Purely and simply.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. LODGE. I yield.

Mr. KING. Would the bill permit any organization of the Department of Agriculture, or of the Federal Government, to fix the prices which shall be paid in the sale of hides?

Mr. LODGE. Oh, no; I do not think that would be the effect at all.

Mr. KING. It is not intended to make any agency of the Government a price-fixing agency?

Mr. LODGE. Not in the slightest degree. Nothing is further from the thought behind the bill than that.

Mr. McNARY. Mr. President, the bill would place hides in the category with the other commodities, and permit the corporation to make loans, that is all. It contains no price-fixing factor at all.

Mr. LODGE. It is a bill very limited in its scope.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PAYMENTS TO COUNTIES UNDER THE TENNESSEE VALLEY AUTHORITY ACT

The bill (S. 2925) to amend the Tennessee Valley Authority Act of 1933 was announced as next in order.

Mr. KING. Let us have an explanation of the bill.

Mr. DANAHER. Mr. President, would the Senator from Nebraska be willing to explain the bill?

Mr. NORRIS. Mr. President, I have tried to make a full explanation of the bill in the report. The object is to permit the Tennessee Valley Authority to pay certain amounts of money derived from power activities in lieu of taxes. It is important now particularly because of the acquisition several months ago of the Tennessee Electric Power Co.'s property.

The only provision in the Tennessee Valley Act as now written in regard to the payment of money in lieu of taxes is in section 13 of the original act. That does not permit the payment of money in lieu of taxes in any of the States except Tennessee and Alabama, and there only to a limited extent. This bill would repeal section 13 of the original act, and enact a new section 13, intended to apply to the entire territory covered by the Tennessee Valley Authority Act, and it would make applicable to all of the States a provision similar to that now applicable to the two States.

Does the explanation cover the question in the mind of the Senator from Connecticut?

Mr. DANAHER. Mr. President, I thank the Senator from Nebraska sincerely for his courteous cooperation with me in this particular. However, I have expressed to him in private conference with reference to the matter phases of doubt which it seems to me ought to be explored. Particularly, if we look at page 1, line 10, of the bill, we find an amendment which would authorize and direct payments to counties within the States.

Mr. NORRIS. Will the Senator permit me to say a word?

Mr. DANAHER. Certainly.

Mr. NORRIS. I have tried to explain to the Senator privately that there are several amendments which, if agreed to, would result in the T. V. A. paying the money raised by T. V. A. sale of power to the States, permitting the States to distribute it as they would distribute any other tax money to the counties and other subdivisions of the States.

Experts appeared before the committee, representatives of the Governors of two or three of the States, and, while they were all in favor of the bill, they wanted to have the Tennessee Valley Authority pay the money directly to the counties in the States, and thus obviate the necessity of the States' dividing the money up as they would divide up tax money. There was agreement among the experts of the States who participated in the discussion and study of the question, who did not want the States to handle the matter; and under section 13 as it now stands there is provision for the payment to the State of Alabama and to the State of Tennessee of a certain percentage in lieu of taxation. It was intended by Congress, I take it—I know it was my thought—that by State law the States would provide for dividing the money as they would divide any other money if it were paid as direct taxes, but the States did not do that, and the counties did not get any of the money.

The Senator remembers that in the bill as it was introduced there is a statement that it is the intention of Congress that the States should divide the money as if it were real tax money. But, of course, Congress has no jurisdiction to compel the States. It was simply an expression that it was the intention of Congress when it passed the law that that should be done.

The counties represented are not satisfied with that. They would be satisfied if the money were divided as the law intended it should be divided, but the States have not divided it; and what assurance have we now that they would divide it? The result is that all the money provided in lieu of taxes would go to the States, and the States would not give the counties any of it. Especially in two or three counties in Tennessee and one or two in Georgia a hardship would result if that should occur. So they ask that the law be amended so that the money would be paid directly to the counties instead of the States, and the amendments proposed are intended to carry that out.

I have no objection to the matter being taken care of in that way. It would create a little more work for the Tennessee Valley Authority; but they can do it. Two or three counties are struck very hard when the taxes are taken away from them by States. I have stated the object of the amendment. The Senator from Alabama has some amendments to offer in addition to what I have referred to, carrying out the same idea, to which I have no objection.

Mr. DANAHER. My apprehension arises from a deviation from principle, even from the principle of the original T. V. A. Act, which is contemplated by the pending bill. The Senator has in his answer to me already remarked upon the fact that Congress itself has no jurisdiction to tell the States how to apportion the money, or even to cause or force the States to distribute the money fairly. Yet, if we pass the bill in its present form, we will say that the Congress, which confessedly has no such power, will authorize the T. V. A. to do that very thing.

Mr. NORRIS. There is no question, in my judgment, and I have never heard of a doubt being entertained, that Congress can pass a law covering the situation. These are not my amendments. If I knew that the States would perform the duty which we intended and wanted them to perform, I should be opposed to the amendments. But I have no objection to having the matter taken care of in the way proposed, if that is the only hope of the counties getting the money. It is a real hardship to some of the counties to carry on their schools, because it happens that in taking over the property of the Tennessee Electric Power Co. there were a few small counties in which the major portion of the taxes came from generating plants within the counties, and the taxes collected on the remainder of the property was not sufficient to pay the running expenses of the county. All the bill attempts to do is to provide that those counties would not suffer that hardship. If the States should not pass laws providing for division of the money, they would continue to suffer, and would, I think, have to close down some of their necessary activities, such as the operation of their schools.

Mr. DANAHER. I would have more confidence in the bill and the amendments if the amendments had been offered by the Senator, but if we can delegate to the Tennessee Valley Authority the power to allocate these funds among the suffering counties rather than to have the States themselves do it, I apprehend that the next step will be for us to allocate funds from the Tennessee Valley income, as provided by the bill, to a particular county.

It seems to me, Mr. President, that if we transcend what has hitherto been established as the principle in section 13 of the original Tennessee Valley Authority Act, we extend to an inordinate degree the principle of delegating to the T. V. A. an authority which we ourselves do not have. The complaint of the counties which are affected properly should lie against their own States.

Mr. NORRIS. I admit that. They do, of course, make such complaint. But they say "The State does not perform its duty. We fear that it will not perform its duty, and if it does not do so we will continue to suffer."

Mr. DANAHER. Before we act on the committee amendments to the bill, is the Senator from Nebraska able to explain to us the purport of the amendments of the Senator from Alabama [Mr. BANKHEAD], which the Senator from Nebraska said would be forthcoming?

Mr. NORRIS. Yes.

Mr. DANAHER. Would the Senator please do so?

Mr. NORRIS. I think I am sufficiently familiar with the amendments offered by the Senator from Alabama, which I think are printed. They are not contained in the report. They were offered after the report was submitted. They simply carry out in two or three instances certain objectives which, in the judgment of the Senator from Alabama, the committee amendments do not carry out. The amount of payments is not increased by those amendments. The amount of payments is not changed in any way. While I think the amendments are unnecessary—and I told the Senator from Alabama so—yet they cannot do any harm. I think they are harmless. They all have a tendency only to increase the amount of labor—and that increase will be considerable—on the part of the T. V. A. However the T. V. A. is not objecting. The consumers of the T. V. A. power are paying the taxes now. That matter was all considered when the rates were fixed. There will be no change in the rates. There will be no change in the wholesale rates. The purpose is simply to give to those counties which are going to suffer, the compensation they would get in the way of taxes, if this property were privately assessed, that is all. There is nothing else to the proposal.

Mr. DANAHER. Let me say to the Senator from Nebraska that in the committee report we read this sentence:

> The experts representing the various localities and States and the experts of the Tennessee Valley Authority have worked out a solution, however, which is satisfactory to all parties concerned, and this bill is intended to carry out and give effect to the agreement so reached.

What it amounts to, as I understand, is that the affected counties and the Tennessee Valley Authority have, dehors the Congress, so to speak, entered into an arrangement of their own which we are to make effective by passing this

bill, as amended. Accordingly I wrote to the Tennessee Valley Authority a few weeks ago, posing a series of questions based on that agreement, and asked them if they would give me the facts with reference to the agreement. To that letter I have received no reply.

It seems to me that if the agreement had been worked out I should have had a reply by now. I am not criticizing the Tennessee Valley Authority, for the obstacles may be greater than I supposed, but I was basing my letter on the report before us. I ask the Senator from Nebraska if he does not feel that the principle involved is such that we should have all the light possible on the matter, and therefore not act on the bill or the amendments to it at this time?

Mr. NORRIS. I shall have no objection if the Senator from Connecticut wants further time. The necessity for having the proposed legislation passed sometime during the present session is very great, because the counties will commence to suffer when they fail to receive the taxes which they otherwise would receive. The purpose of the bill is to afford relief to the counties.

This matter has been the subject of discussion and analysis among T. V. A. officials for more than 2 years, as I recall, and they have worked out an agreement. It is something that the T. V. A. lawyers intended to comply with, something that the original act intended they should do, and the purpose of the pending legislation is to relieve localities on which a severe burden has been placed by reason of the peculiar circumstances existing in several counties.

I am sorry the Senator has not received a reply to his letter from the authorities of the T. V. A., and I cannot understand why he has not received a reply. I have been in constant touch with the matter for the last couple of years. I have devoted a great deal of time to correspondence and discussion with State organizations and State authorities. They have all finally come to one conclusion. They had divergent opinions at different times, but they have all come to a conclusion as to what is the proper way to divide the money which the T. V. A. is anxious to pay in lieu of taxes. The T. V. A. is not making an agreement it has no authority to make. It was faced with a certain situation. It has met it. After long deliberation, and considerable expense, the T. V. A. reached a conclusion, and in the bill I am simply trying to carry out that conclusion, not because the T. V. A. agreed to it, but because it is a part of the intention expressed in the original Tennessee Valley Authority Act.

Mr. President, it always has been my belief that when property, which had theretofore been taxed, was taken over by public authorities for the generation and sale of power, there should be paid in lieu of taxes an equivalent sum of money. The Senator can understand——

Mr. DANAHER. I do.

Mr. NORRIS. That one of the things I have contended all the time is that Congress would never, for a moment, subject the property of the United States to taxation by local authorities. I think the Senator will not disagree with me on that proposition at all.

Mr. DANAHER. No.

Mr. NORRIS. When the Government of the United States is itself making a profit from the transaction, we want to make fair provision in lieu of taxes, and that should be done under the theory of the T. V. A. Act itself.

Mr. DANAHER. Mr. President, let me conclude by saying for the RECORD that when confessedly the Congress has no power to tell the States how to apportion the money, and when confessedly the remedy at present lies between the counties and the States, I am apprehensive that local authorities in the future may easily make an agreement with the creature of the Congress, if you please, with reference to the allocation of taxes, and we will have no further authority over them.

Mr. NORRIS. That could not be done unless——

Mr. DANAHER. That is inherent in this proposal.

Mr. NORRIS. That could not be done unless we pass this measure.

Mr. DANAHER. I understand.

Mr. NORRIS. There is no intention of doing it without the approval of Congress.

Mr. DANAHER. I know, but if we, who lack the authority to tell the States what to do, give the Tennessee Valley Authority power to do what we cannot do, we open up the possibility of a situation which conceivably can be fraught with real difficulty. There is the argument as a matter of principle.

Mr. NORRIS. It is true we as a Congress cannot do that, and we are authorizing the T. V. A. to do something which the States could do, which we want the States to do, and what we intend shall be done. There is not anything wrong in it except that it is not so straight a route. It is a little more circuitous to provide that the money should be paid direct to the counties, instead of being paid to the States and then to the counties.

The Senator does not think for a moment, does he, that there is any intention of trying to do something here that is not square, or fair, or anything of that kind?

Mr. DANAHER. Oh, Mr. President, obviously not. My conversations with the Senator from Nebraska in private on this very matter must have convinced the Senator of the earnestness of my inquiry.

Mr. NORRIS. Yes.

Mr. DANAHER. My thought with reference to it is that it is so important a matter—and we have never before taken such action in our history—that we ought to know all the facts and circumstances involved before we pass the bill.

Mr. NORRIS. If the Senator wants more time, or anything of that kind, I shall agree that the bill go over, provided it does not go over beyond the present session of the Congress, or remain unacted upon anywhere near the end of the session. If the Senator desires, let the bill go over.

Mr. DANAHER. Then, Mr. President, let the bill go over, and I will renew my inquiry and see what the situation is.

Mr. NORRIS. Very well.

Mr. DANAHER. I thank the Senator from Nebraska.

The PRESIDENT pro tempore. The bill will be passed over.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had passed the bill (S. 2635) to amend the Federal Crop Insurance Act, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 3840) to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAY, Mr. THOMASON, Mr. HARTER of Ohio, Mr. ANDREWS, and Mr. ARENDS were appointed managers on the part of the House at the conference.

BILLS AND RESOLUTION PASSED OVER

The bill (H. R. 6480) to amend the Agricultural Adjustment Act of 1933 was announced as next in order.

Mr. KING. Mr. President, may we have an explanation of the bill?

Mr. McNARY. The able Senator from North Dakota [Mr. FRAZIER] is necessarily absent.

Mr. KING. Perhaps we ought not to proceed until the Senator from North Dakota is present. I have no personal objection to the measure, but I think it is important that an explanation be made of it, and, therefore, I ask that it be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3368) to amend the Civil Service Retirement Act and other retirement acts was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 5784) to provide for the conservation and transfer of accumulated sick leave and vacation time due classified civil-service employees who succeed to the position of postmaster, and for other purposes, was announced as next in order.

Mr. McKELLAR. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 7643) to facilitate and simplify national-forest administration was announced as next in order.

Mr. ADAMS. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 231) favoring the deletion from the Sixteenth Census population schedule of inquiries Nos. 32 and 33, relating to compensation received, was announced as next in order.

SEVERAL SENATORS. Over. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (H. R. 6751) to repeal certain laws with respect to manifest and vessel permits was announced as next in order.

Mr. KING. Mr. President, may we have an explanation?

The PRESIDENT pro tempore. The chairman of the Committee on Commerce is not in the Chamber at the moment.

Mr. KING. Let the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes, was announced as next in order.

Mr. KING. Let that bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 6884) to encourage travel in the United States, and for other purposes, was announced as next in order.

Mr. VANDENBERG. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

EMPLOYEES ENGAGED IN CONSTRUCTION OF PANAMA CANAL

The bill (S. 1162) to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal was announced as next in order.

Mr. KING. Mr. President, let us have an explanation.

Mr. TOWNSEND. I ask that the bill be passed over.

Mr. PEPPER. Mr. President, was objection made to Calendar No. 1388?

The PRESIDENT pro tempore. Objection was made.

Mr. PEPPER. I should like to make a brief explanation of that bill if the objector would be gracious enough to withhold his objection.

Mr. TOWNSEND. I shall be glad to withhold my objection while the Senator makes his explanation.

Mr. PEPPER. I made a brief explanation of the bill when the calendar was called last week. The bill simply provides for recognition of those employees of the Panama Canal who were in residence upon the Isthmus itself, and who were actually engaged for as long as 3 years upon the construction of the Canal.

The fact that this class of employees has been discriminated against by not having had any recognition, while officers of the Public Health Service and of the Army and Navy have had recognition, is attested, in the first place, by a letter from Theodore Roosevelt. I do not know whether or not the Senator heard the letter read during the previous call of the calendar. President Theodore Roosevelt had the following to say in 1916, in a letter to Mr. C. O. Simmons, Washington representative of the Panama Canal Employees Association:

> In view of the action taken by Congress in substantially rewarding certain officers of the United States Army, Navy, and Public Health Service who served for more than 3 years in the construction of the Panama Canal by providing for their promotion and retirement upon application, I can see no reason why the civilian employees who served for a similar period and who in any event would not benefit by the liberal pension arrangements provided for the service men, should not be rewarded by a like recognition.
>
> As one who was instrumental in getting this work under way and who has followed its progress with deep interest and keen satisfaction, I am greatly concerned in seeing proper recognition accorded the civilian employees. General Goethals has designated these men as the real builders of the Panama Canal. I sincerely trust that prompt action will be taken by Congress toward the early enactment of legislation to this end.

I have another letter, which I shall not read in detail, from General Goethals, dated January 22, 1916, in which he says in part:

> In the organization that accomplished the result, the work was so divided as to bring the service men in competition with the civilians, and the latter can truthfully claim that they accomplished results just as efficiently as, and in some instances more efficiently than the men who were selected for reward; and yet even in a blanket provision they are denied the recognition of Congress.

I also have testimony before the Interoceanic Canals Committee by a physician who was in the Panama Canal Zone as Assistant Chief of the Health Service. He points out that every one of these employees either had malaria or yellow fever, or lived in constant hazard of one or the other of those diseases.

If the Senator will read the report of the committee which has reported the bill, I think he will be disposed to withhold his objection.

Mr. TOWNSEND. I withdraw my objection.

Mr. PEPPER. I thank the Senator very much.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. REED. I object.

The PRESIDENT pro tempore. The bill will be passed over.

BILLS PASSED OVER

The bill (H. R. 5584) to amend the Canal Zone Code, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8150) providing for the barring of claims against the United States, was announced as next in order.

Mr. McNARY. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ADMINISTRATIVE PROCEDURE

The resolution (S. Res. 248) authorizing the printing as a Senate document of certain monographs published by the Attorney General's Committee on Administrative Procedure relative to the practices and procedures of several agencies of the Government was announced as next in order.

Mr. HAYDEN. Mr. President, this resolution appears upon the calendar because when it was reported by the committee the Senator from Utah [Mr. KING] said he wished to look into it. I understand he now has no objection to it.

Mr. KING. Mr. President, I ought to supplement that statement by the observation that I have had prepared a memorandum dealing with the same subject, which at a later date I may also ask to have printed as a public document.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to as follows:

> *Resolved*, That the monographs published by the Attorney General's Committee on Administrative Procedure embodying the results of the investigations made by the staff of said Committee relative to the practices and procedures of the Division of Public Contracts, Department of Labor; the Veterans' Administration; the Federal Communications Commission; the United States Maritime Commission; the Federal Alcohol Administration; the Federal Trade Commission; the Administration of the Grain Standards Act, Department of Agriculture; the Railroad Retirement Board; the Federal Reserve System; the Bureau of Marine Inspection and Navigation, Department of Commerce; the Administration of the Packers and Stockyards Act, Department of Agriculture; the Post Office Depart-

ment; the Bureau of the Comptroller of the Currency, Treasury Department; and the Federal Deposit Insurance Corporation, be printed as a Senate document; and that 1,300 additional copies be printed for the use of the Joint Committee on Printing.

BILLS PASSED OVER

The bill (H. R. 3838) to protect trade-mark owners, producers, distributors, and the general public against injuries and uneconomic practices in the distribution of competitive commodities bearing a distinguishing trade-mark, etc., was announced as next in order.

Mr. KING. May we have an explanation of the bill?

Mr. VANDENBERG. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1460) to provide uniform reciprocal hospitalization in any Army or Navy hospital for retired personnel of the Army, Navy, Marine Corps, and Coast Guard was announced as next in order.

Mr. KING. May we have an explanation of the bill?

Mr. REED. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

HOSPITALIZATION BENEFITS FOR CERTAIN RETIRED ARMY ENLISTED MEN

The bill (S. 1461) to remove discrimination against retired Army enlisted personnel and to equalize hospitalization and domiciliary benefits of retired enlisted men of the Army, Navy, Marine Corps, and Coast Guard was announced as next in order.

Mr. KING. May we have an explanation of the bill?

The PRESIDENT pro tempore. An explanation is called for with respect to Calendar 1416, Senate bill 1461.

Mr. JOHNSON of Colorado. Mr. President, the purpose of the proposed legislation is to grant to retired enlisted men of the Army hospitalization and domiciliary care on a parity with that now enjoyed by retired enlisted men of the Navy, Marine Corps, and Coast Guard. This bill would entitle enlisted men to enter any Army or Navy hospital without cost. That is the object of the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That hereafter retired enlisted men of the Army, Navy, Marine Corps, and Coast Guard, when hospitalized or domiciled in either an Army or Navy hospital or United States naval or United States soldiers' home, shall be extended such treatment or domiciliary care without cost.

That no charge, directly or indirectly, shall be made against the retired pay or allowances of retired enlisted personnel while hospitalized or domiciled in any Army or Navy hospital or United States naval or soldiers' home facility.

The preamble was agreed to.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 3243) to provide for a customhouse building at Miami, Fla., was announced as next in order.

SEVERAL SENATORS. Over. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 7233) to amend the act entitled "An act to provide for the disposition, control, and use of surplus real property acquired by Federal agencies, and for other purposes," was announced as next in order.

SEVERAL SENATORS. Over. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 228) for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts, was announced as next in order.

Mr. REED. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (H. R. 801) to assure to persons within the jurisdiction of every State due process of law and equal protection of the laws and to prevent the crime of lynching, was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3550) to make unlawful the transportation of convict-made goods in interstate and foreign commerce, was announced as next in order.

Mr. MILLER. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1681) to amend section 107 of the Judicial Code to create a mountain district in the State of Tennessee, and for other purposes, was announced as next in order.

Mr. REED. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 57) to provide for the use of net weights in interstate and foreign commerce transactions in cotton, to provide for the standardization of bale covering for cotton, and for other purposes, was announced as next in order.

Mr. KING. May we have an explanation of the bill?

Mr. MILLER. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

AMENDMENT TO SUBSISTENCE EXPENSE ACT OF 1926

The bill (S. 3373) to amend the Subsistence Expense Act of 1926, as amended by the act of June 30, 1932 (ch. 314, sec. 209, 47 Stat. 405), was announced as next in order.

Mr. KING. May we have an explanation of the bill?

The PRESIDENT pro tempore. An identical House bill, House bill 8508, is now before the Committee on Expenditures in the Executive Departments.

Mr. VAN NUYS. Mr. President, I ask unanimous consent that the Committee on Expenditures in the Executive Departments be discharged from further consideration of House bill 8508, and that the House bill be substituted for the Senate bill and be now considered.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Indiana?

There being no objection, the bill (H. R. 8508) to amend the Subsistence Expense Act of 1926, as amended by the act of June 30, 1932 (ch. 314, sec. 209, 47 Stat. 405), was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 3373 is indefinitely postponed.

INSTALLATION AND USE OF TELEPHONES IN FOREIGN SERVICE

The bill (S. 3527) to amend the act of August 23, 1912 (37 Stat. 414; U.S.C., title 31, sec. 679), was announced as next in order.

The PRESIDENT pro tempore. The Senate bill is the same as House bill 8772, Calendar 1495. Is there objection to the substitution of the House bill for the Senate bill?

There being no objection, the bill (H. R. 8772) to amend the act of August 23, 1912 (37 Stat. 414; U. S. C., title 31, sec. 679), was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3527 is indefinitely postponed.

ESTHER COTTINGHAM GRAB

The bill (H. R. 8530) for the relief of Esther Cottingham Grab was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 2890) to permit per diem employees of the Naval Establishment to work more than 8 hours per day under certain circumstances was announced as next in order.

Mr. McKELLAR. May we have an explanation of the bill? If not, let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. WALSH subsequently said: Mr. President, what disposition has been made of Calendar No. 1470, Senate bill 2890, page 11 of the calendar, a bill to permit per diem employees of the Naval Establishment to work more than 8 hours per day under certain circumstances?

The PRESIDENT pro tempore. The Senator from Tennessee [Mr. McKELLAR] objected to its consideration.

Mr. WALSH. I am glad to have that disposition made of the bill, because I desired to have it remain on the calendar for an amendment.

The bill (S. 2891) to amend the act of October 6, 1917, "An act to provide for the reimbursement of officers, enlisted men, and others in the naval service of the United States for property lost or destroyed in such service" was announced as next in order.

Mr. McKELLAR. May we have an explanation of the bill? If not, let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

TRANSFER OF UNITED STATES PRISONERS IN CERTAIN CASES

The bill (H. R. 9047) to provide for the transfer of United States prisoners in certain cases was considered, ordered to a third reading, read the third time, and passed.

PURCHASE OF CLOTHING AND OTHER SUPPLIES ISSUED TO VETERANS

The bill (H. R. 7660) to amend section 35B of the United States Criminal Code to prohibit purchase or receipt in pledge of clothing and other supplies issued to veterans maintained in Veterans' Administration facilities was considered, ordered to a third reading, read the third time, and passed.

JOINT RESOLUTION PASSED OVER

The joint resolution (H. J. Res. 265) authorizing the Bureau of Labor Statistics to make studies of productivity and labor costs in industry was announced as next in order.

Mr. KING. May we have an explanation, Mr. President?

Mr. REED. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

ADDISON B. HAMPEL

The bill (S. 3093) for the relief of Addison B. Hampel was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Addison B. Hampel, former postmaster at Greenville, Ind., such portion of the sum of $1,429.21 as the Comptroller General finds that the said Addison B. Hampel has paid to the United States on account of the claim of the United States against him arising out of the payment of salary to him as postmaster while he was also employed as a substitute railway postal clerk. The said Addison B. Hampel is hereby released from all liability to the United States arising out of payments to him for salaries during the period he was so employed as postmaster and as substitute railway postal clerk: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

GEORGE O. ELLIOTT AND WINSLOW FARR SMITH

The bill (S. 3424) for the relief of George O. Elliott and Winslow Farr Smith was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George O. Elliott and Winslow Farr Smith, both of Salt Lake City, Utah, the sums of $1,000 and $2,000, respectively, in full satisfaction of their claims against the United States, such sums representing fines imposed upon and paid by said claimants on February 2, 1937, in a certain cause in the District Court of the United States in and for the District of Montana (No. 5833), the judgment in said cause having been reversed by the United States Circuit Court of Appeals for the Ninth Circuit (95 Fed. 2d 669) as to said claimants' codefendants (but not as to said claimants since they did not join in said appeal) and said claimants having subsequently received a pardon from the President because of such reversal: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JOHN L. PENNINGTON

The bill (S. 3581) for the relief of John L. Pennington was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John L. Pennington, of Seattle, Wash., the sum of $168.40, in full satisfaction of his claim against the United States for reimbursement of expenses incident to official travel during period of employment as field agent, Railroad Retirement Board: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JOSEPH DOLAK

The Senate proceeded to consider the bill (S. 3123) for the relief of Joseph Dolak, father of Gene Dolak, deceased, which had been reported from the Committee on Claims, with an amendment, on page 1, line 5, after the words "the sum of", to strike out "$5,000" and insert in lieu thereof "$1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to Joseph Dolak, of Benton County, Iowa, father of Gene Dolak, deceased minor, in full settlement of all claims against the United States on account of the death of said Gene Dolak, who was struck and killed at Fort Des Moines, Iowa, while a member of the Citizens' Military Training Camp, by a United States Army truck, on July 30, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DR. HUGH G. NICHOLSON

The Senate proceeded to consider the bill (S. 881) for the relief of Dr. Hugh G. Nicholson, which had been reported from the Committee on Claims, with an amendment, on page 1, line 9, after the word "*Provided*", to strike out:

That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

And in lieu thereof to insert:

That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dr. Hugh G. Nicholson the sum of $3,300, in full settlement of all claims against the Government of the United States for medical services rendered to the Indians of Alaska from June 5, 1929, to January 8, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or

attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CAPT. ROBERT W. EVANS

The bill (S. 3400) for the relief of Capt. Robert W. Evans, was announced as next in order.

Mr. McKELLAR. May we have an explanation of the bill?

Mr. SHEPPARD. Mr. President, Captain Evans was the head of a C. C. C. camp. He was paying off the enrollees during a pay day and had $77 left. He placed the amount in the company's safe, as he was required to do, locked the safe, and put the key in his pocket. During the night the safe was robbed, and the $77 was taken. The War Department favors the bill, and the Board of Investigators favor it. Captain Evans was held to be not guilty of negligence.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims, with an amendment, at the end of the bill to add a proviso so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $77 to Capt. Robert W. Evans, commanding Headquarters Company 878, Civilian Conservation Corps, Work Camp SCS–37–T, as a refund of amount paid by him to make good a shortage resulting from robbery of safe in said camp on the night of June 30, 1939: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EPES TRANSPORTATION CORPORATION

The bill (S. 3502) for the relief of Epes Transportation Corporation was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

The PRESIDENT pro tempore. An explanation is requested.

Mr. BYRD. Mr. President, the bill provides for the relief of the Epes Transportation Corporation. It had some cigarettes and tobacco in trucks in transit for export. The trucks were highjacked and the cigarettes stolen. It was conclusively proven, I think, that a part of the cigarettes was recovered, and the remainder destroyed. This bill was passed unanimously on a previous occasion. The Senator from Michigan [Mr. BROWN] made a very careful investigation of the case and he has authorized me to say that he is fully in accord with the bill.

Mr. McKELLAR. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Epes Transportation Corporation, of Virginia, the sum of $6,537.95, in full satisfaction of all claims of such corporation against the United States, such sum representing taxes (with interest and penalty) paid to the United States by such corporation on account of certain cigarettes and tobacco products which were withdrawn from bonded warehouse in Winston-Salem, N. C., by such corporation for export to foreign consignees, but which were not exported due to the fact that such cigarettes and tobacco products were stolen from the trucks of such corporation en route to the intended exportation point: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ACME DIE-CASTING CORPORATION

The Senate proceeded to consider the bill (S. 1635) for the relief of Acme Die-Casting Corporation, which had been reported from the Committee on Claims with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $8,166.50 to the Acme Die-Casting Corporation, as equitable reimbursement and in full and final settlement and satisfaction of the damages and losses incurred and suffered by it, and for which it has not yet been reimbursed, in complying with the United States Navy commandeer order No. N–3255, dated June 18, 1918: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHARLES B. CHRYSTAL

The Senate proceeded to consider the bill (S. 1678) for the relief of Charles B. Chrystal, which had been reported from the Committee on Claims with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, cut of any money in the Treasury not otherwise appropriated, the sum of $1,830.99 to Charles B. Chrystal as equitable reimbursement and in full and final settlement and satisfaction of the damages and losses incurred and suffered by him, and for which he has not yet been reimbursed, in moving his equipment from the space in the Bush Terminal buildings to his new location, and in otherwise complying with the United States Navy commandeer order No. N–3255, dated June 18, 1918: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JESUS LEYVAS

The Senate proceeded to consider the bill (S. 1356) for the relief of the heirs of Jesus Leyvas, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of", to strike out "$10,000" and insert "$569"; in line 7, after the word "claims", to insert "against the United States"; and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $569, to the heirs of Jesus Leyvas, in full satisfaction of all claims against the United States arising out of the death of Jesus Leyvas as a result of his being struck by a Government truck on May 6, 1935, said truck having been driven by Julio Francisco, a Pima Indian: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PROMOTION SYSTEM OF THE ARMY

The bill (S. 3712) to provide for the promotion of promotion-list officers of the Army after specified years of service in grade, and for other purposes, was announced as next in order.

Mr. JOHNSON of Colorado. I ask that the bill go over.

Mr. SHEPPARD. Mr. President, will the Senator who objected withhold his objection in order that I may submit a brief explanation?

Mr. JOHNSON of Colorado. I withhold the objection for that purpose.

Mr. SHEPPARD. Mr. President, the efficiency of our Regular Army depends upon leadership. Today we must look to the future and provide an adequate plan for the development of leaders.

Our present system is faulty in that it retards development of leaders through stagnation in promotion.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield.

Mr. McKELLAR. Are leadership and promotion synonymous terms?

Mr. SHEPPARD. Without fair and proper promotion we would have a demoralizing situation in the Army.

Mr. McKELLAR. I suggest to the Senator that there are no promotions, or very infrequent promotions, in the Senate, and yet we have a pretty good body here.

Mr. SHEPPARD. I will say that the Senator from Tennessee deserves the highest promotion that could come to a Senator.

Mr. McKELLAR. I thank the Senator.

Mr. SHEPPARD. Mr. President, we are striving for an adequate national-defense system from every angle, and one of the most important features is efficient and satisfied officer personnel.

As is well-known to Congress, the so-called "hump" in the promotion list of regular officers was created in 1920 by appointment in the regular service of officers of the World War of varying ages and prior service. Visualization at that time of future requirements might have obviated the creation of the "hump."

We are now faced with a personnel problem the solving of which must include some immediate relief to remedy the situation and lay positive plans which will assure development of leadership in the future.

After long and careful study the War Department has offered a solution to the problem which, even though it will not satisfy all concerned, does not differentiate among classes; does no harm to the individual, but, on the contrary, protects the rights of the individual; and still presents a reasonable solution for the present and the future situation as to general leadership in the Army.

Let me refer to some of the advantages which would accrue by the enactment of the proposed legislation as compared to the present promotion system.

First. It would attain the objective of proper years of service in grade, viz, 3 years, second lieutenant; 7 years, first lieutenant; 7 years, captain; 6 years, major; and 5 years, lieutenant colonel.

Second. It would vitalize the two most important command grades below that of general officer, viz, those of colonel and captain. In the grade of colonel this would be brought about by the mandatory retirement of brigadier generals at the age of 62, and the retirement of other officers of lower grades at the age of 60. The grade of captain would be vitalized by assuring promotion to major after 7 years in that grade, and at an average age of 41.

Third. It would immediately end stagnation in promotion in the grades of major and captain. Promotions in these two grades is becoming increasingly serious and stagnation in these grades eventually ends promotion in all grades.

Fourth. It would provide that all officers shall reach field grades after several years of training in the lower grades and at an age that would enable the Army to receive the full value of their services.

Fifth. It would broaden the field of consideration for the selection of general officers, assure that all officers of proper age could be considered, and also that there always would be a sufficient number of officers of the proper age eligible for selection.

Sixth. It would eventually reduce the total number of field officers, and would limit the number in the grade of colonel to 705.

Seventh. It would cost less than the present system.

Specifically, the bill provides for promotion to first lieutenant, after 3 years' service; promotion to captain, after 10 years' service; promotion to major, after 17 years' service; promotion to lieutenant colonel, after 23 years' service; promotion to colonel, after 28 years' service.

The bill limits the number of colonels to 705, the present number, since appropriate peacetime assignments cannot be found for a greater number of colonels, but excepts from retirement at age 60, 5 percent of the outstanding colonels and carries them until 62.

It makes retirement mandatory in the following grades:

Brigadier generals at the age of 62.

Other officers in lower grades at the age of 60.

Under the bill lieutenant colonels with over 28 years of service are made eligible for selection as brigadier general of the line, or as chief of branch. This assures that about 3,900 of the officers in the "hump" who are less than 54 years of age will become eligible for selection as general officers.

The bill permits any officer with World War service to retire, at any time, with three-fourths pay.

The cost of the bill would be less than the cost under the present system. Additional costs would average about $300,000 the first 4 years; thereafter savings would run from $1,400,000 in 1945 to $4,300,000 in 1956, an average of $2,300,000 annually for 12 years.

The retirement of officers at the age of 60, from a military standpoint is sound. While an officer of 60 has acquired experience and judgment by years of service and training, it cannot be disputed that his physical development has not kept pace with his mental attainments. In reality his physical condition, as he approaches 60, is on the downgrade, and he has not the physical stamina which is absolutely necessary to field leadership.

Let me quote the present able Chief of Staff, General Marshall, on the characteristics of leadership:

> You have to lead men in war by requiring more from the individual than he thinks he can do. You have to lead men in war by bringing them along to endure and to display qualities of fortitude that are beyond the average man's thought of what he should be expected to do. You have to inspire them when they are hungry and exhausted and desperately uncomfortable and in great danger; and only a man of positive characteristics of leadership, with the physical stamina that goes with it, can function under those conditions.

It is to meet this idea that this new promotion bill is offered. A few years ago we vitalized the grades of second lieutenant, first lieutenant, and captain by making it certain that officers would reach those grades within a definite time; but we allowed the "hump" to remain insofar as it affects the higher grades. By this bill it is proposed to vitalize in the same way the grades of major, lieutenant colonel, and colonel. We believe that altogether the enactment of the bill would result in great good to the Army, the country, and the national defense. I hope the Senator from Colorado will withhold his objection.

Mr. JOHNSON of Colorado. I renew my objection.

The PRESIDENT pro tempore. Objection being made, the bill will be passed over.

UNIFORMS AND EQUIPMENT, OFFICERS' RESERVE CORPS

The bill (S. 3198) to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That officers of the Officers' Reserve Corps of the Army shall be entitled to an allowance for uniforms and equipment of $50 per annum upon completion, in separate fiscal years, of each of their first three periods of active-duty training of 3 months or less, following their original appointment, during which periods the uniform is required to be worn.

FLAGS FOR DRAPING COFFINS OF CERTAIN DECEASED OFFICERS

The bill (S. 3242) to provide for furnishing the national flag to be used for draping the coffins of deceased members

of the Officers' Reserve Corps of the Army was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War, upon request, is authorized and directed to issue free of cost to the relatives of any member of the Officers' Reserve Corps of the Army a flag to be used for draping the coffin of any such member who dies after the date of enactment of this act. After burial of the deceased, such flag shall be given to his next of kin.

TRANSFER OF LANDS WITHIN HAWAII NATIONAL PARK

The bill (S. 3676) to withdraw certain portions of land within the Hawaii National Park and to transfer the same to the jurisdiction and control of the Secretary of War for military purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That a tract of land containing 6,450 acres, more or less, on the island of Hawaii in the Territory of Hawaii, located in the Hawaii National Park, created by the act of August 1, 1916 (39 Stat. 432), as amended, and described as follows, to wit:

Beginning at a place called Na Puu O na Elemakule located at the southeastern corner of the Hawaii National Park, said point being marked by a triangle on a large flat stone, thence by azimuth (measured clockwise from true south) and distances as follows: Eighty-nine degrees twenty-seven minutes thirty seconds, three thousand three hundred feet along the southern boundary of Hawaii National Park; one hundred and seventy-nine degrees twenty-seven minutes thirty seconds, fourteen thousand five hundred and fifty feet over and across Pali to a point on Kau Desert Plateau; two hundred and forty-three degrees fifty-seven minutes no seconds, eighteen thousand four hundred and fifty feet to a point located above Hilima Pali; three hundred and fifty-nine degrees twenty-seven minutes thirty seconds, twelve thousand nine hundred and ninety feet more or less to high-water line; thence in southwesterly direction along the high-water line to the point of beginning; containing an area of six thousand four hundred and fifty acres, more or less; is hereby withdrawn from the Hawaii National Park and from the control and jurisdiction of the Secretary of the Interior and is transferred to the jurisdiction and control of the Secretary of War for use as an Air Corps bombing target range, and for such other military purposes and uses as may be prescribed by the Secretary of War.

CONCHAS DAM AND RESERVOIR PROJECT, NEW MEXICO

The bill (S. 3377) authorizing the Secretary of War to execute an easement deed to the State of New Mexico for the use and occupation of lands and water areas at Conchas Dam and Reservoir project, New Mexico, was announced as next in order.

Mr. CHAVEZ. Mr. President, a similar bill, House bill 8500, has passed the other body. I move that the House bill be substituted for the Senate bill and be considered at this time.

The PRESIDENT pro tempore. Will the Senator state the calendar number of the House bill?

Mr. CHAVEZ. The bill passed the House on April 15, 1940, and came to the Senate.

Mr. HATCH. Mr. President, will my colleague yield?

Mr. CHAVEZ. Yes.

Mr. HATCH. Probably the House bill was referred to a Senate committee, was it not?

Mr. CHAVEZ. I presume so.

Mr. HATCH. Mr. President, would it not be proper to ask unanimous consent that the committee to which the bill was referred be discharged from further consideration, and that it be now considered?

The PRESIDENT pro tempore. Such a request would be in order, of course.

Mr. HATCH. Then I ask unanimous consent that the Committee on Commerce be discharged from the further consideration of House bill 8500, and that it be considered at this time.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 8500) authorizing the Secretary of War to execute an easement deed to the State of New Mexico for the use and occupation of lands and water areas at Conchas Dam and Reservoir project, New Mexico, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and empowered, under such terms, regulations, and conditions as are deemed advisable by him, to grant to the State of New Mexico for public recreational purposes an easement for the use and occupation of such lands and water areas owned or controlled by the United States in connection with the Conchas Dam and Reservoir project on the South Canadian River, in New Mexico, as he may designate: *Provided*, That said easement shall be subordinate to the use of said lands and water areas by the War Department as may be necessary in the operation and maintenance of said dam and reservoir project.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The PRESIDENT pro tempore. Without objection, Senate bill 3377 is indefinitely postponed.

PRESENTATION OF DISTINGUISHED FLYING CROSS

The joint resolution (H. J. Res. 275) to authorize the President to present the Distinguished Flying Cross to Frank W. Seifert and Lt. V. Hine, deceased, was considered, ordered to a third reading, read the third time, and passed.

WILLIAM T. J. RYAN

The Senate proceeded to consider the bill (S. 3288) for the relief of William T. J. Ryan, which had been reported from the Committee on Military Affairs with an amendment, at the end of the bill to insert certain words, so as to make the bill read:

Be it enacted, etc., That in the administration of the provisions of the act of August 29, 1916 (39 Stat. L. 649), relating to the support of families of enlisted men in the Military Establishment who served during the expedition into Mexico, the claim of William T. J. Ryan, then sergeant, Headquarters Battery, Seventy-sixth Regiment United States Field Artillery, Fort D. A. Russell, Wyo., for Federal support of his wife, Beulah E. Ryan, be held and considered to have been received in the office of the depot quartermaster, Washington, D. C., on or before June 30, 1917, in view of the fact that delay in receipt occurred through no fault of the soldier but through loss or miscarriage of his application in the mails, and that the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Beulah E. Ryan, his wife, the sum of $184, in full satisfaction of said claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INTERNATIONAL TECHNICAL COMMITTEE OF AERIAL LEGAL EXPERTS

The joint resolution (H. J. Res. 490) providing for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts was announced as next in order.

Mr. BARKLEY. Mr. President, will some Senator explain the joint resolution?

The PRESIDENT pro tempore. The present occupant of the chair would like to have the joint resolution go to the end of the calendar, to be explained.

WILMINGTON NATIONAL CEMETERY, N. C.

The bill (S. 3675) to authorize the establishment of boundary lines for the Wilmington National Cemetery, N. C., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to enter into and execute an agreement or agreements with the owners or claimants of adjoining land to fix and establish the location of the boundary lines of the Wilmington National Cemetery, N. C., and he may, if he deems it advisable, give to or receive from such owners or claimants appropriate releases, by way of quitclaim deeds or otherwise.

SICK LEAVE FOR SUBSTITUTE POSTAL EMPLOYEES

The bill (S. 3019) providing for sick leave for substitute postal employees was announced as next in order.

Mr. MEAD. Mr. President, a similar House bill is at the desk. It is Calendar No. 1516, House bill 7663. I ask that the House bill be substituted for the Senate bill, and that the Senate bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, the House bill will be substituted for the Senate bill.

The Senate proceeded to consider the bill (H. R. 7663) providing for sick leave for substitute postal employees, which was ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 3019 will be indefinitely postponed.

OHIO RIVER BRIDGE, CANNELTON, IND.

The Senate proceeded to consider the bill (S. 3157) to authorize the construction of a bridge across the Ohio River at or near Cannelton, Perry County, Ind., which had been reported from the Committee on Commerce with an amendment, on page 1, line 3, after the word "improve", to insert "the", so as to make the bill read:

Be it enacted, etc., That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the Indiana State Toll Bridge Commission is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Ohio River at a point suitable to the interest of navigation, at or near Cannelton, Perry County, Ind., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the Indiana State Toll Bridge Commission all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said Indiana State Toll Bridge Commission is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including interest at a rate of not to exceed 5 percent per annum and reasonable financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ALLEGHENY RIVER BRIDGE, PORT ALLEGANY BOROUGH, PA.

The Senate proceeded to consider the bill (S. 3570) to grant the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at Port Allegany Borough, Liberty Township, in the county of McKean, and in the Commonwealth of Pennsylvania, which had been reported from the Committee on Commerce with an amendment, on page 1, line 7, after the word "at", to insert "or near", so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge, and approaches thereto, across the Allegheny River, at a point suitable to the interests of navigation, at or near Port Allegany, Liberty Township, McKean County, in the Commonwealth of Pennsylvania, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to grant the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Port Allegany, Liberty Township, in the county of McKean, and in the Commonwealth of Pennsylvania."

BAYOU LAFOURCHE BRIDGE, GALIANO, LA.

The bill (S. 2999) to legalize a bridge across Bayou Lafourche at Galiano, La., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Chief of Engineers and the Secretary of War are hereby authorized to approve the location and plans of a pontoon bridge already constructed by John L. Guidry across Bayou Lafourche at Galiano, La.: *Provided*, That said bridge has been authorized by the Legislature of the State of Louisiana and as located and constructed affords reasonably free, easy, and unobstructed navigation.

SEC. 2. That when the location and plans of said bridge have been approved as provided in section 1 of this act, said bridge shall be deemed a lawful structure and subject to the laws enacted by Congress for the protection and preservation of the navigable waters of the United States.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

MISSISSIPPI RIVER BRIDGE, LA CROSSE, WIS.

The bill (S. 3183) to extend the time for completing the construction of a bridge across the Mississippi River at or near La Crosse, Wis., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the time for completing the construction of a bridge across the Mississippi River at or near La Crosse, Wis., authorized to be built by the State of Wisconsin by an act of Congress approved June 19, 1936, as heretofore extended by an act of Congress approved April 26, 1937, is further extended for 1 year, from April 26, 1940.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

MISSISSIPPI RIVER AT FRIAR POINT, MISS.

The bill (S. 3254) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., authorized to be built by the Arkansas-Mississippi Bridge Commission and its successors and assigns by an act of Congress, approved May 17, 1939, are hereby further extended 1 and 3 years, respectively, from the date of approval of this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

OHIO RIVER BRIDGE, MAUCKPORT, IND.

The bill (S. 3561) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Mauckport, Harrison County, Ind., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Ohio River, at or near Mauckport, Harrison County, Ind., authorized to be built by the Indiana State Toll Bridge Commission, by an act of Congress approved August 7, 1939, are hereby extended 1 and 3 years, respectively, from August 7, 1940.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

SUSQUEHANNA RIVER BRIDGE, MIDDLETOWN, PA.

The bill (H. R. 7406) granting the consent of Congress to the General State Authority, Commonwealth of Pennsylvania, and/or the Pennsylvania Bridge and Tunnel Commission, either singly or jointly, to construct, maintain, and operate a toll bridge across the Susquehanna River at or near the city of Middletown, Pa., was considered, ordered to a third reading, read the third time, and passed.

SUSQUEHANNA RIVER BRIDGE, MILLERSBURG, PA.

The bill (H. R. 7407) granting the consent of Congress to the General State Authority, Commonwealth of Pennsylvania, and/or the Pennsylvania Bridge and Tunnel Commission, either singly or jointly, to construct, maintain, and

operate a toll bridge across the Susquehanna River at or near the city of Millersburg, Pa., was considered, ordered to a third reading, read the third time, and passed.

DELAWARE RIVER BRIDGE, BARRYVILLE, N. Y.

The bill (H. R. 7655) to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa., was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPPI RIVER BRIDGE, JEFFERSON BARRACKS, MO.

The bill (H. R. 8320) to extend the times for commencing and completing the construction of a bridge across the Mississippi River near Jefferson Barracks, Mo., was considered, ordered to a third reading, read the third time, and passed.

ST. LOUIS RIVER BRIDGE, DULUTH, MINN.

The bill (H. R. 8397) to extend the times for commencing and completing the construction of a bridge or bridges across the St. Louis River at or near the city of Duluth, Minn., and the city of Superior, Wis., and to amend the act of August 7, 1939, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

WABASH RIVER BRIDGE, CUT-OFF ISLAND, IND.

The bill (H. R. 8467) authorizing the Superior Oil Co., a California corporation, to construct, maintain, and operate a free highway bridge or causeway, and approaches thereto, across the old channel of the Wabash River from Cut-Off Island, Posey County, Ind., to White County, Ill., was considered, ordered to a third reading, read the third time, and passed.

SUSQUEHANNA RIVER BRIDGE, WYALUSING, PA.

The bill (H. R. 8471) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River, at or near Wyalusing, between Terry and Wyalusing Townships, in the county of Bradford, and in the Commonwealth of Pennsylvania, was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, DUBUQUE, IOWA

The bill (H. R. 8495) to extend the times for commencing and completing the construction of a bridge or bridges across the Mississippi River at or near the cities of Dubuque, Iowa, and East Dubuque, Ill., and to amend the act of July 18, 1939, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, LITTLE FALLS, MINN.

The bill (H. R. 8583) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Little Falls, Minn., was considered, ordered to a third reading, read the third time, and passed.

GREAT PEE DEE RIVER BRIDGE, CASHUA FERRY, S. C.

The bill (H. R. 8650) granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Great Pee Dee River at or near Cashua Ferry, S. C., was considered, ordered to a third reading, read the third time, and passed.

LOCAL DELIVERY RATE ON CERTAIN FIRST-CLASS MATTER

The bill (S. 3667) to provide for the local delivery rate on certain first-class mail matter was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the proviso in section 1001 of the Revenue Act of 1932 (relating to postal rates) is amended to read as follows: "*Provided*, That such additional rate shall not apply to first-class matter mailed for local delivery or for delivery wholly within a county the population of which exceeds 1,000,000, provided said county is entirely within a corporate city."

PORTLAND ROSE FESTIVAL

The bill (S. 3106) authorizing the use of special canceling stamps and postmarking dies at the Portland, Oreg., post office in connection with the annual Portland Rose Festival was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed, under such rules and regulations as he may prescribe, to provide for the use of special canceling stamps and postmarking dies, containing appropriate words for the promotion of the Portland Rose Festival and Air Mail Rose Show held annually in Portland, Oreg., at the Portland, Oreg., post office from January 1 to June 1 of each year: *Provided*, That the purchase of such stamps or dies or the cost of adapting canceling machines for the use of such stamps or dies or for their installation shall not be made from any postal funds or appropriation.

AMENDMENT OF ACTS EXTENDING FRANKING PRIVILEGE TO WIDOWS OF EX-PRESIDENTS

The bill (H. R. 8398) amending acts extending the franking privilege to widows of ex-Presidents of the United States was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the acts of February 1, 1909 (ch. 55, 35 Stat. 591), October 27, 1919 (ch. 84, 41 Stat. 1449), March 4, 1924 (ch. 45, 43 Stat. 1359), June 14, 1930 (ch. 493, 46 Stat. 1906), and June 16, 1934 (ch. 560, 48 Stat. 1395), extending the franking privilege to Frances F. Cleveland (Preston), Mary Lord Harrison, Edith Carow Roosevelt, Edith Bolling Wilson, Helen H. Taft, and Grace G. Coolidge, respectively, are hereby amended by inserting in each of said acts the words "or facsimile thereof" after the words "under her written autograph signature."

VICTORIA KESSEL

The bill (S. 1608) to repeal the provisions of Private Law No. 347, Seventy-first Congress, pertaining to Victoria Kessel, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding any provisions of Private Law No. 347, Seventy-first Congress (act of February 17, 1931), entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors," the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to remove from the pension roll the name of Victoria Kessel, widow of Leon J. Kessel, late of Company L, Twenty-first Regiment United States Infantry.

RANK OF COMMANDERS OF SPECIAL NAVAL UNITS AFLOAT

The Senate proceeded to consider the bill (S. 3439) providing for the rank of commanders of special naval units afloat, which was read, as follows:

Be it enacted, etc., That in addition to those officers who may be serving in the grade of vice admiral by virtue of the provisions of section 18 of the act of May 22, 1917 (40 Stat. 89; U. S. C., title 34, sec. 212), any officer designated by the President to command a naval unit afloat organized for the purpose of performing special or unusual duty or executing a special or unusual mission may, within the discretion of the President, have the rank, pay, and allowances of a vice admiral while so serving.

Mr. KING. Mr. President, let us have an explanation of the bill.

The PRESIDENT pro tempore. The bill was reported by the Senator from Massachusetts [Mr. WALSH].

Mr. WALSH. Mr. President, the bill grants to the President power to name two vice admirals.

The present law permits the President to give the title of vice admiral to officers who have particular positions, such as Chief of Operations and Commander of the Fleet. We have rear admirals who are designated for foreign service. We now have one in Europe, and we have one at the Canal Zone. According to the Navy Department, these officials are embarrassed by the fact that they meet and visit and deal and confer with admirals of other countries of a higher rank. So the bill proposes that during the time rear admirals are afloat in foreign countries, two of them may be given the title of vice admiral and given the pay of a vice admiral for the time they are actually afloat and in the service, which is $500 a year more than the pay of a rear admiral. The bill is permissive, and is presented to the Naval Affairs Committee through the Navy Department at the request of the President.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAYTON W. CURTIS

The bill (S. 2457) for the relief of Clayton W. Curtis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clayton W. Curtis, of Great Falls, Mont., the sum of $100 in full satisfaction of his claim against the United States for compensation for damages sustained by him as the result of his automobile having been struck by a Bureau of Reclamation truck, operated by a Civilian Conservation Corps enrollee, on September 4, 1937, near Augusta, Mont.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

DAN A. TARPLEY

The Senate proceeded to consider the bill (S. 3388) for the relief of Dan A. Tarpley, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the name "Tarpley" to strike out "of Rickreall, Oregon"; in line 6, after the words "sum of", to strike out "$2,500" and insert "$1,945.83; to Ernest H. Tarpley, the sum of $500, and to Pearl Tarpley, the sum of $1,000, all residents of Rickreall, Oregon"; in line 9, after the word "of", to strike out "his claim" and insert "all their claims"; in line 10, after the word "by", to strike out "him" and insert "them"; on page 2, line 1, after the word "of", to strike out "his parents" and insert "Ernest H. Tarpley"; in line 2, after the word "the", to strike out "claimant's farm" and insert "farm of Dan A. Tarpley"; and in line 5, after the word "until", to strike out "such claimant" and insert "Dan A. Tarpley", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dan A. Tarpley, the sum of $1,945.83; to Ernest H. Tarpley, the sum of $500, and to Pearl Tarpley, the sum of $1,000, all residents of Rickreall, Oreg., in full satisfaction of all their claims against the United States on account of personal injuries sustained by them when a 37-millimeter shell exploded in the home of Ernest H. Tarpley on May 29, 1938, at Rickreall, Oreg., such shell having been shot onto the farm of Dan A. Tarpley by National Guardsmen in carrying out an artillery problem, but which remained unexploded until Dan A. Tarpley, not realizing its dangerous character, carried it into his parents' home where it was inadvertently dropped and exploded: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Dan A. Tarpley, Ernest H. Tarpley, and Pearl Tarpley."

WALTER CHWALEK

The Senate proceeded to consider the bill (S. 3555) for the relief of Walter Chwalek, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the name "Chwalek", to insert "of Oswego, N. Y.", and in line 7, after the words "settlement of", to strike out "his claim against the Government" and insert "all claims against the United States", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Walter Chwalek, of Oswego, N. Y., the sum of $2,938.50, in full settlement of all claims against the United States as the result of his receiving personal and property damages when his automobile was struck by a truck in the service of the United States Army on August 24, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELLIOTT L. HOVEL

The Senate proceeded to consider the bill (S. 3493) for the relief of Elliott L. Hovel, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$500 in settlement of damages as a result of" and insert "$173.29, in full settlement of all claims against the United States for damages sustained as a result of an", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elliott L. Hovel the sum of $173.29, in full settlement of all claims against the United States for damages sustained as a result of an accident in which his car was struck by an Army truck being driven in a reckless manner: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MONONGAHELA RIVER BRIDGE, ELIZABETH, PA.

The Senate proceeded to consider the bill (S. 3571) to grant the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River, at a point between the boroughs of Elizabeth, in Elizabeth Township, and West Elizabeth, in Jefferson Township, in the county of Allegheny, and in the Commonwealth of Pennsylvania, which had been reported from the Committee on Commerce with an amendment, on page 2, line 6, after "1906" to insert "and subject to the conditions and limitations contained in this act," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge, and approaches thereto, across the Monongahela River, at a point suitable to the interests of navigation, between the boroughs of Elizabeth, in Elizabeth Township, and West Elizabeth, in Jefferson Township, in the county of Allegheny, and in the Commonwealth of Pennsylvania, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The motion was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDENT pro tempore. That completes the calendar.

CONSIDERATION OF BILLS NOT YET PLACED ON THE CALENDAR

Mr. BARKLEY. Mr. President, the Committee on Immigration unanimously reported today four or five little bills to which there is no objection. In order to save the expense of printing them on the calendar, the Senator from Georgia [Mr. RUSSELL] intended to ask for their present consideration. He is temporarily absent from the Chamber, but I make the request that they be considered at this time.

The PRESIDENT pro tempore. Without objection, it is so ordered.

KURT FRINGS

The bill (S. 3673) to enable Kurt Frings to enter and remain permanently in the United States was considered,

ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding any provisions of the immigration laws Kurt Frings, a native of Cologne, Germany, shall be admitted into the United States from Tia Juana, Mexico, and shall be permitted to remain in the United States permanently as though he had in all respects complied with the immigration laws, and that the residence in the United States of the said Kurt Frings shall date from the approval of this act.

GERALD HENRY SIMPSON

The bill (H. R. 7814) for the relief of Gerald Henry Simpson was considered, ordered to a third reading, read the third time, and passed.

DEXTER AND ELIZABETH SHIOMI

The bill (S. 2909) for the relief of Dexter and Elizabeth Shiomi was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Secretary of Labor be, and is hereby, authorized and directed to record the lawful admittance for permanent residence of Dexter and Elizabeth Shiomi.

MIJO STANISIC

The Senate proceeded to consider the bill (S. 2760) for the relief of Mijo Stanisic, which had been reported from the Committee on Immigration with an amendment, on page 1, line 6, after the name "Mijo Stanisic" and the semicolon, to strike out "and if the said Mijo Stanisic shall establish his present good moral character the Commissioner of Immigration and Naturalization shall in his case make a record of registry and issue a certificate of arrival in manner and form as authorized to be made by the act of March 2, 1929 (U. S. C. title 8, sec. 108A), as if the said Mijo Stanisic had entered the United States prior to June 3, 1921: *Provided*, That formal application and fee payments required by such act of March 2, 1929, shall not be held to be waived under this act" and insert "that his entry as of April 15, 1913, be considered an entry for permanent residence and that the Secretary of State shall make appropriate deduction of one quota number from the Yugoslavian quota", so as to make the bill read:

Be it enacted, etc., That the Secretary of Labor is authorized and directed to cancel the outstanding warrant of arrest, order of deportation, warrant of deportation, and bond in the case of the alien Mijo Stanisic; that his entry as of April 15, 1913, be considered an entry for permanent residence, and that the Secretary of State shall make appropriate deduction of one quota number from the Yugoslavian quota.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOSE MAURI

The Senate proceeded to consider the bill (S. 2774) for the relief of Jose Mauri, which had been reported from the Committee on Immigration with an amendment, after line 12, to insert the following new section:

SEC. 3. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the nonpreference category of the quota during the current year.

So as to make the bill read:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Jose Mauri, of Los Angeles, Calif., shall be held and considered to have been legally admitted to the United States for permanent residence on the date of his entry into the United States.

SEC. 2. The Secretary of Labor is authorized and directed to cancel any warrants of arrest or orders of deportation which may have been issued with respect to the said Jose Mauri upon the ground of illegal entry into the United States.

SEC. 3. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the nonpreference category of the quota during the current year.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HENRY GIDEON SCHILLER

The Senate proceeded to consider the bill (S. 2775) for the relief of Henry Gideon Schiller, which had been reported from the Committee on Immigration with an amendment, to add a new section at the end of the bill, so as to make the bill read:

Be it enacted, etc., That for the purposes of the immigration and natufalization laws Henry Gideon Schiller, St. Louis, Mo., shall be considered to have been lawfully admitted at Noyes, Minn., June , 1931, to the United States for permanent residence.

SEC. 2. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control office to deduct one number from the nonpreference category of the quota during the current quota year.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARIA TERESA VALDES THOMPSON

The bill (S. 3245) for the relief of Maria Teresa Valdes Thompson was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Secretary of Labor be, and is hereby, authorized and directed to record the lawful admittance for permanent residence of Maria Teresa Valdes Thompson, wife of an American citizen, in August 1939, and that she shall, for all purposes under the immigration and naturalization laws, be deemed to have been lawfully admitted to the United States as an immigrant for permanent residence.

STINA ANDERSON

The Senate proceeded to consider the bill (H. R. 6965) for the relief of Stina Anderson, which had been reported from the Committee on Immigration with an amendment, on page 1, line 9, to strike out "*Provided*, That the said Stina Anderson shall not be eligible to become a citizen of the United States," so as to make the bill read:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Secretary of Labor is hereby authorized and directed to cancel the warrant of arrest and any order of deportation which may be issued against Stina Anderson and that Stina Anderson shall not hereafter be subject to deportation for the same cause or causes upon which the present warrant of arrest is based.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MADELINE VERA BUCHHOLZ

The bill (H. R. 7246) for the relief of Madeline Vera Buchholz was considered, ordered to a third reading, read the third time, and passed.

MRS. ORRIS R. GRIMMESEY

The Senate proceeded to consider the bill (S. 2669) to admit Mrs. Orris R. Grimmesey permanently to the United States, which had been reported from the Committee on Immigration with an amendment, to strike out all after the enacting clause and to insert the following:

That the Secretary of Labor is hereby authorized and directed to consider the entry of Mrs. Orris R. Grimmesey into the United States as a lawful admission for permanent residence entitling the said Mrs. Orris R. Grimmesey to remain in the United States as an alien immigrant.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing and directing change of the immigration status of Mrs. Orris R. Grimmesey."

JOHN NICHOLAS CHICOURAS

The Senate proceeded to consider the bill (S. 3412) for the relief of John Nicholas Chicouras, which had been reported from the Committee on Immigration with an amendment, to add a new section at the end of the bill, so as to make the bill read:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, John Nicholas Chicouras, of Aberdeen, Miss., shall be held and considered to have been legally admitted to

the United States for permanent residence on November 25, 1925, and the Secretary of Labor is authorized and directed to permit said John Nicholas Chicouras to reenter the United States.

SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the nonpreference category of the quota during the current quota year.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOHN HORVATH

The Senate proceeded to consider the bill (S. 2995) for the relief of John Horvath, which had been reported from the Committee on Immigration with an amendment, to add a new section at the end of the bill, so as to make the bill read:

Be it enacted, etc., That in the administration of the immigration and naturalization laws John Horvath, of Sewaren, N. J., shall be held and considered to have been legally admitted to the United States for permanent residence on December 18, 1925, at Detroit, Mich.

SEC. 2. The Secretary of Labor is authorized and directed to cancel any warrants of arrest or orders of deportation which may have been issued in the case of the said John Horvath upon the ground of unlawful residence in the United States.

SEC. 3. Upon the enactment of this act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the nonpreference category of the quota during the current quota year.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LUISE EHRENFELD

The Senate proceeded to consider the bill (H. R. 3094) for the relief of Luise Ehrenfeld, which had been reported from the Committee on Immigration with an amendment, on page 1, line 6, to strike out "By the terms of this act she shall not be permitted to become a naturalized citizen of the United States unless and until she shall leave the United States and reenter with a legal visa, and", so as to make the bill read:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, the Secretary of Labor is hereby authorized and directed to permit registration of Luise Ehrenfeld as having entered the United States for permanent residence. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the nonpreference category of the quota during the current year.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time, was read the third time, and passed.

JOSEPH L. LIPSHER AND ESTHER MILA LIPSHER

The Senate proceeded to consider the bill (S. 2964) for the relief of Joseph L. Lipsher and Esther Mila Lipsher, which had been reported from the Committee on Immigration with an amendment, to add a new section at the end of the bill, so as to make the bill read:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Joseph L. Lipsher and his wife, Esther Mila Lipsher, of New Haven, Conn., shall be held and considered to have been legally admitted to the United States for permanent residence in 1927.

SEC. 2. The Secretary of Labor is authorized and directed to cancel any warrants of arrest or orders of deportation which may have been issued in the cases of the said Joseph L. Lipsher and Esther Milo Lipsher upon the ground of unlawful residence in the United States.

SEC. 3. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the nonpreference category of the quota during the current quota year.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BONIFACIO SUSO

The Senate proceeded to consider the bill (S. 2757) for the relief of Bonifacio Suso, which had been reported from the Committee on Immigration with an amendment, after line 8, to insert the following new section:

SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the nonpreference category of the quota during the current quota year.

So as to make the bill read:

Be it enacted, etc., That the Secretary of Labor be, and is hereby, authorized and directed to consider Bonifacio Suso, of Farrell, Pa., immigration case No. 55930/920, as a resident of the United States for the purpose of naturalization and not a subject for deportation on any charges now pending against him before the Commissioner of Immigration.

SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the nonpreference category of the quota during the current quota year.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SADAO TANAKA

The bill (S. 3256) to enable Sadao Tanaka to remain permanently in the United States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding any provision of the immigration laws, Sadao Tanaka, a native of Japan, admitted into the United States on November 14, 1932, for temporary residence, shall be permitted to remain in the United States permanently as though he had in all respects complied with the immigration laws upon entry, and that the residence in the United States of the said Sadao Tanaka shall date from the approval of this act.

LOUISE THORNE

The Senate proceeded to consider the bill (S. 2969) for the relief of Louise Thorne, which had been reported from the Committee on Immigration, with an amendment, to strike out all after the enacting clause, and to insert the following:

That notwithstanding the provisions of the immigration laws, the Secretary of Labor is authorized and directed to permit Louise Thorne, the wife of a citizen of the United States, to remain permanently in the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MORRIS HOPPENHEIM AND OTHERS

The Senate proceeded to consider the bill (H. R. 2948) for the relief of Morris Hoppenheim, Lena Hoppenheim, Doris Hoppenheim, and Ruth Hoppenheim, which had been reported from the Committee on Immigration with an amendment, on page 1, line 6, after the name "Ruth Hoppenheim", to strike out "and if the said Morris Hoppenheim, Lena Hoppenheim, Doris Hoppenheim, and Ruth Hoppenheim shall establish their present good moral character the Commissioner of Immigration and Naturalization shall in respect of each make a record of registry and issue a certificate of arrival in manner and form authorized to be made by the act of March 2, 1929 (U. S. C., title 8, sec. 106A), as if each alien had entered the United States prior to June 3, 1921: *Provided*, That formal application and fee payments required by such act of March 2, 1929, shall not be held to be waived under this act" and insert "any provision of existing law to the contrary notwithstanding. From and after the date of the approval of this act Morris Hoppenheim, Lena Hoppenheim, Doris Hoppenheim, and Ruth Hoppenheim shall be deemed to be lawful residents of the United States", so as to make the bill read:

Be it enacted, etc., That the Secretary of Labor is authorized and directed to cancel the outstanding orders and warrants of deportation in the case of the aliens Morris Hoppenheim, Lena Hoppenheim, Doris Hoppenheim, and Ruth Hoppenheim, any provision of existing law to the contrary notwithstanding. From and after the date of the approval of this act Morris Hoppenheim, Lena Hoppenheim, Doris Hoppenheim, and Ruth Hoppenheim shall be deemed to be lawful residents of the United States.

Mr. ADAMS. Mr. President, I shall not object to this bill, but it seems to me to be a very bad legislative practice to consider and pass bills which, though they may have been reported by a committee, are not on the calendar. These are minor immigration bills, it is true; but such procedure may

open the way for the passage of bills of more importance. I am merely saying that hereafter, if I happen to be present, I shall object to the practice.

Mr. KING. Mr. President, I think there is very much in what the Senator says, but most of these bills were carefully examined by the House committee, and——

Mr. ADMAS. I still think the Senate has a function to perform, and should have an opportunity to see the bills.

Mr. KING. Let me finish my sentence. And the Senate Committee on Immigration, which has been very chary in allowing immigration measures to pass, approves the bills.

Mr. ADAMS. I am objecting to a practice which I think is very dangerous and very improper.

Mr. BARKLEY. Mr. President, this is not a practice; it will happen only today, and it is done in the interest of economy. I am sure that that feature should appeal to the Senator from Colorado.

Mr. ADAMS. It does appeal to me greatly, especially when it comes from the majority leader.

Mr. BARKLEY. I am glad we are getting together. [Laughter.]

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. REED. Mr. President, I shall object to all the other bills which come up in this way. I agree with the Senator from Colorado that this is a bad practice. So I register an objection.

CONGRESSIONAL MEDAL OF HONOR TO WILLIAM SINNOTT

Mr. BARKLEY. Mr. President, from the Committee on the Library, I report favorably Senate bill 3813, to authorize the presentation of a Congressional Medal of Honor to William Sinnott.

Mr. President, this bill provides for the presentation of a Congressional Medal of Honor to William Sinnott, who was a detective in Florida at the time an effort was made to assassinate the President-elect of the United States, which resulted in the assassination of Mayor Cermak, of Chicago. The bill merely authorizes the President to present this man a Congressional Medal of Honor. I ask for its present consideration.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 3813) to authorize the presentation of a Congressional Medal of Honor to William Sinnott, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President is authorized to present, in the name of Congress, a medal of honor to William Sinnott, a detective, who in guarding Franklin D. Roosevelt, then President-elect of the United States, at Miami, Fla., on February 15, 1933, was shot and wounded by Guiseppe Zangara, who attempted to assassinate said Franklin D. Roosevelt.

CELEBRATION IN COMMEMORATION OF THE TREATY OF FORT GREENE VILLE

Mr. BARKLEY. Mr. President, I report favorably from the Committee on the Library, House Joint Resolution 385, which provides for the appointment of a joint commission to look into the question of a celebration at Greenville, Ohio, for the purpose of commemorating certain events during the Revolutionary War.

Mr. REED. Mr. President, I ask that it lie over for consideration.

The PRESIDENT pro tempore. The joint resolution will go to the calendar.

VACATION LEAVE FOR CERTAIN POSTMASTERS

Mr. MEAD. Mr. President, I ask that the Senate return to Calendar No. 1380, House bill 5784. I desire to explain the bill, as I would have explained it had I been present at the time it was called.

This bill refers to what might be termed "career postmasters," that is, postmasters promoted from the rank and file of postal employees. The Department has no authority, under existing law, to give them credit for their earned vacation time. This bill would merely allow them to enjoy the vacation time they have already earned. It would not cost the Government any money, because when a postmaster takes his vacation his place is filled by the assistant postmaster. It pertains only to postmasters who were formerly postal employees, and who had some earned vacation time coming after they were promoted.

Mr. REED. I object.

Mr. MEAD. No expense is involved.

Mr. REED. I know, but it is bad practice.

Mr. MEAD. Let me say to the Senator that each of these postmasters has earned a certain amount of vacation time while acting as a clerk or a carrier. If they have 5 days or 6 days coming which they have earned legally, under existing law, and they then become postmasters, there is no law by which the Department could give them leave for the 6 days or 8 days. If the Department could give them the 6 days or 8 days leave it could so without involving any expense to the Department, because the assistant postmaster would carry on the work. So it is really an obligation which we owe to these men because they have worked sufficiently long to earn a few days' vacation time.

Mr. McNARY. Is the bill on the calendar?

Mr. MEAD. Yes.

Mr. McNARY. What is the calendar number?

Mr. MEAD. No. 1380.

Mr. WHITE. Mr. President, will the Senator from New York yield?

Mr. MEAD. I yield.

Mr. WHITE. As I understand, the bill would merely secure to these men who have been in the postal service and who have been made postmasters the leave which they earned up to the time of their appointment as postmasters.

Mr. MEAD. That is correct; it covers leave earned up to that time. It would cost the Government no money whatever, because the assistant postmaster would fill the place while the postmaster is on leave. It pertains only to the number of days he has actually earned while serving in a minor capacity.

Mr. WHITE. It would merely make good their statutory rights?

Mr. MEAD. That is correct.

Mr. WHITE. Which they would otherwise lose when appointed postmasters?

Mr. MEAD. Exactly. The Senator has stated it precisely. It merely carries out the contract already made with them under the law.

Mr. REED. I object.

The PRESIDENT pro tempore. Objection is made.

ORDER OF BUSINESS

Mr. McNARY. Mr. President, I inquire what is the status of calendar numbers 1240, 1241, and 1242?

The PRESIDENT pro tempore. They were objected to.

Mr. McNARY. By whom?

The PRESIDENT pro tempore. The Chair does not know.

Mr. McNARY. May I inquire whether the RECORD indicates who the objectors were?

Mr. BARKLEY. Some Senator asked for an explanation of those measures. The chairman of the Committee on Agriculture and Forestry, who reported them, was not present, and they went over. I do not think any particular Senator objected to their consideration, but there was no way of telling what they were about.

The PRESIDENT pro tempore. The Chair is not advised as to who objected to all of the measures. The Senator from Tennessee [Mr. McKELLAR] objected to Calendar 1241.

Mr. McNARY. I am speaking for the senior Senator from California [Mr. JOHNSON], who is anxious to have the bills considered. In his absence, and in the absence of the Senator from Tennessee, I shall not pursue the subject.

RECORDING OF AUTOMOBILE LIENS

Mr. OVERTON. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1296 to amend

paragraphs (b), (c), and (d) of section 6 of the District of Columbia Traffic Act, 1925, as amended by the acts of July 3, 1926, and February 27, 1931, and for other purposes.

Mr. TRUMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SHIPSTEAD in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	La Follette	Sheppard
Ashurst	Donahey	Lee	Shipstead
Austin	Downey	Lodge	Slattery
Bailey	Ellender	Lucas	Stewart
Bankhead	George	Lundeen	Taft
Barbour	Gerry	McKellar	Thomas, Idaho
Barkley	Gibson	McNary	Thomas, Okla.
Bilbo	Gillette	Maloney	Thomas, Utah
Bone	Glass	Mead	Tobey
Bridges	Green	Miller	Townsend
Brown	Gurney	Minton	Truman
Bulow	Hale	Murray	Tydings
Burke	Harrison	Neely	Vandenberg
Byrd	Hatch	Norris	Van Nuys
Byrnes	Hayden	O'Mahoney	Wagner
Caraway	Herring	Overton	Walsh
Chandler	Hill	Pepper	Wheeler
Chavez	Holman	Pittman	White
Clark, Idaho	Hughes	Reed	Wiley
Clark, Mo.	Johnson, Calif.	Russell	
Connally	Johnson, Colo.	Schwartz	
Danaher	King	Schwellenbach	

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, a quorum is present.

The question is on the motion of the Senator from Louisiana [Mr. OVERTON] to proceed to the consideration of Calendar 764, Senate bill 1296, to amend certain paragraphs of section 6 of the District of Columbia Traffic Act of 1925.

Mr. THOMAS of Oklahoma. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. Am I correct in my interpretation of the rules that the pending motion is not now debatable?

The PRESIDING OFFICER. The Senator is correct in his interpretation of the rules.

Mr. THOMAS of Oklahoma. Another parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. Is not the Senate entitled to know what the bill is about before it is called upon to vote on the question whether the bill shall be taken up for consideration?

The PRESIDING OFFICER. The Senate is entitled to an explanation of the bill before action is taken.

The clerk will read the bill by title.

The CHIEF CLERK. Senate bill 1296, to amend paragraphs (b), (c), and (d) of section 6 of the District of Columbia Traffic Act, 1925, as amended by the acts of July 3, 1926, and February 27, 1931, and for other purposes.

Mr. THOMAS of Oklahoma. Another inquiry, Mr. President. Is not the Senate further entitled to be advised by having the bill read before we proceed to vote on the question of considering the bill?

The PRESIDING OFFICER. Without objection, the bill will be read.

The Chief Clerk read as follows:

Be it enacted, etc., That paragraph (b), section 6, of the District of Columbia Traffic Act, 1925, as amended by the acts of July 3, 1926, and February 27, 1931, be further amended by adding thereto the following:

"There is hereby established in the department of vehicles and traffic an office of record for the purpose of recording and releasing liens and encumbrances on motor vehicles and trailers, for which a certificate of title shall have been issued, or any equipment or accessories affixed thereto. Such liens and encumbrances shall be recorded and released by entering on the certificate of title such information as the Commissioners may require and shall have priority in the order in which recorded; and, unless so recorded, no bill of sale, mortgage, or deed of trust to secure payment of a debt, no conditional sale in virtue of which any of the aforesaid property is delivered to the purchaser but by the terms of which title is not to pass until the purchase price thereof is paid in full, and no trust receipt, with respect to any motor vehicle or trailer, for which a certificate of title shall have been issued, or any equipment or accessories affixed thereto, shall be valid against subsequent purchasers or encumbrancers for value without actual notice. An executed copy of the document evidencing such lien or encumbrance shall be presented to and retained by the aforesaid department. Sections 546 and 547, subchapter 3, and section 548, subchapter 4, chapter XVI, of the Code of Law for the District of Columbia, relating to the recordation of bills of sale, chattel mortgages, deeds of trust, and conditional bills of sale in the office of the recorder of deeds of the District of Columbia, insofar as the same may have reference to such motor vehicles and trailers, or any equipment and accessories affixed thereto, are hereby repealed."

SEC. 2. That paragraph (c), section 6, of the said Traffic Act, as amended, be amended by inserting therein following the words "transferring of titles", the following: "recording and releasing of liens and encumbrances."

SEC. 3. That paragraph (d), section 6, of the said Traffic Act, as amended, be amended by striking out the words "titling and retitling" where they first appear in said paragraph, and inserting in lieu thereof the words "titling, retitling, and recording of liens or encumbrances"; and said paragraph shall be further amended by inserting therein, following the phrase "not to exceed the sum of $1 for each such titling and retitling", the following: "and not to exceed the sum of 50 cents for the recording of each such lien or encumbrance with no fee for releasing."

SEC. 4. The provisions of this act shall become effective 90 days after its approval by the President, but nothing herein contained shall affect existing liens on motor vehicles and trailers, or any equipment or accessories affixed thereto, recorded prior to the effective date of this act.

SEC. 5. Appropriation is hereby authorized to be made to carry out the purposes of this act, and the Commissioners of the District of Columbia are authorized to include in their annual estimates provision for the expenses incident to such purposes, and for personnel subject to the limitations of the Classification Act of 1923, as amended.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. Is it not a fact that the bill relates to the recorder of deeds in the District of Columbia?

The PRESIDING OFFICER. The Chair does not think that is a parliamentary inquiry.

Mr. THOMAS of Oklahoma. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. Does not the bill provide for the settlement of patronage controversies between the District of Columbia on the one side and the recorder of deeds upon the other?

The PRESIDING OFFICER. In the opinion of the Chair, that is not a parliamentary inquiry. The Chair holds that the motion is not debatable.

Mr. THOMAS of Oklahoma. Mr. President, I demand the yeas and nays on the motion.

Mr. McNARY. Mr. President, I have no difficulty in appreciating the ruling of the Chair. We have today a morning hour, which is somewhat unusual. After 2 o'clock this motion would be debatable; would it not?

The PRESIDING OFFICER. If the motion of the Senator from Louisiana [Mr. OVERTON] shall prevail, the bill will be debatable.

Mr. McNARY. The motion to make the bill the unfinished business is not debatable, because the hour of 2 o'clock has not yet arrived. After 2 o'clock a motion to take up the bill would be debatable.

The PRESIDING OFFICER. The Senator is correct.

Mr. McNARY. I have no objection to taking up the bill; but I wish to address an inquiry to the able Senator before I vote on the question. I have a note from an editor——

Mr. OVERTON. Mr. President, I shall be very glad to give the able Senator any information I have; but I understand the motion is not debatable. As soon as we take up the bill I shall be very glad to give the Senator such information as I have with respect to it. It is merely a little District of Columbia bill which has been on the calendar for a long time, and I want to get rid of it.

Mr. McNARY. Mr. President, I do not want to interfere with the Senator having the bill considered. However, I sympathize with those who are unable to debate the motion because the hour of 2 o'clock has not yet arrived. Perhaps the Senator would be willing to waive the technicality and answer the inquiry I was about to propound, but I shall not insist if he wishes to stand on his rights.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana [Mr. OVERTON].

Mr. THOMAS of Oklahoma. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. OVERTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. OVERTON. Is the suggestion of the absence of a quorum in order, inasmuch as no business has been transacted since the previous roll call?

The PRESIDING OFFICER. The absence of a quorum was suggested, and the order for the yeas and nays has been made. The clerk will call the roll.

Mr. McNARY. Mr. President, do I correctly understand the ruling of the Chair to be that ordering the yeas and nays is such a transaction of business as to make in order the call for a quorum at this time? What was the ruling of the Chair?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. McNARY. The point I make is that the yeas and nays were requested. After the request had been sufficiently seconded the Chair ordered the yeas and nays. That order by the Presiding Officer constitutes the transaction of business by the Senate. Therefore, I suggested the absence of a quorum.

Mr. OVERTON. I make the point of order that the suggestion of the absence of a quorum is not in order, no business having been transacted.

The PRESIDING OFFICER. The Chair is informed that the yeas and nays having been ordered, and therefore business having been transacted, the suggestion of the absence of a quorum is in order. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	La Follette	Sheppard
Ashurst	Donahey	Lee	Shipstead
Austin	Downey	Lodge	Slattery
Bailey	Ellender	Lucas	Stewart
Bankhead	George	Lundeen	Taft
Barbour	Gerry	McKellar	Thomas, Idaho
Barkley	Gibson	McNary	Thomas, Okla.
Bilbo	Gillette	Maloney	Thomas, Utah
Bone	Glass	Mead	Tobey
Bridges	Green	Miller	Townsend
Brown	Gurney	Minton	Truman
Bulow	Hale	Murray	Tydings
Burke	Harrison	Neely	Vandenberg
Byrd	Hatch	Norris	Van Nuys
Byrnes	Hayden	O'Mahoney	Wagner
Caraway	Herring	Overton	Walsh
Chandler	Hill	Pepper	Wheeler
Chavez	Holman	Pittman	White
Clark, Idaho	Hughes	Reed	Wiley
Clark, Mo.	Johnson, Calif.	Russell	
Connally	Johnson, Colo.	Schwartz	
Danaher	King	Schwellenbach	

The PRESIDING OFFICER. Eighty-five Senators have answered to the roll call. There is a quorum present. The question is on the motion of the Senator from Louisiana [Mr. OVERTON].

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. Is the motion now before the Senate debatable?

The PRESIDING OFFICER. The Chair will hold that under rule VIII, the motion is not debatable, as it was made prior to 2 o'clock. The rule reads:

All motions made before 2 o'clock to proceed to the consideration of any matter shall be determined without debate.

Mr. McNARY. I wish to disclose my objection to the ruling of the Chair. When such a motion is made before 2 o'clock and the hour of 2 o'clock arrives the inhibition of the rule is lost forever. It is now 2 o'clock and 2 minutes p. m. In my opinion, under the rule—and I think it was so held when I raised the point on another occasion—if such a motion is made prior to 2 o'clock and because of the lapse of time due to a roll call or a quorum call or discussion of an appeal from the decision of the Chair the hour of 2 o'clock arrives with the motion still pending, as it is in this case, after 2 o'clock, then it is debatable. That is the interpretation, in my opinion, which should be placed upon the section of the rule which has been read; indeed, I think it is the only one which should be put upon it; otherwise, if a Senator made such a motion before 2 o'clock, and the 2 hours which we call the morning hour elapsed, he could not then argue it at all after 2 o'clock, but would be bound by the fact that he had made his motion earlier in the day. That is not good sense; it is not good reason. If it has been announced as the permanent decision of the Chair, I shall be compelled to appeal from the decision, much as I regret to do so.

The PRESIDING OFFICER. In view of the lack of unanimity of the rulings on this question, the Chair will withdraw the ruling just made, and now submits to the Senate the question whether the motion of the Senator from Louisiana [Mr. OVERTON], under the circumstances, is debatable at this time.

Mr. THOMAS of Oklahoma. Mr. President, is not that question debatable?

The PRESIDING OFFICER. The point of order having been submitted to the Senate, the question is debatable.

Mr. McNARY. I yield to the Senator from Oklahoma. I have obtained all I want.

Mr. THOMAS of Oklahoma. Mr. President, this bill has been on the calendar for at least 2 years. It relates to some colored employees of the District government and that is all. By this bill a department of the District Government, the recorder of deeds office, would lose some of its colored employees, and the vacancies created would be given to white people in another department of the District government. That is the motive behind this bill.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. OVERTON. I trust the Senator does not assign that motive to me.

Mr. THOMAS of Oklahoma. Not at all. I assure the Senator that I do not mean to intimate that that is his motive.

Mr. OVERTON. This bill has the unanimous support of the District of Columbia Committee. I did not introduce the bill; I was charged with the duty of reporting it, and I do not understand that what the Senator from Oklahoma suggests is at all the purpose of the bill.

Mr. THOMAS of Oklahoma. Mr. President, prior to 1935 the recording of motor-vehicle liens was under the recorder of deeds, and the recorder, almost from time immemorial, has been a colored man. Dr. Thompkins, the present recorder, comes from Kansas City, in the State of Missouri, and it is well known that he is a very high-class colored man.

In 1935 a bill was introduced to raise the fee for recording automobile liens and encumbrances. I ask permission to have included in the RECORD a copy of Senate bill 410, which is the basis of the present law. The report made on that bill was formulated by Mr. Ellenbogen, of the Committee on the District of Columbia, House of Representatives. I also ask permission at this point in my remarks to have printed a copy of the House committee report.

There being no objection, the bill and report were ordered to be printed in the RECORD, as follows:

[S. 410, 74th Cong., 1st sess.]

To provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes

Be it enacted, etc., That section 552 of the Code of Law for the District of Columbia, as amended, is amended to read as follows:

"SEC. 552. Fees: The legal fees for the services of the recorder shall be as follows:

" 'For filing, recording, and indexing, or for making certified copy of any instrument containing 200 words or less, $1, and 20 cents for each additional hundred words, to be collected at the time of filing, or when the copy is made.

" 'For each certificate and seal, 50 cents.

" 'For searching records extending back 2 years or less next preceding current date, 50 cents, and 15 cents for each additional year, to be paid by the party for whom the search may be made.

" 'For recording a plat or survey, 20 cents for each course such survey may contain.

" 'For recording a town plat, 25 cents for each lot such plat may contain.

" 'For taking any acknowledgment, 50 cents.

" 'For filing and indexing a bill of sale of chattels, or a mortgage or deed of trust thereof, or a conditional bill of sale of chattels or any release or satisfaction of any such, $1.50.

" 'For filing and indexing any other paper required by law to be filed in his office, 50 cents.

" 'In addition to the fees herein required, all corporations hereinafter incorporated in the District of Columbia shall pay to the recorder of deeds at the time of the filing of the certificate of incorporation 50 cents on each thousand dollars of the amount of capital stock of the corporation as set forth in its said certificate: *Provided, however,* That the fee so paid shall not be less than $50: *Provided further,* That the recorder of deeds shall not file or record any certificate of organization of any incorporation until it has been proved to his satisfaction that all the capital stock of said company has been subscribed for in good faith, and not less than 10 percent of the par value of the stock has been actually paid in cash, and the money derived therefrom is then in the possession of the persons named as the first board of trustees.' "

The Committee on the District of Columbia, to whom was referred the bill (S. 410) to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass.

From time to time the fact becomes apparent that various governmental organizations in the District of Columbia are operating under antiquated laws. The present schedule of fees in the recorder's office was established over 30 years ago and at the present time does not provide sufficient funds to meet the operating expenses of the office. The purpose of the bill here reported is to provide a modification of these fees, making them more nearly commensurate with the value of the services rendered.

The bill further provides that the recorder shall not file or record any incorporation certificate without first ascertaining that its capital stock has been subscribed for in good faith and not less than 10 percent of its par value paid in cash.

The Commissioners of the District of Columbia have submitted a report on this measure which is hereto appended and made a part hereof.

COMMISSIONERS OF THE DISTRICT OF COLUMBIA,
EXECUTIVE OFFICE,
Washington, March 28, 1935.

Hon. MARY T. NORTON,
Chairman, House District Committee, House of Representatives, Washington, D. C.

DEAR MADAM: The Commissioners of the District of Columbia have the honor to submit the following report on S. 410 (74th Cong., 1st sess.), entitled, "A bill to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes," passed by the Senate, February 25, 1935.

There has been a deficiency in the office of the recorder of deeds for a number of years, and the purpose of the pending bill is to amend section 552 of the Code of Law for the District of Columbia by increasing fees so as to put this office on a self-sustaining basis. The present fees have been in effect for over 30 years and it is recognized that they are wholly out of line with the actual cost of service rendered.

The total appropriations for the office of the recorder of deeds for the fiscal year 1934 amounted to $100,000. The total fees collected in that year amounted to $89,300. For the fiscal year 1936 the estimates of the recorder's office, as approved by the Budget Bureau and as passed by the House amount to $113,060.

If this bill is passed and is in operation in the fiscal year 1936, the fees received by the recorder of deeds would amount to about $168,000, if the volume is similar to that during the fiscal year 1934.

The fees provided by the pending bill differ from those required by existing law in the following particulars:

Under existing law the charge for filing, recording, and indexing, or for making a certified copy of any instrument containing 200 words or less is 50 cents, and 15 cents for each additional hundred words. Under the pending bill the fees are increased to $1.50 for the first 200 words and 25 cents for each additional hundred words.

The cost of each certificate and seal is increased from 25 to 50 cents.

Under the existing law the fee for searching records extending back 2 years or less is 25 cents, and 5 cents for each additional year. Under the pending bill the fee for searching records for the first 2 years is $1, and 25 cents for each additional year.

The fee for recording a plat or survey is increased from 5 to 30 cents for each course such survey may contain.

The fee for recording a town plat is increased from 3 to 25 cents for each lot such plat may contain.

The fee for taking acknowledgments is not increased by the pending bill.

Under sections 546 and 547 of the code as amended by the act of March 3, 1925, the fee for filing and indexing papers relating to the sale or mortgage of chattels is $1. This is increased to $2.50 by the pending bill.

The fee for filing and indexing other papers is increased from 15 cents to $1.

Under existing law a corporation at the time of the filing of the certificate of incorporation is required to pay a fee of 40 cents on each $1,000 of its capital stock with a minimum fee of $25. Under the pending bill the fee is increased to 80 cents on each $1,000 of capital stock with a minimum fee of $50.

The Commissioners know of no objection to the passage of this bill.

Very respectfully,

M. C. HAZEN, *President.*

Mr. THOMAS of Oklahoma. The purpose of the proposed legislation was to increase the fee for the recording of automobile liens in the office of the recorder of deeds. The bill referred to became a law. I ask permission at this time to have placed in the RECORD a copy of the existing law. It is known as Public, 149, Seventy-fourth Congress.

There being no objection, the law was ordered to be printed in the RECORD, as follows:

[Public—No. 149—74th Cong.—S. 410]

To provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes

Be it enacted, etc., That section 552 of the Code of Law for the District of Columbia, as amended, is amended to read as follows:

"SEC. 552. Fees: The legal fees for the services of the recorder shall be as follows:

" 'For filing, recording, and indexing, or for making certified copy of any instrument containing 200 words or less, $1, and 20 cents for each additional hundred words, to be collected at the time of filing, or when the copy is made.

" 'For each certificate and seal, 50 cents.

" 'For searching records extending back 2 years or less next preceding current date, 50 cents, and 15 cents for each additional year, to be paid by the party for whom the search may be made.

" 'For recording a plat or survey, 20 cents for each course such survey may contain.

" 'For recording a town plat, 25 cents for each lot such plat may contain.

" 'For taking any acknowledgment, 50 cents.

" 'For filing and indexing a bill of sale of chattels, or a mortgage or deed of trust thereof, or a conditional bill of sale of chattels or any release or satisfaction of any such, $1.50.

" 'For filing and indexing any other paper required by law to be filed in his office, 50 cents.

" 'In addition to the fees herein required, all corporations hereafter incorporated in the District of Columbia shall pay to the recorder of deeds at the time of the filing of the certificate of incorporation 50 cents on each thousand dollars of the amount of capital stock of the corporation as set forth in its said certificate: *Provided, however,* That the fee so paid shall not be less than $50: *Provided further,* That the recorder of deeds shall not file or record any certificate of organization of any incorporation until it has been proved to his satisfaction that all the capital stock of said company has been subscribed for in good faith, and not less than 10 percent of the par value of the stock has been actually paid in cash, and the money derived therefrom is then in the possession of the persons named as the first board of trustees.' "

Approved, June 17, 1935.

Mr. THOMAS of Oklahoma. Mr. President, in substantiation of the statement I have made, I ask permission to have read at the desk a letter just received from the present recorder of deeds, Dr. Thompkins. On Saturday I found it necessary to leave the city; I could not reach Dr. Thompkins at 12 o'clock, and I telegraphed him, asking him for a statement of the reason for the pending bill. His letter purports to give the reasons for the proposed legislation. I ask permission that the letter may be read at the desk.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

RECORDER OF DEEDS, DISTRICT OF COLUMBIA,
Washington, D. C., April 20, 1940.

The Honorable ELMER THOMAS,
United States Senator, Senate Office Building, Washington, D. C.

MY DEAR SENATOR THOMAS: In reply to your wire of yesterday, enclosed you will find S. 410, an act to provide fees to be charged by the recorder of deeds of the District of Columbia, and report thereon, No. 1119. This report, you will note, carries a letter signed by the President of the Board of Commissioners, which proposed to increase the fees for recording chattels from $1 to $2.50 in an effort to bring this department out of the "red." It was my opinion that $2.50, as suggested by the Commissioners of the District of Columbia was exorbitant; that a fee of $1.50 would be sufficient to accomplish the same purpose. Congress passed and the President approved S. 410, which carried my suggestion, and the office has since operated without a deficit.

Now that the Commissioners are desirous of increasing the patronage of the director of traffic, and indirectly their own, by

transferring some of our duties to that department, they necessarily must advance some argument for the transfer. Having overlooked the fact that the fees were increased at their own suggestion, they now contend that said fees are too high and should be only 50 cents, wherein in 1935 they recommended that the fees should be $2.50. The Commissioners have at no time suggested to the recorder of deeds a reduction in the fee for the filing of automobile chattels. All of the contention that the recorder of deeds is charging an exorbitant fee is merely a smoke screen to hide the real purpose in the Commissioners' minds.

If there is any further information you may desire on this subject, be assured that we shall be very happy to furnish same.

Respectfully,

WM. J. THOMPKINS.

Mr. THOMAS of Oklahoma. Mr. President, the following briefly are the facts—and I shall take only a few moments: Prior to 1935 the recording of these instruments was done in the office of the recorder of deeds. The fee was very small; it was not sufficient to pay the expense of the work. So the District Commissioners recommended to the Congress that a bill be passed raising the fee for the recording of automobile encumbrances. The Commissioners recommended that the fee be fixed at $2.50 per car in order to raise sufficient funds to defray the expenses of this particular bureau of the recorder of deeds' office. The present recorder of deeds, Dr. Thompkins, remonstrated that $2.50 was too much for the recording of automobile liens, and because, partially, at least, of his objection to the fee of $2.50, the committee saw proper to reduce the fee to $1.50. The Commissioners were in favor of the law of 1935; they gave their approval to the existing law, which was passed only 5 years ago, and which fixed the fee at $1.50, a reduction from their recommendation. As a result of that legislation, the expenses of this particular bureau are now more than defrayed by the receipts from operations under the law which is now in effect. So the argument cannot be legitimately made that this department is not now paying its expenses. As the fees are sufficient to pay the expenses, there must be some reason other than a change of fees as the basis for the proposed legislation.

The director of traffic in the District of Columbia desires to take over the particular job of recording these instruments affecting motor vehicles. In order to get control of this bureau, legislation must be passed; so this bill proposes to take from the present recorder of deeds' office the department of recording conveyances relating to motor vehicles, and put it under the director of traffic. If that should be done, the present employees under Dr. Thompkins in the present recorder of deeds building will be discharged, because it is obvious that they would not be carried over into the department of the director of traffic. So, as I see the picture, this is simply a fight over patronage between the director of traffic on the one side and Dr. Thompkins, the recorder of deeds, upon the other; and as between these two departments I shall stand with Dr. Thompkins.

Mr. REED. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Kansas.

Mr. REED. I notice that on page 3 provision is made for the payment of a sum not to exceed $1 "for each such titling and retitling," "and not to exceed the sum of 50 cents for the recording of each such lien or encumbrance, with no fee for releasing." Do these fees go into the Public Treasury?

Mr. THOMAS of Oklahoma. They do. None of them go to the recorder of deeds' office.

Mr. REED. That is what I want to know. None of them go to any individual?

Mr. THOMAS of Oklahoma. Absolutely not. The fees are fixed by law. The fees are all collected and reported to the District treasury, which means the Federal Treasury, and the salaries are provided for by the Congress in the District appropriation bill. The salaries are all fixed by law.

Mr. REED. I beg the pardon of the Senator from Oklahoma for interrupting him. The subject is one with which I am not familiar, and I wanted to be sure on that point.

Mr. THOMAS of Oklahoma. The law of 1935 was passed to raise the fees to sustain the Department. That law was passed with the approval and upon the recommendation of the officials of the District of Columbia. The Department now is self-sustaining. In order to have this law changed it is desired to reduce the fees somewhat; and if this bill passes there will be a slight reduction. It may be that because of the increased number of cars in the city of Washington a decreased fee will still maintain and pay the expenses of the Department; but, in my judgment, that is not the purpose of this bill. This bill is to get this department out from under Dr. Thompkins and put it under the director of traffic; to decrease the patronage of Dr. Thompkin's office on the one hand and to increase the patronage under the director of traffic and under the Commissioners on the other.

That is all there is to the bill, from my viewpoint. For that reason I am against the motion and shall be against the bill upon final passage.

Mr. OVERTON. Mr. President, as the Senator from Oklahoma [Mr. THOMAS] has stated, this bill has been on the calendar for some time. I think a similar bill was reported at the session before the last and expired with the last Congress. We have not been able to obtain action upon the measure because it had to come before the Senate when bills on the calendar were being considered by unanimous consent. It is for that reason that I have moved that the Senate proceed to consider the bill, in order that it may be disposed of.

The bill has been recommended not only by the Commissioners of the District of Columbia, not only by the Senate Committee on the District of Columbia, but by the Bar Association of the District of Columbia, by various automobile associations, and by different civic bodies. No one who appeared before the committee raised his voice in objection to the bill, with the exception of the recorder of deeds.

The reason why automobile associations and automobile owners are so anxious to have the bill passed is twofold. First, the Department of Vehicles and Traffic in the District of Columbia issues a certificate of title to every automobile which is sold or resold in the District of Columbia. If this bill shall be enacted into law, that certificate of title will show what liens and encumbrances are against the automobile. A record will be kept in the Department of Vehicles and Traffic of each automobile by engine number; and as a lien or an encumbrance is filed against an automobile, it will be indexed not only by name but also by engine number, so that when the certificate of title is issued it will show not only the title itself but also what encumbrances exist against the automobile.

Mr. ADAMS. Mr. President, will the Senator yield for an inquiry?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Colorado?

Mr. OVERTON. I am very glad to yield.

Mr. ADAMS. Is the certificate of title issued by the Department of Vehicles and Traffic?

Mr. OVERTON. It is.

What happens today is that a certificate of title is issued by one agency, and the recording of liens against the automobile takes place in an entirely different office. The recording is done in the office of the recorder of deeds. When a chattel mortgage or a lien is filed against an automobile in the office of the recorder of deeds it is indexed by name, so that when one gets a certificate of title to an automobile in the District of Columbia he has to get the history of the title, the names of the prior owners of the automobile, go to the recorder of deeds and look through the indexes to determine what mortgages or encumbrances, if any, exist against the automobile. The evidence before the subcommittee showed that it takes, I should say, an average of a day, and sometimes 2 days, to make a proper examination of the records to ascertain what encumbrances exist against an automobile. So the Bar Association of the District of Columbia, which is familiar with the examination of titles to automobiles, has recommended the enactment of the bill.

In respect to the fee that is charged, I do not know what occurred several years ago, when the Senator from Oklahoma states that under a recommendation by the Commissioners

the fee for recording an automobile lien was fixed at $1.50, and the fee for recording a release was fixed at $1.50; but I do know that it is an outrageous fee to charge, because all that is done is that the chattel mortgage is taken and not spread of record, but is simply filed; a filing mark is placed upon it, and it is indexed by name in the record. That is all; and for that service $1.50 is charged to the automobile owner. When it comes to releasing the lien—a mere cancelation of the lien—$1.50 additional is charged by the recorder of deeds. This bill provides for a recordation fee of only 50 cents, to be paid to the Department of Vehicles and Traffic, and no charges for recording releases.

What is the situation growing out of the fact that such a large recording fee and such a large fee for recording the release of these encumbrances are charged? The record shows, and it is undisputed, that there are hundreds and thousands of automobile chattel mortgages and liens which are not recorded. The automobile dealers, rather than go to the expense of $1.50 for recording a chattel mortgage against an automobile, build up a contingent fund, and use the money they otherwise would use for recording as against any loss they may suffer by reason of the fact that the chattel mortgage is not recorded, and therefore is not notice to third persons, and they make a profit by it; and when it comes to releases, only an insignificant percentage of these chattel mortgages are released on account of the excessive charge.

Not only that, Mr. President, but it frequently happens that one desiring to purchase an automobile goes to the Department of Vehicles and Traffic and gets a certificate of title, which shows the title and shows only one encumbrance, the vendor's lien. The innocent holder of the certificate of title believes that that represents all there is against the automobile, and he purchases it without any further examination of the records and without any examination of the records of the recorder's office. After a while he wakes up and finds that there are chattel mortgages against the automobile, and as a result he may lose his automobile; and purchasers under such circumstances have lost their automobiles by reason of the fact that they relied upon the certificate of title, while the record of the lien was in another office.

The purchaser of an automobile absolutely relies upon the certificate of title not only as to ownership but as to all liens and encumbrances which are recorded against the automobile. Under the bill the whole transaction would take place in one office. The records would be kept in the Department of Vehicles by engine number, as well as by the names of the automobile owners who have owned the car; so there would be a complete history of the title, showing all the encumbrances, and it would be done for 50 cents an automobile, so far as encumbrances are concerned, and there would be no charge for releasing, thereby saving the automobile owners $2.50 an automobile, which would amount to thousands upon thousands of dollars.

Mr. President, this is a simple explanation of the bill, and this is why the different civic organizations, the automobile owners, the automobile dealers, and, so far as I know, every one in the District of Columbia, with the exception of the recorder of deeds, want the bill enacted into law.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. SCHWELLENBACH. Will the Traffic Bureau issue a certificate of title despite the fact that there are encumbrances on file in the office of the recorder of deeds?

Mr. OVERTON. Yes. The director of traffic is not called upon to show the encumbrances. He issues a certificate of title, since there is filed with him the deed of transfer of the automobile. In case there is a vendor's lien, a chattel mortgage retained in the original sale, it is shown upon the certificate of title. He makes a statement that, so far as he knows, there are no further mortgages or encumbrances against the automobile. But today the Traffic Bureau is not an office for the recordation of chattel mortgages against automobiles, and the purpose of the bill is to make it the record office for the recordation of such chattel mortgages, so that the certificate of title and the information as to encumbrances will be issued from one and the same office.

Mr. SCHWELLENBACH. Let me put it in this way: If I buy a second-hand automobile against which there are two or three mortgages or liens of some kind or other, which are recorded in the office of the recorder of deeds. I can still go into the traffic office and get a certificate of title showing that whoever sold the machine to me had title, without any liens, and the title which I get is of no value against the liens which are recorded?

Mr. OVERTON. None at all. When the Senator got a certificate of title, as he would, he would go to the office of recorder of deeds and examine to see whether any mortgage was recorded in the name of John Jones, who was the last owner of the car, and if someone had sold it to John Jones, some other individual, he would have to get his name by some hook or crook and find out who was the prior owner. Then the Senator would look up in the indexes to see whether any chattel mortgage was recorded against Henry Brown, we will say, and so on. It is a very cumbersome proceeding. It takes time, and it is a very costly procedure from the standpoint of the recording office.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield further?

Mr. OVERTON. I am very glad to yield.

Mr. SCHWELLENBACH. I do not think there is anything extraordinary about having to go to two places to look into a question of title. In my State the license is issued by the State director of licenses, and we do not think it extraordinary to go to the county auditor's office to ascertain whether there are liens against a car. But where there is a certificate of title law it seems to me that a certificate of title should be of some value. As we now have it, it is merely a snare and a delusion so far as the purchaser of a car is concerned.

Mr. OVERTON. I think the Senator's observation is correct; it is a snare and a delusion when people buy automobiles and seek to find whether there are any encumbrances. That is all I desire to say.

Mr. TRUMAN. Mr. President I should like to make a remark or two on the bill. I do not know anything about the patronage situation in the District of Columbia and I am not interested in it, but it is customary in nearly every State in the Union for chattel mortgages to be filed with the recorder of deeds. If the price for filing chattel mortgages on automobiles in the District of Columbia is too high, there is no one to blame but the Congress of the United States, because they passed the law covering the matter and the situation is easily remedied.

It is customary in most States either for the secretary of state or some other State officer to issue titles to automobiles. In my State the secretary of state issues the title. Chattel mortgages and liens against automobiles are filed with the recorder of deeds, just as chattel mortgages on furniture and other chattel mortgages are filed. It costs 15 cents to file one with the recorder of deeds in my State. It would be easy enough to remedy the situation here by merely cutting the fee which must be paid. I cannot see any reason in the world for creating another bureau in which to file chattel mortgages on automobiles. Why not create a bureau for filing chattel mortgages on furniture and on everything else on which chattel mortgages are given.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. TRUMAN. I yield.

Mr. OVERTON. The bill does not attempt to create another bureau. The bureau is already in existence, the Department of Vehicles and Traffic.

Mr. TRUMAN. There is a customary filing place, that is, the recorder of deeds' office, where all chattel mortgages are filed. The bill would provide for a special filing place for chattel mortgages on automobiles, and I cannot see any reason for it in the world. If the price for filing such mortgages is too high, we can reduce it. It is customary also to file liens and chattel mortgages with the recorder of deeds. There is no reason in the world I can see why we should make the director of traffic in the District of Columbia a special officer for this purpose.

Mr. President, I think the bill should be defeated. I hope that the ruling of the presiding officer regarding debate on the motion to consider the bill will be overruled, and I hope the motion will then be voted down.

Mr. BONE. Mr. President, I should like to ask the Senator from Louisiana a question regarding the bill. If the bill should become a law, would all instruments affecting title and affecting liens against automobiles find lodgement in exactly the same place?

Mr. OVERTON. Yes.

Mr. BONE. I would be constrained to favor a bill which would simplify procedure and put all documents affecting title in the same office. I think it is ridiculous, regardless of what effect it might have on some man's idea of how to run his office, to have documents affecting liens and affecting title scattered all over a series of offices. I wanted to be sure this bill would simplify the procedure.

Mr. OVERTON. I am happy to have the Senator make his observation. He has a correct understanding of the bill.

The PRESIDING OFFICER. The clerk will state the question.

The LEGISLATIVE CLERK. Is the motion of the Senator from Louisiana [Mr. OVERTON], made before 2 o'clock, to take up Calendar 764, Senate bill 1296, now debatable, in view of the fact the motion was not acted upon prior to the hour of 2 o'clock, there being no unfinished business before the Senate?

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	La Follette	Russell
Ashurst	Davis	Lodge	Schwartz
Austin	Ellender	Lucas	Schwellenbach
Bailey	George	McKellar	Sheppard
Bankhead	Gerry	McNary	Shipstead
Barbour	Gibson	Maloney	Stewart
Barkley	Gurney	Mead	Taft
Bilbo	Hale	Miller	Thomas, Idaho
Bone	Harrison	Minton	Thomas, Okla.
Bridges	Hatch	Murray	Thomas, Utah
Byrd	Hayden	Neely	Townsend
Byrnes	Herring	Norris	Truman
Caraway	Hill	O'Mahoney	Tydings
Chandler	Holman	Overton	Van Nuys
Chavez	Hughes	Pepper	Walsh
Clark, Mo.	Johnson, Calif.	Pittman	
Connally	Johnson, Colo.	Reed	

The PRESIDING OFFICER (Mr. HATCH in the chair). Sixty-six Senators have answered to their names. A quorum is present.

The clerk will state the question.

The LEGISLATIVE CLERK. Is the motion of the Senator from Louisiana [Mr. OVERTON] made before 2 o'clock, to take up calendar 764, Senate bill 1296, now debatable, in view of the fact the motion was not acted upon prior to the hour of 2 o'clock, there being no unfinished business before the Senate?

The PRESIDING OFFICER. Those who believe the motion is debatable will vote "aye." Those who believe it is not debatable will vote "no." (Putting the question:) The "noes" appear to have it. The "noes" have it. The Senate decides that the motion is not debatable.

The question now recurs on the motion of the Senator from Louisiana [Mr. OVERTON]. The yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS], who is necessarily absent. I am informed that if he were present he would vote as I shall vote. I am, therefore, at liberty to vote, and vote "yea."

The roll call was concluded.

Mr. MINTON. I announce that the Senator from Florida [Mr. ANDREWS], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from West Virginia [Mr. HOLT], the Senator from Minnesota [Mr. LUNDEEN], the Senator from Nevada [Mr. MCCARRAN], the Senator from Maryland [Mr. RADCLIFFE], the Senator from North Carolina [Mr. REYNOLDS], the Senator from New Jersey [Mr. SMATHERS], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER] are detained from the Senate on public business.

The Senator from Virginia [Mr. GLASS] and the Senator from Idaho [Mr. CLARK] are unavoidably detained.

The Senator from Arizona [Mr. ASHURST], the Senator from North Carolina [Mr. BAILEY], the Senator from Mississippi [Mr. BILBO], the Senator from Michigan [Mr. BROWN], the Senator from South Dakota [Mr. BULOW], the Senator from Nebraska [Mr. BURKE], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from Ohio [Mr. DONAHEY], the Senator from California [Mr. DOWNEY], the Senators from Iowa [Mr. GILLETTE and Mr. HERRING], the Senator from Rhode Island [Mr. GREEN], the Senator from Delaware [Mr. HUGHES], the Senator from Utah [Mr. KING], the Senator from Oklahoma [Mr. LEE], the Senator from Arkansas [Mr. MILLER], the Senator from Illinois [Mr. SLATTERY], and the Senator from New York [Mr. WAGNER] are detained in various Government departments.

Mr. AUSTIN. The Senator from Wisconsin [Mr. WILEY] is detained in a committee hearing.

The Senator from Kansas [Mr. CAPPER] and the Senators from North Dakota [Mr. FRAZIER and Mr. NYE] are necessarily absent.

The result was announced—yeas 21, nays 33, as follows:

YEAS—21

Adams	Ellender	McKellar	Schwellenbach
Bankhead	George	Murray	Shipstead
Barkley	Hatch	Overton	Thomas, Utah
Bone	Hayden	Pepper	
Caraway	Hill	Pittman	
Chandler	Johnson, Colo.	Russell	

NAYS—33

Austin	Hale	Mead	Thomas, Okla.
Barbour	Harrison	Minton	Townsend
Byrnes	Holman	Neely	Truman
Clark, Mo.	Johnson, Calif.	O'Mahoney	Tydings
Danaher	La Follette	Schwartz	Van Nuys
Davis	Lodge	Sheppard	Walsh
Gerry	Lucas	Stewart	
Gibson	McNary	Taft	
Gurney	Maloney	Thomas, Idaho	

NOT VOTING—42

Andrews	Clark, Idaho	Hughes	Slattery
Ashurst	Connally	King	Smathers
Bailey	Donahey	Lee	Smith
Bilbo	Downey	Lundeen	Tobey
Bridges	Frazier	McCarran	Vandenberg
Brown	Gillette	Miller	Wagner
Bulow	Glass	Norris	Wheeler
Burke	Green	Nye	White
Byrd	Guffey	Radcliffe	Wiley
Capper	Herring	Reed	
Chavez	Holt	Reynolds	

So Mr. OVERTON's motion was rejected.

ORDER FOR CONSIDERATION OF RIVER AND HARBOR BILL

Mr. BAILEY. Mr. President, I ask unanimous consent that after the completion of the unfinished business on Wednesday of this week the Senate shall take up for consideration House bill 6264, which is the measure known as the river and harbor bill. I hope there will be no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina? The Chair hears none, and it is so ordered.

AMENDMENT OF FEDERAL CROP INSURANCE ACT

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2635) to amend the Federal Crop Insurance Act, which was to strike out all after the enacting clause and insert:

That section 502 of the Federal Crop Insurance Act, as amended, is hereby amended by substituting the word "crop" for the word "Wheat-crop" and by substituting the words "agricultural commodities" for the word "wheat."

SEC. 2. That section 506 (h) of said act, as amended, is amended by striking out the words "for wheat and other agricultural commodities."

SEC. 3. That section 508 of said act, as amended, is amended by striking out the first comma in subsection (a) thereof and inserting in lieu thereof the following: "and with the cotton crop planted for harvest in 1941."

SEC. 4. That section 508 of said act, as amended, is further amended by striking out the words "producers of wheat against

loss in yields of wheat" in the first sentence, and substituting in lieu thereof the words "producers of the agricultural commodity against loss in yields of the agricultural commodity."

SEC. 5. That section 508 of said act, as amended, is further amended by substituting the words "the agricultural commodity" for the word "wheat" in the third sentence of subsection (a).

SEC. 6. That sections 508 (b), (c), and (d) and 516 (a) of said act, as amended, are further amended by substituting the words "the agricultural commodity" for the word "wheat" wherever it appears.

SEC. 7. That section 508 of said act, as amended, is further amended by adding at the end thereof the following new subsection:

"(e) In connection with insurance upon yields of cotton, to include provision for additional premium and indemnity in terms of lint cotton to cover loss of cottonseed, such additional premium and indemnity to be determined on the basis of the average relationship between returns from cottonseed and returns from lint cotton for the same period of years as that used for computing yields and premium rates."

SEC. 8. That section 516 (a) of said act, as amended, is amended by striking out the figures "$6,000,000" and substituting in lieu thereof the figures "$12,000,000."

SEC. 9. That said act, as amended, is further amended by redesignating section 518 as section 519, and by addition thereto of the following new section:

"SEC. 518. 'Agricultural commodity,' as used in this act, means wheat or cotton, or both, as the context may indicate."

Mr. BANKHEAD. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

RECIPROCAL TRADE AGREEMENTS ACT AND THE CATTLE INDUSTRY

Mr. SCHWARTZ. Mr. President, since the passage by the Senate of the joint resolution extending for 3 years the authority of the President of the United States to negotiate trade agreements with foreign nations, I have received from Wyoming many letters commending me for my supporting vote for that program. I have received others criticizing my actions. For the record I wish to make a short statement.

In the 1936 Wyoming Democratic primaries an able and sincere opponent of mine criticized me for my support and defense of the reciprocal trade agreements law and the Canadian agreement, which reduced the Smoot-Hawley tariff rates on a limited number of cattle. However, I was nominated in that primary contest. In the general election campaign I was opposed by the late Senator Carey, who was one of Wyoming's most popular citizens, a former Governor of the State and the son of a former Governor and United States Senator, each in his time a prominent Wyoming cattleman. The trade-agreements law and the Canadian treaty were prominent issues in that campaign. They were defended by me and other Democratic speakers. I was elected to the Senate. I then thought, and I now think, that many of the Wyoming livestock men and women feel that their industry has not been hurt and will not be damaged in the future by any trade agreement negotiated under the reciprocal-trade law. Of course, I then knew, and I now know, that many cattle and sheep men are sincerely and earnestly opposed to the whole program. I am constrained to believe that some of this group are inclined to take counsel of their fears rather than consult their experiences under the trade program. There are others prominent in livestock councils in Wyoming who have always opposed and will always oppose anything and everything done by a Democratic administration. The latter, with a political ax to grind, are the apostles of fear. They seek to inculcate immediate fears in the minds of Wyoming citizens. They conjure up future evils which never come. In the argument and debates on economic questions these gentry furnish the loud alarms and the fearful whisperings.

But, Mr. President, it is not my purpose to criticize the political technique of anyone, not even Senators from other States who in the nighttime sow tares in my own political fields in the great State of Wyoming.

Mr. President, a few weeks ago I voted against the Pittman amendment, and I voted for the 3-year extension of the reciprocal trade agreements law. When the joint resolution for such extension was first introduced in the House, I entertained some doubts as to the advisability of further extension of the program. That doubt arose from the fact that I had received several letters from prominent Wyoming Democrats and Republicans who are not politicians in any sense, expressing opposition to a further extension, and fears that ultimately agreements might be negotiated which would result in bringing the hoof-and-mouth disease into the United States. Under the circumstances I gave new study to the whole matter. I read much of the voluminous testimony given in the House and Senate hearings. I sat in the Senate and listened to all the arguments and debate, although most of the debate dealt with constitutional and other law questions. I read again the proposed compact negotiated between the United States of America and the Republic of Argentina, sent to the Senate in 1935 as a treaty requiring Senate ratification, and also the President's letter of transmittal asking Senate ratification, as well as Secretary Hull's subsequent letter to the chairman of the Senate Foreign Relations Committee explanatory of the proposed treaty. The fact that that treaty has remained in the files of the Foreign Relations Committee without action for the past 5 years is not germane to what I am saying today. I also asked for and received from the Secretary of State information concerning the 1939 modification of the original Canadian treaty of 1936. I also made individual study of official statistics on markets, farm income, and, particularly, of prices recent and current of livestock and wool.

Let me say here I have never attributed the 1932–33 four and five cent price of beef, nor six to eight cent prices of wool wholly to the unfortunate operation and effect of the Smoot-Hawley bill; neither do I attribute the present and recent higher prices of these productions wholly to the reciprocal-trade agreements, although manifestly the agreements have aided in recovery from the low depression prices. In the end I became convinced that the trade-agreements program and operation thereunder had been beneficial to the Nation as a whole, including Wyoming livestock and other industries. That was the situation, so far as I was concerned, until just before the vote on the Pittman amendment.

Mr. President, just prior to a vote on the Pittman amendment, I suddenly received a large number of telegrams from Wyoming urging, or demanding, that I vote for the Pittman amendment and against the extension of the reciprocal trade agreement law. Half of these telegrams came from three counties. I also received a few telegrams advising me of an aroused local interest in the matter, but not suggesting a course of action for me to follow. Other telegrams came from persons who wished to see the trade-agreements program extended. Naturally I was curious to know who had inspired the sending of these communications. My curiosity was satisfied upon receipt in my office of the April 4 issue of Cow Country, the official organ of the Wyoming Live Stock Association, published at Cheyenne, Wyo., the reading matter in which is usually the product of an astute group of Republican politicians who are also cattlemen, although there are some fine Democrats among the officers and leaders of that association.

Mr. President, I now quote from an appendix of the April 4 issue of Cow Country, as follows:

Senator EDWIN C. JOHNSON, of Colorado, wired Secretary Mollin from Washington on March 28, "Suggest supreme effort on part of cattle interests be exerted urging Senator SCHWARTZ to support Pittman ratification amendment." He further stated in his telegram, "Under practices now in vogue State Department is modifying treaties and almost certain they will modify treaty with Argentina pertaining to sanitary embargo. Cattlemen in Wyoming and Montana should realize perilous situation."

We immediately wired leading stockmen in every county in the State—

That is the State of Wyoming—

urging prompt action, as the amendment would be up for vote in the Senate the following day, Friday, March 29. Democrats and Republicans throughout the State made prompt response, wiring Senator SCHWARTZ urging him to support the Pittman amendment to the Reciprocal Trade Agreement Act, requiring Senate ratification by two-thirds majority. Failed by a margin of only two votes.

Just what Mr. Mollin and his associates telegraphed or telephoned to the prominent cattlemen in every county in Wyoming I do not know, but I am sure they not once mentioned the following facts:

First. That any compact abrogating or modifying the sanitary embargo law for protection of the United States from importations which might bring into this country the foot and mouth disease, or other diseases affecting human, animal, or plant life must be in the form of a treaty requiring ratification by a two-thirds vote of the Senate.

Therefore, on that basis, the Pittman amendment was not needed.

Second. That, while many agricultural products are now below parity by reason of vast surpluses and present war conditions, yet cattle prices were above parity every month in 1939 and remain above parity to this date in 1940.

Third. That more than half the imports of cattle in 1939 were not imported under the trade-agreement quotas but came in under the Smoot-Hawley Act of 1930, paying the full 2½-cent-per-pound duty fixed in that act; and that these imports were thin cattle weighing less than 700 pounds, and went to American ranches and American feed lots for growth and fattening.

Fourth. That in the negotiation of a trade agreement the items to be considered are first studied by a group of experts from the Department of Agriculture, the Department of Commerce, the Department of State, the Tariff Commission, and other interested agencies; and that after public notice there is a hearing before the Committee for Reciprocity Information.

Fifth. That where trade agreements permit a reduction of our existing tariff rates on competitive articles it is the policy of our Government and of the experts from the four Departments to avoid action which will adversely affect American producers and prices, and to secure a larger export of our own products in order to increase American employment and consequent increase of purchasing power among American consumers.

Sixth. That the trade agreements negotiated are for 3-year terms, subject to cancelation by either party on 6 months' notice thereafter and, under some conditions, may be terminated sooner.

Seventh. That after the enactment of the Smoot-Hawley Act in 1930, with its many high tariff rates prohibiting any imports from foreign nations, those foreign nations retaliated with tariffs which shut our products out of their markets, with the result that many of our major industries built plants with American capital in foreign countries, and thus threw out of employment thousands of American workers; and that the trade agreements have sought and measurably succeeded in tearing down some of these barriers to our exports.

Eighth. That the trade agreements are, after all, emergency measures designed to secure the beneficial results I have above indicated; and that at present they constitute a powerful aid to the American people in fostering friendship and solidarity among all nations in the three Americas, to the end that the nations of the Western Hemisphere shall present a united front in the cause of peace and defense against enemies from any source and to hold in line any who might otherwise trade security and democratic liberty for imaginary temporary expediency and illusory economic advantage.

Mr. President, in conclusion let me state that no one claims that the trade-agreements program is perfect and that occasional mistakes may not occur. The only people in Wyoming who imagine they are blessed with the attributes of deity and think themselves the divinely anointed high priests and custodians of American patriotism and wisdom are certain Republican politicians. The trouble they encounter is an inability to convince the Wyoming public. When the time comes, and from whatever source the demand may come, I shall be ready to justify my votes and actions on this matter, confident that no reasoning mind and no attentive ear will think that I have failed in my obligation to the people of Wyoming.

What I can do to support the President in his efforts to preserve peace, to strengthen our material and spiritual defense, and keep our sons away from the shambles of modern warfare, that I will do.

Finally, Mr. President, that none may be in doubt as to the fixed policy of the American Government to protect human, animal, and plant health or life from any possible danger through treaties or trade agreements with foreign nations, I now read into the RECORD a letter addressed to me under date of April 15, 1940, by the Honorable Cordell Hull, Secretary of State, as follows:

THE SECRETARY OF STATE,
Washington, April 15, 1940.

The Honorable HARRY H. SCHWARTZ,
United States Senate.

MY DEAR SENATOR SCHWARTZ: I am in receipt of your letter of April 10, in which you state that prior to the passage of the resolution extending the Trade Agreements Act of 1934 cattlemen in the State of Wyoming (were) advised that:

"Under practices now in vogue, State Department is modifying treaties, and (it) is almost certain they will modify treaty with Argentina pertaining to sanitary embargo. Cattlemen in Wyoming and Montana should realize perilous situation."

The policy of this Government since inauguration of the trade-agreements program in 1934 has been precisely to the contrary, and it could not have been more definite and uniform in exactly the opposite course from that set out in the propaganda statement above quoted. Not only has there been no attempt to modify or override our sanitary laws in the administration of the trade-agreements program, but on the contrary the executive department negotiated a treaty with the Argentine Government relative to one phase of the sanitary laws applicable to Argentina and sent that treaty to the Senate for its ratification or rejection under the usual procedure.

And, secondly, it has been customary to include in trade agreements negotiated since 1934 a provision making clear that sanitary measures are not affected. For example, article XII of the present trade agreement with Canada provides, in part:

"2. Subject to the requirement that, under like circumstances and conditions, there shall be no arbitrary discrimination by either country against articles the growth, produce, or manufacture of the other country in favor of the like articles the growth, produce, or manufacture of any other foreign country, the provisions of this agreement shall not extend to prohibitions or restrictions * * *.

"(b) Designed to protect human, animal, or plant health or life * * *."

Other trade agreements contain substantially similar provisions.

It, of course, would be difficult to offer stronger assurance as to the future policy of the executive department than to point to the fixed and uniform policy and practice of that department on its own initiative during the past 6 years. I need not therefore enter upon any hypothetical phases relating to requirements of approval by the Senate.

Sincerely yours,

CORDELL HULL.

Mr. JOHNSON of Colorado. Mr. President, with regard to the remarks made by the Senator from Wyoming [Mr. SCHWARTZ], I desire to state that the telegram to which he therein refers, was in answer to one received by me from Mr. Mollin. Mr. Mollin's telegram addressed an inquiry to me concerning the likelihood of the adoption of the Pittman amendment by the Senate and whether the Senator from Wyoming was supporting it. Mr. Mollin used my telegram in reply to his without authority. I desire to have my letter of April 9 to Mr. Mollin in regard to his improper use of my telegram placed in the RECORD if there is no objection.

The PRESIDING OFFICER. Is there objection?

Mr. SCHWARTZ. Mr. President, I certainly have no objection to the request of the Senator from Colorado. I will be delighted if I find that it did not have its genesis with him but with Mr. Mollin. However, it is a pediculous piece of political procedure.

Mr. CLARK of Missouri. Mr. President, if the Senator will yield, it might even have originated somewhere else. Mollin testified before the House Ways and Means Committee he had conferred with Mr. Franklyn Waltman, publicity agent for the Republican National Committee, shortly before his testimony. It might even have originated there.

Mr. SCHWARTZ. Mollin also testified he was a good Republican, but I do not want to raise either the merits of the question or anybody's politics.

The PRESIDING OFFICER. Without objection, the letter presented by the Senator from Colorado [Mr. JOHNSON] will be printed in the RECORD.

The letter is as follows:

APRIL 9, 1940.

Mr. F. E. MOLLIN,
Secretary, American National Livestock Association, Denver, Colo.

DEAR MR. MOLLIN: I was dumfounded to read in the Cow Country Stock Growers my private telegram to you relative to Senator Schwartz's support of the Pittman amendment. All letters and telegrams hereafter received by you from me are strictly private and strictly confidential.

Senator SCHWARTZ is one of the most sincere and honorable men with whom I have ever been associated, and it was not my thought to cast any reflection upon him or question his sound judgment or to give his political enemies ammunition or comfort.

He does not agree with me that the Argentine Sanitary Convention stands in danger of being modified by the reciprocal-trade agreements. He is very sincere in that belief, and he may be absolutely right. I hope that he is.

It is not the concern of one Senator how another Senator votes and in what way he serves the people of his own State. In my enthusiasm for the Pittman amendment, however, I went far beyond the bounds of reason, courtesy, and decency in our discussion by telegraph of the attitude of Senator SCHWARTZ toward the sanitary convention.

It was my thought that that phase of the problem might be emphasized by Wyoming stockmen to Senator SCHWARTZ, because I knew that the Senator did not share my fears. I felt certain that if he thought that there was the slightest danger that foot and mouth disease from the Argentine might enter this country through the reciprocal trade agreement route that he would change his position on the Pittman amendment.

Henceforth I shall be more cautious in replies which I make to inquiries about votes in the Senate. My enthusiasm for a cause shall not lead me astray again.

In the circumstances, I deem it best not to stir the matter up, and I will not insist that you do anything further about it.

Sincerely,

ED. C. JOHNSON,
United States Senator from Colorado.

BUREAU OF MARINE INSPECTION AND NAVIGATION, MIAMI, FLA.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2661) to create a board of inspectors, Bureau of Marine Inspection and Navigation, at Miami, Fla., which were to strike out all after the enacting clause and insert:

That the Secretary of Commerce is authorized, as the exigencies of the service may require, to rearrange from time to time, by consolidation or otherwise, the location of the several boards of local inspectors and to discontinue boards of local inspectors by abolishing the same or establishing others in their stead: *Provided*, That the whole number of boards of local inspectors shall at no time be made to exceed those established and authorized on the date of the enactment of this act, except as the same may thereafter be provided by law: *Provided further*, That the Secretary of Commerce shall, at the beginning of each regular session, submit to Congress a statement of all acts, if any, done under the provisions of this act and the reasons therefor.

And to amend the title so as to read: "An act to provide for rearrangement of the location of the several boards of local inspectors."

Mr. PEPPER. I move that the Senate concur in the House amendments.

The motion was agreed to.

OLD-AGE ASSISTANCE, ETC.

Mr. VANDENBERG. Mr. President, for the RECORD, I desire to call attention to a resolution adopted by the Senate Finance Committee on April 16, 1940, because I think it is a matter of substantial and fundamental importance.

By way of brief introduction, let me say that the Senate Finance Committee has found itself constantly wrestling with the problem of old-age pensions and social security for our senior citizens under the Social Security Act and under various other methods and proposals, such as the Townsend Plan and the general-welfare bill, which have been offered not only for congressional consideration but for the consideration of the country. The Finance Committee heretofore has made great progress in dealing with the general social-security problem by the creation of special study committees. I am very happy to welcome this resolution, which was adopted by the committee on April 16, 1940, because it represents the creation of another special study group. The action was taken primarily at the instance of the distinguished Senator from Mississippi [Mr. HARRISON], the chairman of the committee. I was very happy indeed to cooperate with him in connection with it.

The resolution read as follows:

Resolved, That the chairman of the committee is authorized to appoint a subcommittee of eight members, of whom three shall constitute a quorum, to make a full and complete study with respect to (1) the provisions of the Social Security Act, as amended, relating to old-age assistance and Federal old-age and survivors' insurance benefits, and the Federal Insurance Contributions Act, (2) any bills relating to such matters referred to the committee during the Seventy-sixth Congress, and (3) any proposals dealing with related subjects which may be submitted to the subcommittee during the course of its study. The subcommittee shall report to the full committee as soon as practicable, together with its recommendations.

The Senator from Mississippi has appointed the following committee to serve under the terms of the resolution: The distinguished Senator from Georgia [Mr. GEORGE] is the chairman. The additional personnel consists of the Senator from Texas [Mr. CONNALLY], the Senator from Virginia [Mr. BYRD], the Senator from Iowa [Mr. HERRING], the Senator from Colorado [Mr. JOHNSON], the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Delaware [Mr. TOWNSEND].

I am emphasizing the fact of the creation of this committee under the terms of the resolution because I think it is of supreme importance to those sectors of our country which are earnestly discussing the question of old-age security. Here, at last, will be created a forum in which the entire subject may be judicially and comprehensively explored; and, for myself, I have every hope that as a result of the work of the committee under this resolution, which was sponsored primarily by the able Senator from Mississippi, we may ultimately find an old-age program which will really meet the necessities of the situation, and which will be acceptable to the people of the United States.

Mr. WHITE. Mr. President, the remarks just made by the distinguished Senator from Michigan [Mr. VANDENBERG] prompt me to ask leave, out of order, to present for appropriate reference—and I hope that appropriate reference will be to the subcommittee just mentioned—various petitions addressed to my colleague from Maine [Mr. HALE] and to me by citizens of Fairfield and other towns in Maine, urging favorable action upon the so-called Townsend recovery bill.

I ask that these petitions may be so referred.

The PRESIDING OFFICER. The petitions will be referred to the proper subcommittee of the Committee on Finance.

Mr. WALSH. Mr. President, may I ask the distinguished Senator from Michigan if the measures pending before the Finance Committee relate to all features of the Social Security Act or only to the old-age pension feature of the act?

Mr. VANDENBERG. Only to the old-age pension and the old-age-benefit section and anything related thereto by way of alternative proposals to the sections of the Social Security Act. I mean an exploration of the Townsend plan in good faith, an exploration of the so-called general-welfare plan in good faith, a complete and serious effort to determine what is the best plan for the senior citizens of the country in respect to old-age security. We are not authorized to enter upon a study of the other sections of the Social Security Act dealing with unemployment insurance, and so on.

Mr. WALSH. I have an amendment dealing with unemployment insurance and also extending the social-security benefits to persons who are not now embraced in the Social Security Act. I understand from the Senator that the committee is not to deal with that phase of the subject.

Mr. VANDENBERG. That is correct.

I apologize to the able Senator from Mississippi [Mr. HARRISON] for taking the liberty of bringing this matter to the floor myself, but I thought it was of such great importance that it ought to have more emphasis than it has thus far been given.

Mr. HARRISON. I am very glad the Senator has given it.

Mr. PEPPER obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield to me for an observation?

Mr. PEPPER. Yes.

Mr. BARKLEY. In connection with the matter to which reference has been made, I think we all realize that the subject of old-age pensions is one which requires more compre-

hensive study than has so far been given to it because of the more or less disjointed way in which it has been presented. I am becoming more and more convinced that we must bring about some method by which old-age pensions and old-age subsistence will be made more uniform throughout the country than they now are. If the problem is a Federal one, it ought to be dealt with as such, and it seems to me that the way in which the Federal Government deals with it ought not to depend upon the exigencies or the whims that may control any State legislature or any State government.

For that reason, I think we must realize that the investigation which has been authorized by the Committee on Finance must take into consideration the whole subject as a national problem, as distinguished from its purely local aspects. I am satisfied that whatever committee the Senator from Mississippi appoints to look into the question will deal with the entire subject, and deal with it in a thorough and comprehensive way.

Mr. VANDENBERG. Mr. President, will the Senator from Florida yield to me?

Mr. PEPPER. I yield.

Mr. VANDENBERG. I should like to make one further observation.

The general understanding is that the special committee—and I again apologize for speaking for it, but none of the other members is present—will not undertake its formal work until the first of December. We are seeking entirely to eliminate the subject from any political considerations or aspects. We are prepared to come to Washington ahead of the next session and give ourselves completely to the subject at a time when there is no competition from other matters, so that it may have the type of attention to which the Senator from Kentucky refers.

Mr. PEPPER. Mr. President, I was very happy to hear the statements made by all the Senators who have commented on this proposal. I hope the committee will bear in mind, when they are making the investigation, the ascertainment of what amount is adequate by way of pension or benefit, as well as what is the best method of dealing with the matter. In other words, when the committee is investigating this whole subject, as it contemplates doing under the resolution, I hope it will also consider an appropriate recommendation as to what amount is the minimum that every citizen in America who falls in this category should have.

The able leader of this body has just referred by suggestion to the possibility or the probability that the problem is a national one. It seems to me all of us will agree that there must be a minimum amount that will accomplish the things we all have in mind. I hope the committee will not be satisfied to complete its investigation until it considers that phase of the matter, as well as what method is the desirable one to pursue.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. VANDENBERG. Again I do not undertake to speak for the committee, but I think I can speak for what was in the minds of the able chairman of the committee and myself when we were urging this action upon the committee. I completely agree with the Senator from Florida that the fundamental question is first to determine the adequacy of the formula for meeting the human need which is being developed in this technological civilization of ours. Except as we have first determined that factor, nothing else matters.

For instance, the Social Security Act is very beautifully balanced in its actuarial calculations, but unfortunately it cannot remotely meet the necessities of the situation in years to come. That is perfectly obvious. Furthermore, it has an enormous contradiction within itself, inasmuch as it provides greater old-age benefits for noncontributors than it provides for contributors, as the Senator from California [Mr. DOWNEY] pointed out the other day.

I am very sure it is the intention of the committee to start at the bottom and build solidly a complete formula which shall meet adequately the old-age pension aspirations of the United States.

Mr. PEPPER. Mr. President, I am gratified that the Senator mentioned the Townsend plan as one of those which would be considered by the committee in its investigation. I know that the wisdom and the virtue of that plan will appeal very strongly to the committee when it goes into a consideration of the subject.

Mr. HARRISON. Mr. President, of course the bill embodying the Townsend plan could not originate in the Senate. It is a matter which must originate in the House of Representatives because of the tax features involved. This is a question which is all important; it involves a very complicated subject which necessarily requires thorough study and consideration. Before the Finance Committee adopted the resolution authorizing the appointment of a subcommittee to study the questions of old-age assistance, old-age insurance, and other related matters, I conferred with Mr. McNutt, and with Mr. Altmeyer, and other members of the Social Security Board. I may say that the conclusion reached by the committee to appoint a subcommittee for the purpose of studying and reporting on this important question met the approval of those gentlemen. I hope and believe that something constructive can be evolved which will improve the present social-security program. I can assure the Senate that the committee will go into every detail of this problem.

SOUTHERN FREIGHT RATE DIFFERENTIALS

Mr. STEWART. Mr. President, in comparatively recent years we have heard much talk about southern freight differentials, and we have seen a good deal in print about them. In this morning's Washington Post I noticed an article from the pen of Mr. Roger W. Babson in which he again referred to southern freight rate differentials. The article is headed Fair Deal for Rails. Mr. Babson discusses the Wheeler-Lea railroad reorganization bill, and makes a great many suggestions which have for their purpose the cure of conditions with respect to railroads.

I am particularly interested in this article due to the fact that in discussing the railroad reorganization bill and treating this question Mr. Babson makes the observation that differentials in the South must be wiped out.

I ask unanimous consent that the article by Mr. Babson be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of April 22, 1940]

FAIR DEAL FOR RAILS

(By Roger W. Babson)

REORGANIZATION SPEED URGED

Only reorganization of the railroads' capital set-up and policies can prevent the air lines, busses, and trucks from eventually making nearly one-half the railroad mileage useless. For that reason, I believe the Wheeler-Lea bill, or some similar friendly legislation, should be pushed hrough this session of Congress. The railroads should be unshackled to give them an even break in their life and death battle with other carriers.

The railroads are the Nation's second biggest taxpayers, biggest customers, and biggest investment. If the railroads could get back on their feet, they could provide thousands of new jobs, put millions of dollars in investors' pockets, and give business a tremendous hypodermic. Today, hampered by I. C. C. regulations, top-heavy capitalization, short-sighted labor leaders, and antiquated rate schedules, the railroads are being battered into a pulp by their aggressive competitors. Pullman traffic is going to the air lines; coach traffic to the busses; lucrative freight and express business to the trucks.

I have no particular love for the railroads, but I hate to see a $20,000,000,000 industry die; I hate to see a million-dollar-a-day taxpayer sandbagged; I hate to see an employer of a million men hog-tied. But that is exactly what is hapepning every minute. In the last 2 years the air lines more than doubled their passenger load.

Their rates are dropping steadily—now are on even terms with Pullman rates on many a jump. Like the railroads, they are soon to segregate their mail, express, and passenger business. A year or two more and we will see freight trains of the air. This is the subrosa idea for using the thousands of military airplanes which, after the European war, will be available for commercial purposes.

The planes are great time savers. Their safety record gets better every year—actually beat the railroads in 1939. They are clean and comfortable; give wonderful service; every passenger is a king. The railroads have improved in this respect, but are still far behind the air lines. They need new blood, younger personnel, men

trained in public relations. Instead of disagreeable ticket agents, cold and impersonal train crews, they need employees who like making passengers and shippers comfortable and happy. The colored porters come closer to filling the bill than the high-paid conductors.

The roads must put on more streamlined equipment—not on a few runs—but on many runs. Pullman rates must be slashed drastically, perhaps eventually eliminated. Running time must be continually speeded up. Duplicate runs must be stopped—trains pooled, branch lines eliminated. Freight rates must be flexible—quick to drop when competition threatens. Differentials in the South must be wiped out. Trucks cannot possibly haul heavy freight as cheaply and efficiently as the railroads if the carriers really want to compete.

Chief difficulties of the railroads are fourfold: (1) I. C. C. regulation. (2) Top-heavy capitalization. (3) Job-holding managements. (4) Unfair labor unions. Of these, problem No. 2 seems most urgent. Thirty percent of the Nation's mileage is in receivership—some of it has been for nearly 10 years. Thirty percent more has been only one jump ahead of the sheriff for a similar length of time. A railroad in receivership is not my idea of sales appeal nor good advertising, either for freight or passengers. Certainly it does not help the bondholders nor the stockholder.

Receiverships do, of course, provide big fat salaries for lawyers, insiders, and receivers. The latter actually have more power in running a road in receivership than the president and board of directors had when the road was solvent. These fellows stall and connive to prevent reorganization.

When a railroad comes out of receivership they naturally lose their jobs. Final plans were just announced, for instance, for the Minneapolis & St. Louis, which had been in receivership since 1923—nearly 20 years.

Under such circumstances, security holders lose hope that their road will ever be reorganized. Hence, they sell their defaulted securities at enormous losses—far below their intrinsic value. Meanwhile, the receivers, lawyers, bondholders' committees all suck the blood out of the road. Solvent but sick roads are in the same boat. They try desperately to keep out of receivership. They are forced to scrimp and cut corners to meet their bond interest. Their locomotives and cars wear out. They cannot afford to buy new equipment, to cut rates, to meet competition.

The best thing in the world for the railroads—and that means for every honest person connected with them—would be a sane, wholesale reorganization plan as proposed in the Wheeler-Lea bill. No securities need to be junked. Junior bonds could be put on an income basis. Preferred and common stocks need not be wiped out. They could buy new equipment right and left. They would provide thousands of new jobs in car shops, textile mills, steel foundries, ore mines, lumber camps.

And they would keep on paying taxes. Of course, problem No. 1—regulation—must be attacked at the same time. The carriers must be given more freedom to run their business as they think wise. Once, when the railroads had a monopoly on transportation, I. C. C. regulations were necessary. Today, however, with airplane, bus, and truck competition, many of the I. C. C. regulations are harming both the public and the shippers.

If the roads win their battle, their employees and bondholders—perhaps even stockholders—may win. As it is now, they are a cinch to lose. If the Wheeler-Lea bill is not just right, Government, management, labor, and security holders should be able to find some other working arrangement which could solve the problem. Certainly, we ought not to sit by and see all connected with the railroads—worker, tax collector, investor—get an unnecessary licking. The time has come when the Golden Rule should be applied to all interests. Discrimination is a cardinal sin.

PROCEDURE BEFORE FEDERAL AGENCIES

Mr. HATCH. Mr. President, I am informed that earlier in the day, at a time when I was not present in the Chamber, there was some discussion of the bill which has come to be known as the Walter-Logan bill. I do not think any agreement was reached about taking up that particular measure. I rise at this time to express the hope that shortly the Senate will proceed to its consideration. It is not my purpose today to comment at all upon the merits of the bill. I think it is a good bill, and I am supporting it. I realize that there are a great many who oppose it, and some do not think it has any merit whatever.

The point I make is that the bill has been on the calendar of the Senate for over a year. Last week a House bill on the same subject passed the House of Representatives after long and vigorous debate by an overwhelming vote, a vote of almost 3 to 1.

I have on my desk in my office a list, furnished me Saturday, showing the names and groups of various organizations throughout the country, bar associations, some labor organizations, some farm organizations, many organizations from every section and part of the country, all expressing the hope that action may be had on the measure at this session of the Congress.

I ask unanimous consent that I may file and have printed in the RECORD the list of organizations supporting the Walter-Logan bill.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LEGAL ORGANIZATIONS

The American Bar Association, the National Association of Women Lawyers, and the State Bar Associations of California, Colorado, Georgia, Idaho, Illinois, Indiana, Kansas, Missouri, Montana, Maryland, Ohio, Oregon, Pennsylvania, Nebraska, North Carolina, Texas, Vermont, New Hampshire, Virginia, Washington, West Virginia, and Wisconsin. Also the city bar associations of Boston, Chicago (in principle), Cleveland, Dallas, New Orleans, Philadelphia, Phoenix, Erie County or Buffalo, N. Y., and a large number of county bar associations in Michigan, New York, Maine, and other States.

LABOR ORGANIZATIONS

The American Federation of Labor.

FARMER ORGANIZATIONS

The National Grange.

BUSINESS ORGANIZATIONS

The National Association of Electrical Contractors, the National Manufacturers Association, the National Association of Master Plumbers of America, the National Association of Piping, Heating and Air Conditioning Contractors, the National Association of Ornamental Metal Manufacturers, the American Iron and Steel Institute, the Ohio State Chamber of Commerce, the California State Chamber of Commerce, the St. Louis City Chamber of Commerce, the Manhattan Civic Club, the Sentinel Women's Club of Salt Lake City, the National Publishers Association, the National Association of Mail Users, Inc., the Alabama Association of Cotton Manufacturers.

PATRIOTIC ORGANIZATIONS

The American Coalition of Patriotic Societies, the Citizens Emergency Council.

Mr. HATCH. Mr. President, it has seemed to me today, because of the lack of business ready to be considered by the Senate, that possibly this week, even today or tomorrow, might be a very good time to take up the Walter-Logan bill. I am not in charge of the measure, and would not say anything which might complicate the situation, since I do not know what is proposed, but I express the hope that very shortly the Senate will be permitted to at least consider the measure, and that Senators may have the opportunity of expressing by their own votes whether or not they favor a measure which seems to me to be perhaps the most important legislation to come before the Senate at the present session of Congress.

Mr. MINTON. Mr. President, the bill to which the Senator has referred as probably the most important piece of legislation to come before the Senate at this session has been on the calendar, as the Senator has stated, for several months, but the strange thing about this all-important piece of legislation is that, important as the Senator says it is, no hearings were held upon it before the Senate Committee on the Judiciary. I myself have been somewhat interested in this bill, and I sent to the Judiciary Committee for a copy of the hearings before the committee, and not a day's hearing was held on this bill, which affects every agency of the Federal Government. There were no hearings before the Senate Committee on the Judiciary. Yet they bring to the floor of the Senate this important bill, which the press is heralding to the country as a bill to save democracy from bureaucracy, applying to it many pious phrases, in order to give it a build-up with the people of the country, and make them think it is all-important to the very existence of the Government. Yet the committee which had it under consideration did not think enough of its importance to hold any hearings on it.

What hearings were held before the House committee on this all-important bill, which, as I have stated, affects every agency of the Federal Government? The hearings consumed about three hours and a half. If a Senator sends for a copy of the hearings, he gets a very small pamphlet. The House committee did give a little consideration to the measure. They, at least, held some hearings on it; but the Senate committee, important as this proposed legislation is said to be, did not hold any hearings on it at all.

I think that when Senators get a chance to look at this important bill, and see how it does affect every agency in the

Government, and how it attempts to put them all upon a procrustean bed, how it attempts to fit them all to the same pattern, and how it transfers the functions of every agency in the Federal Government, with a few exceptions which are made in the bill, to the courts of the country——

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. SCHWARTZ. Would not one of its effects be simply to provide another long trip through the courts?

Mr. MINTON. Oh, not only one trip; it would cause a dozen trips to the courts. If the bill were properly characterized, it would be called a "make-work bill for lawyers," because that is what it would mean. If there ever was an answer to a defense-lawyer's prayer, it is all wrapped up in the so-called Walter-Logan bill. There are more ways provided in the bill for getting into court and tying up and hamstringing and shackling the various administrations of the Government than was ever conceived or devised by anyone in any kind or form of legislation. The bill should be sent back to the committee whence it came with instructions of the Senate to do its duty by what it considers to be important legislation.

The Attorney General has had a committee which has been studying this matter for almost a year, a committee composed of some of the ablest and most distinguished lawyers in this country. The chairman of the committee is Dean Acheson. One of the members of the committee is Chief Justice Groner, of the United States Court of Appeals for the District of Columbia. Another member of the committee is Mr. McFarland, a well-known writer on legal subjects in the District of Columbia. Another is district judge James Morris. There are also three professors from three of the leading law schools of the country on the committee. For months this distinguished committee has been making a study of this all-important subject of administrative law and what to do about it, but they are not yet ready to report, and have said so in a letter to the Attorney General of the United States.

They want more time to study the problem. They want to give some consideration to it. They do not want to have a bill come to the floor of the Senate of the United States without any hearings having been held upon it. They want some hearings to be had upon it, and that some consideration be given to this important measure. However, they have not had the time to complete their study. They have had a distinguished professor of administrative law from the law school of Columbia University making a study, and directing the research upon this important question. As I have said, without proper consideration having been given to this measure and to this kind of legislation, they are not yet ready to report; but the Senate Judiciary Committee were ready to report the bill without having had any hearings on it at all, simply because the American Bar Association wrote the bill and endorsed it. The committee reported it favorably and had it sent to the floor of the United States Senate. Then the American Bar Association undertook a great campaign all over the country and got the bar associations of various States to endorse the measure and had lawyers write to Members of Congress about it, and various organizations to endorse it and propagandize for it.

So Senators in their mail have been receiving communications from organizations which discuss the bill as if they had read it. One great columnist wrote a syndicated column in newspapers which circulate all over the country, about this great bill, and told how important it was, and what it meant to the country, and said, as the Senator from New Mexico did, that perhaps there had been no more important legislation offered in the present session of Congress, if indeed any more important legislation had ever been offered in the Congress of the United States. Then the columnist pointed out at the tail end of his article that the bill would create an administrative court to try questions of administrative law. There is no such provision in the bill at all.

That distinguished columnist—his name is Mark Sullivan—had never read the bill. He had read the report. What report? The report submitted by the Judiciary Committee of the Senate, and the committee had made that error in its report, which shows that they did not know what was in their own bill.

That is why I say that before the bill comes before the Senate, with all these pious phrases tacked onto it, with all this propaganda behind it, with so many crying out that it must be passed in order to save democracy, the people of the country and the Senate of the United States ought to know that the committee of the Senate which reported the bill gave scant consideration to it—so little consideration that the report of the committee contained this glaring error which the columnist carried in his column in newspapers which go out all over the country.

Mr. CHANDLER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. MINTON. I yield.

Mr. CHANDLER. Was the Senator from Indiana present when the Senate, without any objection, passed that bill on the call of the Calendar?

Mr. MINTON. No; I was not.

Mr. CHANDLER. The Senate passed it without objection.

Mr. MINTON. Senators know how those things happen. If the Senator from Kentucky had been here a little longer he would have learned, as I learned in a short while, that the Unanimous Consent Calendar is for the purpose of getting through the Senate bills which no one is against. Obviously we cannot all be upon the floor of the Senate at all times. It is generally understood that when a Senator is off the floor while the Unanimous Consent Calendar is being called, and a bill in which he is interested and against which he wants to enter his objection is reached and is passed by unanimous consent, that Senator is always permitted to have the Senate's action reconsidered, and enter his objection to the bill, and have it go over.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. BARKLEY. As the Senator knows, I objected to that bill on the call of the calendar every time it was called for months, ever since the bill had been reported by the Committee on the Judiciary. On the day it was passed on the call of the calendar I was called to the telephone, and was not on the Senate floor at the time it was reached, and for that reason was not in the Senate Chamber and able to object to its passage, as I had repeatedly objected before.

When I returned to the Chamber, after answering the telephone call, I discovered that the bill had been passed without any objection, and immediately brought the matter to the attention of the Senate, and my former colleague, the late Senator Logan, agreed that the bill should go back to the calendar. As a matter of fact, every Member of the Senate knew that that sort of bill ought not to be passed on the call of the calendar. I was opposed to the bill then, and I am opposed to it now, and I shall oppose it whenever it is brought up for consideration. I would not vote for the bill in its present condition under any circumstances, and should it pass, if I had any influence with the President I would ask him to veto it.

Mr. President, I have no objection to the consideration of the bill at the present time, but certainly such consideration as it could now receive would not be the kind to which it is entitled. I doubt if one-tenth of the Senators have given it the study that is required to understand its ramifications and effects upon departments and bureaus which the Congress itself has created. Congress is responsible for all these bureaus. They would not be in existence if Congress had not created them. Congress has in the laws creating them described the authority and the power of the various bureaus and departments and agencies.

In this bill, in its present form, Congress is asked to say that it made a mistake in creating the bureaus and, therefore, in order that they may be curbed, Congress may not

restrict their power or amend the laws under which they exist, but Congress shall say to the courts that they can undertake to say what bureaus which have been set up by the Congress shall or shall not do. That is one of my chief objections to the bill as drawn at the present time.

Mr. MINTON. I thank the Senator from Kentucky. I happen to know that the Senator from Kentucky was off the floor when the Unanimous Consent Calendar was called, and when the bill went through the Senate without any objection being raised. I happened to be with the Senator from Kentucky at the time, considering another matter in which we were both interested.

Mr. CHANDLER. Mr. President, will the Senator again yield?

Mr. MINTON. I yield.

Mr. CHANDLER. I have not been in the Senate very long, but I have been here sufficiently long to learn that when bills in which I am interested are called upon the calendar I should be present.

Mr. MINTON. The Senator has not been here sufficiently long to be very busy. Much as we should like to do so, we cannot be on the floor of the Senate all the time. Obviously it is not in the cards for all Senators to be present all the time. Look around the Senate Chamber now. Here I am making an important speech, and there is hardly anyone present. [Laughter.] Where are the Senators? I suppose they are working hard either in their offices or in committees, or before Government departments, doing their manifold duties as United States Senators. They cannot be here all the time, as can the junior Senator from Kentucky.

Mr. CHANDLER. Mr. President, the Senator is mistaken. When I know the Senator from Indiana is speaking I wish to be present and hear what he has to say.

Mr. MINTON. The Senator from Kentucky always honors me with his presence, and I am always glad there is someone present who needs enlightenment.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. BARKLEY. I may say also that when Senators have repeatedly objected to the consideration of bills on the call of the calendar, and it is well known that they have objected repeatedly, it is, and almost universally has been the custom that when such bills are called while Senators who are opposed to them are temporarily absent, as was known that day when I was called temporarily from the floor, other Senators would not insist on the measures being passed, but would themselves ask that they go over until the opponents of the bills could return to the floor. As I said a while ago, no one would contend that a bill of that sort should be passed by unanimous consent, and without proper discussion, which the bill could not receive on the call of the calendar.

Mr. MINTON. The Senator from Kentucky is correct. We all know that on the call of the calendar the procedure is supposed to be that suggested by the Senator from Kentucky. Senators cannot all be here all the time. It cannot be said that simply because a bill goes through by unanimous consent it has unanimous consent of all the Members of this body, because we know that frequently bills are passed on the Unanimous Consent Calendar which many Senators do not want to have passed, but they simply cannot be present all the time to enter their objection on the floor.

Mr. BARKLEY. That incident, however, has nothing whatever to do with the merits of the bill.

Mr. MINTON. None whatever.

Mr. BARKLEY. And the fact that at a particular time the bill slipped through merely because no one called attention to it is no argument why it should now be passed. It has been said over and over again that the bill passed unanimously. It was passed unanimously simply because those who objected to it on the call of the calendar happened not to be present. It was passed under conditions when those who objected to it were temporarily called from the Senate Chamber. I will say to the Senator that after it had gone through in that way my late colleague, Senator Logan, very generously and properly agreed that it ought not to have been passed under those conditions and agreed that it should go back to the calendar.

Mr. MINTON. I remember that very distinctly, because I was present at the conference which was held with the late Senator Logan when he agreed that the bill should go back to the calendar, and I moved that the bill be reconsidered and go back on the calendar.

So, Mr. President, I do not want the bill to be called to the attention of the Senate by my good friend the Senator from New Mexico [Mr. HATCH], with the implication that, after all, it is an important piece of legislation which everyone favors, and that, because the House passed it 3 to 1, it ought to be brought up here and perhaps receive the same treatment on the floor of the Senate. I wanted the Senate to know at the outset that that bill received very scant consideration at the hands of the Senate committee—so scant, in fact, that the report of the committee which accompanied the bill carried the glaring error that the bill set up a court to determine administrative problems.

As a matter of fact, there had been a bill introduced, which had also been drawn by the American Bar Association, as I understand, which looked to the establishment of a court for the consideration of cases growing out of administrative law. There was a bill of that kind, but that bill was discarded and laid aside. The present bill was written in its place. It does not contain a line which creates or attempts to create a new court to deal with problems of administrative law. So it was because the bill had received such scant consideration, because I admit it is an important bill, and because it affects so many departments of government, that I thought it worth while at this time to direct the attention of the Senate to the fact that the bill has received such scant consideration, and to say that when it comes to the floor of the Senate it ought to receive the most careful consideration of every Member of the Senate.

We ought not to be led astray by the inspired propaganda which is proceeding throughout the country in behalf of the bill, marshaling behind it many pious phrases under the banner of "Democracy against bureaucracy," and leading the people to believe that this bill is the last chance they will have to make a stand against bureaucracy and for democracy before totalitarianism seizes the country and perhaps Hitler takes it over.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. ADAMS. I wish merely to submit a collateral suggestion coming to my mind by reason of the experience with this bill. I wonder if it might be feasible to modify our rules so that if a Senator were definitely opposed to a bill he could enter on the record an objection to the bill, so that if he should find it necessary to go to the telephone there would be upon the record his definite responsibility for objecting. It seems to me that otherwise we are left exposed. If a Senator is willing to take the responsibility of entering his name on the record, as objecting to a bill, it should not pass by unanimous consent. I am wondering whether or not something of that kind might be done by a change in our rules.

Mr. MINTON. I think the suggestion of the Senator from Colorado is very constructive. Something like that ought to be done. We know that frequently when we must leave the floor, if we are able to do so, and do not have to leave too hurriedly, we ask some colleague to be on guard for us and enter our objection to bills which we know are coming up on the call of the calendar.

Mr. President, I hope that when the bill comes up it will receive very careful consideration at the hands of the Senate, such consideration as it did not receive at the hands of the Judiciary Committee.

Mr. HATCH. Mr. President, when I broached this subject in the beginning, I said it was not my purpose at this time to discuss the merits of the bill. I do not intend to discuss it today.

I stated that I was not on the subcommittee which considered the bill. That is quite true. However, I am a member

of the Judiciary Committee, and I know quite well that the subcommittee under the leadership of the late Senator Logan, of Kentucky, while it might not have held formal hearings, gave consideration to the bill. It considered the bill, not in one short meeting, but for weeks and months. As the Senator from Vermont [Mr. AUSTIN], who is a member of that committee, will well recall, Senator Logan worked on this bill and another, which did set up a special administrative court. Neither of those measures is new before our committee. They were discussed more than once, and quite frequently.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. MINTON. The bill pending before the Senate does not set up any administrative court.

Mr. HATCH. None whatever.

Mr. MINTON. But the report which accompanies the bill states that the bill creates such a court.

Mr. HATCH. I am quite sure that Senator Logan erroneously drafted the report in that connection; and if there is any Senator who never made a mistake in writing a report, never misdescribed a bill, or never failed to dot an "i" or cross a "t," I should like to see the color of his hair. Senator Logan knew perfectly well what the bill was about. He spoke on it more than once on the floor of the Senate. The explanation given by Senator Logan on the floor of the Senate was what aroused my interest in the bill.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. MINTON. Does the Senator think that the statement in the report that the bill sets up an administrative court, when as a matter of fact there is not a line in the bill about it, is an insignificant matter such as the crossing of a "t" or the dotting of an "i"?

Mr. HATCH. I think it is of no importance whatever. What I want is exactly what the Senator from Indiana requests, and that is that the Senate consider the bill. That is all I ask. I want the Senate to take it up word for word, line by line, and paragraph by paragraph, so that Senators may ask themselves, "Is this a good bill or a bad bill?" That is all I ask.

I am not raising any cry of dictatorship or totalitarianism. I realize that there is a place in our Government for administrative law. I realize that the complex order in which we live perhaps requires a deviation from some of our old-time customs; but I also realize—and I do not need the testimony of a professor or anybody else to tell me—that every citizen of this land, be he rich or poor, high or low, is entitled to his day in court. That is the theory of the bill.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. MINTON. I agree with the Senator that every citizen of the country is entitled to his day in court on questions which are justiciable, questions with respect to which there is a case or controversy, and cases in which there are parties. However, I do not think anyone ought to have the right to drag an administrative agency into court in matters which involve rules and regulations of the agency simply because he does not agree with the particular rules or regulations which the agency may have set up. That is what the bill would permit. One would not have to be a party to a lawsuit or controversy. He would not even have to be interested. The matter involved would not have to have any of the elements of justiciability about it, or any of the elements of a case or controversy, or any of the things which entitle a man to his day in court. Any busybody, if he so desired, could drag any one of the Government agencies all the way to the United States Court of Appeals for the District of Columbia if he did not agree with some rule or regulation of the particular board or commission, regardless of whether or not he had any business with the board or commission. Would not the bill permit him to do so?

Mr. HATCH. I shall not discuss the merits of the bill today.

Mr. MINTON. The Senator did discuss the merits of the bill.

Mr. HATCH. I only replied to what the Senator from Indiana started.

I was happy to hear the Senator from Kentucky [Mr. BARKLEY] say—and I am sure I correctly understood the Senator—that we should have an opportunity to take up the bill and consider it during this session. That was my main reason for rising.

My friend the Senator from Indiana has mentioned the matter of challenging the rules of an administrative agency. What sort of challenge is permitted under the terms of the bill? Only two questions are pertinent in connection with challenging the rules. One is, Is the rule in accordance with the statute creating the agency? The other is, Is the rule in accordance with the Constitution? Is there something terribly wrong in asking whether or not a rule is in accordance with the statute creating the agency or in accordance with the Constitution?

Mr. AUSTIN and Mr. MINTON addressed the Chair.

Mr. HATCH. I yield first to the Senator from Vermont.

Mr. AUSTIN. Mr. President, I desire to ask the Senator from Indiana if he can tell me where, in the report he has mentioned, there is reference to the creation of another court.

Mr. MINTON. I think it is on page 12, if my memory serves me correctly. Has the Senator the calendar number, so that I may turn to the report?

Mr. AUSTIN. Yes; it is Calendar No. 475. I have been trying to find the reference.

Mr. MINTON. I have seen it. I have on my desk a copy of the report.

Mr. AUSTIN. The remainder of the report clearly shows that when Senator Logan was considering this matter he regarded the existing circuit courts of appeals as the courts which would review questions between citizens and the Government. He was not considering the creation of a special court.

Mr. HATCH. I thank the Senator from Vermont. I had not read the report with that thought in mind, and did not recollect just what the report stated on the subject. However, I knew that if Senator Logan made any such statement as that attributed to him by the Senator from Indiana, it was clearly an error—an error such as many of us have made.

Mr. AUSTIN. Of course, in handling the same subject in different ways over several years, as Senator Logan did, a man might duplicate some of his work and inadvertently transfer something from one report to another report on a bill on the same subject. However, I am sure any fair consideration of Senator Logan's report on the bill will clearly show that he was not dealing with a special court, but was dealing with a review by existing courts. If the Senator from Indiana can show me the reference to which he refers, I shall be glad to have it.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. THOMAS of Utah, from the Committee on Education and Labor, reported favorably the nomination of Leon H. Keyserling, of New York, as Deputy Administrator of the United States Housing Authority.

Mr. HUGHES, from the Committee on the Judiciary, reported favorably the nomination of Guy K. Bard, of Pennsylvania, to be United States district judge for the eastern district of Pennsylvania.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry Reserve officers for appointment in the Regular Army under the provisions of law.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the same committee, reported adversely the nomination of Clara B. Toland to be postmaster at Industry, Ill., in place of G. E. Roe, resigned.

The PRESIDING OFFICER (Mr. ELLENDER in the chair). The reports will be placed on the Executive Calendar. If there be no further reports of committees, the clerk will state the nominations on the calendar.

POST OFFICE NOMINATIONS FAVORABLY REPORTED

The legislative clerk read sundry nominations of postmasters which had been favorably reported.

Mr. BARKLEY. I ask unanimous consent that the nominations of postmasters which have been favorably reported be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters which have been favorably reported are confirmed en bloc.

That concludes the nominations on the calendar.

ADJOURNMENT TO WEDNESDAY

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn until 12 o'clock noon on Wednesday next.

The motion was agreed to; and (at 4 o'clock p. m.) the Senate adjourned until Wednesday, April 24, 1940, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed April 22, 1940

POSTMASTERS

ALABAMA

Margie Gardner, Aliceville.
Troy A. Phillips, Altoona.
Marion R. Buckalew, Roanoke.

ARKANSAS

Munn O. McClendon, Warren.

INDIANA

Francis P. Gavagan, Chesterton.
William H. Ashba, Delphi.
Earl Asher, Gosport.
George W. Burnell, La Fayette.
Roy W. Leets, La Porte.
Lester B. Dickey, Parker.
Robert B. Wise, Valparaiso.

MINNESOTA

Harry W. Long, Alexandria.
James O. Low, Bingham Lake.
Emily M. Drexler, Brandon.
Duson Koncker, Buhl.
Mildred E. Ploen, Carver.
Roy N. Martin, Claremont.
William F. Boze, Detroit Lakes.
John H. Diercks, Dodge Center.
Delmer J. Laudon, Dover.
Leonard O. Ellson, Finlayson.
Vern Weaver, Lowry.
Cora E. McAlpine, Marble.

OREGON

George A. McCulloch, Reedsport.

PENNSYLVANIA

Joseph R. Stanich, Bessemer.
George Lange, Belle Vernon.
Charles H. Wilson, Fairchance.
John H. Renstrom, Fayette City.
Julia M. Russell, Fredonia.
Thomas A. Howe, Morrisdale.
Grace G. Makens, Morton.
Frank Canistra, Republic.
Jacob W. Sutton, Smithfield.
Sarah J. Stimmel, Starjunction.
Clara E. Reese, Toughkenamon.

SOUTH DAKOTA

George L. McKeever, Kennebec.
Freal L. Hayes, Lake Norden.
Martha L. Williams, Oelrichs.

TENNESSEE

Robert Royce Jones, Dyersburg.
Ernest H. Gibson, Humboldt.

VIRGINIA

Robert H. Wall, Cambria.
Andrew T. Organ, Chester.
John W. Helvey, Emory.
William N. Guill, Halifax.
Bernice M. Bull, Hallwood.
Howard C. Horseman, Hampton.
William R. Rogers, Hilton Village.

WISCONSIN

Stanley L. Hall, Bagley.
Tony W. Schuh, Elcho.
Harry R. Olson, Grantsburg.
John Michael, Humbird.
John Duchateau, Luxemburg.
Roland W. Harpt, Mishicot.
Bertram A. Ruskauff, Saukville.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 22, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O infinite Father of mercy, breathe through our humble prayer. We beseech Thee to reach forth Thy arms of power and encircle the earth that it may feel the nearness and the might of God. Great gulfs of discord and the clanging cymbals of war are crashing around us; according to Thy love and mercy, hear and answer us. Dear Lord, our hearts grow sick as the pagan struggle rages near and far. O speak Thy word in the ears and lay Thy cooling hand upon all marching legions. Haunt them with the thought of the homeless, pain them with the hunger of the poor innocents; crush them with the cries of the children; minister unto the heavy laden and bind up the wounds of the brokenhearted. O Spirit of the Most High, move upon the turbulent waters and let peace come upon the bosom of the tempest, and there shall be light. Bless our Speaker and the Congress; prepare us for the duties of the week; may Thy spirit be with us, lightening the tasks and directing our ways. In our dear Redeemer's name. Amen.

The Journal of the proceedings of Friday, April 19, 1940, was read and approved.

THE NATIONAL DEFENSE

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3840) to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Chair appointed the following conferees: Mr. MAY, Mr. THOMASON, Mr. HARTER of Ohio, Mr. ANDREWS, and Mr. ARENDS.

LEAVE TO ADDRESS THE HOUSE

Mr. BARDEN. Mr. Speaker, after the disposition of all legislative matters and matters on the Speaker's desk, I ask unanimous consent to address the House today for 30 minutes, at which time I propose to discuss amendments to the wage and hour bill.

The SPEAKER pro tempore. Is there objection?

Mr. LEAVY. Mr. Speaker, I reserve the right to object. I have a special order of 30 minutes for today, and I am willing that the gentleman from North Carolina should precede me.

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an article from South End News, of Cleveland, Ohio, entitled "A Day With a Busy Congressman."

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. O'BRIEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an address by Mr. J. Edgar Hoover before the recent convention of the Daughters of the American Revolution.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. VREELAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter from the Patrolmen's Benevolent Association of Newark.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my remarks and to print in the RECORD an editorial from the Washington News of April 20, 1940, entitled "Helping the Farmer."

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an editorial from the Saginaw News.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an editorial from the El Paso Herald-Post.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter which I wrote to the gentleman from Georgia, Hon. CARL VINSON, chairman of the Committee on Naval Affairs, on Saturday last.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GORE. Mr. Speaker, I ask unanimous consent to extend my remarks and include an address which I delivered to the State Convention of the Junior Chambers of Commerce in Murfreesboro, Tenn., April 16, 1940.

The SPEAKER pro tempore. Is there objection?

There was on objection.

THOMAS A. EDISON

Mr. VREELAND. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. VREELAND. Mr. Speaker, my good friend and colleague the gentleman from New Jersey [Mr. HARTLEY], in a mighty fine address given before this House on April 10 on the effects of patents on people of the United States, among other things mentioned one of the greatest inventors of all time, Thomas A. Edison, and inadvertently mentioned in relation to Mr. Edison, Menlo Park.

I rise to remind my good friend and colleague that while Mr. Edison spent considerable of his early years in Menlo Park, nevertheless, the industries which bear his name and where he has carried on the greatest part of his inventive work was in West Orange, N. J., in my district, and where they are now, in commemoration of his achievement, presenting the world premiere showing of Metro Goldwin Mayer's Edison, the Man.

PATRIOTISM

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

DRAFT CONGRESSMEN FIRST

Mr. ALEXANDER. Mr. Speaker, I am informed statistics show that a real genius is born only once out of every 375,000 persons. That being the case, in the 10,000,000 youths who lost their lives in the foolishness of World War 1, we lost the benefit of nearly 30 prospective geniuses. Perhaps that explains why the world is so lacking in sensible leadership today, and has to suffer along with war-mongers and do-nothings in the saddle. Perhaps if the truth were known, we lost many more than 30, because war has a way of taking the best and bravest and strongest first.

To a trained and careful observer it was evident for years prior to 1939 that Europe was developing another war. It is also equally evident to the person who will take time out to ponder and study the trends that the United States is now gradually and perceptibly being brought into the arena of hostilities. I have constantly done everything in my power to point this out and to call for an about-face before too late.

So serious is the situation becoming that I want to serve notice on the powers that be right here and now that I, for one, shall refuse to lend my vote to any move or declaration which will send America's youth to be slaughtered on foreign shores.

Before I would do that and endanger the lives of my three stalwart sons and the sons of other parents I would offer my own life and services, and I call on every Member of Congress to make a similar pledge. Before we declare war let us all agree and vote to insert a proviso that Members of Congress will be the first to be drafted.

In today's mail I am in receipt of the following letter from a brave, disabled soldier of the last war, who puts the challenge up to us in the following letter, as does Col. William J. Donovan in his article entitled "Should men of 50 fight our wars?" and which I ask unanimous consent to insert herewith:

MINNEAPOLIS, MINN., *April 18, 1940.*

Attention Members, House of Representatives, Washington, D. C.:

GENTLEMEN: The articles published in This Week magazine and written by Col. William J. Donovan, World War commander of the fighting Sixty-ninth, deserves the immediate consideration of all Members of Congress, the President, and the War Department. Colonel Donovan, This Week magazine, and the Minneapolis Tribune are to be congratulated for their effort.

We who have seen the enemy army approaching with fixed bayonets, who have, briefly told, had a ringside seat when the devil takes a holiday and we mortals call it war, should accept this challenge and thereby prove to youth that patriotism is not merely the enthusiasm of childhood but a serious responsibility of all citizens. Let every man of 40 offer his services to the War Department, and in event of war the draft of youth will not be necessary. This writer has already made such an offer and received acknowledgment that my name is on file.

It is the belief of the average man that Members of Congress are too old for service and would not vote for war if they themselves had to see front-line action. Colonel Donovan has made a challenge. May I ask how many accept it?

EMIL E. HOLMES,
National Deputy Chief of Staff, Disabled American Veterans of the World War.

[From the magazine This Week]

SHOULD MEN OF 50 FIGHT OUR WARS?

(By Col. William J. ("Wild Bill") Donovan, World War commander the "Fighting 69th")

In the midst of the gigantic preparations we are now making to protect this country and this hemisphere from any threat of aggression, our draft laws are a blind spot which might cost us our very existence as a nation, despite any military victories that might be won by modern war mechanisms.

For, if war should come with whatever nation, our manpower—the most vital factor in our national defense—apparently would be mobilized according to a system that bears about as much relation to our present national-defense needs as a Civil War musket to modern, mechanized warfare.

This system, under which America has drafted its fighting men since the Civil War—and which presumably would be put back in force should we enter another war—would exclude from active service all men over the age of 45. The burden of the fighting would be thrown on youth—from 18 to 30.

America's first great war, the Revolution, was won by men up to 60. But in the Civil War the age limits for military service ranged from 20 to 45. The draft law of 1918 expanded the limits on the side of youth—to 18 years of age.

This law assumed (1) that a stripling of 18 is better prepared to defend his country than a vigorous adult past the 45-year mark; and (2) that the country can better afford to lose a youth on the battlefield than a mature adult.

The march of events since the Civil War has made the fallacy of both these assumptions more and more apparent. Better living conditions and improved medical technique have multiplied the years of the average man's span of usefulness. Our falling birth rate and the cessation of immigration have put on youth the premium of scarcity. The mechanization of modern war has proceeded to a point where the qualities of middle age (mechanical training, general experience, and calm judgment) are more important than the extraordinary physical endurance and the reckless courage of youth.

TO SURVIVE A VICTORY

There is no longer any good reason—if ever such reason existed—why the third of our population between 40 and 60 should not share equally the burden of war with the third between 20 and 40.

With the dynamics of world power as unstable as they are, we must take a long-range view of our manpower reserves. The American hemisphere is fabulously rich and invitingly underpopulated. We have pledged its security from invasion. We are the only world power on this side of the Atlantic, and if we are to fulfill our pledges, the time may conceivably come when our manpower will be inadequate unless we take steps to conserve it.

That is one of the fundamental military reasons why our draft laws must be changed. On the side of humanitarianism, or sentiment, if you will, there are other reasons for sparing the young. A tragedy of the last war was the loss of so many able, talented young men. We can never know how many potentially great men the war destroyed nor what the world would be today if they had been spared.

The older we grow the greater becomes our debt to society. It is not a pretty thought that old men make wars and young men fight them. A patriotic father is in a better moral position when he can say to his son "Come!" rather than "Go!"

But the overpoweringly decisive reason why we must amend our draft system springs from the brutal facts of our population trends. We simply cannot afford, from the standpoint of national survival, to toss away several hundred thousand young men in a war. America is growing old at an alarming rate and we must avoid anything that accelerates that pace.

In the 1860's, or even during the World War, we might, from certain points of view, have been able to afford that extravagance. But we must economize in the next war if we are to survive even victory. There is such a thing as winning a war—and losing a peace.

Our birth rate is declining precipitately (from 30 per thousand in 1900, to 25 in 1915, to 16 last year), while the fecundity of the aggressive European powers and of Asia remains high. In 1850 children and youths below 20 made up more than half our population; today they constitute only a little more than a third. Our present generation is not reproducing its own numbers, and unless countercurrents set in, by the year 2000 we shall be a static, if not a dying, country. Sixty years from now those who will have passed the age of 50, a time when many men begin to think of retirement, will outnumber those who are at the ages of greatest capacity and ambition, between 22 and 50.

And it must be remembered that these conditions will be the consequence of natural processes, as they are functioning now, entirely exclusive of the acceleration of war. The loss of several hundred thousand American youths between the ages of 18 and 30—fathers of the next generation—would be a major social and economic tragedy.

RIDING TO WAR ON WHEELS

Modern war can, in the main, be fought about as well by the fathers and grandfathers, or "gaffers," as by prospective fathers. War is subject to the same underlying technical changes that apply in industry and agriculture. The machine is saving labor on the battlefield as in factory and field.

Young men capable to enduring great physical stress and fatigue were needed for the heroic forced marches that characterized our Civil War. They are still essential for the emergencies that will always be the cruxes of any war. But nowadays other qualities, possessed in as great or greater degree by men of 40 to 50, are coming to the fore.

As war becomes increasingly mechanized—and I have followed the course of change from Château-Thierry to Spain—less and less emphasis is placed on a soldier's brawn, more and more on his brain. Instead of marching to war, today's soldier rides to war on wheels.

Maj. George Fielding Eliot illustrates the extent to which war has been mechanized by listing some of the ratings of the United States Navy men: Gunner's mate, fire-controlman, electrician's mate, machinist's mate, ship fitter, carpenter's mate, coppersmith, metalsmith, aviation ordnanceman, molder, patternmaker, sing'eman, radioman, pharmacist's mate, storekeeper, aviation pilot, and others. Like the Navy, the Army needs trained and experienced men to operate complex machine guns, antiaircraft guns, antitank guns, a myriad variety of motor transports, chemical units and communications systems. For these jobs, requiring sound judgment, steady nerves, experience, and habits of independent thinking, men over 45 qualify as well as men between 20 and 30.

Not that I would recommend training grandfathers as war-plane pilots. But the business of war is by no means confined to spectacular dogfights in the air, or even to the body-to-body struggle of infantrymen. It may be that shock troops for front-line action should come principally from younger ranks. Yet, in the World War, battalions of middle-aged men stood up valiantly under the hardships of trench warfare. It was, for example, a middle-aged army that held off the Germans in the first battle of Ypres.

Battalions of older men were increasingly drawn into the front lines in the third and fourth years of the war. More often than not, they outdid the regular and much younger formations. Frequently, in tight spots under fire, I have seen older men become rallying points for young troops on the verge of panic.

Along the great fortified lines of western Europe today, as I saw them shortly before the present war, men endure few hardships that would tax the middle-aged. They live and work in comfortable quarters underground. They are moved around on tramways, or trucks. Their tour of duty is calculated at 4 to 6 days in the front lines. In practice, both the French and Germans have manned their defense lines with older troops, and during the "blitzkrieg" against Poland, the Westwall's defense was entrusted to divisions preponderantly made up of the middle-aged. For every youthful pilot, observer, aerial bomber, or shock trooper, there are dozens, sometimes hundreds, of men in supporting positions behind the front lines. Most of these latter jobs men of 45 and over can handle as well as or better than college-age youngsters.

There is a further consideration. Far from being a constant round of excitement, war is often dull. Shut off from normal diversions, undergoing frequent discomforts, the soldier is likely to brood on possible wounds and death, on separation from his family. Such introspection injures morale. The older man ordinarily can draw on his more patient philosophy of life.

I am assured by psychologists—and I have learned from personal experience in the last war—that the courage of youth and of older men strikes a rough balance. Youth is more impulsive, more reckless. But the middle-aged man has generally seen and endured more hardship. He has spent years discharging social and family obligations. His dependents are likely to be grown and self-supporting. Moreover, he has fewer illusions than youth; life may not seem as sweet. Fear has less effect on his behavior in a crisis. Such a man may not value his life as dearly as youth. But in sacrificing it, he is more likely than youth to drive a hard bargain with the enemy.

On my last tour of Europe, just before the final German-Polish crisis, I had the opportunity of inspecting the arms and equipment of several European powers, including France and Germany. Before that, in Ethiopia and Spain, I watched the dress rehearsals of the present war. I brought home the conviction that the next war would be fought on wheels, not legs, wherever there was movement outside the vast fortified lines. The need for sheer physical prowess in the soldier had diminished; the call was increasingly for intelligence and technical skill.

The swift subjugation of Poland confirmed that opinion. There were Polish soldiers who fought and died without even once seeing their enemy.

War has probably been speeded up more since 1918 than in all the history of armed combat up to 1914.

A middle-aged man may not be able to walk as fast or as far as a boy of 20; but he can assuredly ride as fast in a motor transport. In casting about for a peacetime parallel, I thought of the railroads. Mature men, in their fifties and sixties, pilot our crack railway trains. Railroad work is hard, exacting, and calls for highly skilled experts. Yet the roads employ far more middle-aged and older men than youths.

The report of the United States Railway Retirement Board for 1937 shows, for example, that of 68,452 locomotive engineers, 82.6 percent were more than 45 years old. That age is the upper limit of the present draft act.

When the present army-age categories were fixed the life expectancy of a newborn male was about 35 years. Now it is above 60. Within a few years it may approach the Biblical threescore and 10. Today men of 50, or even 60, are younger than men of 40 were a generation ago.

I don't maintain that the drafting of oldsters would be painless. There are drawbacks. Middle-aged men are, of course, more subject to the degenerative diseases of the heart and other vital organs. The proportion of unfit would rise steeply over the age of 40. In addition, the job of the drill sergeant would be harder. The recruits, no doubt, would be less malleable, the training period longer.

To find out what medical science had to say about the capacities of "gaffers" I went to the New York Academy of Medicine. Medical research on the subject here and abroad indicates that:

1. Youth, 20 to 30 years, has the edge on strength. At grueling tasks, this age period performs with the highest efficiency. But for sustained effort in moderate work, there is virtually no difference between this age group and men up to 50.

2. Manual mobility is not significantly impaired in the age groups from 45 to 60.

3. Reaction time is moderately increased in the upper-age brackets. But, except in very fine work, this would not be an important factor.

4. Judgment of men over 40 is more stable than in the 20-to-30-years bracket.

5. Hearing and visual acuity decrease in men over 40, but glasses may compensate for failing eyesight.

6. In this same group there is a reduction in the rate, but not the aptitude for, learning.

In short, the medical record shows no good reasons why, in a national emergency, healthy oldsters should not be drafted along with healthy youngsters.

Some, subscribing to the maxim, "Old men for counsel, young men for war," may oppose any idea of change. Professional soldiers, usually tradition-bound, may be slow to relinquish the dogma, in effect since 1792, that a citizen is exempt from service after 45. Congress, too, being made up of middle-aged men, may show no eagerness to reorganize manpower provisions for the next national army.

But the majority of "gaffers" will be happy to do their bit. I know many middle-aged men who feel that way, including World War veterans.

In the preparation of draft laws the first consideration must always be a military one. Victory or defeat on the field of battle may, in the first analysis, determine whether America, as we know it, is to survive. But victory on the field of battle alone is not enough. And if we again rely on youth to bear the brunt, the disaster will be greater than any we could fight to avert.

For in the long years after a war is over and won, the Nation's strength will not be measured solely by the successes it has won on the field. No nation can consider itself truly victorious if its military victory has been achieved at the cost of squandering the youth upon which it must rely for greatness in the future.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a copy of a letter written to Senator PRENTISS M. BROWN by a member of the Michigan Legislature.

The SPEAKER pro tempore. Is there objection?

There was no objection.

THE LATE HONORABLE CARL E. MAPES

Mr. GUYER of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. GUYER of Kansas. Mr. Speaker, I want at this time to express my appreciation of one of my dearest friends in the House. I refer to the late CARL E. MAPES, of Michigan, who was a Member when I first came to the House.

The past 15 months have chronicled the passing of 17 of the most beloved and distinguished Members of the House of Representatives. The Seventy-sixth Congress has had a tragic history. In 1 year 19 Members of this Congress have passed to the great beyond. In preparing the notes for this brief appreciation of Mr. MAPES I found it necessary to revise my figures many times. No other Congress since I have been a Member has suffered a like mortality. And these deaths have followed each other with such startling celerity.

A flash of the lightning, a break of the wave,
Man passes from life to his rest in the grave.

It is but another evidence of the exhausting and devastating character of our services here in the legislative department of our Government. It is the inevitable and inexorable price of power and service; for however temperate we may be in both work and play, we pay the toll of tense nerves, jaded hearts, and fatigued muscles. So, after raveling out our lives like prodigal spendthrifts in this forum fashioned for us by our fathers in the Constitution, we at last answer the roll call that is never repeated, for death is the universal decree. All that live must die. The earth itself is but one vast mausoleum. We touch it not without desecrating a myriad sepulchers. The rocks that wall us in are but the dusty archives of life that throbbed and thrilled in dead and forgotten centuries. But, obvious and universal as it is, there is always something that is new and startling when it strikes those we love and those whose lives have been entwined with ours. It is the last curtain on the drama of our earthly career—the inevitable and inexorable decree of fate.

The hand of the king that the scepter hath borne,
The brow of the priest that the miter hath worn,
The eye of the sage and the heart of the brave,
Are hidden and lost in the depths of the grave.

It is most fitting that on this occasion we pause in the busy tide of life and the affairs of government to lay a tribute of love and respect upon the bier of our beloved colleague who for so many years was such a powerful figure in the life and legislation of our Government, and I asked the privilege to join the members of the Michigan delegation in paying a tribute of affection and admiration to the memory of CARL MAPES. Mr. MAPES was here when I became a Member of this body, and it seemed like he would always be a Member of the House, so solid and enduring seemed his personality. He seemed a part of the landscape. In some men there is that substantial quality that gives them weight, power, and influence without any of the tricks and artifices of eloquence or magnetic attraction. Mr. MAPES belonged to the rare and segregated few who depend upon the power and weight of their logic rather than upon their frenzied declamation. He cared little or nothing for mere show and glitter. In fact, he was so equipped with the substantial qualities of mind and transparent sincerity that he lived above the fog of rhetoric and the haze of mere words.

These qualities gave him a reputation for sincerity and honesty and honor not excelled by any Member upon this floor since I have been a Member of the House. So today we come to pay our tribute not only of love and affection but also of admiration to one whose place will be difficult to fill on this floor.

In the past score of years CARL MAPES has written his name deep in the history of the House and the legislation of his country and in the affections of his colleagues. He was an accomplished parliamentarian and his party leaned heavily upon his ability for leadership. He never assumed positions upon parliamentary practice merely for party advantage but hewed to the line on the law, and for that reason was admired by those who agreed with him and respected by those who opposed him. Everybody respected his ability and everybody venerated his intellectual honesty.

But Mr. MAPES was not just a powerful force in legislation, he was also a great moral example to his colleagues and to the manhood of his country. He was a great and guiding impulse to new Members where his exalted character and example set high standards of conduct and legislative integrity.

Fifteen years ago when I was first a Member of the House, Hon. Frederick H. Gillett, and later Hon. Nicholas Longworth, were Speakers of the House; I remember that both, who were discriminating judges of men, reposed great confidence in Mr. MAPES, and that when important legislation was before the House Mr. MAPES was often in the chair, where he presided with great ability, impartiality, and dignity. In those days Mr. MAPES was one of the most trusted leaders under the speakership of Nicholas Longworth.

Mr. MAPES belonged to the thinning ranks of those who were my colleagues when I came here in 1924 to fill the unexpired term of the late Col. E. C. Little. On this side of the aisle only 18 remain of the large number who answered the roll call that December 1, 1924, when I became a Member of the House. What a tragic drama that statement discloses. But it is only the story of life which at its best seems but a pathetic tragedy as we see it from this mundane sphere. We come here with high hopes of public service and strive to crystallize our ideas into constructive legislation and grow old while we struggle in the effort. Then one day we become memories and join that growing throng that has preceded us to the great beyond. And we are perhaps remembered for some particular reason, mayhap some peculiar mannerism only, possibly a little flash of genius or some cause we ardently advocated. And what do we take with us? We hope the gratitude of our constituency for some little work well performed and we know a heart full of deathless memories.

Today we are thinking of Mr. MAPES, whose face and figure were a part of our daily life here. When we ask what we shall remember that was peculiar to CARL MAPES, many things crowd our memory. He was patient and kind. He was courteous and gentle. He was patriotic and unselfish. If one did something well, he found opportunity to commend. If someone was about to make a mistake, he gently warned. If one asked for advice, he gave it modestly, with great wisdom and discretion. He was that sort of man that one felt free to consult, and his sage advice was so often a blessing to the new Member.

CARL MAPES was a gentleman of great mind and heart. He had an army of friends and no enemies. He leaves to his family the priceless heritage of a good name and the record of a life full of devotion to his country, his family, and his friends.

The superlative master of the English tongue put upon the lips of Marc Antony a characterization that I think is most appropriately applied to our late colleague:

> He was gentle and the elements
> So mixed in him that nature might stand up
> And say to all the world, "This was a man."

EXTENSION OF REMARKS

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that I may be permitted to make two insertions in the RECORD: One, a Federal table of loans and grants by States; the other, an editorial from the Addison (N. Y.) Advertiser.

The SPEAKER pro tempore. Without objection, the requests are granted.

There was no objection.

Mr. SECREST. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an article in the New York Evening Post of April 17, 1940, by Samuel Grafton.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent for two extensions of remarks in the Appendix of the RECORD: One, an extension to include a brief quotation, and another an address by the Postmaster General delivered at Indianapolis, Ind., on March 30.

The SPEAKER pro tempore. Without objection, the requests of the gentleman from Indiana are granted.

There was no objection.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

W. P. A. JOBS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I consider it a most unfortunate matter that the question of political consideration should have been injected into the consideration of the matter of how many W. P. A. jobs should be provided by the Congress for the next year. I think there are only two matters of importance in connection with this question. One is the need of people for employment in order to support their families; the other is the need of the Nation as a whole for additional volume of consumer buying power in active circulation. My own judgment is that since, according to the best estimates we can find in the country, there are now, and probably will continue to be, in the neighborhood of 10,000,000 people out of work, the W. P. A. should provide two and one-half million jobs, on the average, in the coming year. I would like to see other approaches to this unemployment problem used as well, but I think under all the circumstances at present that is the least we should do. I do not think it is a political question. I think it is an economic question and a question of human need. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include a radio broadcast of the work of the National Youth Administration in California.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I wish to amend my unanimous-consent request by asking permission to insert it at that point in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARNESS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

DISTRICT OF COLUMBIA LEGISLATION

The SPEAKER pro tempore. This is District of Columbia Day. The Chair recognizes the gentleman from West Virginia [Mr. RANDOLPH].

DR. A. L. RIDINGS

Mr. RANDOLPH. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 9284) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. A. L. Ridings, and I ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any limitations relating to the time within which an application for a license must be filed or to the granting of licenses on a reciprocal basis in the jurisdiction from which the applicant came, the Commission on Licensure to Practice the Healing Art in the District of Columbia is authorized and directed to issue a license to practice the healing art in the District of Columbia to Dr. A. L. Ridings, formerly of Sherman, Tex., if found qualified in accordance with the provisions of section 25 of the Healing Arts Practice Act, District of Columbia, 1928.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEAVE OF ABSENCE FOR EDUCATIONAL EMPLOYEES OF THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 9326) to provide educational employees of the public schools of the District of Columbia with leave of absence, with part pay, for purposes of educational improvement, and for other purposes, and I ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Board of Education, on recommendation of the superintendent of schools, may grant leave of absence with part pay to any employee of said Board of Education whose salary is fixed in the Salary Act approved June 4, 1924, who has served in the public schools of the District of Columbia not less than 6 years continuously prior to filing application for leave, for purposes of educational improvement for a period not exceeding 1 year at a time, under conditions not herein otherwise specified as the Board of Education may determine, and the place of said person to be filled by the appointment of a qualified temporary employee for the period of said leave: *Provided*, That not more than 2 percent of the total number of the above-mentioned employees may be on leave with part pay at the same time.

SEC. 2. Any employee to whom such leave of absence may be granted shall report in writing to the Superintendent, in such form as the Board of Education may determine, the manner in which said leave of absence is being employed, and for failure to comply with any requirement of the rules of the Board of Education or to pursue in a satisfactory manner the purpose for which said leave of absence was granted, the Board of Education, on recommendation of the Superintendent, may terminate such leave of absence at any time.

SEC. 3. Any teacher whose salary is fixed in article I of the act approved June 4, 1924, who is granted leave of absence for educational purposes under the provisions of this act, shall receive compensation during the period of said leave, paid in the same manner as though on active duty, equal to the difference between the salary which the teacher would have received during the year he is on said leave of absence and the basic annual salary of group A or group C of his salary class, less the amount of his contribution to

the retirement fund, in accordance with the provisions of the Retirement Act, as amended and approved June 11, 1926.

SEC. 4. Any administrative or supervisory officer mentioned in section 1 of this act whose salary is fixed in article II of the act approved June 4, 1924, who is granted leave of absence for educational purposes under the provisions of this act, shall receive compensation during the period of said leave, paid in the manner as though on active duty, equal to the largest amount to which any teacher in the group B or group D salary class under his supervision would be entitled if given such education leave, less the amount of his contribution to the retirement fund in accordance with the provisions of the Retirement Act, as amended and approved June 11, 1926: *Provided*, That during the period of the leave of said officer, the Board of Education on the recommendation of the Superintendent of schools may authorize the temporary assignment to his position of any teacher or officer who serves under said officer on leave: *And provided further*, That the position of the teacher or officer so assigned may be filled during the period of such absence by a qualified temporary employee.

SEC. 5. The teacher or officer who takes leave of absence with part pay for educational purposes under the provisions of this act shall be construed as in active service, and periods of service for salary increment purposes and for retirement purposes, and the pay which the teacher or officer would have received had leave not been taken shall be used in computing retirement annuities.

SEC. 6. Wherever the masculine pronoun occurs in this act it shall be construed to mean both male and female employees.

SEC. 7. This act shall take effect on and after July 1, 1938.

Mr. RANDOLPH. Mr. Speaker, I wish to make a certain explanation concerning this bill. I do this, Mr. Speaker, because I believe the Members of the House have a right to know what is in the bill, and I believe it is the responsibility of the committee to explain briefly, and in some cases in detail, the measures we bring before you, because in this committee we do give careful consideration to these matters, and we know the House itself does not have an opportunity to do so, and it places confidence in us when we bring these District measures before the House.

The purpose of this legislation which is proposed is to permit teachers and officers of the school system in the District of Columbia to take leave of absence with part pay for the purpose of educational improvement. It has been found that similar legislation is in effect in most of our comparable cities, and even cities of smaller size. We deemed this measure advisable in an effort to keep the educational system here on a par with that of other cities by permitting the teachers to advance their training. There will be no added expense, because the substitute teachers to be employed will be paid from the salaries of the regular teachers on leave. This bill has the approval of the Board of Education.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman.

Mr. MURDOCK of Arizona. As a schoolman of long experience, I can testify that the practice is a good one, and I am heartily in favor of the bill as the gentleman has explained it.

Mr. RANDOLPH. I thank the gentleman from Arizona, because I do believe that the teachers come back with a new point of view and refreshed for their duties.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOARD OF INDETERMINATE SENTENCE AND PAROLE, DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 9210) to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes," approved July 15, 1932, and for other purposes, and ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That section 2 of the act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932, be, and the same is hereby, amended to read as follows:

"SEC. 2. The Board of Indeterminate Sentence and Parole shall, subject to the approval of the Commissioners of the District of Columbia, appoint an executive secretary, and parole officers, one of whom may be designated as the chief parole officer, and other employees, in such number as shall be appropriated therefor by Congress from time to time. It shall be the duty of such officers, subject to the discretion and control of said Board, to perform such duties and exercise such authority as the Board may direct. The salaries of said executive secretary, parole officers, and other employees shall be fixed in accordance with the Personnel Classification Act of 1923, as amended. Appropriations are hereby authorized for the payment of the salaries of said executive secretary, said parole officers, and other employees, the actual and necessary traveling expenses of the members of the Board, said executive secretary, and said parole officers, and all other necessary expenses incurred in the administration of this act. Until appropriations as herein authorized are made therefor, all said salaries and expenses shall continue to be paid out of the appropriations for the penal institutions as now authorized by law."

SEC. 2. (a) Section 3 of said act, approved July 15, 1931, is hereby amended to read as follows:

"SEC. 3. That hereafter, in imposing sentence on a person convicted in the District of Columbia of a felony, the justice or judge of the court imposing such sentence shall sentence the person for a maximum period not exceeding the maximum fixed by law and for a minimum period not exceeding one-third of the maximum sentence imposed, and any person so convicted and sentenced may be released on parole as herein provided at any time after having served the minimum sentence. Where the maximum sentence imposed is life imprisonment, a minimum sentence shall be imposed which shall not exceed 15 years' imprisonment. Nothing in this act shall abrogate the power of the justice or judge to sentence a convicted prisoner to the death penalty as now or hereafter may be provided by law."

(b) For any felony committed before this amendatory act takes effect, the penalty, sentence, or forfeiture provided by law for such felony at the time such felony was committed shall remain in full force and effect and shall be imposed, notwithstanding this act.

SEC. 3. Section 4 of said act, approved July 15, 1932, is hereby amended to read as follows:

"SEC. 4. That whenever, within the limitations of section 3 of this act, it shall appear to the Board of Indeterminate Sentence and Parole, from the reports of the prisoner's work and conduct which may be received in accordance with the rules and regulations prescribed, and from the study and examination made by the Board itself, that any prisoner serving an indeterminate sentence is fitted by his training for release, that there is a reasonable probability that such a prisoner will live and remain at liberty without violating the law, and that in the opinion of the Board such release is not incompatible with the welfare of society, said Board of Indeterminate Sentence and Parole may, in its discretion, authorize the release of such prisoner on parole, and he shall be allowed to go on parole, outside of said prison, and in the discretion of the Board to return to his home, or to such other place as the Board may indicate, upon such terms and conditions, including personal reports from said paroled prisoner, as said Board of Indeterminate Sentence and Parole shall prescribe, and to remain, while on parole, in the legal custody and under the control of the Attorney General of the United States or his authorized representative until the expiration of the maximum of the term or terms specified in his sentence, without regard to good-time allowance, and the said Board shall in every parole fix the limits of the residence of such person paroled: *Provided, however*, That the conditions prescribed and the residential limits may be thereafter changed or modified as the Board in its judgment may determine."

SEC. 4. Section 5 of said act, approved July 15, 1932, is hereby amended to read as follows:

"SEC. 5. If said Board of Indeterminate Sentence and Parole, or any member thereof, shall have reliable information that a prisoner has violated his parole, said Board or any member thereof, at any time within the term or terms of the prisoner's sentence, may issue a warrant to any officer hereinafter authorized to execute the same for the retaking of such prisoner. Any officer of the District of Columbia penal institutions, any officer of the Metropolitan Police Department of the District of Columbia, or any Federal officer authorized to serve criminal process within the United States to whom such warrant shall be delivered is authorized and required to execute such warrant by taking such prisoner and returning or removing him to the penal institution of the District of Columbia from which he was paroled or to such penal or correctional institution as may be designated by the Attorney General of the United States."

SEC. 5. Section 6 of said act, approved July 15, 1932, is hereby amended by adding at the end thereof the following:

"In the event said prisoner is removed to a penal or correctional institution designated by the Attorney General, the Board of Parole, created by the act of Congress entitled 'An act to amend an

act providing for the parole of United States prisoners, approved June 25, 1910, as amended,' approved May 13, 1930, shall have and exercise the same power and authority over such prisoner as the Board of Indeterminate Sentence and Parole would have had such prisoner been returned to a penal institution of the District of Columbia, including the power to revoke his parole."

SEC. 6. (a) Section 8 of said act approved July 15, 1932, is hereby amended to read as follows:

"SEC. 8. Any person committed to a penal institution of the District of Columbia who escapes or attempts to escape therefrom or from the custody of any officer thereof or any other officer or employee of the District of Columbia, or any person who procures, advises, connives at, aids, or assists in such escape or conceals any such prisoner after such escape, shall be guilty of an offense and upon conviction thereof in any court of the United States shall be punished by imprisonment for not more than 5 years, said sentence to begin, if the convicted person be an escaped prisoner, upon the expiration of the original sentence."

(b) This amendment of section 8 of said act approved July 15, 1932, shall not have the effect to release or extinguish any punishment, penalty, or liability incurred under such section, and such section as originally enacted shall be treated as still remaining in force for the purpose of sustaining any proper prosecution for the violation of such section committed prior to the passage of this amendatory act.

SEC. 7. (a) The proviso to section 9 of said act approved July 15, 1932, is hereby amended to read as follows: "*Provided, however,* That in the case of any prisoner convicted of two or more crimes other than a felony, including violations of municipal regulations and ordinances and acts of Congress in the nature of municipal regulations and ordinances, when the aggregate of the sentences imposed is in excess of 1 year, said Board of Indeterminate Sentence and Parole may parole said prisoner, under the provisions of this act, after said prisoner has served one-third of the aggregate sentence imposed."

(b) In the case of a prisoner convicted of misdemeanors committed prior to the effective date of this amendatory act, when the aggregate sentence imposed is in excess of 1 year, and in the case of a prisoner convicted of felony committed prior to the effective date of said act approved July 15, 1932, said Board of Indeterminate Sentence and Parole may parole said prisoner under the provisions of said act approved July 15, 1932, as amended, after said prisoner has served one-fifth of the sentence imposed.

SEC. 8. Said act approved July 15, 1932, is further amended by adding at the end thereof a new section to be numbered 11 and to read as follows:

"SEC. 11. All prisoners convicted in the District of Columbia for any offense, including violations of municipal regulations and ordinances and acts of Congress in the nature of municipal regulations and ordinances, shall be committed, for their terms of imprisonment, and to such types of institutions as the court may direct, to the custody of the Attorney General of the United States or his authorized representative, who shall designate the places of confinements where the sentences of all such persons shall be served. The Attorney General may designate any available, suitable, and appropriate institutions, whether maintained by the District of Columbia government, the Federal Government, or otherwise, or whether within or without the District of Columbia. The Attorney General is also authorized to order the transfer of any such person from one institution to another if, in his judgment, it shall be for the well-being of the prisoner or relieve overcrowding or unhealthful conditions in the institution where such prisoner is confined, or for other reasons."

SEC. 9. (a) Where a justice or a judge of the District Court of the United States for the District of Columbia has imposed or shall impose a life sentence on a prisoner convicted of a felony committed before this amendatory act takes effect, such prisoner shall be eligible to parole under the provisions of said act approved July 15, 1932, as amended, after having served 15 years of his life sentence.

(b) Where a justice or judge of the district court of the United States has imposed or shall impose a sentence for a definite term of imprisonment on a prisoner convicted of a felony committed before this amendatory act takes effect, such prisoner shall be eligible to parole under the provisions of said act approved July 15, 1932, as amended, after having served one-third of the sentence imposed.

SEC. 10. Section 937 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, is hereby amended to read as follows:

"SEC. 937. Deduction for good conduct: All persons sentenced to and imprisoned in the jail or in the workhouse of the District of Columbia and confined there for a term of 1 month or longer who conduct themselves so that no charge of misconduct shall be sustained against them shall have a deduction upon a sentence of not more than 1 year of 5 days for each month; upon a sentence of more than 1 year and less than 3 years, 6 days for each month; upon a sentence of not less than 3 years and less than 5 years, 7 days for each month; upon a sentence of not less than 5 years and less than 10 years, 8 days for each month; and upon a sentence of 10 years or more, 10 days for each month, and shall be entitled to their discharge so much the earlier upon the certificate of the superintendent of the Washington asylum and jail for those confined in the jail, and upon the certificate of the superintendent of the workhouse for those confined in the workhouse, of their good conduct during their imprisonment. When a prisoner has two or more sentences the aggregate of his several sentences shall be the basis upon which his deduction shall be estimated."

Mr. RANDOLPH. Mr. Speaker, this measure was drafted by the Commissioners of the District of Columbia in cooperation with the members of the Board of Indeterminate Sentence and Parole and also the Department of Justice of the United States.

Its purpose is to perfect the present law in the District of Columbia and bring it into line with the practice in the States. Difficulties have been encountered by the Parole Board in properly functioning under the original act, and these amendments are proposed to correct certain deficiencies which now exist.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRACTICE OF DENTISTRY IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 7865) to amend the act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto, approved June 6, 1892, and acts amendatory thereof, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto, approved June 6, 1892, and acts amendatory thereof, are further amended to read as follows:

"SEC. 2. Members of the Board of Dental Examiners, five in number, shall be appointed by the Board of Commissioners of the District of Columbia.

"No person shall be eligible for appointment to the Board of Dental Examiners who is not a citizen of the United States and who has not been for 5 years next preceding his appointment a resident of and in the active and reputable practice of dentistry in the District of Columbia. Appointments shall be for a term of 5 years or until their successors are appointed and qualified, and shall be from a list of three to seven eligibles submitted by the dental societies of the District of Columbia; and no officer or member of the faculty of any dental school or college shall be eligible for appointment upon said Board.

"SEC. 3. The Board of Dental Examiners shall organize by electing from its members a president, and a secretary-treasurer who shall give bond to the United States in the sum of $5,000. The Board shall make and adopt such rules and regulations not inconsistent herewith as it deems necessary to effect the purposes of this act, including (but not limiting thereto) rules and regulations respecting the eligibility of candidates, the scope of examinations, the conducting of examinations, and the securing of compliance with the code of ethics of the American Dental Association, and the said Board hereby is specifically authorized to make and enforce such rules as it may deem proper for the purpose of regulating professional announcements and the number of offices of a licensed dentist. The Board, in its discretion, and under such rules and regulations as it may prescribe, is hereby authorized to permit in hospitals the use of dental internes who are graduates of approved dental schools. The Board shall hold in January and June of each year, in such place as it may designate, examinations to determine the fitness of applicants for licenses as dentists under this act: *Provided,* That the concurrence of a majority of said Board shall be necessary to grant or revoke a license under this act.

"SEC. 4. The Board of Dental Examiners shall have an official seal, and shall keep a record of its proceedings, a complete record of the credentials of each licensee, a register of persons licensed as dentists and of licenses by it revoked. A transcript of an entry in such records, certified by the secretary-treasurer under seal of the Board, shall be evidence of the facts therein stated.

"SEC. 5. The said Board shall have power to require the attendance of persons and the production of books and papers and to require such persons to testify in any and all matters within its jurisdiction. The president and secretary-treasurer of the Board shall have power to issue subpenas and each shall have authority to administer oaths. Upon the failure of any person to attend as a witness, when duly subpenaed, or to produce documents when duly directed by said Board, the Board shall have power to refer the said matter to any justice of the District Court of the United States for the District of Columbia, who may order the attendance of such

witness, or the production of such books and papers, or require the said witness to testify, as the case may be, and upon the failure of the witness to attend, to testify, or to produce such books or papers, as the case may be, such witness may be punished for contempt of court as for failure to obey a subpena issued or to testify in a case pending before said court. Witnesses who have been subpenaed by the Board, and who testify if called upon, shall be paid the same fees that are paid witnesses in the District Court of the United States for the District of Columbia.

"SEC. 6. (1) It shall be the duty of the secretary-treasurer of the Board to enforce the provisions of all laws relating to the practice of dentistry in the District of Columbia, and all violations of said laws shall be prosecuted in the police court of the District of Columbia by the corporation counsel or one of his assistants; and the corporation counsel and his assistants shall render such other legal services as may from time to time be required by the Board of Dental Examiners.

"(2) The major and superintendent of the Metropolitan Police Department shall detail such members of his force as may be necessary to assist the Board in the investigations and prosecutions incident to the enforcement of this act. The Board is authorized to employ such other persons as it deems necessary to assist in the investigation and prosecutions incident to the enforcement of this act.

"SEC. 7. The Board of Dental Examiners shall make annual reports to the District Commissioners, containing a statement of moneys received and disbursed and a summary of its official acts during the preceding year.

"SEC. 8. Any person who desires to practice dentistry within the District of Columbia shall file with the secretary-treasurer of the Board a written application for a license, and furnish satisfactory proof that he is a citizen of the United States and is a graduate of a dental college approved by the Board. Such application must be upon the form prescribed by the Board, verified by oath, and accompanied by the required fee and a recent unmounted autographed photograph of the applicant.

"SEC. 9. An applicant for a license to practice dentistry shall appear before the Board at its first meeting after the filing of his application, and pass a satisfactory examination, consisting of practical demonstrations and written or oral test, or both, in the following subjects: Anatomy, anesthetics, bacteriology, chemistry, histology, operative dentistry, oral surgery, orthodontia, pathology, physiology, prosthetic dentistry, materia medica, metallurgy, and therapeutics, and such other subjects as the Board may from time to time direct: *Provided*, That the Board may waive the theoretical examination in the case of an applicant who furnishes proof satisfactory to said Board that he is a graduate from a reputable dental college of a State or Territory of the United States, approved by the Board, and holds a license from a similar dental board, with requirements equal to those of the District of Columbia, and who, for 5 consecutive years next prior to filing his application, has been in the lawful and reputable practice of dentistry in the State or Territory of the United States from which he applies: *Provided*, That the laws of such State or Territory accord equal rights to a dentist of the District of Columbia holding a license from the Board of the District of Columbia, who desires to practice his profession in such State or Territory of the United States. An applicant desiring to register in the District of Columbia under this section must furnish the Board with a letter from the secretary of the board of dental examiners under seal of the board of dental examiners of the State or Territory of the United States from which he applies, which shall state that he has been in the lawful and reputable practice of dentistry in the State or Territory from which he applies for the 5 years next prior to filing his application, and shall also attest to his moral character and professional qualifications.

"SEC. 10. If such applicant passes the examination and is, in the opinion of the Board, of good moral character, he shall receive a license from the Board, attested by its seal, signed by the members of the Board, and registered with the health officer, which, after being registered with the health officer, shall be conclusive evidence of his right to practice dentistry in the District of Columbia. If the loss of a license is satisfactorily shown, a duplicate thereof shall be issued by the Board upon payment of the required fee.

"SEC. 11. The practice of dentistry in the District of Columbia is hereby declared to affect the public health and safety and to be subject to regulation and control in the public interest. It is further declared to be a matter of public interest and concern that the dental profession merit and receive the confidence of the public and that only qualified dentists be permitted to practice dentistry in the District of Columbia. All provisions of this act relating to the practice of dentistry shall be construed in accordance with this declaration of policy.

"SEC. 12. The Board may revoke or suspend the license of any dentist in the District of Columbia upon proof satisfactory to said Board—

"(a) That said license or registration was procured through fraud or misrepresentation.

"(b) That the holder thereof has been convicted of an offense involving moral turpitude.

"(c) That the holder thereof is guilty of chronic or persistent inebriety or addiction to habit-forming drugs or afflicted with a contagious or infectious disease.

"(d) That the holder thereof is guilty of advertising professional superiority or the performance of professional services in a superior manner; advertising prices for professional service; advertising by means of large display, glaring light signs, or containing as a part thereof the representation of a tooth, teeth, bridgework, or any portion of the human head; employing or making use of solicitors or free publicity press agents directly or indirectly; or advertising any free dental work, or free examination; or advertising to guarantee any dental service or to perform any dental operation painlessly.

"(e) That such holder is guilty of conduct which disqualifies him to practice with safety to the public.

"(f) That such holder is guilty of hiring, supervising, permitting, or aiding unlicensed persons to practice dentistry.

"(g) That such holder, being a manager, proprietor, operator, or conductor of a place where dental operations are performed, employs a person who is not a licensed dentist to practice dentistry as defined in this act, or permits such persons to practice dentistry in his office.

"(h) That such holder is guilty of unprofessional conduct.

"The following acts on the part of a licensed dentist are hereby declared to constitute unprofessional conduct:

"(1) Practicing while his license is suspended.

"(2) Willfully deceiving or attempting to deceive the Board or their agents with reference to any matter under investigation by the Board.

"(3) Advertising by any medium other than the carrying or publishing of a modest professional card or the display of a modest window or street sign at the licensee's office, which professional card or window or street sign shall display only the name, address, profession, office hours, telephone connections, and, if his practice is so limited, his specialty: *Provided*, That in case of announcement of change of address or the starting of practice, the usual size card of announcement may be used. The size of said cards or signs shall be designated by the Board.

"(4) Practicing dentistry under a false or assumed name or corporate name other than a partnership name containing the names of the partners, or any name except his full proper name which shall be the name used in his license granted by the Board.

"(5) Violating this act or aiding any person to violate this act or violating or aiding any person to violate the dental practice act of any State or Territory.

"(6) Practicing in the employment of, or in association with, any person who is practicing in an unlawful or unprofessional manner.

"The foregoing specifications of acts constituting unprofessional conduct shall not be construed as a complete definition of unprofessional conduct nor as authorizing or permitting the performance of other or similar acts not denounced, or as limiting or restricting the Board from holding that other or similar acts also constitute unprofessional conduct.

"SEC. 13. No action to revoke or suspend a license shall be taken until the accused has been furnished a statement in writing of the charges against him, together with notice of the time and place of hearing thereof. The accused may be present at the hearings in person or by counsel, or both. The statement of charges and notice may be served personally upon such person or mailed to him at his last known address at least 20 days prior to the hearing.

"SEC. 14. If upon such hearing the Board finds the charges sustained, it may suspend for a definite period or revoke the license of any such dentist. Such revocation or suspension shall take from the person named in such license all rights and privileges acquired thereby. Any dentist whose license has been suspended or revoked may be reinstated and a new license issued to him when in the judgment of the Board such action is warranted: *Provided*, That such reinstated dentist shall pay all the costs of the proceedings resulting in his suspension and reinstatement and in addition thereto a fee of $25.

"SEC. 15. That in addition to the fees heretofore fixed herein each applicant for a license as dentist shall deposit with his application a fee of $20; with each application for a duplicate license a fee of $5 shall be paid to said Board, and for each certificate issued by said Board a fee of $1 shall be paid. That out of the fees paid to said Board, as provided by this act, there shall be defrayed all expenses incurred in carrying out the provisions herein contained, including the detection and prosecution of violations of this act, together with a fee of $10 per diem for each member of said Board for each day he may be actually engaged upon business pertaining to his official duties as such Board member: *Provided*, That such expense shall in no event exceed the total of receipts.

"SEC. 16. During the month of December of each year, every licensed dentist shall register with the secretary-treasurer of the Board his name and office address and such other information as the Board may deem necessary upon blanks obtainable from said secretary-treasurer, and thereupon pay a registration fee of $5. On or before the 1st day of November of each year it shall be the duty of the secretary-treasurer of the Board to mail to each dentist licensed in the District of Columbia, at his last-known address, a blank form for registration. In the event of failure to register on or before the 31st day of December a fine of $5 and the registration fee of $5 will be imposed, and should the practitioner fail to register and pay the fine imposed and continue to practice his profession in the District of Columbia, he shall at the end of 10 days from said date be considered as practicing illegally and penalized as otherwise provided for in this act. If he suspends his practice he may, in the discretion of the Board, upon furnishing satisfactory evidence as to his moral character and professional standing, be reinstated at any time upon registering and paying a prescribed fee of $25. On or before the 1st day of

February, annually, said Board shall issue a printed register of the names and addresses so received, together with other information deemed interesting to the profession, a copy of which shall be mailed or otherwise sent to each registrant thereon.

"SEC. 17. Any person shall be deemed to be practicing dentistry who performs, or attempts or advertises to perform, any dental operation or oral surgery or dental service of any kind gratuitously or for a salary, fee, money, or other remunerations paid, or to be paid, directly or indirectly, to himself or to any other person or agency; or who is a manager, proprietor, operator, or conductor of a place where dental operations, oral surgery, or dental services are performed; or who directly or indirectly, by any means or method, furnishes, supplies, constructs, reproduces, or repairs any prosthetic denture, bridge, appliance, or any other structure to be worn in the human mouth, except on the written prescription of a duly licensed and practicing dentist; or who places such appliance or structure in the human mouth or attempts to adjust the same, or delivers the same to any person other than the dentist upon whose prescription the work was performed; or who advertises to the public, by any method, to furnish, supply, construct, reproduce, or repair any prosthetic denture, bridge, appliance, or other structure to be worn in the human mouth; or who diagnoses or professes to diagnose, prescribes for or professes to prescribe for, treats or professes to treat disease, pain, deformity, deficiency, injury, or physical condition of human teeth or jaws, or adjacent structures; or who extracts or attempts to extract human teeth, or corrects or attempts or professes to correct malpcsitions of teeth or of the jaws; or who gives, or professes to give written clinical interpretations or readings of dental roentgenograms; or who administers an anesthetic of any nature in connection with a dental operation; or who uses the words 'dentist,' 'dental surgeon,' 'oral surgeon,' the letters 'D. D. S.,' 'D. M. D.,' or any other words, letters, title, or descriptive matter which in any way represent him as being able to diagnose, treat, prescribe, or operate for any disease, pain, deformity, deficiency, injury, or physical condition of human teeth or jaws, or adjacent structures; or who states, or advertises or permits to be stated or advertised, by sign, card, circular, handbill, newspaper, radio, or otherwise, that he can perform or will attempt to perform dental operations or render a diagnosis in connection therewith or who engages in any of the practices included in the curricula of recognized dental colleges.

"SEC. 18. On and after the passage of this act it shall be unlawful for any person or persons to practice or offer to practice dentistry or dental surgery under any name except his proper name, which shall be the name used in his license granted to him as a dentist, as provided for in this act; and unlawful to use the name of any company, association, corporation, trade name, or business name in connection with the practice of dentistry as defined in this law. Any person convicted of a violation of the provisions of this section shall be fined for the first offense not more than $200, and upon a second or any subsequent conviction thereof, by a fine not to exceed $500, and upon conviction his license may be suspended or revoked by said Board.

"SEC. 19. Nothing in this act shall apply to a bona fide student of dentistry in the clinic rooms of a reputable dental college; to a legally qualified physician or surgeon unless he practices dentistry as a specialty; to a qualified anesthetist, physician, or registered nurse employed to give an anesthetic for a dental operation under the direct supervision of a licensed dentist; to a dental surgeon of the United States Army, Navy, Public Health Service, or Veterans' Administration, in the discharge of his official duties, nor to a lawful practitioner of dentistry in another State or Territory making a clinical demonstration before a dental society, convention, association of dentists, or dental college, or performing his duties in connection with a specific case on which he may have been called to the District of Columbia.

"SEC. 20. Whoever engages in the practice of dentistry and fails to keep displayed in a conspicuous place in the operating room in which he practices, and in such manner as to be easily seen and read, the license and annual registration card granted him pursuant to the laws of the District of Columbia, shall be fined not more than $50.

"SEC. 21. Whoever sells or offers to sell a diploma conferring a dental degree or a certificate granted for postgraduate work, or a license granted pursuant to this act, or whoever, not being the person to whom a diploma, certificate, or license was granted, procures such diploma, certificate, or license with intent to use the same as evidence of his right to practice dentistry, or whoever, with fraudulent intent, alters any diploma, certificate, or license, or uses or attempts to use the same, shall be fined not more than $1,000.

"SEC. 22. Whoever practices dentistry under a false name, or assumes a title, or appends or prefixes to his name letters which falsely represent him as having a degree from a chartered dental college, or makes use of the words 'dental college' or 'school' or equivalent words when not lawfully authorized so to do, or impersonates another at an examination held by the Board, or knowingly makes a false application or a false representation in connection with such examination, shall be fined not more than $1,000.

"SEC. 23. No person or persons, corporation, or educational institution, except those now duly chartered, shall conduct classes or a school for postgraduate dentistry in the District of Columbia unless with the approval of the Board, and whoever violates this provision shall, upon conviction, be fined not more than $500.

"SEC. 24. It shall be unlawful for any person to follow the occupation of dental hygienist in the District of Columbia without having first complied with the provisions of this act and having been registered as hereinafter provided.

"SEC. 25. Any person of good moral character and a citizen of the United States being not less than 18 years of age, who desires to register as a dental hygienist in the District of Columbia and files with the secretary-treasurer of the Board a written application for a license, and furnishes satisfactory proof that he is a graduate of a training school for dental hygienists requiring a course of not less than 1 academic year, and approved by the Board, may make application to be licensed as a dental hygienist in the District of Columbia upon the form prescribed by the Board, verified by oath, and accompanied by the required fee ($10) and a recent unmounted autographed photograph of applicant.

"SEC. 26. An applicant for a license as dental hygienist shall appear before the Board at its first examination after the filing of his application and pass a satisfactory examination consisting of practical demonstrations and written or oral tests on such subjects as the Board may direct. If such applicant passes the examination and is of good moral character, he shall receive a license from the Board, attested by its seal, signed by the members of the Board, which after being registered with the health officer shall be conclusive evidence of his right to practice as a dental hygienist in the District of Columbia according to the provisions of this act.

"SEC. 27. No licensed dentist may employ more than two such licensed dental hygienists without written permission of the Board. Public institutions and the Health Department of the District of Columbia may employ such licensed dental hygienists and are not limited as to the number of licensed dental hygienists that may be employed. A licensed dental hygienist may remove calcic deposits, accretions, and stains from the surfaces of the teeth, but shall not perform any other operation, or diagnose or treat any pathological conditions of the teeth or tissues of the mouth. A registered dental hygienist may operate only under the general direction or supervision of a licensed dentist, in his office or in any public school or other institution rendering dental services, not in violation of the provisions of this act. The Board may suspend, revoke, with power to reinstate, the license of any dentist who shall permit any dental hygienist, operating under his supervision, to perform any operation other than that permitted under the provisions of this section, and it also may suspend or revoke, with power of reinstatement, the license of any dental hygienist violating the provisions of this act; the procedure to be followed in the case of such suspension, revocation, or reinstatement shall be the same as that prescribed by law in the case of suspension, revocation, or reinstatement of the license of a dentist.

"SEC. 28. Any dental hygienist of good moral character duly licensed to practice as such in any State or Territory of the United States, having and maintaining an equal standard of laws regulating the practice of dental hygiene with the laws of the District of Columbia, who has been in the lawful practice of dental hygiene for a period of not less than 2 years in such State or Territory and who files with the secretary-treasurer of the Board of the District of Columbia a certificate from the Board of the State or Territory in which he is licensed, certifying to his professional qualifications and length of service, and who passes a satisfactory practical examination conducted by the Board, may at the discretion of the Board be licensed without further examination upon the payment of the required fee of $10 and the certificate fee of $1: *Provided*, That the laws of such State or Territory accord equal rights to a dental hygienist of the District of Columbia holding a license from the Board of the District of Columbia who desires to practice dental hygiene in such State or Territory of the United States.

"SEC. 29. The duties and powers of the Board respecting the practice of dentistry as set forth in this act shall apply, unless otherwise specified, equally and in all respects whatsoever to the practice of dental hygiene; and the practice of dental hygiene is hereby declared to affect the public health and safety and to be subject to regulation and control in the public interest to the same extent as herein set forth with respect to the practice of dentistry. The annual registration fee for licensed dental hygienists shall be $3.

"SEC. 30. Whoever engages in the practice of dentistry without a license so to do, or whoever violates any provision of law relating to the practice of dentistry or dental hygiene or the application for examination and licensing of dentists and dental hygienists, for which no specific penalty has been prescribed shall be fined not more than $1,000.

"SEC. 31. A second or subsequent conviction under sections 21, 22, 23, and 30 shall be punished by the maximum penalties prescribed therein, or imprisonment in jail or workhouse not less than 6 months nor more than 1 year, or by both such fine and imprisonment.

"SEC. 32. When used in this act—

"(1) Personal pronouns include all genders.

"(2) The term 'Board' means the Board of Dental Examiners.

"(3) Advertising shall be deemed to include those in public print, by radio, or any other form of public announcement.

"SEC. 33. Rules and regulations adopted by the Board shall become effective 30 days after promulgation: *Provided*, That notice of such rules and regulations is published once a week for 3 consecutive weeks during that period in a newspaper of general circulation in the District of Columbia, and that notice be mailed to each registered dentist and dental hygienist in the District of Columbia.

"SEC. 34. Should any section or provision of this act be decided by the courts to be unconstitutional or invalid, the validity of the act as a whole or of any part thereof other than the part decided to be unconstitutional shall not be affected. The right to alter, amend, or repeal this act is hereby expressly reserved.

"SEC. 35. All acts or parts thereof heretofore enacted into law and inconsistent herewith are hereby repealed."

Mr. RANDOLPH. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 20, after the word "examinations", strike out "and the securing of compliance with the code of ethics of the American Dental Association."

Mr. DIRKSEN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I care to say only for the information of the House that the bill pending is one to regulate and license the practice of dentistry in the District of Columbia. I think it was 48 years ago that the first Dental Practice Act went on the books of the District, and very little amendment has been made since that time. In the intervening years some 40 or 45 States have adopted restrictive dental-practice acts which seek, of course, to deal with alleged quackery and to restore a high professional level. This bill, therefore, conforms largely to the laws which obtain in most of the States of the Union, and the amendment which I offered, of course, seeks to preserve insofar as can be done the right of a licensee until his license is finally revoked by court action.

As the bill first came to us it vested complete and plenary power in a board to divest the licensee of his license, but when we stop to consider that a license is something of a property right, for behind it is long and arduous study and the expenditure of money. I for one was persuaded that that license should not be too lightly taken away from one who has earned it. As a result the amendment which was just presented to the House seeks to give the right of appeal to the courts of the District of Columbia and make it a so-called de novo, or new, proceeding so that any dentist whose license for one reason or another may have been suspended or revoked by the action of the dental board can go to the District court within 20 days. He therefore has the right of appeal. I think it is necessary in view of the fact that the license represents a real property interest. At the present time no doctor or lawyer can lose his license without confirmatory action by the District court. This right is being extended to dentists and will be extended to the podiatrists for whom a regulatory bill will be offered during the course of the day.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MURDOCK of Arizona. Do I understand that the amendment now pending brings the practice in the District of Columbia into conformity with that of various State acts?

Mr. DIRKSEN. Quite so, and it is not quite so restrictive as it is in many States.

Mr. MURDOCK of Arizona. And involves the code of ethics that has been almost universally adopted? Is it not wise policy for this body, in legislating for the District of Columbia, if it be a new field of legislation, to move especially cautiously in view of the entering-wedge effect of such legislation, and, if it be an old field of legislation, that the District law should embody such legal principles as have been commonly accepted in most of the States?

Mr. DIRKSEN. That is right. Specifically, many of those things have been written into the bill. We have, however, stricken out one rather broad provision which read something like this: "There must be conformity to the code of ethics of the American Dental Association." The danger of such a wide-open provision as that is that you condition legislation upon a regulatory act by a body which has no official being so far as the District of Columbia is concerned. But there are enumerated in the bill items of unprofessional conduct, and so forth, which are for the guidance of the board as well as for the courts on appeal.

Mr. SECCOMBE. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Ohio.

Mr. SECCOMBE. I may say for the benefit of the gentleman from Arizona [Mr. MURDOCK], who just asked a question, that the Ohio State Dental Society has endorsed this bill.

Mr. DIRKSEN. I may say that most of the dental societies of the various States, from whom I have heard, have given support to this measure.

Mr. HOLMES. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Massachusetts.

Mr. HOLMES. Does the gentleman realize that the Dental Association of the District of Columbia has not had any reciprocal arrangement with various other States?

Mr. DIRKSEN. I may say that there is a reciprocal provision in this bill.

Mr. HOLMES. I just found out that the authorities here do not have any reciprocal agreements with any State in the Union as far as the practice of dentistry is concerned.

Mr. DIRKSEN. This gives reciprocity to the other States of the Union.

[Here the gavel fell.]

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 13, line 24, after the word "give", insert "written clinical."

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. RANDOLPH: On page 11, line 1, after the words "acquired thereby", insert:

"Any dentist whose license has been revoked or suspended by the Board may, within 20 days after the order of revocation or suspension was entered, appeal from such order to the District Court of the United States for the District of Columbia, where the case shall be heard de novo, and the court after such hearing shall enter such order as in its judgment the Board should have entered. During the pendency of such appeal the order of the Board shall remain in full force and effect unless the court shall otherwise order."

Mr. RANDOLPH. Mr. Speaker, this is the amendment to which the gentleman from Illinois [Mr. DIRKSEN] directed his remarks. This was given most careful consideration by the full committee and was reported only this morning. We believe it should be included in the measure.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REGULATION OF PODIATRY IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 8692) to amend the act to regulate the practice of podiatry in the District of Columbia, and I ask unanimous consent that this bill may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act to regulate the practice of podiatry in the District of Columbia, approved May 23, 1918, and acts amendatory thereof, are further amended to read as follows:

"There is hereby established a Board of Podiatry Examiners, which shall consist of the health officer of the District of Columbia ex officio and three members, to be appointed by the Board of Commissioners of the District of Columbia.

"Said members shall be appointed within 30 days after this act has taken effect, and they shall be so classified by the Board of Commissioners that the term of one member shall expire in 1 year, one in 2 years, and one in 3 years from the date of appointment, and annually thereafter the Board of Commissioners shall appoint one member who shall serve for a period of 3 years, or until his successor is appointed and qualified. Vacancies in said Board shall be filled by the Board of Commissioners for the unexpired term.

"No person shall be eligible for appointment upon the Board who is not a citizen of the United States and who has not been for 5 years next preceding his appointment a resident of and in the

active and reputable practice of podiatry in the District of Columbia. Appointments shall be made from a list of three to five eligibles submitted by the Podiatry Society of the District of Columbia. In case of failure of said Podiatry Society to submit said list, the Board of Commissioners shall appoint members in good standing of said Podiatry Society without restriction, who are qualified as aforesaid.

"SEC. 2. The Board of Podiatry Examiners shall organize by electing from its members a president and a secretary-treasurer, who shall give bond to the United States in the sum of $1,000. The Board shall adopt such rules and regulations not inconsistent herewith as it deems necessary respecting the eligibility of candidates, the scope of examinations, and the securing of compliance with the code of ethics of the National Association of Chiropodists. The Board shall adopt an official seal, and shall keep a record of its proceedings, a complete record of the credentials of such licensee, a register of persons licensed as podiatrists and of licenses by it revoked. A transcript of an entry in such records, certified by the secretary-treasurer under seal of the Board, shall be evidence of the facts therein stated. A quorum of the Board shall consist of not less than two members. The Board shall make annual reports to the District Commissioners, containing a statement of moneys received and disbursed and a summary of its official acts during the preceding year.

"SEC. 3. The said Board shall have power to require the attendance of persons and the production of books and papers and to require such persons to testify in any and all matters within its jurisdiction. The president and secretary-treasurer shall have power to issue subpenas and each shall have authority to administer oaths. Upon the failure of any person to attend as a witness, when duly subpenaed, or to produce books and papers when duly directed by the said Board, the Board shall have power to refer the said matter to any justice of the District Court of the United States for the District of Columbia, who may order the attendance of such witness, or the production of such books and papers, or require the said witness to testify, as the case may be, and upon the failure of the witness to attend, to testify, or to produce such books or papers, as the case may be, such witness may be punished for contempt of court as for failure to obey a subpena issued or to testify in a case pending before said court.

"SEC. 4. It shall be the duty of the secretary-treasurer of the Board to enforce the provisions of all laws relating to the practice of podiatry in the District of Columbia, and all violations of said laws shall be prosecuted in the police court of the District of Columbia by the corporation counsel or one of his assistants; and the corporation counsel and his assistants shall render such other legal services as may from time to time be required by the Board.

"The major and superintendent of the Metropolitan Police Department shall detail such members of his force as may be necessary to assist the Board in the investigation and prosecutions incident to the enforcement of this act. The Board is authorized to employ such other persons as it deems necessary to assist in the investigation and prosecutions incident to the enforcement of this act.

"SEC. 5. Any person who desires to begin the practice of podiatry within the District of Columbia shall file with the secretary-treasurer of the Board a written application for a license, and furnish satisfactory proof that he is a citizen of the United States, not less than 21 years of age, of good moral character, and is a graduate of a podiatry college recognized by the National Association of Chiropodists and approved by the Board. Such application must be upon the form prescribed by the Board, verified by oath, and accompanied by the required fee and a recent unmounted autographed photograph of the applicant. The Board shall hold in January and July of each year, in such place as it may designate, examinations to determine the fitness of applicants for licenses under this act.

"(a) If such application be for a license after examination, the applicant shall appear before the Board at its first meeting after the filing of his application, and pass a satisfactory examination, consisting of practical demonstrations and written or oral test, or both, in the following subjects as the same shall be taught in the recognized podiatry colleges: Anatomy, physiolcgy, pathology, bacteriology, chemistry, materia medica, surgery, therapeutics, diagnosis and treatment, clinical and orthopedic podiatry, and any other of such subjects as the Board may determine.

"(b) If such application be for a license without examination by virtue of a license issued by a State, Territory, or other jurisdiction forming a part of the United States, or by a foreign country, the applicant shall furnish proof satisfactory to the Board that he holds a valid license from a similar podiatry board, with requirements equal to those of the District of Columbia, and that he has been in the lawful and reputable practice of podiatry in the State or Territory or foreign country from which he applies for 5 consecutive years next prior to filing his application: *Provided*, That the laws of such State or Territory or foreign country accord equal rights to a podiatrist of the District of Columbia who desires to practice his profession in such State or Territory or foreign country.

"SEC. 6. If such applicant passes the examination, or furnishes the information required of applicants for license without examination, he shall receive a license from the Board, attested by its seal, signed by the members of the Board, which after being registered with the health officer shall be conclusive evidence of his right to practice podiatry in the District of Columbia. If the loss of a license is satisfactorily shown, a duplicate thereof shall be issued by the Board upon payment of the required fee.

"SEC. 7. The Board may revoke or suspend the license of any podiatrist in the District of Columbia upon proof satisfactory to said Board—

"(a) That said license or registration was procured through fraud or misrepresentation.

"(b) That the holder thereof has been convicted of a felony.

"(c) That the holder thereof is guilty of chronic or persistent inebriety, or addiction to drugs.

"(d) That the holder thereof is guilty of advertising professional superiority or the performance of professional services in a superior manner; advertising prices for professional service; advertising by means of large display, glaring light signs, or containing as a part thereof the representation of the human foot or leg or any part thereof; employing or making use of solicitors or free publicity press agents, directly or indirectly; or advertising any free podiatry work, or free examination; or advertising to guarantee podiatry service.

"(e) That such holder is guilty of hiring, supervising, permitting, or aiding unlicensed persons to practice podiatry.

"(f) That such holder is guilty of unprofessional conduct.

"The following acts on the part of a podiatrist are hereby declared to constitute unprofessional conduct:

"(1) Practicing while his license is suspended.

"(2) Willfully deceiving or attempting to deceive the Board or their agents with reference to any matter under investigation by the Board.

"(3) Advertising by any medium other than the personal carrying of a modest professional card or the display of a modest window or street sign at the licensee's office, which professional card or window or street sign shall display only the name, address, profession, office hours, and telephone connections of the licensee; except in the case of announcement of change of address or the starting of practice, when the usual size card of announcement may be used. The size of said cards or signs shall be designated by the Board.

"(4) Practicing podiatry under a false or assumed name or corporate name other than a partnership name containing the names of the partners, or any name except his full proper name which shall be the name used in his license granted by the Board.

"(5) Violating this act or aiding any person to violate this act or the podiatry act of any State or Territory.

"(6) Practicing in the employment of, or in association with, any person who is practicing in an unlawful or unprofessional manner.

"The foregoing specifications of acts constituting unprofessional conduct shall not be construed as a complete definition of unprofessional conduct nor as authorizing or permitting the performance of other or similar acts not denounced, or as limiting or restricting the Board from holding that other or similar acts also constitute unprofessional conduct.

"SEC. 8. No action to revoke or suspend a license shall be taken until the accused has been furnished a statement in writing of the charges against him, together with notice of the time and place of hearing thereof. The accused may be present at the hearings in person or by counsel, or both. The statement of charges and notice may be served personally upon such person or mailed to him at his last-known address at least 20 days prior to the hearing. If upon such hearing the Board finds the charges sustained, it may suspend for a definite period or revoke the license of any such podiatrist. Such revocation or suspension shall take from the person named in such license all rights and privileges acquired thereby. Any podiatrist whose license has been suspended or revoked may be reinstated and a new license issued to him when in the judgment of the Board such action is warranted, provided such reinstated podiatrist shall pay all the costs of the proceedings resulting in his suspension and reinstatement and in addition thereto a fee of $25.

"SEC. 9. That in addition to the fees heretofore fixed herein each applicant for a license as podiatrist shall deposit with his application a fee of $25 if for a license after examination, and $50 if for a license by reciprocity; with each application for a duplicate license a fee of $5 shall be paid to said Board and for each certificate issued by said Board a fee of $1 shall be paid. That out of the fees paid to said Board, as provided by this act, there shall be defrayed all expenses incurred in carrying out the provisions of this act, including the detection and prosecution of violations thereof, together with a fee of $10 per diem for each member of said Board, other than the health officer of the District of Columbia, when actually engaged upon business pertaining to his official duties as such Board member: *Provided*, That such expense shall in no event exceed the total of receipts.

"SEC. 10. During the month of December of each year, every licensed podiatrist shall register with the secretary-treasurer of the Board his name and office address and such other information as the Board may deem necessary upon blanks obtainable from said secretary-treasurer, and thereupon pay a registration fee of $2. On or before the 1st day of November of each year it shall be the duty of the secretary-treasurer of the Board to mail to each podiatrist licensed in the District of Columbia, at his last-known address, a blank form for registration. In the event of failure to register on or before the 31st day of December a fine of $5 and the registration fee of $2 will be imposed, and should the practitioner fail to register and pay the fine imposed and continues to practice his profession in the District of Columbia he shall at the end of 10 days from said date be considered as practicing illegally and penalized as otherwise provided for in this act. If he suspends his practice he may, in the

discretion of the Board, upon furnishing satisfactory evidence as to his moral character and professional standing, be reinstated at any time upon registering and paying a prescribed fee of $25. On or before the 1st day of February, annually, said Board shall issue a printed register of the names and addresses so received, together with other information deemed interesting to the profession, a copy of which shall be mailed or otherwise sent to each registrant thereon.

"SEC. 11. Any person shall be regarded as practicing podiatry who, gratuitously or for a salary, fee, money, or other compensation paid either to himself or to any other person, directly, or indirectly, furnishes, or advertises to furnish, podiatry service, or performs or causes to be performed by any other person, agent, or employee podiatric operations of any kind, diagnoses or professes to diagnose, prescribes for or treats or professes to treat disease, pain, deformity, deficiency, injury, or physical condition of human feet or adjacent structures, or uses the words 'podiatrist,' 'chiropodist,' or any letters or title in connection with his name which in any way represents him as being engaged in the practice of podiatry; or who is a manager, proprietor, operator, or conductor of a place where podiatry operations, podiatric surgery, or podiatry services are performed; or who shall state, advertise, or permit to be advertised by sign, card, circular, handbill, newspaper, radio, or otherwise that he can, or will attempt to, perform podiatric operations of any kind or render a diagnosis in connection therewith.

"SEC. 12. Nothing in this act shall apply to a bona fide student of podiatry in the clinic rooms of a reputable podiatry college; to a licensed and legally qualified physician or surgeon unless he practices podiatry as a specialty; to a podiatrist of the United States Army, Navy, Public Health Service, or Veterans' Administration, in the discharge of his official duties, nor to a lawful practitioner of podiatry in another State or Territory making a clinical demonstration before a bona fide society, convention, association of podiatrists, or podiatry college, or performing his duties in connection with a specific case on which he may have been called to the District of Columbia.

"SEC. 13. Whoever engages in the practice of podiatry and fails to keep displayed in a conspicuous place in the operating room in which he practices, and in such manner as to be easily seen and read, the license and annual registration card granted him pursuant to the laws of the District of Columbia, shall be fined not more than $50.

"SEC. 14. Whoever sells or offers to sell a diploma conferring a podiatry degree or a certificate granted for postgraduate work, or a license granted pursuant to this act, or whoever procures such diploma, certificate, or license with intent to use the same as evidence of the right to practice podiatry as defined by law, by a person other than the one upon whom such diploma was conferred, or to whom such license was granted, or any person who with fraudulent intent alters such diploma, certificate, or license, or uses or attempts to use the same, shall be fined not more than $1,000.

"SEC. 15. Whoever practices podiatry under a false name, or assumes a title, or appends or prefixes to his name letters which falsely represent him as having a degree from a chartered podiatry college, or makes use of the words 'podiatry college' or 'school' or equivalent words when not lawfully authorized so to do, or impersonates another at an examination held by the Board, or knowingly makes a false application or a false representation in connection with such examination, shall be fined not more than $1,000.

"SEC. 16. No person or persons, corporation, or educational institution shall conduct classes or a school for postgraduate podiatry in the District of Columbia unless with the approval of the Board, and whoever violates this provision shall, upon conviction, be fined not more than $500.

"SEC. 17. Whoever engages in the practice of podiatry without a license so to do, or whoever violates any provision of law relating to the practice of podiatry, or the application for examination and licensing of podiatrists for which no specific penalty has been prescribed shall be fined not more than $1,000.

"SEC. 18. When used in this act—

"(1) Personal pronouns include all genders.

"(2) The term 'Board' means the Board of Podiatry Examiners.

"(3) Advertising shall be deemed to include those in public print, by radio, or any other form of public announcement.

"SEC. 19. Rules and regulations adopted by the Board shall become effective 30 days after promulgation: *Provided*, That notice of such rules and regulations is published once a week for 3 consecutive weeks during that period in a newspaper of general circulation in the District of Columbia, and that notice be mailed to each registered podiatrist in the District of Columbia.

"SEC. 20. Should any section or provision of this act be decided by the courts to be unconstitutional or invalid, the validity of the act as a whole or of any part thereof other than the part decided to be unconstitutional shall not be affected. The right to alter, amend, or repeal this act is hereby expressly reserved.

"SEC. 21. All acts or parts thereof heretofore enacted into law and inconsistent herewith are hereby repealed."

With the following committee amendments:

Page 3, line 2, after the word "examinations", strike out "and the securing of compliance with the code of ethics of the National Association of Chiropodists."

Page 5, line 16, after the word "written", strike out "or oral test, or both" and insert "and oral test."

Mr. SECCOMBE. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I regret very much that I was unable to attend the meeting this morning. I would like to know if these committee amendments have the approval of the District of Columbia Medical Society which should be working in conjunction with the podiatrists in the preparation of this bill.

Mr. RANDOLPH. I may say, in answer to the inquiry of the gentleman from Ohio [Mr. SECCOMBE], that we have the approval of the Podiatry Society of the District of Columbia, the Medical Society, and the District health officer. This was given most careful consideration by these groups as well as by members of the Committee on the District of Columbia.

Mr. SECCOMBE. I may say to the gentleman from West Virginia that up until the time this bill was presented I did not know what a podiatrist was. I question whether many Members of the House know what a podiatrist is. It seems to be a back-door handle to some other bill that was heretofore presented. I do not know why they put on this title of podiatrists, and furthermore, I will not vote for any bill that pertains to the health and welfare of our citizens that does not have the approval of the Medical Society of my own State of Ohio, together with the approval of the Medical Society of the District of Columbia, and if this bill has that endorsement I have no objection to it.

Mr. RANDOLPH. I may say to the gentleman that a chiropodist engages in the practice of podiatry, and in this measure we are attempting to regulate that practice more properly.

I may say that the chiropodists and podiatrists in the District of Columbia are now operating under an act passed in 1918. This existing law is considered inadequate for the proper protection of the public health as it fails to prescribe any standards of training for podiatrists desiring to practice in the District, contains no standards for examination of podiatry applicants and is devoid of any provisions for the revocation or suspension of licenses. The purpose of this pending legislation is to supply the standards and administrative provisions necessary and consistent with modern podiatry practice acts of other jurisdictions. Of course, as I have said, this measure has the approval of the Podiatry Society and of the health authorities of the District of Columbia.

Mr. SECCOMBE. And also the Medical Society?

Mr. RANDOLPH. Yes; also of the Medical Society of the District of Columbia.

Mr. SECCOMBE. There were some differences of opinion and I did not get to attend the meeting. That is the reason I asked this question.

Mr. BOLLES. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, I am opposed to this bill. In the first place, it sets up a new board. The bill is a tangle of words. All it does is to regulate foot doctors. A good many people here have learned for the first time what podiatry is. Someone thought it was something to eat, but it is not. It is a part of chiropody. If you read the bill, you will find it is a welter of words. It contains a number of provisions to which I am opposed. I do not believe we should do any more regulating. We have regulated everything now except the blacksmiths, and they have gone out of business. I think it is time that we call a halt on this regulation. I should like to see the bill killed.

The SPEAKER pro tempore. The question is on the committee amendments.

The committee amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 11, beginning in line 14, strike out all of section 11 and insert in lieu thereof the following:

"SEC. 11. Any person shall be regarded as practicing podiatry who, gratuitously or for a salary, fee, money, or other compensation paid either to himself or to any other person, directly or indirectly, furnishes, or advertises to furnish, or performs or causes to be performed, by himself or by any other person, agent, or employee,

podiatary service; or who uses the words 'podiatrist,' 'chiropodist,' or any letters or title in connection with his name which in any way represents him as being engaged in the practice of podiatry; or who is a manager, proprietor, operator, or conductor of a place where podiatry service is performed; or who shall state, advertise, or permit to be advertised by sign, card, circular, handbill, newspaper, radio, or otherwise that he can, or will attempt to, perform podiatry service or render a diagnosis in connection therewith. Podiatry and podiatry service, within the meaning of this section and this act, are hereby defined to be the surgical, medical, or mechanical treatment of any ailment of the human foot, except the amputation of the foot or any of the toes; and, also, except the use of an anesthetic other than a local one."

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 6, after "surgeon", strike out "unless he practices podiatry as a specialty."

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. RANDOLPH: On page 9, line 15, after "acquired thereby", insert the following: "Any podiatrist whose license has been revoked or suspended by the Board may, within 20 days after the order of revocation or suspension was entered, appeal from such order to the District Court of the United States for the District of Columbia where the case shall be heard de novo, and the court after such hearings shall enter such order as in its judgment the Board should have entered. During the pendency of such appeal the order of the Board shall remain in full force and effect unless the court shall otherwise order."

Mr. RANDOLPH. Mr. Speaker, this amendment is similar to the one offered on the dentistry bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REVENUE FOR THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes at this time, prior to calling up the bill (H. R. 8980) to provide revenue for the District of Columbia and for other purposes, in order to make certain explanations, and I shall be joined in this matter by the gentleman from Oklahoma [Mr. NICHOLS].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

Mr. HOLMES. Reserving the right to object, Mr. Speaker, and I shall not object, on page 4 of the proposed bill, in line 10, I find the words "every individual," after all the discussion and debate we have had on this very particular point. Does this mean that every individual, whether or not be pays an income tax in his home State, is going to be included in this proposed tax that it is expected to be considered today?

Mr. RANDOLPH. That is a question which certainly is not clear in the minds of a great many individuals.

Mr. HOLMES. The gentleman was going to discuss the bill, and I wanted to know what "every individual" means.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Illinois.

Mr. DIRKSEN. May I say to the gentleman from Massachusetts that at the proper time I propose to offer an amendment in the nature of a substitute for the bill that will soon be called up, in order to clarify certain provisions relating to residence, nonresidence, domicile, exemptions, and so forth, and that will come in good time. However, the chairman has asked for 10 minutes in order to give the chairman of the subcommittee an opportunity to make a statement to the House that he felt he did not have a chance to make when the bill came on for action 2 weeks ago.

Mr. HOLMES. I withdraw my reservation of objection, Mr. Speaker.

Mr. RANDOLPH. I may say in answer to the inquiry that there is a difference of opinion with regard to who is included.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I have asked the indulgence of the House to make certain statements and I think the gentleman from Oklahoma [Mr. NICHOLS] desires also to supplement the remarks which I may make at this time.

There was an attempt made on the last District day to have the House of Representatives consider the proposed tax bill, H. R. 8980. Members will recall that the House took action which kept the committee from bringing the actual bill before you for consideration.

I would like at this time to call your attention to language on page 3 of the first report filed last June by the gentleman from Oklahoma [Mr. NICHOLS] from the Committee on the District of Columbia when this same subject was under consideration. The report reads as follows:

The estimated revenue of the general fund of the District of Columbia for the fiscal year ending June 30, 1940, using a tax rate of $1.50 per $100 on real estate and tangible personal property, and including a tax on intangible personal property, plus a Federal payment of $5,000,000, amounts to approximately $37,370,000. On the basis of the District of Columbia appropriation bill for 1940, as passed by the House, the general fund revenue deficit in the fiscal year 1940 is estimated to amount to approximately $3,500,000.

The District of Columbia appropriation bill, as passed by the Senate, provides for an increase in the appropriation and using a tax rate of $1.50 per $100 on real estate and tangible personal property, and including a tax on intangible personal property, plus a Federal payment of $5,000,000, will result in a general fund deficit in the revenues of the District of Columbia in the amount of $6,045,000. This bill provides that the Federal contribution for any one fiscal year after June 30, 1939, which in no event shall be in excess of $5,000,000.

The House will recall that that was increased from $5,000,000 to $6,000,000 last year. That would leave, after the intangible personal property tax was taken off, a deficit for this year of approximately $1,000,000.

I have asked the officials of the District of Columbia to give me the returns on the income-tax payments. As of this morning I find that the individual tax returns amount to $1,330,199; the corporate returns, $1,327,651, leaving the total reported as of this morning at $2,657,850. It is believed that in the unopened envelopes there will be an estimated additional $200,000, making a total of $2,857,850.

It is to be noted, however, that in filing these returns we have those individuals who file a claim for refund, and we believe this will bring about an additional deficit. In other words, they are paying but they are paying it under protest, and they will file a claim under a recent decision of the court of appeals. Therefore, it is estimated that approximately $120,000 of this amount would be in the category of "not now in the hands of the District of Columbia." Only 80 of these, of course, have been filed.

Now, going back to the estimated deficit of $3,500,000. With the repeal of the intangible personal property tax of $3,000,000, we find a total deficit of $6,500,000 and deducting the additional contributions that are to be made of $1,000,000, we have a net deficit of $5,500,000.

The income tax, as estimated when the present law was under consideration, was supposed to raise the necessary additional revenue as follows: The individual income tax, $1,500,000; the corporate tax, $2,700,000; making a total of $4,200,000.

I believe, therefore, on the basis of the situation that exists at the present time, there will be a deficit for the present fiscal year of approximately $1,000,000.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. BATES of Massachusetts. I know the chairman desires to state the exact facts, but in the estimate given to us at the beginning of the year the estimate for personal income was $1,000,000 instead of $1,500,000, and the estimate on corporations of 5 percent was $2,200,000. Against the estimate of $1,000,000 from personal returns, the actual receipts up to date, the gentleman states, amount to $1,330,000, and yet the returns are not complete, and I am informed by the same source as the chairman that the actual income from personal tax is about 50 percent above the estimates, while the actual returns from the corporate tax is about one-third off.

Mr. RANDOLPH. Of course, I am attempting to state the situation as I understand it. The figures I have quoted were given to me this morning by those who have charge of the collection of taxes in the District of Columbia and, I am told, are the statistics given by the District auditor last June when this matter was discussed.

Now, Mr. Speaker, an attempt will be made today to consider the present tax bill, and the only thing I wish to say at this time is that the committee finds the subject of taxation in the peculiar jurisdiction of the District of Columbia a most difficult subject to cope with. I know that most of you are sympathetic with the problem presented to us, and I trust that we will have an opportunity today to hear this proposed measure discussed. I understand there are members of the committee who will offer amendments and proposals in lieu of what the committee itself will attempt to have passed. I ask the indulgence of Members today so that we may take this afternoon to discuss tax matters relating to the District of Columbia.

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CALL OF THE HOUSE

Mr. KENNEDY of Maryland. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Maryland makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. RANDOLPH. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 79]

Anderson, Calif.	Fay	Kilburn	Rodgers, Pa.
Barton	Fenton	Kinzer	Rutherford
Boland	Flaherty	Kirwan	Sacks
Boren	Flannagan	Kunkel	Schulte
Bradley, Pa.	Flannery	Lambertson	Schwert
Buckley, N. Y.	Ford, Leland M.	Lemke	Scrugham
Burdick	Gamble	Lynch	Seger
Burgin	Gavagan	McArdle	Shafer, Mich.
Byron	Gifford	McDowell	Sheppard
Cannon, Fla.	Gilchrist	McGranery	Sheridan
Carter	Graham	McLean	Simpson
Celler	Green	Maciejewski	Smith, Conn.
Chapman	Gross	Magnuson	Smith, Ill.
Clark	Halleck	Maloney	Starnes, Ala.
Clason	Hancock	Martin, Ill.	Stearns, N. H.
Claypool	Harter, N. Y.	Mason	Stefan
Connery	Hartley	Massingale	Sullivan
Cooley	Healey	Merritt	Taylor
Corbett	Hill	Miller	Thomas, N. J.
Culkin	Houston	Monkiewicz	Vorys, Ohio
Darden	Jarman	Moser	Walter
Darrow	Jarrett	Murdock, Utah	Ward
Delaney	Jenks, N. H.	Myers	West
Ditter	Jennings	Nelson	Wheat
Douglas	Johns	O'Leary	Whelchel
Duncan	Johnson, Ind.	Osmers	White, Idaho
Dunn	Johnson, Lyndon	O'Toole	White, Ohio
Durham	Johnson, Okla.	Patrick	Williams, Del.
Dworshak	Keller	Pfeifer	Wood
Eaton	Kelly	Rabaut	Youngdahl
Eberharter	Kennedy, Martin	Rich	Zimmerman
Englebright	Kennedy, Michael	Risk	
Faddis	Keogh	Robsion, Ky.	

The SPEAKER pro tempore. Three hundred Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. COLE of Maryland. Mr. Speaker, I ask unanimous consent to extend my remarks by including therein an address delivered by Hon. Fred M. Raymond, of Grand Rapids, judge of the Federal District Court of Western Michigan, on the life of the late Carl E. Mapes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oklahoma [Mr. NICHOLS] for 10 minutes.

REVENUE FOR THE DISTRICT OF COLUMBIA

Mr. NICHOLS. Mr. Speaker, as many gentlemen remember, on the last District day there was called up for consideration a combination tax bill for the District of Columbia. After the House refused to consider the bill I made the statement that I was convinced that had I had opportunity to explain the bill to the House, it would not have taken that action. We will in a few minutes ask the House to go into the Committee of the Whole House on the state of the Union for the consideration of that bill. Before we do that I want to explain the bill. First, let me tell briefly the tax situation that exists here at the moment. It affects to a greater or less degree every Member of Congress who has constituents working in the District of Columbia. We have now here an income-tax law which exempts no one. It has been held by the corporation counsel's office that every person living in the District of Columbia, whether or not this is his domicile, is subject to the payment of that tax. Unless that is remedied, here is the practical thing that will happen, which should appeal to some of the Members of the House. Many hundreds or thousands of men and women here in the District of Columbia desire to maintain their voting residence back home, and as a matter of fact, it was the very scheme of things that the District of Columbia would always be a jurisdiction where, though in residence here, you would have the privilege of voting at some place outside of the District.

If this tax is imposed and paid, then these constituents of yours employed here in the District of Columbia will pay, first, a Federal income tax, next, an income tax to the State, if one is provided in the State whence they come, and, third, an income tax to the District of Columbia. They simply cannot afford to do that. What is the out? The only out, then, is to withdraw their voting residence from the State from which they come and declare the District of Columbia to be their residence, but avoiding the payment of the tax back home. In other words, you compel your constituents, in order to dodge the payment of an impossible tax, to deprive themselves of the vote at home. This bill provides three things: First, it imposes an impersonal income tax, with certain exemptions which I shall explain. Title II imposes a 2-percent sales tax, with certain exemptions which I shall explain, but they must work in combination with each other or the bill is no good. Third, it repeals the present income-tax law.

Let me touch briefly, first, the provisions for the income-tax features of the bill. The bill provides for an income tax with an exemption of $10,000 on earned income and an exemption of $1,000 on unearned income. Working in conjunction with that is a sales tax of 2 percent, but food, medicine, and rent are exempt from the payment of the sales tax. The purpose of the $10,000 exemption is this: If you were getting all of your taxes from a sales tax, people with incomes about $10,000 would be getting the best of it under that kind of tax.

I mean if you were raising all of your taxes from a sales tax up to $10,000, the people over the income bracket up to there spend practically all of the money they make. When they get above the $10,000 class they save more money and thus avoid the payment of taxes under the sales-tax system. So, in order to make it equitable, when the tax reaches the $10,000 on sales, then at that point you set in at $10,000 on income, and those above have the two groups.

Now, it has been said that the sales-tax portion of this bill should not be passed because it will be so burdensome on those of the lower income brackets. If you are going to vote against this sales tax, you will have to vote against it for some other reason than that.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I am very sorry. I only have a limited time. I am trying to do rather a good job.

I want to give you a table of what the effect of this bill would be under the sales tax. This is adapted from how urban families spent their incomes in 1935 and 1936, Bureau of Labor Statistics, United States Department of Labor.

Under this bill persons with an income of $800 a year would pay a tax of $3.28, which is forty-one one-hundredths of 1 percent of their income. Persons with $950 income would pay forty-six one-hundredths of 1 percent of their income. Skipping on down to $1,800, those with an income of $1,800, under the sales-tax portion of this bill, would pay

$9.94 in taxes, or fifty-five one-hundredths of 1 percent of their gross income. We will skip down to $3,000. At $3,000 persons would pay, under the sales-tax portion of this bill, fifty-three one-hundredths of 1 percent of their income, or a tax of $19.19.

Coming down to $8,000, you are still at fifty-two one-hundredths of 1 percent of the gross income. When you get above that point, then the percentage starts going down in favor of the high brackets. So there we step in with the income tax, and I will show you what they would pay under a combination of the two, as provided for in this act. On a $1,000 income, a combination of the two taxes, they would pay $4.70—forty-seven one-hundredths of 1 percent of their entire income. That is a combination of the two taxes. At $2,500 they would pay fifty-five one-hundredths of 1 percent of their entire income, because you will remember there is no income tax there. There is your exemption. When you get up to $15,000, under a combination of the two, they would pay $20, or thirteen one-hundredths of 1 percent of their entire income.

Now, if there ever was an equitable tax measure written for a jurisdiction, tailor-made for the application of the tax, this is it, and the District of Columbia is the jurisdiction. You must remember that there is simply no other jurisdiction in the United States comparable to that of the District of Columbia and from which you can get experience in the levying and collection of taxes to run the municipal government.

I sincerely hope that the House will carefully consider this bill and, in the end, pass it. [Applause.]

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER pro tempore (Mr. PACE). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I do not suppose that the Members of the House will have any difficulty in coming to a resolution on the bill that is soon to be pending before the Committee of the Whole, if they perfectly understand what is involved.

The bill that will be before you in a little while is known as the Revenue Act for the District of Columbia and is divided into three titles. The first title sets up an income tax. The second title sets up a sales tax. The third title repeals the income tax which is now on the books of the District of Columbia and which has worked very satisfactorily.

I do not contend for a moment that that act does not need some clarification. May I say parenthetically now that in place of the bill which will be offered by the committee, I propose to offer a substitute which will do nothing more than amend existing law so as to clarify the questions of domicile, the questions of residence and nonresidence, the question of credit to people who pay taxes back home, and those other things that are necessary in the light of a certain decision in the Federal circuit court of appeals.

Now, there is an act on the books today which provides for an income tax. It was put on the statute books in 1939 by this Congress. It was the third or fourth effort that we made before we finally succeeded. Under that law we provide for only 1 percent on the first $5,000, a very low rate. We provide for 1½ percent on the second $5,000. Nobody can kick about the rates that are imposed upon incomes in the District of Columbia.

We have the same exemptions in the law that are in the Federal law, namely, $1,000 for single individuals, $2,500 for families, $400 credit for each dependent. It is a pretty good law. When we placed it on the books the estimate was that it would raise $1,000,000 from the personal income tax and $2,200,000 from corporate sources. Keep those figures in mind. When I say $1,000,000 from personal income and $2,200,000 from corporate income I want to document that statement and to make sure that you get the whole story. I read from the testimony of the District auditor before the Appropriations Committee on the District of Columbia appropriation bill for 1941. He said this:

In lieu of those two taxes; namely, the intangible and another which were repealed, Congress provided a personal net-income tax and a 5-percent corporation net-income tax. The estimated revenue from the first tax is $1,000,000; from the second, $2,200,000. So we hope to derive a total of $3,200,000 from the corporate and individual income taxes.

How close did we get to it? This morning I talked to the collector for the District of Columbia. Here are the latest current figures. We expected to raise $1,000,000 on the personal income tax. There has already been returned $1,330,000, and there are 15,000 returns that have not been opened. As a result instead of the $1,000,000 we expected to raise, we shall have about $1,530,000.

So we shall raise $500,000 more under the personal income tax than we expected. Under the corporate income tax we expected to raise $2,200,000. How close did we get to that? To date there has been returned $1,327,000 with 400 supplemental returns not yet examined. Those are expected to yield another $100,000. Substantially, therefore, we shall have $1,500,000 on corporate returns, and we are only $700,000 behind on that. Bear in mind also that under the corporate income tax in the District of Columbia we do not tax intercompany dividends; we do not tax capital gains where these assets have been held for 2 years or more. We make it just as easy as possible, and we are only about $200,000 under the estimate which we made last year.

In view of all that, why should this Congress be fussing with a new tax which, instead of being patterned somewhat on the Federal tax, undertakes first of all to exempt $10,000 of earned income and $1,000 of unearned income? I say to you that I would be reluctant to go back home and say to my people that I supported a tax which first exempted $11,000. How are you going to justify that? How, in the light of current trends and tendencies where they are trying to put the tax down into the lower brackets in order to get revenue, how can you hold up your head back in your district and say that you did not place your profane hands on income until it was over $10,000 in the case of earned income and $1,000 in the case of unearned income? Yet that is the bill they propose to give you today. I prefer the one we have with an exemption of $1,000 for an unmarried person and $2,500 for a married couple with $400 for dependents; and then we have a 1-percent tax on the first $5,000. All we have to do to clarify the present law is to resolve these questions of domicile and residence, which can easily be done, and which can be supplemented by a reciprocity clause so that if they pay a tax back home they get a credit here. We had such a reciprocity clause in the bill when we went into the Senate conference over a year ago. We discussed around the table with the distinguished Members of that body, but somehow that reciprocity clause was taken out. I was against taking it out at the time.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. Very briefly.

Mr. RANDOLPH. The gentleman's talents, of course, are admirable in connection with this legislation as with all legislation, and I compliment him; but I want to know if it is the contention of the gentleman from Illinois that there does not exist for this present fiscal year a deficit of approximately $1,000,000 as I stated earlier in the afternoon?

Mr. DIRKSEN. Definitely not from the income-tax source, let me say to the gentleman.

Mr. RANDOLPH. I am asking if there is not a deficit in District of Columbia finances?

Mr. DIRKSEN. Yes; and when we had a deficit of $1,800,000 this Congress in its generosity gave them $1,000,000 because we raised the lump sum from $5,000,000 to $6,000,000.

Mr. RANDOLPH. Will the gentleman yield further?

Mr. DIRKSEN. Let me continue just a moment.

Mr. RANDOLPH. I always yield to the gentleman. Just yield to let me make a brief statement.

Mr. DIRKSEN. I yield.

Mr. RANDOLPH. The gentleman knows that my position in this committee is similar to his. I do not desire to

get out from under the payment of a tax. Certainly the $10,000 limitation does not apply in my case. The gentleman knows that I have made that clear several times. I am ready to pay the tax.

Mr. DIRKSEN. Why talk about a sales tax? In the main, it will be collected from visitors and from those residents of the District who are least able to carry the burden. To be sure, it contains exemptions of food and medicines, but it has been the history of sales tax to begin in a limited way and then be extended to every known commodity. Instead of all this fol-de-rol the common-sense thing for the Members of the House to do is to go along with a substitute that I shall offer which clarifies existing law. It modifies the law in several respects. The first is to define gross income of a nonresident as to income that is derived in the District of Columbia. Another has to do with residents. One who is domiciled here or who has maintained a place of abode here for 6 months is classified as a resident. Another provision will be to exempt Congress, the President, the Members of the Cabinet, the members of the courts, and the clerks and secretaries. Now they hold up their hands in holy horror about that sort of thing, but let me read to you from the provisions of the District Code passed in 1926, section 756, title XX.

Here is what Congress did in that code with respect to taxation of personal property. The Members exempted themselves. That was 14 years ago. There is plenty of precedent for it. Here is the language:

Provided, That the Cabinet officers and the persons in the service of the United States Government elected for a definite term of office shall not be considered as residents of the District of Columbia for the purposes of this section.

It is in the law now; so I am willing to clarify it and simply recite a little bit further that the same section shall apply so far as the income tax is concerned. Then it will offer no difficulty in respect of clerks, secretaries, and others whose status has been in doubt.

The other item is No. 5, to give a resident of the District of Columbia credit on taxes if he is taxed out in your State and taxed here at the same time. He is entitled to a credit, so that he will not have to pay twice. We will do the same thing with nonresidents; that is, give credit to a nonresident who is liable for a tax back home, provided there is in the law back home a substantially similar reciprocity provision.

What could be fairer than that? By those amendments, which I will offer in the form of a substitute to the existing law, we can solve this whole tax controversy and throw the bill that will come up for consideration into the wastebasket. Let us not fool with another income-tax law and a sales tax.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. ARNOLD]?

There was no objection.

Mr. ARNOLD. Mr. Speaker, I do not hope to change the decision of any Member of this House with respect to this tax matter, but I yield to no man in the House concerning my knowledge of a sales tax and how it works. In order to explain, it will be necessary to refer somewhat to myself, and I ask your indulgence in that regard.

I was a member of the Illinois House of Representatives from 1923 to 1927, and I saw the finances of Illinois dwindle and the difficulties increase. I voluntarily retired as a member at that time, but naturally I went back to Springfield on occasions, and I remember that in 1928 or 1929 I heard a group of members talking, most of whom were Republican members, because they were largely in the majority at that time. They were concerned about the situation into which the State was drifting, and it was stated, "If we could put on a sales tax without the people knowing they were paying it, it would be the ideal way to collect revenue in order to run the State."

The situation drifted on. Governor Emmerson assumed office in 1929. The depression came on, and before his term of office expired it was necessary to mortgage for relief purposes the gasoline-tax fund for $30,000,000. Half of the counties of the State of Illinois had defaulted on their real-estate tax, and Illinois itself was on the verge of bankruptcy, when in 1933 Governor Horner came in with a Democratic legislature, of which I was reelected a member.

There was soon proposed and enacted into law a sales tax which was declared unconstitutional because under our archaic constitution of 1870 our forefathers had provided for equal taxation. We had to enact a tax for the privilege of engaging in business, and we let the merchants fight it out so far as collection was concerned. We enacted a second sales-tax law, and it was not any pleasure for a member to vote for it.

We went back to our homes, and half the businessmen, who had to collect the tax, would not speak to us. Many of us thought we would be defeated for reelection. But in 1936, when Governor Horner was told that he could not again run, overnight the objection of the customers and the objection of the businessmen stopped, and the sales tax has proceeded in a way that has produced results which could not be obtained otherwise. Governor Horner was reelected, and not one member of the legislature was defeated because of his vote for the sales tax.

We have a 2-percent sales tax for running the State which has enabled us to increase our distributive fund for school purposes; we have been able to pay old-age assistance averaging about $20 per person to 140,000 clients, and we have enacted in addition thereto a 1 percent temporary sales tax for relief purposes. Now, 1 percent in Illinois produces about $35,000,000 a year. The 3 percent produces over $100,000,000 a year.

How could Illinois survive without this sales tax? We had the "guts" to put it into force and it has worked. The District of Columbia is one of the best suited taxing bodies in the world for assessing a sales tax. We want to see this the greatest capital on earth and it will be, but to obtain that objective we must have adequate revenue. We have many circles under which we have to construct underpasses. We have bridges to construct. In order to be the Capital City that it should be, we must have more revenue than can be derived from a property tax and from an income tax. I am not opposed to an income tax. We cannot levy such a tax in Illinois under our constitution. Businessmen and men who make money on which to pay an income tax are claiming they are already overtaxed. We are doing much for the small man today. They require and should have much. They nearly bankrupted the State of Illinois. These were men who had a vote, but no property, and paid no taxes. In Illinois bond issues were voted to construct swimming pools, parks, and other public improvements. Now, these people who work in Washington will pay a sales tax, and those people who would pay the sales tax want the best roads, highways, and streets that money can buy. They want their parks, swimming pools, and every other sort of recreation in this wonderful National Capital, and they are entitled to that. The people who come here expect to see the greatest Capital City on earth. They do not see it as yet, but they will some day.

I am predicting that in time the District of Columbia will have a sales tax. It depends on the Members of this House whether or not the District has it now.

I am not a member of the subcommittee on taxation. I was 2 years ago, and I was for a sales tax then. I retired from the District Committee. But I think it is one of the taxes to enact.

I saw Florida exempt homesteads up to $5,000, and if you will pardon the personal reference, I own an apartment building in Miami. There is one street there they claim was paved with gold, Biscayne Boulevard. My tax on that apartment building, before the $5,000 exemption on all homesteads was passed by the legislature, was $300 to $400 a year. It is now from $600 to $700 a year, on a nonresident.

The gentleman from Michigan [Mr. MICHENER] tells me there is being considered in the Committee on the Judiciary

a bill to permit the counties to take bankruptcies so they can default on their bonds and "gyp" our people all over the country out of about 50 percent of their money invested in the bonds of counties in Florida and other States. That bill is likely to come out here on the floor for consideration. A few years ago we passed a bill exempting the cities of Florida. Why did they not have the "gumption" to put on a sales tax in Florida when they took off the property tax on homesteads up to $5,000? I tell you that we did the job in Illinois, and they have done it in other States. No one is going to miss this 2 percent. You have exemptions here that we do not have in other States. This sales tax should be enacted now. If it is not, it will be enacted in the not far distant future. [Applause.]

Mr. NICHOLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8980) to provide revenue for the District of Columbia, and for other purposes; and, pending that, I ask unanimous consent that general debate on the bill be limited to 1 hour, one-half to be controlled by the gentleman from Illinois [Mr. DIRKSEN] and one-half by myself.

Mr. SCHAFER of Wisconsin. Mr. Speaker, a preferential motion. I move to lay the pending motion on the table.

The SPEAKER pro tempore. The Chair may say to the gentleman from Wisconsin that his motion is not in order. It applies to the order of business and is not in order at this time.

Is there objection to the request of the gentleman from Oklahoma?

Mr. SCHAFER of Wisconsin. I object, Mr. Speaker.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 67, noes 5.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas, 231, nays 39, answered "present" 2, not voting 158, as follows:

[Roll No. 80]

YEAS—231

Alexander	Cluett	Fulmer	Johnson, Okla.
Allen, Ill.	Coffee, Nebr.	Garrett	Johnson, W. Va.
Allen, Pa.	Cole, Md.	Gartner	Jones, Tex.
Anderson, Mo.	Cole, N. Y.	Gathings	Jonkman
Angell	Collins	Gearhart	Kean
Arends	Colmer	Gehrmann	Kee
Arnold	Cooper	Gibbs	Keefe
Austin	Costello	Goodwin	Kennedy, Md.
Ball	Cox	Gore	Kerr
Barnes	Cravens	Gossett	Kitchens
Bates, Mass.	Crawford	Grant, Ala.	Kleberg
Beam	Creal	Grant, Ind.	Knutson
Beckworth	Crosser	Gregory	Kramer
Bell	Crowe	Griffith	Lanham
Bender	Crowther	Guyer, Kans.	Larrabee
Blackney	Cullen	Gwynne	Lea
Bland	Cummings	Hall, Edwin A.	Leavy
Bloom	Curtis	Hall, Leonard W.	LeCompte
Bolles	Davis	Hancock	Lesinski
Boykin	Dempsey	Hare	Lewis, Colo.
Bradley, Mich.	DeRouen	Harness	Lewis, Ohio
Brewster	Dies	Harrington	Luce
Brooks	Dingell	Harter, Ohio	Ludlow
Brown, Ga.	Dirksen	Havenner	McAndrews
Brown, Ohio	Disney	Hawks	McCormack
Bryson	Dondero	Hendricks	McGehee
Buck	Doughton	Hennings	McKeough
Buckler, Minn.	Doxey	Hess	McLaughlin
Bulwinkle	Duncan	Hinshaw	McLean
Burch	Edmiston	Hobbs	McLeod
Byrne, N. Y.	Elliott	Holmes	McMillan, Clara G.
Camp	Ellis	Horton	McMillan, John L.
Cannon, Mo.	Elston	Hull	Magnuson
Carlson	Engel	Izac	Mahon
Cartwright	Evans	Jacobsen	Marcantonio
Case, S. Dak.	Ferguson	Jeffries	Martin, Iowa
Casey, Mass.	Folger	Jenkins, Ohio	Martin, Mass.
Chiperfield	Ford, Miss.	Jensen	Mason
Church	Ford, Thomas F.	Johns	May
Clevenger	Fries	Johnson, Ill.	Michener
Mills, Ark.	Polk	Satterfield	Thill
Mills, La.	Powers	Schaefer, Ill.	Thomason
Mitchell	Ramspeck	Schiffler	Tolan
Monroney	Randolph	Schuetz	Treadway
Mundt	Rankin	Seccombe	Van Zandt
Murray	Rayburn	Shannon	Vinson, Ga.
Nichols	Reed, Ill.	Smith, Ohio	Voorhis, Calif.
Norrell	Reed, N. Y.	Smith, Wash.	Wallgren
Norton	Rees, Kans.	Smith, W. Va.	Warren
O'Brien	Richards	South	Weaver
O'Connor	Robertson	Sparkman	Welch
O'Day	Robinson, Utah	Spence	West
O'Neal	Rogers, Mass.	Sumners, Tex.	Whittington
Pace	Rogers, Okla.	Sweet	Wigglesworth
Patton	Romjue	Talle	Williams, Mo.
Peterson, Fla.	Routzohn	Tarver	Wood
Peterson, Ga.	Ryan	Tenerowicz	Woodrum, Va.
Pierce	Sandager	Terry	

NAYS—39

Allen, La.	Fernandez	Oliver	Sutphin
Andersen, H. Carl	Fitzpatrick	Patman	Sweeney
Andresen, A. H.	Geyer, Calif.	Pearson	Taber
Barden	Gillie	Pittenger	Thomas, Tex.
Bates, Ky.	Hoffman	Sasscer	Thorkelson
Byrns, Tenn.	Hunter	Schafer, Wis.	Tinkham
Coffee, Wash.	Kilday	Secrest	Vincent, Ky.
Courtney	Kocialkowski	Smith, Va.	Wolcott
D'Alesandro	Landis	Springer	Woodruff, Mich.
Drewry	Mott	Sullivan	

ANSWERED "PRESENT"—2

Cochran Parsons

NOT VOTING—158

Anderson, Calif.	Fenton	Kunkel	Sacks
Andrews	Fish	Lambertson	Schulte
Barry	Flaherty	Lemke	Schwert
Barton	Flannagan	Lynch	Scrugham
Boehne	Flannery	McArdle	Seger
Boland	Ford, Leland M.	McDowell	Shafer, Mich.
Bolton	Gamble	McGranery	Shanley
Boren	Gavagan	McGregor	Sheppard
Bradley, Pa.	Gerlach	Maas	Sheridan
Buckley, N. Y.	Gifford	Maciejewski	Short
Burdick	Gilchrist	Maloney	Simpson
Burgin	Graham	Mansfield	Smith, Conn.
Byron	Green	Marshall	Smith, Ill.
Caldwell	Gross	Martin, Ill.	Snyder
Cannon, Fla.	Halleck	Massingale	Somers, N. Y.
Carter	Hart	Merritt	Starnes, Ala.
Celler	Harter, N. Y.	Miller	Steagall
Chapman	Hartley	Monkiewicz	Stearns, N. H.
Clark	Healey	Moser	Stefan
Clason	Hill	Mouton	Sumner, Ill.
Claypool	Hook	Murdock, Ariz.	Taylor
Connery	Hope	Murdock, Utah	Thomas, N. J.
Cooley	Houston	Myers	Tibbott
Corbett	Jarman	Nelson	Vorys, Ohio
Culkin	Jarrett	O'Leary	Vreeland
Darden	Jenks, N. H.	Osmers	Wadsworth
Darrow	Jennings	O'Toole	Walter
Delaney	Johnson, Ind.	Patrick	Ward
Dickstein	Johnson, Luther A.	Pfeifer	Wheat
Ditter	Johnson, Lyndon	Plumley	Whelchel
Douglas	Jones, Ohio	Poage	White, Idaho
Dunn	Kefauver	Rabaut	White, Ohio
Durham	Keller	Reece, Tenn.	Williams, Del.
Dworshak	Kelly	Rich	Winter
Eaton	Kennedy, Martin	Risk	Wolfenden, Pa.
Eberharter	Kennedy, Michael	Robsion, Ky.	Wolverton, N. J.
Edelstein	Keogh	Rockefeller	Youngdahl
Englebright	Kilburn	Rodgers, Pa.	Zimmerman
Faddis	Kinzer	Rutherford	
Fay	Kirwan	Sabath	

So the motion was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Rabaut with Mr. Carter.
Mr. Cochran with Mr. Gifford.
Mr. Fay with Mr. Short.
Mr. Boren with Mr. Wolfenden of Pennsylvania.
Mr. Chapman with Mr. Hartley.
Mr. O'Leary with Mr. Eaton.
Mr. Maloney with Mr. McGregor.
Mr. Clark with Mr. Jennings.
Mr. Cooley with Mr. White of Ohio.
Mr. Massingale with Mr. Wolverton of New Jersey.
Mr. Darden with Mr. Wadsworth.
Mr. Mouton with Mr. Seger.
Mr. Patrick with Mr. Robsion of Kentucky.
Mr. Keller with Mr. Rich.
Mr. Caldwell with Mr. Osmers.
Mr. Colmer with Mr. Maas.
Mr. Keogh with Mr. Culkin.
Mr. Poage with Mr. Gerlach.
Mr. Sabath with Mr. Harter of New York.
Mr. Martin J. Kennedy with Mr. Miller.
Mr. Durham with Mr. Plumley.
Mr. Delaney with Mr. Andrews.
Mr. Starnes of Alabama with with Mr. Stefan.
Mr. Flannagan with Mr. Vreeland.

Mr. Michael J. Kennedy with Mr. Lambertson.
Mr. Steagall with Mr. Ditter.
Mr. Faddis with Mr. Bolton.
Mr. Gavagan with Mr. Williams of Delaware.
Mr. Houston with Mr. Clason.
Mr. Ward with Mr. Reece of Tennessee.
Mr. Zimmerman with Mr. McDowell.
Mr. Kirwan with Mr. Kilburn.
Mr. Green with Mr. Tibbott.
Mr. Lyndon B. Johnson with Mr. Barton.
Mr. Celler with Mr. Simpson.
Mr. Jarman with Mr. Lemke.
Mr. Walter with Mr. Darrow.
Mr. Sheridan with Mr. Englebright.
Mr. Schulte with Mr. Fish.
Mr. Flaherty with Mr. Corbett.
Mr. Barry with Mr. Carl H. Andersen.
Mr. McGranery with Mr. Thomas of New Jersey.
Mr. Mansfield with Mr. Graham.
Mr. Pfeifer with Mr. Douglas.
Mr. Shanley with Mr. Burdick.
Mr. Murdock of Arizona with Mr. Vorys of Ohio.
Mr. Nelson with Miss Sumner of Illinois.
Mr. Scrugham with Mr. Youngdahl.
Mr. Somers of New York with Mr. Kunkel.
Mr. Healey with Mr. Gross.
Mr. Hart with Mr. Shafer of Michigan.
Mr. Martin of Illinois with Mr. Whelchel.
Mr. Boehne with Mr. Dworshak.
Mr. McArdle with Mr. Fenton.
Mr. Boland with Mr. Gamble.
Mr. Maciejewski with Mr. Halleck.
Mr. Bradley of Pennsylvania with Mr. Leland M. Ford.
Mr. Murdock of Utah with Mr. Hope.
Mr. Cannon of Florida with Mr. Kinzer.
Mr. Connery with Mr. Marshall.
Mr. Eberharter with Mr. Jarrett.
Mr. Flannery with Mr. Rutherford.
Mr. Smith of Connecticut with Mr. Jenks of New Hampshire.
Mr. Dickstein with Mr. Monkiewicz.
Mr. Snyder wth Mr. Rockefeller.
Mr. Taylor with Mr. Wheat.
Mr. O'Toole with Mr. Stearns of New Hampshire.
Mr. Moser with Mr. Rodgers of Pennsylvania.
Mr. Myers with Mr. Johnson of Indiana.
Mr. Lynch with Mr. Risk.
Mr. Burgin with Mr. Jones of Ohio.
Mr. Hill with Mr. Gilchrist.
Mr. Kefauver with Mr. Smith of Illinois.
Mr. Kelly with Mr. Hook.
Mr. Edelstein with Mr. Claypool.
Mr. Byron with Mr. Buckley of New York.
Mr. Sheppard with Mr. Merritt.
Mr. Schwert with Mr. Sacks.

The result of the vote was announced as above recorded.

The doors were opened.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8980) to provide revenue for the District of Columbia, and for other purposes, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. NICHOLS. Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. DIRKSEN], and now yield myself 5 minutes.

The CHAIRMAN. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. NICHOLS. Mr. Chairman, I have heretofore explained the high points in this bill, and I wish to take this time to answer, if I can, any constructive question that anyone would like to ask about the proposed legislation.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from California.

Mr. GEYER of California. Are there any exemptions in the application of the sales tax?

Mr. NICHOLS. Yes; food, medicine, and rent are exempted from the payment of the tax, and I may say to the gentleman that I read a moment ago the sales-tax portion of this bill. The tax is 2 percent, but with the exemption the average amount of tax paid throughout is about fifty-one one-hundredths of 1 percent.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. Will the gentleman explain what effect this income tax has where a person actually lives in a State, like Virginia, for instance, and pays an income tax under the laws of that State?

Mr. NICHOLS. I will be pleased to explain that, and I thank the gentleman for asking the question. There is a nonresident and a resident provision in the bill, and to fit the case that the gentleman from Virginia inquires about, the nonresident provision would apply. The bill provides that a nonresident pays to the District of Columbia an income tax on that portion of his income earned within the District of Columbia. Of course, the $10,000 exemption applies, but if he pays an income tax to the State of his domicile or his home State; in other words, that amount of money which he pays to his home State goes as a credit against the amount that he would pay to the District of Columbia, and in every instance that would mean he would pay no tax to the District of Columbia, because, of course, of the $10,000 exemption, and in the other States of the United States the tax starts very much lower than that. So if he pays it in his resident State, then he will not pay anything to the District.

Mr. SMITH of Virginia. In those instances, however, would he have to make a return to the District of Columbia?

Mr. NICHOLS. I do not believe he would.

Mr. SMITH of Virginia. The reason I ask that question is because if a person lives in Virginia, but works in Washington, I would like to know whether he would have to make a return or not.

Mr. NICHOLS. I will say to the gentleman that I should know positively about that, but I do not know positively, although I do not think he would.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Yes; I yield.

Mr. RANDOLPH. In answer to the inquiry of the gentleman from California [Mr. GEYER] as to exemptions, I think the gentleman would want to include also exemptions on motor fuel.

Mr. NICHOLS. Of course, there is no sales tax paid on any commodity which is already paying a special tax, such as motor fuel.

Mr. RANDOLPH. I wanted the gentleman to make that clear.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Montana.

Mr. O'CONNOR. How does the proposed sales tax work with reference to the banks? How do they handle their accounts and are there any taxes charged on the accounts?

Mr. NICHOLS. In the District of Columbia we levy special taxes against the banks.

Mr. O'CONNOR. Are the banks included in the operation of the proposed bill?

Mr. NICHOLS. No; they are not. This is only on retail sales and nothing else.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Certainly.

Mr. SCHAFER of Wisconsin. Is there any provision in this bill which would prevent driving private business institutions out of the District by reason of a situation such as I shall briefly mention? Under this 2-percent sales-tax provision, if a Government employee or a resident in the District were to buy a new automobile for $1,000, he would pay $20 tax. What would stop him from going to Arlington and buying there and saving that $20? And, if that practice is followed, it will put every automobile dealer in the District out of business.

Mr. NICHOLS. The provision in the bill, which is called a use tax, which is in every State which has a sales tax, would stop that very practice.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. NICHOLS. I yield myself 5 minutes more. There will perhaps be one herring, so to speak, that will be drawn across the path of this bill, in which it will be argued that by the application of the use tax, if a person from the District of Columbia should go to Baltimore and buy a tooth brush, he would be stopped at the District line and searched, as he entered the District, in order to compel him to pay a tax on the tooth brush. Just do not get hooked by that

argument. There is no State in the United States that has a sales tax that does not have a use-tax provision, and the only purpose of the use-tax provision is to catch the large-sale items, automobiles particularly.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Certainly.

Mr. BLOOM. What do the tradespeople, the boards of trade, or the merchants' associations of the District think about this?

Mr. NICHOLS. They are for it.

Mr. COLLINS. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. COLLINS. Suppose some person is employed by a governmental agency in the District of Columbia. Will that person be compelled to pay a tax on his salary to the District of Columbia?

Mr. NICHOLS. Under the income provision of this bill there is in the first place a ten-thousand exemption on earned incomes, which would let out most of the Government employees, but if a person is employed by the Government and he earns above $10,000 and lives in some other State, he would pay an income tax to the State of his home, and the amount he paid would be a credit against what he would have to pay here in the District and would in every instance wipe it out, because of the $10,000 exemption.

My good friend the gentleman from Illinois [Mr. DIRKSEN], who has worked on this committee hard and long with me, and on this bill, said that he would be ashamed himself to bring in such a perfectly ridiculous bill as to exempt $10,000 in income. I could make quite an argument on that being a pretty good practice in the Federal income-tax law. I forget exactly the figures that I just mentioned a moment ago, but if the figures I used are wrong, I shall make them right in my remarks.

I think that less than 30 percent of the money derived from the collection of Federal income tax comes from the brackets below $10,000, and the object of this $10,000 is because we are doing a brand new thing, we are attempting to write a combined tax bill of sales and income. The sales and the income taxes essentially must be used together under these exemptions, or it will be no good. Certainly, if you are writing simply an income-tax law to raise all the revenue for the District, then it might be a bit absurd to give $10,000 exemptions, but the purpose of this exemption, as I explained originally, is that when you collect a sales tax and you get to those having an income of $10,000 or over, and all of the taxes are collected from the sales tax, those with incomes above $10,000 would be getting the best of it, because they would be able to save the largest portion of their income.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. NICHOLS. Mr. Chairman, I yield myself 5 minutes more.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Certainly.

Mr. MICHENER. Much is being said about a sales tax. I come from Michigan. The State of Michigan adopted a sales tax. It was enacted after a struggle. The party in power was condemned, and the other party coming into power promised it would do something about the sales tax or at least give the people an opportunity to express their views on it. As a result, after we had had the sales tax in operation for a period of 2 years, a referendum was held in Michigan on whether or not they would exempt from the sales tax, food, clothing, and medicine, and the proposition was beaten overwhelmingly. After practical experience with a sales tax, the people of Michigan by popular vote refused to even remove the tax from food and clothing.

The people of Michigan were satisfied and the people voted to keep the sales tax on, even on food and clothing. I think there is a lot of scare here about a sales tax, and there is nothing to it.

Mr. NICHOLS. The gentleman had a very similar experience to one in Oklahoma. Our legislature passed a 2-percent sales tax. We have the initiated petition in Oklahoma, where enough signers can initiate a petition demanding a vote of the people on an act of the legislature. A year after the sales tax was put on it was submitted to a vote of the people, without any exemptions, and it carried 4 to 1 in Oklahoma.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. DONDERO. What is the attitude of the business people of the District of Columbia toward this?

Mr. NICHOLS. I will say that the business people are for this bill. I want to say further $5,000 was appropriated by this Congress to employ an expert to study the tax structure of the District of Columbia. A man by the name of Pond was employed. He is the head of some tax unit in the State of New York. He came here and a citizens' committee was appointed and a committee of the District officials was appointed. Pond and Mr. Stamm, who is now chairman of the Joint Committee on Taxation between the House and Senate, in collaboration, wrote this bill that is now before the House for consideration.

Mr. DONDERO. May I say to the gentleman that I just called a prominent businessman on Pennsylvania Avenue and asked what their attitude was, and he said they preferred the sales tax.

Mr. NICHOLS. Of course, this should not be classed as a sales tax. It is a combination of sales and income, and essentially must be left as is and applied altogether, or if you tear one from the other you would have a bad bill, in my opinion.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. REES of Kansas. I would like to know what objection there would be to letting the present income tax stay right where it is, with a $5,000 exemption, and then have the 2-percent sales tax?

Mr. NICHOLS. There are many things in the present income-tax bill which are bad. The income-tax bill that we now have was not considered—well, it was considered at one time on the floor of this House, but it was actually written in conference between the House and Senate, and they garbled the job terribly. You may remember that I was in charge of the House conferees and I had to bring this bill back here and report it favorably, but I announced from the floor that I would oppose its passage, and I did oppose its passage. It was passed anyway. But it is a terrible piece of legislation.

Mr. REES of Kansas. Why do you put the exemption at $10,000? You almost take out the income-tax revenue if you have a $10,000 exemption.

Mr. NICHOLS. Oh, no. Let us not get confused. The $10,000 exemption is on earned income. You only have $1,000 exemption on unearned income, which is investment, and which is the crowd that you want to get if you talk about "soaking the rich," or something. I mean, theirs is unearned income. That is where they get the big money. The $10,000 exemption on earned income is started there because of the application of this combination sales and income tax. It makes it absolutely equitable. If we can get this bill on the books, we will have a broad tax structure for the District of Columbia, tapping every taxable source, and there will not be a class of people in the District of Columbia who will be bearing any undue burden of taxation.

[Here the gavel fell.]

Mr. NICHOLS. Mr. Chairman, I yield myself 1 additional minute in order to yield to my chairman.

Mr. RANDOLPH. Mr. Chairman, supplementing the observation made by the able gentleman from Michigan [Mr. MICHENER] as to the workings of the sale tax in that State, I simply want to state that which I have repeatedly said to the House in the discussion of District taxation legislation. That is to the effect that in the State of West Virginia we have a 2-percent sales tax. I believe it is a safe, conservative statement to make that at the time the legislature passed that act, perhaps 90 of every 100 citizens of the State viewed

it with alarm. Now we have had it in effect, and I believe 90 out of every 100 are in favor of it. It did away with the deficit and placed us in the black. I believe that the people of West Virginia feel that that tax is fair and equitable.

Mr. NICHOLS. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. DIRKSEN. Mr. Chairman, I think under the rule I would be entitled to an hour; but we are not disposed to insist, so I yield to the gentleman from Massachusetts [Mr. BATES] 15 minutes.

Mr. SCHAFER of Wisconsin. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SCHAFER of Wisconsin. Under the rules of the House, I doubt whether the gentleman from Illinois [Mr. DIRKSEN] has any time to yield to any other Member. The House resolved itself into the Committee of the Whole House, and the time for general debate was not fixed. The time was not limited. No agreement was reached as to the disposition of time, and under the rules of the House each individual Member of the House who is recognized is recognized for 1 hour.

Mr. DIRKSEN. Mr. Chairman, I concede the point of order.

Mr. NICHOLS. Mr. Chairman, I yielded 30 minutes to the gentleman from Illinois [Mr. DIRKSEN], and he can dispose of that as he sees fit.

The CHAIRMAN (Mr. THOMASON). No. Under the rules the gentleman cannot do that.

Mr. NICHOLS. Then, Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, the question before the Committee today is whether or not we are going to have in the District of Columbia a continuation of the present tax system, with language inserted in the present law that clarifies somewhat of the language which today is uncertain, or a sales tax. I presume the purpose of all taxation is to meet the cost of government and to spread that load as evenly as possible in the most equitable way for the people of the District, of the State, or the tax jurisdiction, whatever it may be called. Before proceeding, let me clear up one point.

The gentleman from Michigan [Mr. MICHENER] a moment ago spoke about the sales tax in the State of Michigan. I think it should be made clear that there was some little misunderstanding left by his statement, because in the State of Michigan they have not a sales tax such as is proposed in this bill today. They have in Michigan the so-called gross-income sales tax, which is paid entirely by the retailer and not passed down deliberately to the purchaser.

This bill is not, as the report of the committee states, based on the so-called Pond committee report. That committee made a thorough study of the tax system of the District of Columbia 2 years ago. I wish to call the attention of the gentleman from Oklahoma to the fact that the report of the committee advocating the passage of this so-called retail-sales tax makes special reference to the so-called Pond report which recommended the sales tax 2 years ago. The Pond report was entirely different from this bill that is now being recommended by the gentleman from Oklahoma and other members of the committee, because in the Pond report nothing less than 25 cents was taxed. In other words, if you went into a store and bought 24 cents' worth of goods—and this is done by many of our poorer families—there would be no sales tax on that amount. Under this bill, however, if you went into a store and bought even 2 cents' worth of goods, you would pay a 2-percent retail sales tax on that 2-cent purchase. In other words, this tax goes right down to the very bottom of the lowest income group in the District of Columbia. Not only that but another provision of the bill to which I invite your attention provides that this tax shall apply on meals consumed on or off the premises. In other words, if you should go into a restaurant and buy that meal you pay the 2-percent sales tax. If you are a resident of the District and you go over into the State of Maryland or into the State of Virginia and buy anything, whether it be worth 5 cents, 10 cents, $10, or $100, under the provisions of this bill when you come back into the District you pay a 2-percent sales tax on the value of the articles that you purchased.

Mr. NICHOLS rose.

Mr. BATES of Massachusetts. Does the gentleman from Oklahoma wish me to yield?

Mr. NICHOLS. No.

Mr. BATES of Massachusetts. The gentleman from Oklahoma apparently does not take issue with that statement.

Mr. NICHOLS. Oh, yes; I take issue with that statement. I did not want to interrupt the gentleman unless he wants to be interrupted. I still have time left and will reply in my own time.

Mr. BATES of Massachusetts. Then the gentleman does not wish to ask a question?

Mr. NICHOLS. No; I was just listening to the gentleman.

Mr. BATES of Massachusetts. It seems to me, Mr. Chairman, that what we ought to be particularly interested in is the revenue to be derived under any system of taxation and how much revenue the District needs in its operation. I hold in my hand a statement compiled by the Auditor of the District of Columbia showing a revenue deficit for the year 1940 of $1,085,000 with a tabulation of returns already made on the personal-corporate income tax collected so far this year and the amount in the returns that will be paid later on in the year. We find as a result of the total amount to be collected, as shown from reports on both the personal and corporate income taxes that it would wipe out the deficit. If this be so, I am wondering why we should embark on another program that is estimated to yield to the District nearly $5,000,000 additional in revenue, which is the estimated return made by the committee in its report on this so-called sales tax and income tax on incomes above $10,000. It seems to me that from the standpoint of the additional revenue we are pretty nearly to the point of balancing the accounts of the District for the year 1940 and would have balanced them had the Congress not split the payment of the income tax this year into two payments, one of which will be made after the close of the fiscal year.

It seems to me that any tax ought to be based on the principle of ability to pay. This bill very definitely states that the exemptions shall not apply to meals whether consumed on or off the premises where sold, nor to candy, confectionery, alcoholic beverages, soft drinks, and soda. It does not exempt clothing, and I submit that one of the major expenses of a family, and particularly the poor family, is made up in the item of clothing for the members of the family. It seems to me that the sales tax is a regressive tax, and I think that is acknowledged by all students of taxation in the country. It is the tax of last resort. In other words, we find in the country today 35 States in the Union resorting to the income tax based on ability to pay. This 2-percent sales tax applies to the small income earner and to those receiving up to $10,000 a year, when, in the opinion of the gentleman from Oklahoma, the tax becomes regressive. I believe we can all agree that this is the case. It seems to me, therefore, that before we put into effect a sales-tax system, we ought to put into effect first the most economic, the fairest kind of tax, and that is the income tax which has already been well established in the country, in 35 States in the Union as well as being used by the Federal Government itself.

Mr. COLE of New York. Will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from New York.

Mr. COLE of New York. Does the gentleman have any information on the comparative cost of the administration of the sales tax as against the income-tax law?

Mr. BATES of Massachusetts. The income tax is the least expensive of all taxes to collect, and we can well understand when residents of the District go into Maryland, Virginia, New York, Texas, or other States, if they are residents of the District, and buy goods in those other States and come back here into the District; under the provisions of this bill they

would be compelled to report these purchases and 2 percent would be assessed for the purpose of taxation. This will take a large number of people to be added to the assessor's office in the District of Columbia in order to audit the accounts that are so reported, along with other reports in the District of Columbia. It seems to me that the most expensive system to audit and to collect would be the so-called sales tax which is recommended in the pending bill.

In addition to what I have already said that there is no real occasion for additional revenue in the District today beyond that developed from the present basis of taxation, certainly there is no justice, there is no equity in forcing upon the people of the District and those who come to the District, and buy various things that they may need while in the District, a 2-percent sales tax which will yield $5,000,000 more than it will cost to run the District this year and the coming year. In view of all these factors we should be extremely cautious in recommending any legislation for the people of the District of Columbia which is not in effect in 20 other States of the Union. We should keep in effect the present income tax, which is yielding even more money from personal income-tax sources than was first estimated by those who recommended that bill.

Mr. NICHOLS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. GEYER].

Mr. GEYER of California. Mr. Chairman, I would hate to see us come to a vote on this bill without a little more discussion of the sales-tax angle. I enjoyed very much what the previous gentleman said and I agree with him 100 percent. I do not own any apartment houses in Florida, as does one of the previous Members who spoke. Perhaps that is one reason that I still take the view of the fellow who has to pay some taxes but who does not possess great property. I hope I can always take that view even if somebody should die accidentally and leave me an apartment house somewhere.

I was interested in the excuses or reasons given for the refusal of the voters of various States to repeal sales taxes. I believe in Oklahoma they have tied up an objectionable tax with some worthy cause, because there they give the money to old people in the form of old-age pensions. All you have to do is tell the voters that if this is repealed ma and pa cannot have their old-age pensions; then they will be adverse to voting against such repeal.

Mr. NICHOLS. Will the gentleman yield?

Mr. GEYER of California. Perhaps I am wrong. If I am, the gentleman will tell me now.

Mr. NICHOLS. The gentleman is wrong. At the time it was voted it was simply a general retail sales tax, but since that time it has been spent for the payment of old-age pensions through recent act of the legislature.

Mr. GEYER of California. They probably told the voters that is what they would do. In California in order to put the 3-percent sales tax over, they erroneously told the people it would go to the public schools. They got every public-school teacher in the State of California to go before the public and to propagandize their students into believing they were going to lose their education if the sales tax did not go through. The Michigan proposition has been straightened out also. That was not a sales tax, however. If you put the issue up to the people in an honest and straightforward manner whether or not they want these folks taxed, who have not the wherewithal to buy the necessities of life, they will not vote for a sales tax.

Let us not kid ourselves. We are exempting incomes up to $10,000 and saying to the charwomen down here and to the day laborers down there, "You have to pay the amount that should be paid by people earning $10,000 or more." There is something rotten in Denmark.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. GEYER of California. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. The gentleman is making a very fine speech for the great rank and file of the people of the District and I think we should have a quorum. I respectfully make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. (After counting.) One hundred and two Members are present, a quorum. The gentleman from California [Mr. GEYER] will proceed.

Mr. GEYER of California. Mr. Chairman, there is another angle I would like to stress. I believe this country is in the condition in which it finds itself because of a lack of purchasing power. If every man had a pay roll from which he could draw, we would have no difficulty in coming out of the depression in a hurry. Now, we propose to tax a portion of that pay roll when it should be taken from those who are not spending their entire pay roll. I do not see how anybody can defend a sales tax in this day and age. To me it is just impossible to contemplate.

Someone said that the great plain people should pay this sales tax because they get so much. A Member mentioned about people voting bonds to buy parks. He stated that these people did not own property. Since when is the man who buys at the store not paying a portion of the taxes on that property? That type of argument is the poorest kind of argument I have ever heard. I maintain we are all taxpayers, whether the property is in our name or not.

Mr. Chairman, I certainly hope that this body will not set an example to the other bodies of the Nation by enacting a sales-tax law.

[Here the gavel fell.]

Mr. NICHOLS. Mr. Chairman, does the gentleman from Illinois [Mr. DIRKSEN] yield back the 30 minutes?

Mr. DIRKSEN. Yes.

Mr. NICHOLS. Now, Mr. Chairman, I yield 10 minutes to the gentleman from Illinois.

Mr. DIRKSEN. Mr. Chairman, I may say to the gentlemen of the Committee that the purpose of yielding back and then reyielding was simply to clarify and straighten out the record, because the gentleman from Oklahoma yielded 30 minutes in the first instance, and under the rule he is entitled to 1 hour.

Before I emphasize what I have said before on this subject, let me pay a little testimonial to the members of the subcommittee who have labored on this tax bill. I do not believe the Members of the House have an adequate appreciation of the frightful amount of work that is done by the District Committee. For instance, they labor for weeks and weeks on a tax measure. They will be laboring then on matters relating to unemployment compensation, which parallels at times the labors of the great Ways and Means Committee of the House. They labor on everything that would normally come before a State legislature, and it becomes a tremendous chore. Making a modest exception for myself, I believe the members of the Committee on the District of Columbia, and particularly the members of two subcommittees who carry the load on fiscal and revenue legislation, are entitled to a tremendous credit in discharging the responsibilities of the Congress to the inhabitants and for the welfare of the District of Columbia. [Applause.]

Getting back to the bill that is pending before us at the present time, let me clarify and emphasize some of the things I said before. I want everybody to make note right here and now that there is an income-tax law upon the books. That is number one. I want everybody to make note that that income-tax law is working; in fact, it is working so well that under the estimates for individual income returns we will probably receive $500,000 more this year than we estimated when that act went on the books.

Why take an act that is working and throw it in the discard? Why take an act that is working and junk it for an entirely new and experimental venture in the taxing field, consisting first of all, in the estimates of this bill, of a new income tax which exempts everything below $10,000 of earned income and $1,000 of unearned income, and then come along with a sales tax?

It has been argued here rather persuasively and convincingly that the sales tax is agreeable in some of the jurisdictions of the country, that it was submitted in a referendum

to the people of the State of Michigan and that they wholeheartedly stayed with the sales tax. The fact of the matter is that they do not have a sales tax in Michigan. The strict fact of the matter is that it is a gross-receipts tax, and that is something a little bit different, in the way that it is administered. It would be more nearly comparable to the business-privilege tax we had on the books a year or two ago and that we repealed in favor of an income tax.

Keep in mind that the income tax of the District of Columbia is working, and despite every prophecy, despite every gloomy prediction that was made that the revenue would be negligible, the revenue comes in at the rate of $500,000 more than what we anticipated. I will say to my friend, the gentleman from Massachusetts, a member of the Committee on Ways and Means, that that is a pretty fair record. When your tax yields infinitely more than you anticipate, you really have no occasion for a squawk.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Tennessee.

Mr. COOPER. I regret to interrupt the gentleman in the splendid statement he is making, but I should like to get some information, if I may. I understood the gentleman to say in his previous statement that the personal-income tax has yielded something like $500,000 more than it had been estimated to yield, and at the same time the corporation-income tax has yielded considerably less than it was estimated to yield. Is anything proposed here to make an adjustment to increase the corporation tax and bring it up to its anticipated yield or to reduce the personal-income tax to stay within the estimate of that yield?

Mr. DIRKSEN. The gentleman anticipated me just a little, but I am glad he raised the question. I was trying to finish first with the personal-income tax, where the yield is infinitely larger than we anticipated.

At the same time, in that original act we put on a corporate-income tax of 5 percent. In that act we first of all exempted intercompany dividends, and, secondly, taxes on capital gains where the capital assets had been held for 2 years or more. The net result of all that was that the tax base, as far as corporate income was concerned, was diminished from about $44,000,000 to $31,000,000. Had it not been for that fact, the corporate-income tax yield would have been up to expectations also. As it is, we estimated a return of $2,200,000, and the tax will produce about $1,500,000. Therefore when the two are joined we will be only about $200,000 behind the game. Whether we make any changes in the tax structure, or in the base or in the rate, is not of any great consequence, because that can be absorbed somewhere. If necessary, we can always empower the District Commissioners—they have that basic right now—to raise the rate on real estate so as to garner in the extra $200,000. Otherwise we can let the matter go over to a more propitious time and then reexamine the rate structure and see whether it ought to be revised upward.

The thing I want to emphasize all along is that we have a working income tax. We do not need a sales tax. So why go in for a new experiment rather than clarify existing law?

When we start reading the bill I shall move, after the reading of the first section, to strike out everything after the enacting clause and offer a substitute amendment, which is a series of amendments, simply clarifying amendments, having to do with questions of domicile and questions of residence, and then I am offering for the existing law a reciprocity feature, so that we will be in comity with all the other States that have income-tax laws. This can be done, and it will meet the present revenue situation and the present tax situation as it applies to the District of Columbia.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. It will also eliminate the necessity of raising the $6,000,000 as contemplated under this bill.

Mr. DIRKSEN. That is right. It is contemplated that the sales tax will yield $5,500,000. How easy it is to say that such a tax is easily administered. That is true. How easy it is to impose a sales tax on the ground that it is a great producer. That is true, I may say to the gentleman from Ohio [Mr. CROSSER], as you so well know in Ohio. But that it is a prolific producer or that it is easily administered is no justification for any tax, if it is regressive and if it falls with greatest burden upon the people who can least afford to pay. The President of the United States in a message a year or two ago, indicated his opposition to any type of regressive taxation that falls with greater burden upon the people least able to pay.

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman.

Mr. CREAL. Your proposition does make it possible for some people to pay three income taxes.

Mr. DIRKSEN. If the substitute were adopted it would extend reciprocity to other States so that where they have an income tax and they given substantially similar reciprocity to the District of Columbia, the same privilege will be extended to any nonresident here.

Mr. CREAL. That will require State legislative action, however.

Mr. DIRKSEN. Only in those States where there may not be an income-tax law at the present time.

Mr. CREAL. What citizens from the District of Columbia might be expected to live in those States where reciprocity agreement would be necessary?

Mr. DIRKSEN. We make that reciprocal, also.

Now, as between the substitute proposal which I shall offer and the language of the pending bill, there will be no difference, because the pending bill at page 4, section 2 (a), states:

> There is hereby levied for each taxable year upon the taxable income of every individual a tax at the following rates.

I propose to say the same thing and then to go on with a series of amendments clarifying the question of residence, the question of domicile, setting up a reciprocal feature and then a specific exemption with respect to the President, the Cabinet, the constitutional officers, like the judges of the courts, Members of Congress, and the Senate and their clerks and their secretaries.

We did this in the 1926 act, in title 20, when they imposed an intangible personal-property tax on the people of the District. They made such a specific exemption. So there is precedent for it, and there is no reason for anybody being alarmed.

I will say to you over again, as I have maintained before, I will never give my vote to any kind of a bill that exempts $10,000 of earned income and on $1,000 of unearned income. If that does not look like a run-out, I do not know what could be so designated, but it is easy to understand. When you start at $10,000, you resolve a lot of troublesome questions. I would rather meet them head-on than indulge in that kind of device for the purpose of getting out.

[Here the gavel fell.]

Mr. NICHOLS. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. SECCOMBE].

Mr. SECCOMBE. Mr. Chairman, I am opposed to the sales-tax feature contained in H. R. 8980. I have a sales tax in my own State, and I have the feeling, and I think everyone else has, that the people of the District of Columbia should stand on their own feet and pay their own way. I mean by that that real-estate rents are at their highest here, wages are at the highest, while the real-estate tax is at its lowest. I think with the sales-tax feature you are catching those in the low-income brackets. I think with an increase of the real-estate tax, which is $1.70 on $100, you will not need the sales-tax feature. Why should visitors by the thousands who come to Washington carry the burden for the District of Columbia when, as has been said here, all we need is a clarification of the present law in order to provide the necessary revenues? Mr. Chairman, as we go into the figures that have been offered here by the gentleman from Oklahoma, I am

positive we will find that those people who receive the least amount of wages will pay the greatest amount of sales tax, because they have to make the greatest number of purchases. Not only that, but, as has been said here, it would drive a great deal of this business into Virginia and Maryland, where they have no sales tax; and, while I am entirely in accord with some adjustments in the income-tax feature, I am absolutely opposed to the sales tax. I base that on the experience of my own State; and not only that, but I think the District of Columbia should be the last place where we should have a sales-tax provision, with millions of visitors coming here yearly, paying the bill that belongs to the residents of the District of Columbia.

I am in accord with the real-estate and income-tax features of this bill, and let those pay who make the money, and not burden the poorer class of people.

[Here the gavel fell.]

Mr. NICHOLS. Mr. Chairman, I want to take the remaining few minutes to answer in my feeble way some very pertinent questions propounded by the distinguished gentleman from Massachusetts [Mr. BATES] and the distinguished gentleman from Illinois [Mr. DIRKSEN].

The gentleman from Massachusetts [Mr. BATES] asks at the outset, Why should we raise $5,000,000 more than the deficit? Well, there are two reasons. No. 1, I hope to see the time, Mr. Chairman, when the Federal Government will not have to pay to the District of Columbia $6,000,000 annually as a Federal contribution to the support of the District government. That is No. 1.

We raised it $1,000,000 last year. It was only $5,000,000. The House passed it at $5,000,000. It went to the Senate, and because there was a deficit the Senate raised it to $6,000,000, and the House agreed to it. Another reason for going a bit above the Budget is that there is no businessman or no person, resident of the District of Columbia, who for the last 6 years during the time that I have been here and a member of this committee, was able to budget his taxes. Every year a tax bill has been brought to this Congress for the 6 years that I have been here. Taxes are continually revised and revamped, and they will continue to be revised annually until an adequately broad tax structure such as is provided by this bill in conjunction with existing law is passed; and then when it is, and we raise a little more money than the deficit, we can forget the tax problems of the District of Columbia for 4 or 5 or even 10 years, and this Congress can go along with its business on which it enjoys working better than it enjoys working on District problems.

To answer the gentleman from Illinois [Mr. DIRKSEN], who says that we have an income tax on the books and that it is working, I say that it sure is working. It is working to the point where, as I said earlier today, if it is not taken off the books your constituents and my constituents, who are employed in the District of Columbia, will have to move their voting residence from their home State and make the District of Columbia their residence where they will have no vote, in order to dodge the payment of three income taxes. Yes, it is on the books, and it is working. The Corporation Counsel wrote an opinion and said that nobody was exempt from its payment.

Some gentlemen are worried for fear the sales tax will drive some business from the District of Columbia to Maryland and Virginia. I wonder if they would be interested in this side of the picture. Thousands and thousands of people who live in Maryland and Virginia today earn 100 percent of their income within the District of Columbia. They use the police department, the fire department, the streets, the parks, the electric lights, and every other thing that the taxpayers of the District and you pay for, and those citizens of Maryland and Virginia pay not one dime toward the support of the municipal government of the District of Columbia which gives them fire and police protection, the parks, good roads, and everything else.

Is it so perfectly terrible for the people of Maryland and Virginia along with the other tourists who it is estimated spend $70,000,000 a year in the District of Columbia, to pay a small sales tax? Why should they not, even your constituents and mine, if they come to the District of Columbia and drive on the streets here and use the lights and parks and police and fire protection and whatever other protection the Government gives—why should they not pay 2 cents on the dollar for the food they eat in the restaurant, not for profit to go to the restaurant, but to go to the general fund of the government of the District of Columbia that is furnishing them this protection during the time that they are here? If they will defeat me because I am for something like that, if I am afraid of hurting somebody's feelings by making them pay 2 percent on the money they spend while here, then I am not big enough to be here, and they ought to defeat me.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Certainly.

Mr. DIES. What I am interested to know is this: Will there be a deficit at the end of this year? Is it the purpose of this bill to meet a deficit, or is it the purpose to reform a bad tax law that now exists?

Mr. NICHOLS. It is twofold. In the first place so far as I am concerned, I am very much more interested in taking off the books a bad tax law than I am in the $1,000,000 deficit which is facing us at this time.

Mr. DIES. That is the point that I am inquiring into. As I understood one of the previous speakers, he said that there would be no deficit at the end of this year.

Mr. NICHOLS. Oh, yes; there will be.

Mr. DIES. In view of the taxes that have been collected?

Mr. NICHOLS. There will be a deficit estimated at a million dollars.

Mr. DIRKSEN. We differ on that.

Mr. DIES. Whether there is going to be a deficit ought to be easily determined.

Mr. NICHOLS. As a matter of fact, if I have to be more accurate, I shall have to revise my figures upward. It is $1,000,000 plus, according to the statement made by the auditor of the District of Columbia, Major Donovan, to me not less than 2 days ago.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. BATES of Massachusetts. According to the auditor's statement which I have in my hand——

Mr. NICHOLS. Of what date?

Mr. BATES of Massachusetts. There will be a deficit of $1,500,000, but the actual receipts that we are going to get will be large enough to wipe that out; and, furthermore, this bill that we are now talking about——

Mr. NICHOLS. Oh, I do not yield further.

Mr. DIES. I am asking for information.

Mr. NICHOLS. I do not know about the auditor's statement that the gentleman has or how old it is. The auditor says early in this year there will be a deficit of $1,080,000. Is that right?

Mr. BATES of Massachusetts. Yes.

Mr. NICHOLS. Now they say they have made up enough money to take it up. They have not. They have realized a little more yield on the personal income tax, but they are not nearly up on the corporate tax. I tell you that the auditor of the District, Major Donovan, told me no less than 2 days ago that the deficit of the District would be a little in excess of a million dollars.

Mr. DIES. Even taking into consideration the increased payments of the income tax?

Mr. NICHOLS. Yes, sir.

Mr. DIES. You propose by this bill to raise $6,000,000; is that correct?

Mr. NICHOLS. Yes. At the end of 1941 if the expenses of the District are no higher than they are now, you will probably have about $4,000,000 more than can be spent, but do not forget, that goes into the general fund and can only be spent by appropriations made by this Congress. I am interested, and this report by the citizens' committee and the

two experts, Mr. Pond and Mr. Stamm, says that if we are not going to have to write a tax bill every year we should raise more money in 1941 than we need, because the expenses will increase, according to the history of government, as it goes on up to 1942, 1943, and 1944, and when you fix your tax constant and your expense increases, as it always does, they will come together up here in about 4 or 5 years, and it will take away from this Congress the necessity of passing a tax bill every year.

Mr. DIES. If we increase the taxes of the District, will they give assurance that they will not ask for a Federal contribution?

Mr. NICHOLS. No. I wish that were true. They will always ask for it.

Mr. DIES. Does the gentleman have any doubt in his mind with regard to this fact, that if the $6,000,000 or $4,000,000 excess funds are paid into the Treasury, the District will be reluctant to advocate additional methods of expenditure?

Mr. NICHOLS. That is what I hoped for, I will say. I should think they would be reluctant. Of course, this House could be reluctant to give it to them. It seems to me that then we could, with all good conscience, say that we ought to reduce this Federal payment.

Mr. DIES. But there is no assurance to that effect?

Mr. NICHOLS. Oh, no.

Mr. DIRKSEN. Not a particle?

Mr. NICHOLS. Oh, no.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. RANDOLPH. In other words, the gentleman is firmly convinced that the $1,000,000 deficit this year must be made up by taxes paid in the District, or Congress must appropriate Federal funds to meet it?

Mr. NICHOLS. No; I will not say that. This is exactly what will happen: If this deficit is not made up by this bill or some other bill, then the real estate property tax in the District of Columbia will be increased.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. There may be even an argument for increasing the property tax in the District, except that I am one of those who hold to the theory that a man's home should not be forced to carry all of the burden of taxation. More than 60 percent of the revenue now raised in the District comes from real- and personal-property taxes.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. McCORMACK. I am curious to find out if this bill will result in persons employed in the District by the Government paying three income taxes?

Mr. NICHOLS. No, sir; it will not. I will explain to the gentleman why.

Mr. McCORMACK. I am anxious to find that out.

Mr. NICHOLS. I have already explained it about three times. Nonresidents of the District of Columbia will pay an income tax to the District of Columbia on that portion of their income earned within the District of Columbia; but if they pay an income tax to their home State, that will be a credit against the tax that they would have to pay here, and in every instance it will wipe it out, because under this bill we have the first $10,000 exempted on earned income.

Mr. McCORMACK. I notice there is a $1,000 exemption here. Does that apply to married men as well as single men on unearned income?

Mr. NICHOLS. On unearned income?

Mr. McCORMACK. Yes.

Mr. NICHOLS. Oh, certainly.

Mr. McCORMACK. In other words, there is one exemption for both?

Mr. NICHOLS. There is one exemption for both in this bill; yes.

Mr. McCORMACK. What amount is the income-tax provision of this bill expected to raise?

Mr. NICHOLS. Under this bill?

Mr. McCORMACK. Yes.

Mr. NICHOLS. $1,275,000.

Mr. McCORMACK. And the corporation tax $2,000,000?

Mr. NICHOLS. $2,200,000.

Mr. McCORMACK. With reference to the $1,000,000 deficit that the gentleman just mentioned, would that offset the $1,000,000 deficit?

Mr. NICHOLS. Oh, yes; and leave some money in excess of the deficit.

Mr. McCORMACK. So that if the sales-tax provision were not passed——

Mr. NICHOLS. Oh, no; now wait a minute. I misunderstood the gentleman. Of course, the $1,275,000 I am talking about is the income tax under this bill. If you are going to pass this bill I presume you will pass the income and the sales tax. That is the way it is written. I know what the gentleman wanted to ask me. If we do not pass any legislation——

Mr. McCORMACK. No, no. Suppose you pass the income-tax provision of this bill, and you do not pass the sales-tax provision, would there be a deficit?

Mr. DIRKSEN. There would be a larger deficit than there is now, because it is estimated to provide less.

Mr. NICHOLS. If we pass the income-tax provision of this bill without the sales-tax provision, it would be a terrible bill.

Mr. McCORMACK. I am seeking information.

Mr. NICHOLS. I will answer my friend. If we were to pass the sales-tax portion without the income tax it would be a terrible bill. It is a combination tax, so it is not fair to ask me the question.

Mr. McCORMACK. The question of fairness or unfairness is a matter of opinion. Certainly I did not intend to be unfair.

Mr. NICHOLS. I know the gentleman from Massachusetts was not trying to cross me up, but if we do not pass the income-tax portion of the bill it would not raise enough money; no.

Mr. McCORMACK. What would be the deficit if the income-tax provision of the bill were passed?

Mr. NICHOLS. I would have to figure it out. It would be considerable.

Mr. McCORMACK. But there would be a deficit.

Mr. NICHOLS. Yes.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I ask for recognition on this very important bill.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 1 hour.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I would appreciate it if the Chair would notify me when I have consumed 55 minutes.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield to permit me to make a statement?

Mr. SCHAFER of Wisconsin. I yield.

Mr. BATES of Massachusetts. Mr. Chairman, in order to clear up the question of whether or not there is an actual deficit in the District revenue I again reiterate what is in the auditor's statement. He estimates that from the two sources of income, personal and corporate, $1,600,000 will be received. From this source he has already collected $1,700,000, or $100,000 more than the estimate on this balance sheet.

Altogether according to the estimate on the basis of returns there is $1,400,000 more due. Now, if there is a $1,000,000 deficit and you collect $100,000 more than was estimated, that added to the $1,400,000 leaves a net surplus of $500,000.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield for a question.

Mr. NICHOLS. Does the gentleman mean to say that the auditor's statement shows that the combination of the personal and corporate income taxes would yield only $1,600,000?

Mr. BATES of Massachusetts. In this fiscal year due to the fact that the payments have been split into two parts. He, of course, knows what he is talking about.

Mr. NICHOLS. The gentleman is simply wrong.

Mr. BATES of Massachusetts. I do not think he is.

Mr. NICHOLS. I mean the gentleman from Massachusetts is wrong.

Mr. BATES of Massachusetts. The figures that I gave to the House are taken from the Auditor's statement issued as of March 9, 1940. They are the official figures of the District, and I feel that they are correct.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield to the gentleman from California.

Mr. GEYER of California. Mr. Chairman, the gentleman always has something to add. I think the Members should be here to listen to him. I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and nine Members are present, a quorum.

Mr. SCHAFER of Wisconsin. Mr. Chairman, this is a highly important and controversial piece of legislation, and I asked for this hour because the debate this afternoon clearly demonstrates that there is a great deal of conflicting opinion even among the members of the District of Columbia Committee which reported the bill—a great difference of opinion as to what the bill provides and what it does not provide. I shall, therefore, need most of the entire hour to read the bill and comment on it, so that the membership will be able to know what is in the bill, for certainly they have not so far been able to determine that from the conflicting debate between the opponents and the proponents who are members of the District of Columbia Committee which reported the bill.

Mr. SECCOMBE. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield.

Mr. SECCOMBE. What does the gentleman suggest that the title of the bill should be?

Mr. SCHAFER of Wisconsin. It could properly be called a bill to place tax burdens on the backs of the people who are least able to bear them.

I hope that many of my colleagues will not ask me to yield. If they want me to yield for a question, I hope they follow me and take another hour on the bill and for the benefit of the membership read the balance of the bill, which I shall not be able to read because of interruptions.

Mr. Chairman, this bill has been rolling around the District of Columbia Committee for many months. Only a few weeks ago the membership of this House on a record roll-call vote by an overwhelming majority refused even to consider this legislative abortion, this legislative monstrosity, this hybrid legislative baby, whose father is Mr. Sales Tax—so the gentleman from Oklahoma, Brother NICHOLS, says—and whose mother is Mrs. Income Tax with a $10,000 exemption. The sales-tax provisions of this bill are very vicious. The statement of the gentleman from Oklahoma to the contrary notwithstanding, this tax bill rests most heavily on the backs of those least able to pay—the rank and file of the working and poor people of the District of Columbia, particularly those who have many children to support, to feed, to clothe, and to house.

Before proceeding to talk to you about some of the unique and unusual exemptions appearing on page 58 of the bill, I call your attention to the fact that my question has not been answered by the gentleman from Oklahoma.

Mr. NICHOLS. I beg the gentleman's pardon.

Mr. SCHAFER of Wisconsin. My question has not been answered by the gentleman from Oklahoma, and in a moment I will yield to him to answer it.

Mr. Chairman, if this bill becomes the law of the land, there will be a 2-percent sales tax on automobiles. For illustration, let us take the case of a man with a family who lives in the District of Columbia who desires to purchase a car for $1,000. If he purchased that car in the District of Columbia, he would have to pay a $20 sales tax under this bill. Where is he going to purchase it then? He can go to Arlington, Va., just across the District line, to purchase it and save $20. This method of saving can be applied to very many other purchases which must carry a 2-percent sales tax under the bill. This bill will be a boon for Virginia and Maryland business institutions and a kiss of death for those in the Nation's Capital.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield.

Mr. BATES of Massachusetts. The fact is that if this bill becomes a law and he should go across to Virginia to purchase his car he would have to report the fact of that purchase when he got back here and pay his tax on the purchase he made over there.

Mr. SCHAFER of Wisconsin. He might and he might not make the report. And if the provisions of this bill require him to report the purchase of that automobile it will also require him to report the purchase of a toothbrush in Alexandria, a pair of socks in Arlington, a dog in Baltimore, or any other thing which is brought into the District. I believe the tooth brush was mentioned by the gentleman from Oklahoma, who said its purchase would not have to be reported, and that it would not be taxed under the sales-tax provisions of the bill.

Mr. HAWKS. He said Baltimore.

Mr. SCHAFER of Wisconsin. He might purchase two tooth brushes—one in Baltimore and one in Alexandria.

Mr. NICHOLS. Mr. Chairman, is the gentleman serious about wanting me to answer his question?

Mr. SCHAFER of Wisconsin. The other member of the committee, the gentleman from Massachusetts [Mr. BATES] has answered it.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield to the gentleman if he has a different answer.

Mr. NICHOLS. The only thing I want to do—and I know my friend is very serious about this—is to get the matter straight. The gentleman said that this bill would place a tax upon the great mass of the working people who spend their money for food, clothing, and housing. The gentleman said that, did he not?

Mr. SCHAFER of Wisconsin. In a few minutes I will get to many more of the extra tax burdens which the great masses of the common people will have to bear.

Mr. NICHOLS. Is not that what the gentleman said?

Mr. SCHAFER of Wisconsin. Yes.

Mr. NICHOLS. I want to point out to my friend that food, medicine, and housing are exempt.

Mr. SCHAFER of Wisconsin. I will point out some language which the gentleman apparently does not know is in the bill. Materials going into Government buildings are specifically exempted, but materials for homes and other private buildings are not and are subject to the sales tax.

Certainly, if the bill would require a resident of the District of Columbia to report and pay the 2-percent sales tax on the automobile, which he bought in Alexandria, Va., it would likewise require him to report and pay the 2-percent sales tax on the tooth brush purchased in Baltimore, and on any other thing which he purchased without the District and brought into the District, provided that the articles would be subject to the sales tax if purchased in the District.

The gentleman admits, in answering my question, that any District of Columbia resident who desired to purchase a $1,000 automobile in Virginia would have to report and pay the sales tax when he brought the automobile into the District. Under the same provision of the law, if he purchased a tooth brush, which the gentleman mentioned, or any other article subject to the tax, in Baltimore, Alexandria, or any other place without the District, he would have to report it and pay the sales tax in the District when he brought it into the District.

Mr. BATES of Massachusetts. There is no denial of that.

Mr. SCHAFER of Wisconsin. Of course, there is no denial. That is what the bill provides in clear, unmistakable language. Will the gentleman from Oklahoma point out the language of the bill under which tooth brushes purchased in Virginia and brought into the District would not have to be reported and taxed while the automobile would?

Mr. NICHOLS. Does the gentleman want that question answered?

Mr. SCHAFER of Wisconsin. Yes. I yield to the gentleman.

Mr. NICHOLS. If the gentleman will turn to page 57 of the bill, and if the gentleman will be so kind as to look at subsection (b), then subsection 2, he will find the following in line 15:

The tax under this subsection shall not apply to—
(1) Property acquired in any month which does not exceed $25 in aggregate value.
(2) Property brought into the District by a nonresident thereof for his use or enjoyment while temporarily within the District, unless such property is used in conducting nontransitory business activity within the District.

Mr. SCHAFER of Wisconsin. Exactly. Therefore, if a nonresident of the District of Columbia purchased an automobile in Alexandria, Va., and brought it into the District for his own use or enjoyment, while temporarily within the District, it would be exempt from taxation. If a resident of the District did that he would have to report and pay the 2 percent sales tax.

Mr. NICHOLS. Does the gentleman want me to answer his question?

Mr. SCHAFER of Wisconsin. Yes. I yield to the gentleman.

Mr. NICHOLS. It is quite a job, but I will do everything I can to make the gentleman understand this bill. It is a little difficult, but I am willing to try. On page 59, subsection (b)—this is the only portion of the bill which could possibly be deemed to do the thing that my friend says it will do with reference to tooth brushes—reads as follows:

(b) Use tax. The tax imposed by subsection (b)—

Which I just read to the gentleman—

of section 1 shall be paid by the person using, storing, or consuming the article taxable under that subsection.

I may say to the gentleman that is the use tax provision which is universally carried in every jurisdiction in the United States which has a sales tax, and that it is aimed always and only at big purchases, such as automobiles—and my friend is right about the automobile—and big pieces of machinery. In no State in the United States do they do the thing that the gentleman from Wisconsin [Mr. SCHAFER] and the gentleman from Massachusetts [Mr. BATES] suggest will be done; that is, the placing of armed guards at the line to search innocent old widow women as they come back from Baltimore, where they have purchased Listerine and tooth paste.

Mr. SCHAFER of Wisconsin. I thank the gentleman. I think he has now clearly pointed out that the position which I have outlined is absolutely proper and correct according to the language of his bill.

I yield now to another member of the Committee on the District of Columbia, the gentleman from Massachusetts [Mr. BATES], in order to clear up the situation and indicate whether my interpretation is correct or incorrect.

Mr. BATES of Massachusetts. The gentleman from Oklahoma has not yet denied the fact that any purchases made in Maryland, Virginia, Texas, New York, California, or in any other State of the Union, by a resident of the District of Columbia are not taxable when he brings those articles back into the District of Columbia for his own use.

Mr. SCHAFER of Wisconsin. He cannot deny it, because the bill provides that they are.

Mr. BATES of Massachusetts. What he was referring to in the exemptions was property brought into the District by a nonresident thereof. Now, then, under the penalty provision on page 69, if the gentleman from Oklahoma has any question about where the purchaser stands who is a resident of the District, there is the following:

Any person failing or refusing to comply with any of the provisions of this title or with any rule or regulations—

He must report these purchases or else we must establish customhouses all along the line—

made by the Commissioners hereunder shall be punished by a fine of not exceeding $300 for each failure or refusal.

Mr. SCHAFER of Wisconsin. Under the section of the law which the gentleman has quoted, if a resident of the District went to Alexandria and purchased a toothbrush, or any other thing which he brought into the District, and did not file a report and pay the District sales tax as required under that section, he would be guilty of violating the law. He would be subject to a fine and he could be sent to the jail house.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield to the distinguished lady Member from Illinois.

Miss SUMNER of Illinois. Of course, I cannot presume to say how the courts would interpret the language on page 57, "nontransitory business"; however, I believe it might well be held that under the New Deal all business is transitory. [Laughter and applause.]

Mr. SCHAFER of Wisconsin. I may say, in answer to the distinguished lady Member from Illinois, that I agree with her. The gentleman from Oklahoma, the champion of this bill, perhaps might point to the language of section 11 appearing on page 13, and tell us that it will prohibit such an interpretation. I will read this section 11, on page 13:

Wagering losses. Losses from wagering transactions shall be allowed only to the extent of the gains from such transactions.

Mr. Chairman, we remember, back in the days of prohibition, when we had a law in the District of Columbia requiring the enforcement of prohibition. We remember the horde of Federal Government and District pay rollers which it took to keep Virginia corn liquor and Maryland rye liquor out of the District.

We well remember with reference to enforcing the ban on importations into the District of Columbia of this Maryland rye liquor and Virginia corn liquor, the system of espionage and snooping of a horde of public enforcement officials. If this sales-tax bill is to be enforced, and almost everything purchased outside of the District of Columbia and brought into the District is to be reported and taxed, we will have to have tax collectors on every highway entering the District. We will have many more searches and seizures than we had when the Government sought to prevent the bootlegging of Virginia corn liquor and Maryland rye and their imports into the District. We will have to put a Chinese wall of Federal Government tax-collecting agencies around the District, as bootlegging into the District of the many purchases subject to the sales tax, in order to avoid payment of the tax, will make prohibition bootlegging shrink into insignificance.

If we do not have a horde of new District enforcement and tax collectors to enforce the law with reference to importations from without the District of toothbrushes, automobiles, and other articles subject to the tax, the residents of the District are going to make many of their purchases outside the District. This will be a blow to those who operate business institutions and pay taxes in the District. How long do you think an automobile dealer will be able to stay in business in the District of Columbia when a person can go across the District line and save from $20 to $60 in the purchase of an automobile?

Now, let us consider the poor people who have to pay this sales tax. Do not let the oratory of the distinguished gentleman from Oklahoma, the champion of this sales-tax bill, lead you astray. I have been wondering why, if the sales tax is such a fine tax, he has not had Oklahoma put a sales tax into effect.

We had another distinguished sales-tax champion from Illinois talking about the virtues of 2-percent sales tax in that

State. Perhaps that is one of the reasons why a certain New Deal political organization levied a 2-percent transaction or sales tax on the salaries of all of Illinois State employees. The political collector of revenue, under that 2-percent shakedown sales tax, recently was murdered, committed suicide, or died of natural causes. Four coroner's inquests, with reference to his death, have not been able, up to this time, to find out what was the reason for his sudden passing into the Great Beyond.

Mr. HOFFMAN. They did not find his little black book, either.

Mr. SCHAFER of Wisconsin. I think it was a little black book and several big black satchels, which have not been found, up to this moment.

Mr. Chairman, the proponents point with pride to the sales-tax exemptions.

The exemptions appear on page 58 of the bill and are nothing to boast about. A poor man with five or six children to support will have to pay this sales tax on the coal which he stokes into his furnace to keep his family warm. Can any proponent of this bill deny that? Coal is not exempted. A poor man with a moderate or low income with five or six children to feed and clothe will have to pay this sales tax on every stitch of clothes his family wears, from the baby's diapers down to the shroud in which some member of his family might be buried. Can anyone deny that? I yield to the gentleman from Oklahoma. I see he does not answer.

On his very home, on the building materials which go into his home, the poor man will have to pay this sales tax. The gentleman from Oklahoma tried to tell this House that under this bill the poor man would not have to pay the tax on his housing. What do we find with reference to the exemptions for buildings under this bill? Subsection (7) reads as follows:

> Sales of materials incorporated in any structure, building, or project constructed by a contractor or contractors for the United States or the District of Columbia, or any agency thereof.

Mr. Chairman, this is the only building-material exemption. This does not refer to the poor man, who has to provide housing facilities for his family. In the District of Columbia, Mr. Chairman, we have many thousands of poor people who are ill-housed, ill-fed, and ill-clothed, according to the President of the United States. These ill-clothed and ill-housed underprivileged people, if you please, living in the District of Columbia, the Nation's Capital, under this iniquitous bill will have to pay a sales tax of 2 percent on every stitch of clothing which they buy and on every pound of coal which is purchased to heat their homes and keep them warm.

We do find some exemptions in the bill. I want to find out why the poor people in the District of Columbia, the underprivileged, should be forced to pay a sales tax on the clothing for their families and on the coal to keep their families warm, while their great friend from Oklahoma has a provision in his bill exempting "sales of newspapers and periodicals." This notwithstanding the fact that the big newspapers in the District of Columbia are owned by multimillionaires. Why exempt these multimillionaire newspaper owners in the District of Columbia and put this sales tax on the clothing, coal, housing, furniture, and many other necessities of the underprivileged?

Now, let us see some other commodities which are not exempted. Section 2 provides an exemption on—

> Sales of food and food products for human consumption off the premises where sold: *Provided, however,* That this exemption shall not apply to meals, whether consumed on or off the premises where sold; nor to candy and confectionery, alcoholic beverages, soft drinks, and sodas.

Mr. Chairman, are we going to put a sales tax on the candy and the soda pop of the children of the poor people of the District and exempt the big multimillionaire newspaper owners from this sales tax? This is not a bill in the interest of the underprivileged poor. This is a bill for the special-privileged rich.

You indicate in this exemption that the exemption shall not apply to candy, confectionery, alcoholic beverages, soft drinks, and sodas. Alcoholic beverages now carry the highest burden of taxation carried by any commodity. There is a $5-a-barrel Federal Government tax on beer and an exorbitant Federal tax on liquor, and still you want to add an additional 2-percent sales tax.

Under this provision you exempt the sales of the materials going into the great marble palaces in which to house the Government employees, but the poor workingman who must build his own home or pay rent on a home that someone else builds for him must pay the sales tax on every bit of material going into that home, on the gravel, on the cement, on the roofing, and on every piece of lumber, on the paint, nails, and every other material.

Whether he rents that home or whether he is a home owner, he pays those taxes, because you and I know that the home renter carries the burden of taxation on the property which he rents.

After observing the utterances of the great New Deal President of the United States [laughter and applause], the New Deal leader, who talks much about the ill-housed, the ill-clothed, and the ill-fed, I believe that he will veto this bill within a few minutes after its arrival at the White House.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield.

Mr. GEYER of California. Do you not believe, then, we will be in the situation of having this mess we are in now——

Mr. SCHAFER of Wisconsin. Yes.

Mr. GEYER of California. And the answer is to take the amendments of the gentleman from Illinois [Mr. DIRKSEN] and put them in this bill.

Mr. SCHAFER of Wisconsin. I will tell the gentleman frankly what the answer is. We are confronted with facts and we have to face them. After this legislative abortion and monstrosity, with a sales-tax daddy and a $10,000 exemption income-tax mammy, was repudiated by an overwhelming vote of the House, the District of Columbia Committee should have buried it and not brought it to the floor again. They should have been spending their time and effort to perfect the existing income-tax legislation along the lines suggested by the gentleman from Illinois [Mr. DIRKSEN] and the gentleman from Massachusetts [Mr. BATES].

Mr. GEYER of California. I want to say to the gentleman that I agree absolutely.

Mr. SCHAFER of Wisconsin. I have been informed that the gentleman from Illinois will offer his amendment as a substitute. In order that we may have an opportunity to vote for that substitute and incorporate it in the bill and then vote for a real tax bill, I am not going to take up my entire 1 hour, and will yield the floor so that we can get on our way and strike out the sales-tax provision of this bill. [Applause.]

Mr. HOFFMAN. Mr. Chairman, I ask for recognition on this bill.

The CHAIRMAN. The gentleman from Michigan is recognized for 1 hour.

Mr. HOFFMAN. Mr. Chairman, this bill is like so many we have before us. It apparently is a device to raise more money. It would seem as though we had approached the problem from the wrong angle. There is no reason—that is, no reason under the Constitution, anyway, nor any sensible reason—why we should not endeavor sometimes to lessen expenditures instead of always increasing revenues. It has been said that a budget can be balanced in one of two ways: You can raise more money to meet the outgo or you can contract the hole in the barrel and let less out. I wonder how it would be if we tried the latter way; that is, reducing expenditures. It would certainly be something that has not been tried in the last 7 years.

Now, folks coming to the District are amazed, they are astounded, when they drive in here to see these miles on miles of Federal buildings. We do the same thing, perhaps, in some of the States. I know some States where we raise money to establish normal schools, so we can train teachers who can help educate the pupils, and then as soon as the teachers get out of the normal schools we build some more schoolhouses. We borrow some money from the Government

to build homes where folks can live, get married, and raise children to go to the schoolhouses we are building so the teachers will have a job. Round and round we go. Just like a pup chasing its tail. Spend and spend and tax and tax.

Now, we do that down here. The people who come down here from my State and from other States wonder whether the District in a few years will be large enough to contain all the buildings to house all the Federal employees and if the increase of employment of Federal employees continues at the same rate that it has during the last 7 years, we will say, a large proportion of the people will be on the Federal pay roll. It would seem as though it was time the Congressmen should begin to take that into consideration because, ultimately, if this process continues, they will have to cut down, and just suppose they begin to cut down on the number of Congressmen. Then where would we be?

Mr. COCHRAN. Better off.

Mr. HOFFMAN. No doubt. I have not heard anything about any resignations from Missouri, and I suppose the gentleman from Missouri [Mr. COCHRAN] knows more about who should resign better than anybody else, because he offers that suggestion.

Mr. COCHRAN. But the gentleman said to cut down—to reapportion.

Mr. HOFFMAN. That is all right. I think we are trying to do that. Did we not pass some legislation the other day to do that very thing? But that has not anything to do with reducing expenditures in the government of the District.

Mr. COCHRAN. It would have.

Mr. HOFFMAN. I mean the expenditures that we have to pay in the District of Columbia.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. DIES. It is very evident that under the rules a number of Members can ask for an hour's time and that there is not any probability of finishing this bill this afternoon. If the gentleman will yield to me, I shall be glad to move that the Committee do now rise.

Mr. HOFFMAN. I would reluctantly yield for that purpose.

Mr. DIES. Will the gentleman yield for that purpose?

Mr. HOFFMAN. Yes.

Mr. DIES. Then I move that the Committee do now rise.

Mr. HOFFMAN. That is, if I am not taken off the floor first. I do not want to yield, Mr. Chairman, and find that I have finished.

The CHAIRMAN. The Chair suggests that the gentleman keep the floor if he does not desire to yield.

Mr. HOFFMAN. I think we have a quorum here.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. RAMSPECK. Does the gentleman know that the number of Federal employees today in proportion to population is not as large as it was during the World War?

Mr. HOFFMAN. Well, we were pretty busy during the World War. There is no question about that. I guess the number you have here now frozen into jobs—that is, new dealers and Communists as well as some Democrats—is greater now than ever before.

Mr. RAMSPECK. Oh, no.

Mr. HOFFMAN. Oh, yes. For instance, at the present time in Michigan, in western Michigan, we have, or had, a postmistress who was a Republican, a holdover from better days.

Mr. RAMSPECK. Yes.

Mr. HOFFMAN. I just received an affidavit about it this morning, and because she will not contribute either in money or by attendance to the Democratic county chairman or to his activities in Barry County, she is going to be out of a job. I will put that affidavit in the RECORD, it speaks for itself, but I shall have to get permission to do that while we are in the House. They will not give her an examination, and as long as the gentleman is on his feet, how about that under civil service? The gentleman is an expert on the civil-service rules. Is not that woman entitled to take that examination, noncompetitive?

Mr. RAMSPECK. Under the law that we passed, that is a matter for discretion on the part of the Postmaster General.

Mr. HOFFMAN. The gentleman means the chairman of the National Democratic Committee?

Mr. RAMSPECK. He happens to be the same man, and a darn good one, too. But I do not want to let the gentleman from Michigan get away with the statement that he made that under the New Deal, limiting it to 7 years, we have brought so many employees to Washington that we do not have room enough to house them. I make the point that we have not as many now in proportion to population and the number of people they must serve as we had during the World War.

Mr. HOFFMAN. Of course, carrying on that war, which was a democratic war, was a big job. The gentleman does not mean that he is bringing them down here now getting ready for another world war, does he?

Mr. RAMSPECK. Oh, no. We have been reducing them recently.

Mr. HOFFMAN. Recently, you have been putting them on more and more. Is it the gentleman's idea that he is getting them here ready so that when this war comes on they will be here on the spot?

Mr. NICHOLS. O, Mr. Chairman, I must make a point of order. I know the gentlemen are acting in good faith and are not attempting to be facetious, are not attempting to kill time, but I insist that they must speak in order on the bill. The gentleman from Michigan is not talking to the subject of the bill.

Mr. HOFFMAN. That might be. I was yielding to the distinguished gentleman from Georgia [Mr. RAMSPECK] and naturally we did get a little out of order, but the gentleman from Oklahoma is so often himself out of order that I think it is not cricket for him to raise that technical objection now.

Mr. DIES. Is the gentleman now ready to rise?

Mr. HOFFMAN. No; I think I had better not yield the floor, because the gentleman's motion might not prevail.

Mr. DIES. Then somebody else could get the floor.

Mr. HOFFMAN. Yes; but perhaps he is not ready. I suppose the gentleman has two or three others who want to speak. I am talking seriously to the gentleman from Oklahoma.

Mr. NICHOLS. Oh, I know that.

Mr. HOFFMAN. I am glad the gentleman understands, for once. I have tried on so many different occasions to get the gentleman to understand.

Now, my point about all of these great marble buildings—look at that great Supreme Court Building. Someone said it cost $12,000,000. Over there just nine men are in there really doing business. Of course, there are some other hangers-on there——

Mr. RAMSPECK. You are not charging that up to the Democrats, are you? That was built by the Republicans.

Mr. HOFFMAN. Well, they say justice comes out of that building, so I would say "No." I do not say you are responsible for it. [Laughter.] I do say, however, that you are responsible for those later decisions, the last two particularly, where the Supreme Court said that under the laws we had passed—a familiar law that I will not call by name, but I am sure you know what I am talking about—where the right of a man to do business was taken away from him, where his business was being destroyed—that the Court, the Supreme Court, could not protect him—a duty that Court has never shirked before—that his remedy was through an appeal to Congress. With Congress listening to John L. Lewis, short shrift will the businessman get.

Mr. NICHOLS. Mr. Chairman, I make the point of order that the gentleman is not proceeding in order. I presume the gentleman is entitled to this hour by reason of the fact that he

is in opposition to the bill which is being considered. If I am not correct in that I would like to have the Chair correct me, but if I am correct, then I think the gentleman's remarks should be confined to the subject matter of the bill.

The CHAIRMAN (Mr. THOMASON). The point of order is overruled. The gentleman will proceed.

Mr. HOFFMAN. Did you get that? [Laughter.]

What I was attempting to state was this, that we spent all of that money over there on that Supreme Court Building, and instead of spending $12,000,000 there, if we had spent one or two million—those nine judges, even those new dealers on there, do not need that cafeteria down in the basement or on the first floor—the District would not have suffered, nor would the Nation; and the Court would have retained the dignity and the historical association that made it such an object of respect when it held its sessions in the Capitol. It would have continued to be the one department of the Government to which all the people looked with confidence, with hope, and with respect.

They do not need all those acres of marble floor that someone has to wipe up every day, day after day, around there on their knees, scrubbing. Of course, it does give employment. I will admit that, but it is a waste of money. I think it was "Hoover's folly" down here that you "hollered" so much about. I will take that back. A statesman does not "holler." He just "yells" about something. There are many buildings down on the avenue the same way. Then here is this last one, the Jefferson Memorial, that was to cost three or four million dollars. It does not make any difference in the community. What good does it do?

Then when we come to Washington, only a few of us, like myself, from the sticks, perhaps two or three of us, and we are not accustomed to these high prices, and we get down here and we find ourselves paying $980 a year for a couple of rooms. Why, the old corn crib at home had almost as much room as we pay $980 a year for here. It has no furniture in it. Think of it. Not even a bed; not even a carpet; no rug on the floor to sleep on. [Laughter.] Not anything of that kind, and we pay $980. It is a waste of money, but we must pay or sleep in the park.

Mr. ARNOLD. Will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. ARNOLD. Is the gentleman contending that this excess money spent in buildings should be diverted to our use?

Mr. HOFFMAN. Oh, no, no. I know the gentleman buys his own chewing gum and cigarettes and everything else that he uses, and other Members of the House do also. I suppose, being on the District Committee, the gentleman even buys his own theater tickets. I know I do [laughter], although I am not on that committee. [Laughter.]

Mr. ARNOLD. Of course, the gentleman should know I am not a member of the District Committee.

Mr. HOFFMAN. The gentleman is not? Well, he should be congratulated, because that committee has a world of hard work. As the gentleman from Oklahoma says, of course, they do not get tickets to the shows. Why should they? No reason in the world. The point I am trying to make is that they are getting a lot more money out of the taxpayers of the District than they need. That is the point. They do not need all that money. They charge us plenty.

One of the young men in the elevator said, "Well you fellows gave us a raise over there beginning the first of next month. When I go down to breakfast, although it was only the 5th of the month, I find a nickel or 10 cents more on my breakfast charge." So that they take it away from them as fast as they can get it. That is why the Federal Government has got into this terrible situation. I commend that thought to the gentleman from Missouri. That is one thing that causes these deficits. The excessive spending. We have had 7 years of it. Then they collect all this money by tax, and what does the poor taxpayer get for it? You would think that the man who paid taxes on a piece of real estate, for example, would get something for his money. You would think he would get fire protection. Well, he does, to a certain extent. I suppose he gets good fire protection. You would think, for example, he would get police protection, would you not? Well, the policemen are so busy—I am not criticizing the policemen. They have to follow the "big boss" here in Washington, and of course if someone from the White House calls up or someone from some department, the policeman has to jump to it; but they are so busy hunting a Congressman who is parked on a side street or the main street where he should not be, that they cannot give protection to the businessmen downtown.

What I have reference to is this: You have probably heard about the Press Cafeteria. There was a man, or rather a corporation—one of these big dirty corporations employing people and paying wages—they ought to be outlawed really [laughter]—I see the gentleman nod. That is right under some people's theory. They should be outlawed because they are giving jobs—not with Government money but with the money that they really make in their business, if they make any.

According to this statement, which does not seem to have been denied, two of these gentlemen who worked there happened to be colored boys. They got into a drunken fight in the restaurant, so the management fired them.

Then another one of those colored boys got fresh with one of the white girls. You remember we had an antilynching bill here a while ago, but you know that did not apply to petting, or patting, or just fussing around. So he put his hands on one of these girls in an improper and in an indecent way and then he made advances to another. Then the cafeteria corporation fired him. That, you say, was cause. But, lo and behold, he belonged to the union, he belonged to the union; and you cannot fire anyone, if the union has its way, without the union's consent. They have been carrying placards around down there. One is a dirty one, "Food Prepared by Scabs," I have been told. The other day I put in the RECORD the statements showing the union demands. The cafeteria association put out a pamphlet setting forth their side of the story, and that is the situation.

Now what is the really vital demand of the union? It is this: That no one shall be discharged without the consent of the union. It is not likely that the union intended to get itself into such a position, nevertheless it is in the position of picketing that place because these men were discharged without its consent and because they are not reinstated.

Here we have two men discharged for a drunken fight in a public dining room; another colored man discharged because he insulted and assaulted one white girl, made improper, indecent advances to another; and we have a union raising a row about it and insisting that the corporation which discharged those three colored men for the unlawful and the indecent conduct shall agree that it will not hereafter discharge an employee without the union's consent.

What do you suppose the taxpayer who owns that building thinks about that? What do you suppose the taxpayer in the District of Columbia that you are going to soak some more figures he is getting, the fellow who rents space in that building, the fellow who operates the cafeteria in the Press Building? Is he getting protection for his business? Are the renters in the building getting protection of their rights? I have no authority to do so, but I would ask you all to go down there some evening and walk around the building and notice this oval, rather stretched out, of pickets, one white man, maybe one colored man, maybe one white woman, and maybe a colored woman walking within about a foot, a foot and a half, or 2 feet of the entrance to the building, walking close together, almost in lockstep so that the people who want to trade there with the man who rents space in that building, with the man who owns the building, with the proprietor of the restaurant, cannot freely pass in and out—and the police standing back just looking on. Is Lewis getting another installment on the political theft he claims the administration owes him? The customers have difficulty in getting in and out. Is there any reason why anybody in the District should be taxed to pay for that kind of protection or lack of protection? That is what they are doing over here.

Mr. NICHOLS. Mr. Chairman, I appeal to my friend as soon as he has finished his remarks to let us get to the consideration of this bill. It is rather important.

Mr. HOFFMAN. Really? I have not talked for 3 or 4 days.

Mr. NICHOLS. I appeal to my friend not to be facetious.

Mr. HOFFMAN. I appreciate the fact that my remarks are not of any interest to the gentleman from Oklahoma and perhaps not to anybody else. Maybe they are not of any interest even to myself, but if the Committee would rise and bring this bill back some other day, it might help somewhat. We might get a better bill. This bill was up 2 weeks ago and the House would not even consider it. Yet you bring it back, waste another day, and complain when I suggest you can get along without additional taxes.

I wonder, too—maybe the gentleman from Oklahoma could answer this question. The gentleman from Wisconsin was talking about the different articles that were taxed by this bill. Could the gentleman tell me what would be the situation in this hypothetical case: Suppose somebody high in Government circles, not really a Government official but someone closely connected with a high Government official, were on the radio and sold soap here; over a broadcast, or by means of a broadcast, would a sales tax be levied on that soap under this bill? [Laughter.]

Mr. NICHOLS. Is the gentleman talking to me or to the gentleman from Wisconsin?

Mr. HOFFMAN. The gentleman from Wisconsin is on his feet.

Mr. SCHAFER of Wisconsin. I just wanted to ask the gentleman to include in his question Beauty-Rest Mattresses and Pond's Vanishing Cream.

Mr. HOFFMAN. No; there is plenty of this washing of political linen going to be done here, and I have been wondering as time went on whether or not this soap sale was in anticipation of the washing that was going to be done when Dewey was made Attorney General. But just getting back to the bill, now, let us confine ourselves to the bill. [Laughter.] Would the tax apply to the soap that was sold in that kind of way if the soap was delivered outside of the District of Columbia? And would it apply if the soap was delivered inside the District of Columbia? I do not see anything in here about soap, but could the gentleman from Oklahoma [Mr. NICHOLS] tell me whether the tax would apply? I see he is going out, he is leaving the Chamber, he is giving up the attempt to educate me.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. SCHAFER of Wisconsin. The gentleman has brought up a very important point, because under this sales-tax monstrosity the poor washerwoman in the District of Columbia would have to pay a 2-percent sales tax on the soap and washing powder which she uses to wash clothes in order to earn her livelihood. Soap, washing powder, and washtubs are not exempt under this bill.

Mr. HOFFMAN. Yes; but the gentleman understands that in my hypothetical question the soap sold was not laundry soap, it is not—well it may be soft soap like our grandparents used to make—no, it does not quite fall in that class, for it is a perfumed soap, but not the New Deal soft soap of the fireside-chat era.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. KEEFE. Will the gentleman refer to subsection 2 on page 58 and tell us if he has given any consideration as to whether or not the exemption there stated: "This exemption shall not apply to materials whether consumed on or off the premises where sold," applies to these spaghetti meals and things of that kind that one can buy in a grocery store which are specifically called meals and all that the purchaser is required to do is to heat them—will they be exempt or not?

Mr. HOFFMAN. I take it that those meals are not exempt. Is not that the gentleman's understanding? The gentleman is a lawyer of long years of experience. He has been educated in three or four universities giving law courses. I would like to have his opinion on that before I proceed.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Just a minute.

Mr. KEEFE. I suggest that is a very proper subject of inquiry, because the large manufacturers are now processing entire meals in packages, which are sold in retail stores and are being consumed off the premises. On such a sale would you be taxed or would you not? If you eat a meal in a grocery store or restaurant, you would have to pay a tax.

Mr. HOFFMAN. Yes.

Mr. KEEFE. If you went out and sat in your car at one of these hamburger stands and bought something to eat, you would have to pay a tax on it. If you went into a grocery store and bought something that is sold there, you would not be taxed.

Mr. HOFFMAN. Why not stick to your and my kind of a meal, crackers and Wisconsin cheese and bologna?

Mr. KEEFE. Would you pay a tax on that or not?

Mr. HOFFMAN. That is something we ought to consider.

Mr. COCHRAN. Will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman is a great constitutional lawyer.

Mr. HOFFMAN. No; that is a mistake. I do not want to be charged with something I do not make any pretense of being, because there is no such thing now as a constitutional lawyer. As Justice Frankfurter recently stated, the Constitution is what the Court says it is. That was in his first decision. We do not know what the Constitution is from day to day or from Monday to Monday.

Mr. COCHRAN. Well, let us admit for the sake of argument, one part of the Constitution still remains.

Mr. HOFFMAN. That is, the preamble?

Mr. COCHRAN. It is the responsibility of the Congress of the United States to legislate for the District of Columbia. Now, is it not a travesty on legislative procedure to carry on as the House is carrying on today in connection with this bill, regardless of whether we might be for the bill or against it? I have always been against a sales tax, but I am willing for the House to vote.

Mr. HOFFMAN. That may be the gentleman's opinion, and he is entitled to it, but a lot of us on the outside, who have to pay some of these bills, and the people generally throughout the country, think that the District of Columbia is getting plenty. Let me tell the gentleman something. If he lived in a small community, a farming community, where the merchants and the people living in that community depend on farm products for their livelihood from year to year, or if he lived in an industrial city where hundreds of thousands of people depend on continuous operations of the industrial plants and factories, and where the people in the small community, if the farmers missed a crop, are drawn almost into starvation, they have to eat a little more cornbread and baked potatoes without butter, he would know better. They have to buy oleo instead.

Mr. COCHRAN. That is pretty good eating, cornbread and baked potatoes.

Mr. HOFFMAN. Yes; many of us in the country know that, but many now on relief want oranges, grapefruit, and things the average farmer cannot afford. Farmers are not living on the Government pay roll all the time. Here is the city of Washington, the most beautiful city in the world, where the people never miss a pay roll and never miss pay day; where almost all of the employees get a vacation of 26 days, and 15 days' sick leave. Is it not fine now to stick the rest of us? I think it is most reprehensible for the people of the District of Columbia to try to shirk their burden and put it on the people outside. Is there any city in all the world like Washington with its pay roll month after month?

Mr. COCHRAN. Why not debate the bill under consideration?

Mr. HOFFMAN. The only time you lay off down here is when you go away on a vacation. There is no such thing as missing a pay check. Nor is there a reduction in wages, nor does the boss go out of business even if he is bankrupt; Uncle Sam still pays.

Mr. COCHRAN. Does the gentleman know of any set of people in the District of Columbia who went out and kidnaped him or any other Member and brought him here or brought any of the rest of us here and made us take $10,000 a year?

Mr. HOFFMAN. I am not talking about that. I am talking about the people who are always squawking about the Federal Government not taking care of them, but who insist on living in the District. Oh, the gentleman from Missouri [Mr. COCHRAN] looks up in the gallery. He may talk to the press boys, but I am not.

Mr. COCHRAN. No, I am not doing that.

Mr. HOFFMAN. I know all about that business. I know how the press jumps on some of us if we dare to say a word about cutting appropriations for the District. It is bunk. You can call it anything you want to. If we can cut down expenses, should we not do it? The gentleman belongs to the New Deal. He still has faith. No, he has not, because he has too much sense to have faith in it, but he still wants to go on and spend more, more, and more. So far as I know no one on the majority side in the last 7 years has made a real, successful effort to cut down expenditures. All the time it has been more money, either through taxation or borrowing. It is selfish. You are leaving it to the future generations to pay for your spending. You are not like the prodigal son. You do not take your own money and go out and spend it, but you spend other people's money; then come back for more. You want not only the fatted calf, but you want the calf's mother.

Mr. COCHRAN. Let us get back to the bill. How much money comes out of the Federal Treasury in connection with this legislation?

Mr. HOFFMAN. It all comes from the people.

Mr. COCHRAN. I am talking about the Federal Treasury.

Mr. HOFFMAN. The situation in Washington is somewhat similar to what happened in the gentleman's own city and State, where they boosted the price of their land. The land was appraised, the Federal Government was going to buy it, and the price was boosted from $75,000 to $300,000, was it not? It is like the Federal Government going down and building this New Deal T. V. A. The question was asked someone the other day whether it was damming the Tennessee River and draining seven States, and the answer was "No," it was draining the whole of the United States through taxes to benefit the people of a few States. I do not wonder that the gentleman from Tupelo, Miss., comes in here and talks about it almost every day. You are getting all the money from the industrial North. You talk about the Civil War and its cost. You have had it paid for over a dozen times by tax money from the North. You have been paid for everything that the Civil War cost you.

I ask the gentleman from Missouri, Is there anything unreasonable in cutting down instead of adding to all the time? Can we not balance the Budget? Can we not buckle up our belts a little bit? Do you have to have all these great buildings here in Washington?

Mr. COCHRAN. That is just exactly what the gentleman from Oklahoma is trying to do, as I understand, balance the budget in the District of Columbia.

Mr. HOFFMAN. The gentleman has some New Deal philosophy, all right, now.

Mr. COCHRAN. Why does not the gentleman get back to the bill?

Mr. HOFFMAN. You cut down by adding to the tax roll. That is a peculiar way to do it, but it is characteristic.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. I suggest that the gentleman not waste his time talking to the gentleman from Missouri, who wants to put a sales tax on the building material which goes into the poor people's homes, their coal, their ice boxes, their furniture, their pictures, their beds, their dishes, knives, forks, spoons, soap, carpets, clothing, washtubs, cooking utensils, coffins, tombstones, and many other things which would take an hour to mention. Do not try to convert the gentleman from Missouri if he is so set on putting a sales tax on all of those commodities which are purchased by the poor people of the District of Columbia.

Mr. HOFFMAN. Well, here is something I do want to talk about. I call the attention of the gentleman to this provision on page 69, section 22:

> Any person failing or refusing to comply with any of the provisions of this title or with any rules or regulations made by the Commissioners hereunder shall be punished by a fine of not exceeding $300.

Mr. DIES. It is now 10 minutes after 4. The gentleman has consumed most of the hour.

Mr. HOFFMAN. No; I have used only half of it; half of it and 1 minute.

Mr. DIES. Will the gentleman yield so that I can make a motion that the Committee rise? There is no probability of passing the bill.

Mr. NICHOLS. Why do that?

Mr. DIES. I withdraw the request.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. SCHAFER of Wisconsin. The gentleman is a constitutional lawyer.

Mr. HOFFMAN. No.

Mr. SCHAFER of Wisconsin. An attorney.

Mr. HOFFMAN. No; a justice court lawyer.

Mr. SCHAFER of Wisconsin. A student of the law.

Mr. HOFFMAN. No; just one who studied and practiced law after he had a certificate to do so.

Mr. SCHAFER of Wisconsin. Is not this bill unconstitutional because it sets up a tax on commodities moving from the States into the District of Columbia, a tariff tax, if you please? The District of Columbia, standing in the position of a State, would be taxing the imports from another State, which is prohibited under the Constitution.

Mr. COCHRAN. The Supreme Court has decided that the tariff barriers can be put in every State in the country. Why not get busy and change the decision of the Supreme Court?

Mr. SCHAFER of Wisconsin. I am glad the gentleman from Missouri is now in favor of a protective tariff.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. No; just wait a minute. I want to talk about that constitutional business.

Mr. COCHRAN. The gentleman was talking about section 22.

Mr. HOFFMAN. I will return to that.

Mr. COCHRAN. Tell us about tariff barriers.

Mr. HOFFMAN. I will not be long.

I believe the Court held over there that New York City could tax the coal and coke where it came in from other States through the sales tax.

Mr. COCHRAN. Yes; and it held that California could tax wine and beer; beer from Milwaukee, as well as other States, my own included.

Mr. HOFFMAN. Yes; and hard liquor from Missouri—and such liquor.

Mr. SCHAFER of Wisconsin. I wish to thank the gentleman, and I think he has contributed a great deal when he has converted the gentleman from Missouri [Mr. COCHRAN] to the principle of protective tariff on commodities moving between the States, although he does not as yet favor a protective tariff to protect the American people from unfair competition of cheaply produced commodities imported from foreign countries.

Mr. HOFFMAN. The gentleman raised the question. Now, that might be like this question of whether a company or a person is engaged in interstate commerce. You recall that up here in Philadelphia, I think it was, the circuit court of

appeals held in that Apex case, when the company was charged with the violation of the N. L. R. A.——

Mr. COCHRAN. That was a C. I. O. case.

Mr. HOFFMAN. Unless you amend that law you are going to have trouble over there in reelecting some of your Congressmen.

Mr. COCHRAN. Suppose the House would treat the gentleman the way the gentleman is treating the District Committee when the National Labor Relations Board bill comes up.

Mr. HOFFMAN. I am much kinder to the House than the House has been to me, because I am letting the House hear me, and the House would not hear me on that bill when I wanted to get an amendment placed in it. I have been trying since the 13th of March 1939 to get the House to amend the N. L. R. A.

Mr. COCHRAN. The gentleman talks so often they are tired of hearing him.

Mr. HOFFMAN. The gentleman may be right, but as I said to one gentleman, if you are so tired you need a rest there are davenports out there in the cloak room, and nobody objects to your using them, and before you get through with labor legislation you will adopt some of the amendments I have offered.

Mr. COCHRAN. I do not sleep during the day. How about section 22?

Mr. HOFFMAN. Do not bother me. I refuse to yield.

Mr. COCHRAN. How about section 22?

Mr. HOFFMAN. I refuse to yield for the minute. I will yield later.

The point I wanted to talk about was this Apex case. Now, get this, and see what the courts are doing, because you remember that by the time these 8 new judges are appointed, the President will have appointed 50 Federal judges of one kind or another, and some of these decisions are just samples of what is to come. The court up there held when the Apex Co. was proceeded against as being guilty of an unfair labor practice, that the Apex Co. was engaged in interstate commerce. Then when the Apex turned around and sued the union and the employees for destroying its property, the same court, mind you, not a different court, held that they were not engaged in interstate commerce. Just a little shell game with the little black ball interstate commerce? So how can anyone tell whether or not any particular law is constitutional until the court has said so? Now, section 22, that we were talking about, refers to rules and regulations.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield there?

Mr. HOFFMAN. We have had plenty of examples, both in the wage-hour law, in the A. A. A., and in the N. L. R. B., of rules and regulations made by boards and made by officials administering a law that were not fair, that were not just; and yet under this bill as it stands now, a man is subject to fine and imprisonment.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. COCHRAN. That is what I wanted to ask the gentleman. I wanted to know if he were fined as a result of violating these rules and regulations, would he be entitled to a review in the circuit court of appeals under the Logan-Walter bill.

Mr. HOFFMAN. Now, you are winking at the gentleman across the aisle and you thought that was a tricky question, did you not? If we get the Walter-Logan bill or the Logan-Walter bill and it gets through the Senate and the President puts his Hancock on it, then if it becomes a law, you will not have any rules or regulations of the kind the various boards have been handing out, so he could not be convicted, do you not see, if that law goes through, but why now give any more power to one of these boards?

Did the gentleman say he wanted to make a motion that the Committee rise?

My purpose in talking at this time and so long was with the idea that the House leadership would either realize that the bill cannot be passed at this time or that we might continue until enough Members came on the floor to make certain the adoption of the amendments to be proposed by the gentleman from Illinois [Mr. DIRKSEN] and by the gentleman from Massachusetts [Mr. BATES]. Indications are that the votes are now here so that I will no longer hold the floor, and I wish to thank the House for its very courteous consideration. [Applause.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act divided into titles and sections may be cited as the District of Columbia Revenue Act of 1940.

TITLE I—INCOME TAX

This title, divided into sections and paragraphs according to the following table of contents, may be cited as "The District of Columbia Income Tax Act."

Mr. NICHOLS (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that title I be considered as read.

Mr. DIRKSEN. Mr. Chairman, reserving the right to object, I was going to offer this amendment immediately after the reading of section 1.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Mr. DIRKSEN moves to strike out the first section and to substitute for the bill the following, with notice that if the substitute is adopted, he will move to srike out all remaining sections of the bill and insert:

"That (a) section 2 (a) of title II of the District of Columbia Revenue Act of 1939 is amended by striking the words 'domiciled in the District of Columbia on the last day of the taxable year' appearing in lines 2 and 3 thereof.

"(b) Section 4 (a) of title II of said act is amended by inserting the word 'resident' between the words 'of' and 'individuals' appearing in line 1 thereof.

"(c) Section 4 (b) of title II of said act is amended to read as follows:

"'(b) Of corporations and nonresident individuals: In the case of any corporation or a nonresident individual, gross income includes only the gross income from sources within the District. The proper apportionment and allocation of income with respect to sources of income within and without the District may be determined by processes or formulas of general apportionment under rules and regulations prescribed by the Commissioners.'

"(d) Section 4 (c) of title II of said act is amended by adding at the end thereof the following new paragraph:

"'(11) Salaries paid to Justices of the Supreme Court and inferior courts established under article III of the Constitution of the United States; salaries paid to the members of the Cabinet of the President of the United States, and salaries paid to all elective officers of the United States, and to the clerks and secretaries to such elective officers when such clerks and secretaries maintain residence without the District of Columbia.'

"(e) Section 5 (b) of title II of said act is amended by striking out the words 'an individual' in the second line thereof and inserting in lieu thereof the words 'a resident.'

"(f) Section 5 (c) of title II of said act is amended to read as follows:

"'(c) Corporations and nonresident individuals to file return of total income: A corporation or a nonresident individual shall receive the benefits of the deductions allowed to it under this title only by filing or causing to be filed with the assessor a true and accurate return of its total income received from all sources, whether within or without the District.'

"(g) Section 43 of title II of said act is amended by adding the following new paragraph:

"'(22) The word "resident" means an individual domiciled in the District on the last day of the taxable year and every individual who for more than 6 months of the taxable year maintained a place of abode within the District, whether domiciled in the District or not; but any individual who, on or before the last day of the taxable year, changes his place of abode to a place without the District with the bona fide intention of continuing to abide permanently without the District shall be taxable the same as a nonresident is taxable under this title. The fact that a person who has changed his place of abode, within 6 months from so doing, again resides within the District, shall be prima facie evidence that he did not intend to have his place of abode permanently without the District. Every individual other than a resident shall be deemed a nonresident.'

"(h) Title II of said act is amended by adding the following new sections:

"'CREDITS AGAINST TAX

"'SEC. 44. (a) Allowed residents for income tax paid State or Territory: Whenever a resident individual of the District has become

liable for income tax to any State or Territory upon his net income, or any part thereof for the taxable year, derived from sources without the District and subject to taxation under this title, the amount of income tax payable by him under this title shall be credited on his return with the income tax so paid by him to any State or Territory upon his producing to the assessor satisfactory evidence of the fact of such payment: *Provided, however,* That such credit shall not exceed that proportion of the tax payable under section 2 of this title that the portion of taxable income taxed by such State or Territory bears to the total net income of such resident subject to tax under this title. The credit provided for by this section shall not be granted to the taxpayer when the laws of the State or Territory under which the income in question is subject to tax assessment provide for credit to such taxpayer substantially similar to that granted by paragraph (b) of this section.

"'(b) Allowed nonresidents for income tax paid State or Territory: Whenever a nonresident individual of the District has become liable for income tax to the State or Territory where he resides upon his net income for the taxable year derived from sources within the District and subject to taxation under this title, the amount of income tax payable by him under this title shall be credited with such proportion of the tax so payable by him to the State or Territory where he resides as his income subject to taxation under this title bears to his entire income upon which the tax so payable to such other State or Territory was imposed: *Provided,* That such credit shall be allowed only if the laws of said State or Territory (1) grant a substantially similar credit to residents of the District subject to income tax under such laws, or (2) impose a tax upon the personal income of its residents derived from sources in the District and exempt from taxation the personal income of residents of the District. No credit shall be allowed against the amount of the tax on any income taxable under this title which is exempt from taxation under the laws of such other State or Territory.

"'SEC. 45. Information returns: Every person subject to the jurisdiction of the District in whatever capacity acting, including receivers or mortgagors of real or personal property, fiduciaries, partnerships, and employers making payment of dividends, interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other income, shall render such returns thereof to the assessor as may be prescribed by rules and regulations of the Commissioners.

"'SEC. 46. Withholding of tax at source.—Whenever the Commissioners shall deem it necessary in order to satisfy the District's claim for income tax payable by any foreign corporation or person not a resident of the District, they may, by rules and regulations, require any person subject to the jurisdiction of the District to withhold and pay to the collector of taxes an amount not in excess of 5 percent of all income payable by such person to a foreign corporation or nonresident. After such foreign corporation or nonresident shall have filed all returns required under this title, and the same shall have been audited, the collector of taxes shall refund any overpayment to the taxpayer.'

"SEC. 2. The provisions of section 1 of this act shall apply to the taxable year 1939, and succeeding taxable years. In the case of individuals required to file returns and pay income taxes under the District of Columbia Income Tax Act, as amended by section 1 of this act, which individuals were not subject to the provisions of the District of Columbia Income Tax Act as originally enacted, returns for the calendar year 1939, or for a fiscal year ended prior to the date of approval of the act, may be filed and the first half of the tax paid without penalty on or before 60 days after the date of approval of this act."

Mr. DIRKSEN (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the substitute amendment be dispensed with.

Mr. NICHOLS. Mr. Chairman, may I inquire whether the gentleman proposes to offer that amendment as a substitute for all of this bill.

The CHAIRMAN. As I understand, the gentleman from Illinois moves to strike out section 1 and substitute therefor his amendment with notice that in the event the substitute amendment is adoped, the gentleman from Illinois will move that the subsequent sections be stricken.

Is there objection to the request of the gentleman from Illinois that the further reading of the substitute amendment be dispensed with?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, if the members of the Committee will give me their attention for just a moment, I shall do nothing more than merely reemphasize what I have said on other occasions this afternoon.

The bill that is offered by the gentleman from Oklahoma, which is pending before this Committee, has three titles: First, to give the District of Columbia a new income tax in place of the income tax which it has now; second, to give it a sales tax; and third, to repeal the existing income-tax law, which is now on the books and which is working.

This substitute does nothing more than to seek to clarify the provisions of existing law and make them workable and, in substance, here is what it does.

It is the same bill as the one now before the Committee in that it makes the tax applicable to everybody. It is the same as H. R. 8980 now pending.

Second, this substitute amends existing law to define the gross income of nonresidents to include income derived from sources within the District of Columbia.

Third, it defines more nearly what constitutes a resident, namely, one who was domiciled in the District on the last day of the taxable year or one who maintained a place of abode in the District of Columbia for a period of 6 months.

Fourth, it makes specific exemptions of the President, the members of the Cabinet, the members of the Supreme Court and inferior courts, the Members of the House and of the Senate, and the clerks and the secretaries.

May I refresh your recollection with the fact that in title XX, section 756 of the Code of the District of Columbia there was a provision adopted in 1926, which is 14 years ago, in which this Congress exempted the Cabinet officers and the persons in the service of the United States Government elected for a definite term of office, and not to consider them as residents of the District of Columbia for the purpose of taxation on intangible personal property. So there is precedent for the exemption of that group over which there has been controversy before. This amendment makes that exemption specific.

Fifth, it extends to a resident of the District of Columbia a credit for taxes paid in another State where income may be taxable, and where there is no credit or offset.

Sixth, it restores to law a provision which we had in the original income-tax bill, which was stricken out in conference last year on the Senate side, namely, to set up a system of reciprocity whereby if people are taxed in the District of Columbia and at the same time their own local jurisdiction undertakes to tax them, there can be an offset for the amount of taxes that have been paid so as to avoid the possibility of complete triple taxation.

When we talk about double taxation, namely, by the Federal Government and the local jurisdiction, that applies to everybody. You, as Members of Congress are taxed by the Federal Government under the income-tax law. You are also taxed under the new interpretations of law, and under the provisions of the State income tax. Every butcher, baker, candlestick maker is in the same fix. So here we seek to revise it so that there will not be triple taxation. Those, in the main, and in addition some clarifying amendments relating to filing of returns and rules and regulations to be promulgated by the District of Columbia Commissioners will clarify this whole tax situation so that it is not necessary to bring in a new bill, and in addition thereto seek to impose a sales tax on the people of the District of Columbia.

Let me admonish you that this new venture in income taxation which is planned in the pending bill, and which I want to see defeated, starts an income tax on the basis of $10,000 exemption of earned income and $1,000 exemption of unearned income, before the tax applies. As I stated before, so far as the personal-income tax is concerned, we estimated a million dollars for this year, and the returns show over $1,530,000 have already been returned. We are somewhat behind on corporate taxes, because of certain provisions in the law whereby the tax base was reduced, though to answer some questions raised regarding a deficit in taxes, we can raise the real-estate rate if necessary by 10 cents on the hundred, and that will yield $1,200,000. So that there is ample law, there is ample authority, and with this substitute to clarify existing law, we can take this piece of legislation which is doubtful in its value, and which in my judgment has absurdities in it, and throw it to one side. This substitute will do the job.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. NICHOLS. Mr. Chairman, I ask unanimous consent that all debate upon this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. NICHOLS. Mr. Chairman, I rise only to point out to the Members of the House what impresses me as being a rather peculiar situation. The gentleman from Illinois [Mr. DIRKSEN] has complained all afternoon about the $10,000 exemption on earned incomes, and now under the provisions of his substitute he proposes to do the same thing, almost, but by a different method. He now seeks to name who will be exempted. He will exempt Members of Congress, he will exempt members of the judiciary, he will exempt those that he sets out in his amendment, and so, while it does not apply clear through, yet I am surprised that he would exempt them when the matter of exempting the first $10,000 on earned income was so abhorrent to him.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. DIRKSEN. Everyone must know, of course, that Members of Congress are not residents of the District of Columbia. There has been much confusion of thought as to whether or not they are so considered, and to make sure that there can be no doubt about it, this specific amendment is provided in the bill, and there is precedent for it in the law of 1926.

Mr. NICHOLS. I am still surprised that the gentleman, on the one hand, objected to the exemption provided in the bill and then offers a substitute which provides the same thing in another way. Insofar as adding 10 cents to the real-estate tax to raise this money, you can do that. You can raise all of the money to run the District of Columbia against real and personal property if you want to, but at the moment real and personal property in the District of Columbia bears 67 percent of the tax burden. Now, I think there ought to be some encouragement given to the man who is working for $2,000 a year in a Government department to build a little home for his wife and his kiddies, do not you?

I do not know why the necessity for heaping all of the tax burden on somebody's house. I do not think it is good taxing principles. All that we attempt to do in the pending bill is to widen the tax base and make it so broad that taxes can be paid by everyone, so that it will hurt no one. That is all there is to it.

By the Dirksen amendment you simply narrow it and you add to confusion. Whenever you pass an income-tax bill for the District of Columbia that will tax Government employees, practically all of whom are nonresidents, you add to the confusion. Even under the reciprocity provision of the gentleman's amendment, he might save the little girl or boy down here who is working in a Government department trying to get an education in George Washington University, if they happen to come from a State where they had an income-tax law, and had reciprocity, but if they come from a State where there was no income-tax law, then he or she would be paying a tax to the District of Columbia, and a tax to the Federal Government.

There is no other taxing jurisdiction in the United States like this jurisdiction in the District of Columbia. They are practically all nonresidents here. If we are going to collect money to defray the cost of the Government of the District of Columbia, a large portion of that money must be paid by nonresidents. I submit to you, in all fairness, that the best, the easiest, and the most equitable means of raising that money is by a sales tax, with the necessities, food, medicine, and rent, exempted. If that is not equitable and fair, then I have no conception of fairness.

As I stated earlier in the day, under the sales-tax provision of this bill, on the average clear across the whole score from $1,000 to $10,000, they would pay an average of only fifty-two one-hundredths of 1 percent of their gross income.

I trust the amendment is defeated.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The question was taken; and on a division (demanded by Mr. NICHOLS) there were—ayes 54 and noes 41.

Mr. NICHOLS. Mr. Chairman, I ask for tellers.

Tellers were ordered and the Chair appointed Mr. NICHOLS and Mr. DIRKSEN to act as tellers.

The Committee again divided, and the tellers reported there were—ayes 61 and noes 50.

So the amendment was agreed to.

Mr. BATES of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Mr. BATES of Massachusetts moves to strike out the remaining sections of the bill.

Mr. BATES of Massachusetts. Mr. Chairman, this has been quite an extended day and I will only take a moment. I think this is now the crux of the bill against which a great deal of opposition has been leveled this afternoon. The motion I make is to strike out the so-called sales-tax provision of the bill. Those of us who have made a study of the tax situation in the District of Columbia have some idea of what is needed by way of revenue. This is not a new problem to me. I have given a great deal of thought and study to the particular tax situation in the District.

I hold in my hand again, as I did this afternoon, the report from the District auditor which sets up the estimates of expenditures within the District of Columbia for the fiscal year 1940 which closes on the 30th day of June of this year, and the fiscal set-up for the fiscal year 1941. According to this fiscal set-up, if the returns were all in the form of cash from the income and corporate taxes in conformity with the present law, we would have a revenue surplus of $315,000 for the fiscal year of 1940. The only reason that we have this so-called $1,000,000 deficit is because the Congress a few weeks ago changed the income-tax law, which permitted the payment of the personal-income and corporate-income tax in two payments to the District. It so happens that the fiscal year is closing on June 30, and only one-half of the revenue from the tax was included within the estimates for 1940.

The facts are, however, that actually more money was received to date than was in the estimate by the District auditor of the amount of money that would be received from both the personal- and corporate-income taxes. In other words, we have already collected $100,000 in cash more than the auditor estimated in his tabulation would be collected in computing the balance for the fiscal year.

Now, if we have $1,300,000 in addition to that, with a deficit of only $900,000, it seems to me we will at least have a surplus of $300,000 to $400,000 at the end of this fiscal year if the payments were all made before that time. If that is so, why is it necessary to pass this bill and go into other channels to raise revenue by one of the most iniquitous of all taxes—and I think that statement will be agreed to by the tax experts—a tax of last resort, the so-called sales tax, which will yield additional revenue of about $5,000,000? In other words, where is the justification, as we consider the fiscal situation in the District, for raising $5,000,000 more, as this bill will do, than we actually need to run the District?

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. DIRKSEN. I simply want to make it plain to the Committee that the substitute which was adopted a moment ago was conditioned upon making a motion to strike out all subsequent sections of the bill. The amendment now pending, therefore, carries out the earlier action in order to make it consistent.

Mr. BATES of Massachusetts. And it eliminates the sales tax which we do not need. We do not need any other revenue legislation to take care of the fiscal requirements of the District, and the report of the District auditor shows this to be so.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. REES of Kansas. This report contemplates a contribution from the Federal Treasury, however, of from $5,000,000 to $7,000,000, does it not?

Mr. BATES of Massachusetts. It contemplates a continuation of what has been done through many generations, a contribution from the Federal Treasury toward the cost of running the District government. I do not know of anyone who can complain about a just contribution by the Federal Government to the District, particularly in view of the tremendous value of taxable property taken over by the Federal Government and the many services rendered by the District.

[Here the gavel fell.]

Mr. NICHOLS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. NICHOLS. Mr. Chairman, I wish to use a portion of the time.

Mr. Chairman, let me point out to the Members of the House simply that if you send the District into the next fiscal year with a deficit you, not I, will have to be responsible if the Federal contribution is increased by any further sum above the present $6,000,000 to meet that deficit. Not only that, but the District auditor's figures, which my friend used, were compiled in March, he says. I say to you that no later than 2 days ago Major Donovan, the District auditor, told me that in the present situation without further tax legislation there would be a deficit in excess of $1,000,000.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield briefly. I have only 3 minutes.

Mr. BATES of Massachusetts. Does that not assume that the deficit is caused by a split in the payment of the tax?

Mr. NICHOLS. I do not know whether it does or not. All I can tell you is that if we are going to have a $1,000,000 deficit all we want you to do in this bill is to let the people of the District of Columbia tax themselves to pay for their own government, that is all, and not make my constituents down in Oklahoma, by Federal contribution, help pay the cost of a government they never see.

All I want you to do is to let the people who live here and use the protection of the police and fire departments, and the parks, and all the rest, pay the tax. If you adopt the Bates amendment, of course, you will be right back where you were, you will have another straight income-tax law and nothing else; confusion will prevail, and Federal contributions will soar.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. NICHOLS) there were—ayes 49, noes 36.

So the amendment was agreed to.

Mr. NICHOLS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. RAYBURN, having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 8980) to provide revenue for the District of Columbia, and for other purposes, directed him to report the same back to the House with two amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. NICHOLS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. NICHOLS. Mr. Speaker, I am not quite sure about the parliamentary situation. I want a separate vote on the two amendments. If I move the previous question on the bill and the amendments, shall I lose my right to demand a separate vote on the amendment?

The SPEAKER pro tempore. The gentleman does not lose that right by moving the previous question.

Mr. NICHOLS. Mr. Speaker, I move the previous question on the bill and the amendments to final passage.

The previous question was ordered.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment?

Mr. NICHOLS. Mr. Speaker, I demand a separate vote on the Dirksen amendment and on the Bates amendment.

Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. NICHOLS. Is it possible to have a separate vote on these amendments at the same time, en bloc?

The SPEAKER pro tempore. If a separate vote were not demanded, they would be voted on together.

Mr. TABER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. TABER. If the gentleman from Oklahoma withdraws his demand for a separate vote, then the two amendments will be voted on together, would they not?

The SPEAKER pro tempore. That is correct.

Mr. TABER. And that would answer the entire question as to the amendments.

The SPEAKER pro tempore. The Chair made that reply to the gentleman from Oklahoma. If the gentleman from Oklahoma does not demand a separate vote, then both amendments will be voted on together. Does the gentleman from Oklahoma withdraw his request for a separate vote on the amendments?

Mr. NICHOLS. I do, Mr. Speaker.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I demand a separate vote on these amendments.

The SPEAKER pro tempore. The gentleman from Wisconsin demands a separate vote on the amendments.

Mr. SCHAFER of Wisconsin. Mr. Speaker, in order to expedite action and give this bill the kiss of death, I withdraw my request.

The SPEAKER pro tempore. The question is on the amendments.

The question was taken; and on a division (demanded by Mr. NICHOLS) there were—ayes 72, noes 41.

Mr. NICHOLS. Mr. Speaker, I object to the vote on the ground a quorum is not present.

The SPEAKER pro tempore. Obviously a quorum is not present.

The Doorkeeper will close the doors; the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 169, nays 92, answered "present" 1, not voting 168, as follows:

[Roll No. 81]

YEAS—169

Alexander	Cole, N. Y.	Gore	Kee
Allen, Ill.	Collins	Gossett	Keefe
Allen, La.	Cooper	Grant, Ind.	Kefauver
Allen, Pa.	Costello	Griffith	Kilday
Andersen, H. Carl	Courtney	Gwynne	Kitchens
Andresen, A. H.	Cox	Hall, Edwin A.	Kocialkowski
Angell	Crawford	Hancock	Landis
Arends	Crosser	Hare	Lanham
Austin	Crowe	Harness	LeCompte
Bates, Ky.	Crowther	Havenner	Lesinski
Bates, Mass.	Culkin	Hawks	Lewis, Ohio
Beckworth	Curtis	Hess	Luce
Blackney	D'Alesandro	Hinshaw	Ludlow
Bradley, Mich.	Davis	Hoffman	McGregor
Brewster	Dirksen	Holmes	McKeough
Brooks	Dondero	Hook	McLaughlin
Brown, Ohio	Elston	Hope	McLean
Bryson	Engel	Horton	McLeod
Buckler, Minn.	Englebright	Hull	Maas
Byrne, N. Y.	Fernandez	Hunter	Magnuson
Byrns, Tenn.	Fish	Izac	Mahon
Cannon, Mo.	Ford, Leland M.	Jeffries	Marshall
Carlson	Ford, Thomas F.	Jenkins, Ohio	Martin, Iowa
Cartwright	Fulmer	Jennings	Martin, Mass.
Case, S. Dak.	Garrett	Jensen	Mason
Chiperfield	Gathings	Johns	May
Church	Gearhart	Johnson, Ill.	Mills, La.
Clevenger	Gehrmann	Johnson, Okla.	Mott
Coffee, Nebr.	Geyer, Calif.	Jones, Ohio	Mouton
Coffee, Wash.	Gillie	Jonkman	Mundt
Cole, Md.	Goodwin	Kean	Murdock, Ariz.

Murray	Robinson, Utah	Sumner, Ill.	Vincent, Ky.
Norrell	Rogers, Mass.	Sweet	Voorhis, Calif.
O'Brien	Ryan	Taber	Vreeland
Oliver	Sandager	Talle	Welch
Patman	Schafer, Wis.	Terry	Wigglesworth
Pearson	Schiffler	Thill	Winter
Pittenger	Seccombe	Thomas, N. J.	Wolcott
Polk	Secrest	Thomas, Tex.	Wolverton, N. J.
Reece, Tenn.	Shanley	Thomason	Woodruff, Mich.
Reed, Ill.	Spence	Thorkelson	
Reed, N. Y.	Springer	Treadway	
Robertson	Steagall	Van Zandt	

NAYS—92

Anderson, Mo.	Doxey	Lea	Richards
Arnold	Drewry	Lewis, Colo.	Rogers, Okla.
Ball	Duncan	McAndrews	Romjue
Barden	Edmiston	McCormack	Sasscer
Barnes	Elliott	McGehee	Satterfield
Beam	Ellis	McMillan, Clara	Schaefer, Ill.
Bland	Evans	McMillan, John L.	Schuetz
Bloom	Ferguson	Michener	Smith, Va.
Boehne	Folger	Mills, Ark.	Smith, W. Va.
Bolles	Ford, Miss.	Mitchell	South
Boykin	Gibbs	Monroney	Sparkman
Brown, Ga.	Grant, Ala.	Nichols	Tarver
Bulwinkle	Gregory	Norton	Tenerowicz
Burch	Guyer, Kans.	O'Connor	Tinkham
Camp	Harrington	O'Day	Tolan
Casey, Mass.	Harter, Ohio	Pace	Vinson, Ga.
Colmer	Hobbs	Peterson, Fla.	Wadsworth
Cravens	Johnson, Luther A.	Peterson, Ga.	Wallgren
Creal	Johnson, W. Va.	Ramspeck	Weaver
Dempsey	Jones, Tex.	Randolph	West
Dingell	Kennedy, Md.	Rankin	Whittington
Disney	Kerr	Rayburn	Williams, Mo.
Doughton	Kleberg	Rees, Kans.	Zimmerman

ANSWERED "PRESENT"—1

Cochran

NOT VOTING—168

Anderson, Calif.	Edelstein	Knutson	Routzohn
Andrews	Faddis	Kramer	Rutherford
Barry	Fay	Kunkel	Sabath
Barton	Fenton	Lambertson	Sacks
Bell	Fitzpatrick	Larrabee	Schulte
Bender	Flaherty	Leavy	Schwert
Boland	Flannagan	Lemke	Scrugham
Bolton	Flannery	Lynch	Seger
Boren	Fries	McArdle	Shafer, Mich.
Bradley, Pa.	Gamble	McDowell	Shannon
Buck	Gartner	McGranery	Sheppard
Buckley, N. Y.	Gavagan	Maciejewski	Sheridan
Burdick	Geriach	Maloney	Short
Burgin	Gifford	Mansfield	Simpson
Byron	Gilchrist	Marcantonio	Smith, Conn.
Caldwell	Graham	Martin, Ill.	Smith, Ill.
Cannon, Fla.	Green	Massingale	Smith, Ohio
Carter	Gross	Merritt	Smith, Wash.
Celler	Hall, Leonard W.	Miller	Snyder
Chapman	Halleck	Monkiewicz	Somers, N. Y.
Clark	Hart	Moser	Starnes, Ala.
Clason	Harter, N. Y.	Murdock, Utah	Stearns, N. H.
Claypool	Hartley	Myers	Stefan
Cluett	Healey	Nelson	Sullivan
Connery	Hendricks	O'Leary	Sumners, Tex.
Cooley	Hennings	O'Neal	Sutphin
Corbett	Hill	Osmers	Sweeney
Cullen	Houston	O'Toole	Taylor
Cummings	Jacobsen	Parsons	Tibbott
Darden	Jarman	Patrick	Vorys, Ohio
Darrow	Jarrett	Patton	Walter
Delaney	Jenks, N. H.	Pfeifer	Ward
DeRouen	Johnson, Ind.	Pierce	Warren
Dickstein	Johnson, Lyndon	Plumley	Wheat
Dies	Keller	Poage	Whelchel
Ditter	Kelly	Powers	White, Idaho
Douglas	Kennedy, Martin	Rabaut	White, Ohio
Dunn	Kennedy, Michael	Rich	Williams, Del.
Durham	Keogh	Risk	Wolfenden, Pa.
Dworshak	Kilburn	Robsion, Ky.	Wood
Eaton	Kinzer	Rockefeller	Woodrum, Va.
Eberharter	Kirwan	Rodgers, Pa.	Youngdahl

So the amendments were agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Gamble (for) with Mr. Warren (against).

General pairs:

Mr. Cochran with Mr. Gifford.
Mr. Rabaut with Mr. Carter.
Mr. Keller with Mr. Rich.
Mr. Starnes of Alabama with Mr. Short.
Mr. Poage with Mr. Gartner.
Mr. Patton with Mr. Eaton.
Mr. Maloney with Mr. Halleck.
Mr. Keogh with Mr. Jenks of New Hampshire.
Mr. Hennings with Mr. Knutson.
Mr. Gavagan with Mr. McDowell.
Mr. Flannagan with Mr. Powers.
Mr. Martin J. Kennedy with Mr. Robsion of Kentucky.
Mr. Faddis with Mr. Plumley.
Mr. Dies with Mr. Stefan.
Mr. Delaney with Mr. Barton.
Mr. Patrick with Mr. Andrews.
Mr. Cooley with Mr. Cluett.
Mr. Michael J. Kennedy with Mr. Wolfenden of Pennsylvania.
Mr. O'Leary with Mr. Rockefeller.
Mr. Clark with Mr. Osmers.
Mr. Cullen with Mr. Miller.
Mr. Nelson with Mr. Kilburn.
Mr. Caldwell with Mr. Hartley.
Mr. Boland with Mr. Ditter.
Mr. Boren with Mr. Corbett.
Mr. Celler with Mr. White of Ohio.
Mr. Chapman with Mr. Tibbott.
Mr. Maciejewski with Mr. Clason.
Mr. Cannon of Florida with Mr. Rutherford.
Mr. Pfeifer with Mr. Douglas.
Mr. O'Neal with Mr. Graham.
Mr. DeRouen with Mr. Bolton.
Mr. Claypool with Mr. Anderson of California.
Mr. Parsons with Mr. Vorys of Ohio.
Mr. Buck with Mr. Burdick.
Mr. McGranery with Mr. Smith of Ohio.
Mr. Cummings with Mr. Lambertson.
Mr. Fitzpatrick with Mr. Kunkel.
Mr. Sheridan with Mr. Harter of New York.
Mr. Hart with Mr. Leonard W. Hall.
Mr. Sullivan with Mr. Bender.
Mr. Woodrum of Virginia with Mr. Youngdahl.
Mr. Darden with Mr. Simpson.
Mr. Lyndon B. Johnson with Mr. Wheat.
Mr. Ward with Mr. Risk.
Mr. Flaherty with Mr. Rodgers of Pennsylvania.
Mr. Sheppard with Mr. Monkiewicz.
Mr. Pierce with Mr. Kinzer.
Mr. Fay with Mr. Johnson of Indiana.
Mr. Eberharter with Mr. Gross.
Mr. Larrabee with Mr. Williams of Delaware.
Mr. Kirwan with Mr. Stearns of New Hampshire.
Mr. Jarman with Mr. Lemke.
Mr. O'Toole with Mr. Dworshak.
Mr. Schwert with Mr. Darrow.
Mr. Walter with Mr. Gerlach.
Mr. Somers of New York with Mr. Jarrett.
Mr. Hill with Mr. Gilchrist.
Mr. Edelstein with Mr. Routzohn.
Mr. Sutphin with Mr. Seger.
Mr. Connery with Mr. Shafer of Michigan.
Mr. Massingale with Mr. Marcantonio.
Mr. Bell with Mr. McArdle.
Mr. Byron with Mr. Myers.
Mr. Schulte with Mr. Durham.
Mr. Green with Mr. Smith of Illinois.
Mr. Houston with Mr. Sweeney.
Mr. Smith of Connecticut with Mr. Moser.
Mr. Lynch with Mr. Sumners of Texas.
Mr. Scrugham with Mr. Merritt.
Mr. Healey with Mr. Snyder.
Mr. Jacobsen with Mr. Leavy.
Mr. Wood with Mr. Kramer.
Mr. Sabath with Mr. Murdock of Utah.
Mr. Bradley of Pennsylvania with Mr. Dickstein.
Mr. Kelly with Mr. Hendricks.
Mr. Mansfield with Mr. Sacks.
Mr. Taylor with Mr. Flannery.
Mr. Burgin with Mr. Barry.
Mr. Buckley of New York with Mr. Smith of Washington.
Mr. Martin of Illinois with Mr. Whelchel.

Messrs. FISH, GARRETT, MOUTON, FULMER, BROOKS, and NORRELL changed their votes from "nay" to "yea."

The doors were opened.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. NICHOLS) there were—yeas 48, noes 78.

Mr. NICHOLS. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER pro tempore. Evidently there is not a quorum present.

Mr. DIRKSEN. Mr. Speaker, a point of order. It occurs to me that there is a quorum in the Chamber.

The SPEAKER pro tempore. The Chair has just counted 176 Members.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 113, nays 140, answered "present" 1, not voting 176, as follows:

[Roll No. 82]

YEAS—113

Alexander	Engel	Jenkins, Ohio	Polk
Allen, Pa.	Englebright	Jennings	Reece, Tenn.
Andersen, H. Carl	Fernandez	Jensen	Reed, Ill.
Andresen, A. H.	Fish	Johnson, Ill.	Reed, N. Y.
Angell	Ford, Leland M.	Jones, Ohio	Robertson
Arends	Ford, Thomas F.	Jonkman	Robinson, Utah
Austin	Gearhart	Kean	Rogers, Mass.
Bates, Mass.	Gehrmann	Keefe	Sandager
Blackney	Geyer, Calif.	Landis	Schafer, Wis.
Bradley, Mich.	Gillie	LeCompte	Schiffler
Brewster	Goodwin	Lewis, Ohio	Seccombe
Brooks	Grant, Ind.	Luce	Springer
Brown, Ohio	Griffith	Ludlow	Steagall
Bryson	Guyer, Kans.	McGregor	Sweet
Buckler, Minn.	Gwynne	McLean	Taber
Carlson	Hall, Edwin A.	McLeod	Talle
Case, S. Dak.	Hancock	Maas	Thill
Chiperfield	Harness	Magnuson	Thorkelson
Church	Havenner	Martin, Iowa	Treadway
Clevenger	Hawks	Martin, Mass.	Van Zandt
Coffee, Wash.	Hess	Michener	Voorhis, Calif.
Cole, N. Y.	Hinshaw	Mills, La.	Vreeland
Costello	Hoffman	Mott	Welch
Crowe	Holmes	Mundt	Wigglesworth
Culkin	Horton	Murray	Winter
Curtis	Hull	O'Brien	Woodruff, Mich.
Dirksen	Hunter	O'Day	
Dondero	Izac	Oliver	
Elston	Jeffries	Pittenger	

NAYS—140

Allen, La.	Drewry	Lanham	Rogers, Okla.
Arnold	Duncan	Lea	Romjue
Ball	Edmiston	Lesinski	Sasscer
Barden	Elliott	Lewis, Colo.	Satterfield
Barnes	Ellis	McAndrews	Schaefer, Ill.
Bates, Ky.	Evans	McCormack	Schuetz
Beam	Fitzpatrick	McGehee	Secrest
Beckworth	Folger	McKeough	Shanley
Bland	Ford, Miss.	McLaughlin	Shannon
Bloom	Fulmer	McMillan, Clara	Smith, Va.
Boykin	Garrett	McMillan, John L.	Smith, W. Va.
Brown, Ga.	Gathings	Mahon	South
Bulwinkle	Gibbs	May	Sparkman
Burch	Gore	Mills, Ark.	Spence
Byrne, N. Y.	Gossett	Mitchell	Sumner, Ill.
Byrns, Tenn.	Grant, Ala.	Monroney	Sumners, Tex.
Camp	Gregory	Mouton	Tarver
Cartwright	Hare	Murdock, Ariz.	Tenerowicz
Coffee, Nebr.	Harrington	Nichols	Terry
Cole, Md.	Harter, Ohio	Norrell	Thomas, N. J.
Collins	Hobbs	Norton	Thomas, Tex.
Colmer	Hook	O'Connor	Thomason
Cooper	Johnson, Luther A.	Pace	Tinkham
Courtney	Johnson, Okla.	Parsons	Tolan
Cox	Johnson, W. Va.	Patman	Vincent, Ky.
Cravens	Jones, Tex.	Pearson	Vinson, Ga.
Crawford	Kee	Peterson, Fla.	Wadsworth
Creal	Kefauver	Peterson, Ga.	Wallgren
Crosser	Kennedy, Md.	Pierce	Weaver
D'Alesandro	Kerr	Ramspeck	West
Davis	Kilday	Randolph	Whittington
Dempsey	Kitchens	Rankin	Williams, Mo.
Dingell	Kleberg	Rayburn	Wolcott
Doughton	Kocialkowski	Rees, Kans.	Wolverton, N. J.
Doxey	Kramer	Richards	Zimmerman

ANSWERED "PRESENT"—1

Cochran

NOT VOTING—176

Allen, Ill.	Clason	Ferguson	Jarrett
Anderson, Calif.	Claypool	Flaherty	Jenks, N. H.
Anderson, Mo.	Cluett	Flannagan	Johns
Andrews	Connery	Flannery	Johnson, Ind.
Barry	Cooley	Fries	Johnson, Lyndon
Barton	Corbett	Gamble	Keller
Bell	Crowther	Gartner	Kelly
Bender	Cullen	Gavagan	Kennedy, Martin
Boehne	Cummings	Gerlach	Kennedy, Michael
Boland	Darden	Gifford	Keogh
Bolles	Darrow	Gilchrist	Kilburn
Bolton	Delaney	Graham	Kinzer
Boren	DeRouen	Green	Kirwan
Bradley, Pa.	Dickstein	Gross	Knutson
Buck	Dies	Hall, Leonard W.	Kunkel
Buckley, N. Y.	Disney	Halleck	Lambertson
Burdick	Ditter	Hart	Larrabee
Burgin	Douglas	Harter, N. Y.	Leavy
Byron	Dunn	Hartley	Lemke
Caldwell	Durham	Healey	Lynch
Cannon, Fla.	Fenton	Hendricks	McArdle
Cannon, Mo.	Dworshak	Hennings	McDowell
Carter	Eaton	Hill	McGranery
Casey, Mass.	Eberharter	Hope	Maciejewski
Celler	Edelstein	Houston	Maloney
Chapman	Faddis	Jacobsen	Mansfield
Clark	Fay	Jarman	Marcantonio
Marshall	Pfeifer	Scrugham	Sutphin
Martin, Ill.	Plumley	Seger	Sweeney
Mason	Poage	Shafer, Mich.	Taylor
Massingale	Powers	Sheppard	Tibbott
Merritt	Rabaut	Sheridan	Vorys, Ohio
Miller	Rich	Short	Walter
Monkiewicz	Risk	Simpson	Ward
Moser	Robsion, Ky.	Smith, Conn.	Warren
Murdock, Utah	Rockefeller	Smith, Ill.	Wheat
Myers	Rodgers, Pa.	Smith, Ohio	Whelchel
Nelson	Routzohn	Smith, Wash.	White, Idaho
O'Leary	Rutherford	Snyder	White, Ohio
O'Neal	Ryan	Somers, N. Y.	Williams, Del.
Osmers	Sabath	Starnes, Ala.	Wolfenden, Pa.
O'Toole	Sacks	Stearns, N. H.	Wood
Patrick	Schulte	Stefan	Woodrum, Va.
Patton	Schwert	Sullivan	Youngdahl

So the bill was rejected.

The Clerk announced the following pairs:

Mr. Warren (for) with Mr. Gamble (against).

Additional general pairs:

Mr. Cannon of Missouri with Mr. Johns.
Mr. Boehne with Mr. Kunkel.
Mr. Wood with Mr. Mason.
Mr. Casey of Massachusetts with Mr. Allen of Illinois.
Mr. Anderson of Missouri with Mr. Bolles.
Mr. Disney with Mr. Crowther.
Mr. Ferguson with Mr. Kinzer.
Mr. Lynch with Mr. Vorys of Ohio.
Mr. Ryan with Mr. Fenton.
Mr. Fries with Mr. Hope.

Mr. MOUTON changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. NICHOLS. Mr. Speaker, this completes the District legislation for the day.

INTERSTATE MIGRATION OF DESTITUTE CITIZENS

Mr. LEWIS of Colorado. Mr. Speaker, I submit a privileged resolution, House Resolution 63, and ask its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 63

Resolved, That the Speaker appoint a select committee of five Members of the House, and that such committee be instructed to inquire into the interstate migration of destitute citizens, to study, survey, and investigate the social and economic needs, and the movement of indigent persons across State lines, obtaining all facts possible in relation thereto which would not only be of public interest but which would aid the House in enacting remedial legislation. The committee shall report to the House, with recommendations for legislation, and shall have the right to report at any time.

That said select committee, or any subcommittee thereof, is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee, or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States (U. S. C., title 2, sec. 192).

Mr. TOLAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TOLAN: Page 1, line 11, after the period, add the following: "In the event the committee transmits its report at a time when the House is not in session, a record of such transmittal shall be entered in the proceedings of the Journal and CONGRESSIONAL RECORD of the House on the opening day of the next session of Congress and shall be numbered and printed as a report of such Congress."

Mr. SCHAFER of Wisconsin. Mr. Speaker, I make the point of order that a quorum is not present. This is an important matter to be considered with a handful on the floor.

The SPEAKER pro tempore. The gentleman may make his point of order without the criticism. The present occupant of the chair has consulted with everybody he thought it was necessary to consult with, and certainly the gentleman from Massachusetts [Mr. MARTIN], and the Chair understood that this is a matter in which every Member from the State of

California, Republican or Democrat, is vitally interested. If the gentleman from Wisconsin wishes to insist on his point of order, however, that is his right.

Mr. SCHAFER of Wisconsin. I withdraw the point of order, Mr. Speaker, but I hope the resolution, which is a wide, sweeping one, will be thoroughly discussed.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman from California explain his amendment and the resolution?

Mr. TOLAN. Mr. Speaker, the purpose of the resolution is simply to have a congressional committee of 5 appointed to investigate the migrant problem in the United States. In the 150 years of our experience we have never had such an investigation. There are 27 agencies now that have been pecking away at the problem. The American Bar Association, the American Federation of Labor, the Russell Sage Foundation, the leading newspapers of the United States, former President Hoover, and Mrs. Roosevelt have all endorsed this investigation, saying it is the only way to go about it to get the facts on the basis of which we can possibly draft remedial legislation.

Mr. MARTIN of Massachusetts. As I understand, this is a unanimous report from the Committee on Rules?

Mr. TOLAN. Yes.

Mr. MARTIN of Massachusetts. It is favored by every Member of the House from the State of California?

Mr. TOLAN. Yes; Republicans and Democrats.

Mr. MARTIN of Massachusetts. This is a tremendously important problem, and I hope the resolution will be agreed to.

Mr. COCHRAN. Does the gentleman say this is a unanimous report from the Committee on Rules?

Mr. TOLAN. As far as I know; yes.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. TOLAN. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Did I correctly understand from the reading of the resolution that it includes a provision that any citizen of the United States may be sent to jail for refusing to answer a question propounded by this committee?

Mr. TOLAN. I do not understand that this provision is different from similar provisions in other resolutions of this character, I may say to the distinguished gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. It would be a pretty stringent penalty for refusing to answer a question.

Mr. MARTIN of Massachusetts. Is not this the normal provision in resolutions of this kind?

Mr. GEYER of California. It is exactly what is in the resolution providing for the Dies committee, and all the rest of such resolutions.

Mr. TOLAN. It is the usual form.

Mr. LESINSKI. Mr. Speaker, will the gentleman yield?

Mr. TOLAN. I yield to the gentleman from Michigan.

Mr. LESINSKI. Will this committee investigate migratory labor moving from one plant to another and from one State to another?

Mr. TOLAN. There are 2,000,000 people in the United States who annually go from State to State. They are jobless and they are Stateless. We are trying to make an investigation that will at least give them some sort of a status in this country. They are the best people in this country. We have residential laws in one State that are different from those in another. Last year New York paid out $3,000,000 on nonresidents in their State alone, and they are trying to deport them up there.

Mr. LESINSKI. What I am interested in is the condition in some of our automobile plants in Michigan. A lot of labor comes from other States and takes the jobs of the men who live in a particular town and pay taxes there. Especially the Ford Motor Co. does this. The question is, Will this committee investigate that type of migratory labor?

Mr. TOLAN. It should investigate to this extent, to see where these people can get jobs and where they cannot, and try to keep them home.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. TOLAN. I yield to the gentleman from Georgia.

Mr. COX. The gentleman knows that I am not particularly interested in the bill, yet I appreciate the statement the gentleman made before the Rules Committee and the importance of the whole problem. The gentleman, however, is making commitments which, if carried out, would mean that this will be an ambitious sort of investigation.

Mr. TOLAN. Well, not so much, I believe.

Mr. COX. I understood from the gentleman and others appearing along with him that this investigation ought to be carried through with an expenditure of not exceeding $10,000.

Mr. TOLAN. Twenty-five thousand dollars, and I may say that we have the reports and there will not be any extensive hearings at all and we should keep it within that amount and we will make it less, if possible. There will be no expensive investigation whatsoever.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. TOLAN. I yield.

Mr. MARTIN of Massachusetts. As I understand, the gentleman is mostly interested in his problem in California.

Mr. TOLAN. Yes; and we take in all the other States, too.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. TOLAN. I yield.

Mr. SCHAFER of Wisconsin. And I ask this question in all seriousness——

Mr. TOLAN. I know that.

Mr. SCHAFER of Wisconsin. The gentleman does not propose to investigate in Mexico as well as the United States, as the Dies committee is going to do, according to recent announcements appearing in the press?

Mr. TOLAN. I do not know anything about going down into Mexico. I am quite sure we will approach the problem fairly sensibly and conservatively, and I think we can even satisfy the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. And you will give due respect to the constitutional rights of the witnesses and not try to throw them into jail for not answering questions which have no bearing on the issue?

Mr. TOLAN. I will do my very best.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. TOLAN. Yes.

Mr. HOFFMAN. While this investigation is going on, do you expect, in California, to continue your advertising of your climate and the desirability of living there?

Mr. COX. Do not commit him on that.

Mr. HOFFMAN. No; that is a serious proposition. There is no use of trying to keep the people from going out there if they are going to direct a campaign to get them in.

Mr. TOLAN. I will say to the gentleman from Michigan that, of course, we will tell about our climate, just as Florida does, and just as Michigan about its automobile factories.

Mr. HOFFMAN. We are not asking anybody to take care of the folks in need there.

Mr. TOLAN. When you do, we will try to help you out, Clare.

Mr. HOFFMAN. That may be true, but I do not think it is fair to the rest of the country to coax them in, and then ask the rest of the country to pay after you get them out there.

Mr. TOLAN. Mr. Speaker, by calling up House Resolution 63 this afternoon, we are serving notice upon the Nation that Congress feels that we have a direct interest in any mass movement of our population.

Should the Speaker be authorized by this resolution to name five members of the House to study and recommend legislation relative to interstate migration, their immediate

concern would be to ease the burden upon States and communities of destination of what is termed the "removal migrant." In other words we are interested in families in search of new homes, in America's roadside population, in human erosion in the Dust Bowl, and in the 350,000 homes on the move at this moment—victims of drought, depression, and mechanized farming.

We are not interested in the "bindle stiff," the congenital hobo, only insofar as he adds to the confusion and the dislocation of national relief standards.

MILLIONS ON THE MOVE

Every year 2,000,000 of our citizens cross State lines in search of employment. For the most part they know nothing of our so-called settlement laws which require a period of residence of from 6 months to 5 years in the various States before they can qualify for county, State, and Federal relief. They travel in search of opportunity through Atlanta, Baltimore, Philadelphia, New York, Detroit, Cleveland, Chicago, Denver, El Paso, Los Angeles, Portland. Mostly they travel West—instinctively following the line of travel which began 500 years ago in Europe.

OBJECTS OF THE INVESTIGATION

Congress ought to know what is causing the present wave of unprecedented migration of agricultural families, and what are the reasons that they remain cut off from the land.

Congress ought to know what is the best and most practical way to anchor families to the soil in the light of existing conditions, and also how to stabilize industrial employment over a greater number of months in each year.

Congress ought to know the sources of and the ultimate destination of our great uncontrolled population movement.

Congress ought to have a full knowledge of the provisions for relief, education, housing, health, and resettlement of nonresident families in every State, and the Federal relief allocation should be made in conformity with a program which would be integrated with State and local aid.

Congress ought to know when the destitute condition of American families is the result of circumstances completely beyond their control.

HOPE IN RECLAMATION PROJECTS

Congress ought to know if the opportunities for resettlement on irrigated land made available by the great western reclamation projects will be opportunities for our families in the greatest need; if these projects will provide self-supporting status for families now almost permanent public charges, and thus decrease public relief expenditures.

Congress ought to know why 24 separate Federal agencies are attempting to cope with problems of migration and what are the needs for additional legislative authority to coordinate their programs.

DO HIGH RELIEF PAYMENTS DRAW INDIGENTS?

Many authorities on the subject of the migration of destitute families are convinced that high relief allocations have been a magnet drawing indigents to particular States. If that be true, Congress should work with New York, Pennsylvania, California, Illinois, New Hampshire, Massachusetts, Rhode Island, Connecticut—the States now granting the largest sums—to the end that their standards will not be driven to the lower levels which are the best effort possible in neighboring States.

While it is true that the Farm Security Administration has granted 800,000 farm families rehabilitation loans, we have 500,000 additional farm families needing this kind of help. One hundred and twenty thousand of these families are in the 5 States from which most of the California migrants have come—Oklahoma, Texas, Arkansas, Kansas, and Missouri. We know that they are prolific sources of migration. Many of the citizens of these States are now bound to the land only by the ties of poverty. Certainly we can direct their movement better than toward California where the great central valleys are now filled with Midwestern farmers looking for work—in some areas 6 men stand in the fields today for every available job.

THE TRAGEDY IN MECHANIZED FARMING

The Department of Agriculture estimates that it requires 1,600,000 less farm workers today than in 1929 to meet the visible foreign and domestic demand for farm products. But instead of less workers there are more. With urban unemployment, the rapidly growing rural population has backed up on the farms.

Even without the production of the mechanical cotton picker, mechanization is rapidly pushing more families off the land. The accumulated pressures threaten a mass migration far beyond anything America has ever seen. With no frontiers to conquer, no unfilled jobs in industry, such a migration would present welfare and relief problems more troublesome by far than those now facing us.

FEDERAL COOPERATION WITH STATES

Mr. Speaker, the primary objective of the proposed committee would be to work out a procedure whereby the Federal Government could more effectively assist States and communities to give emergency assistance to the nonresident, and work with public and private organizations toward permanent settlement and a rebirth of economically sound community life in the United States.

Are our problems even more complicated because of the conflicting local laws relating to citizenship, migration, homesteading, and relief? Is it possible to seek out and eliminate some of these problems in advance? Is there anything the Federal Government can do to forestall or soften the effects of interstate migration?

MOBILE LABOR RESERVOIRS

From 1930 to 1936 the flow of persons from farm to city has been estimated at over 1,250,000 persons a year. In addition, in agriculture, lumbering, construction, canning and packing, and in shipping, there are large numbers of casual migratory workers who, because of intermittent employment and low earnings, are apt to become periodic public charges. The total number involved and the number of destitute families has never been measured.

Should migration be stopped? Virtually every authority and student of migration agrees that in terms of the individual, the local community, the State, and the Nation continuing migration is necessary and desirable for fullest social and economic development.

FRICTION BETWEEN MIGRANT AND COMMUNITY

It must be apparent from the meager available figures that the great bulk of migration is healthy, but that during periods of depression and partial recovery there is a resultant friction between the destitute migrant and the community that leads to the following types of problems: (1) Competition for jobs; (2) health, with 10 States having no provisions for even emergency aid; (3) housing; (4) education, some tax rates in communities of destination have had a school-district increase of 400 percent; (5) family and child welfare, the normal resident care hopelessly inadequate; (6) prevention of delinquency, migrants being "Oakies" and "Arkies" or "outsiders," are excluded from the normal and better community relationships; (7) civil liberties; (8) social and community programs of culture and recreation are not available.

PROBLEM IS NATION-WIDE

Mr. Speaker, while the problem is admittedly national, and very little is known of its many sources, we do know that the old Cotton Belt, the southern Appalachian coal plateau, the Great Plains, and the cut-over region of the Great Lakes, provide a good future supply of migrants. It is estimated that under our present lack of employment opportunity in these areas that about 10,000,000 families will need to move somewhere else to eke out bare subsistence. I do not believe that Congress can make such a movement painless to the communities they move into, but I do believe that we can do a great deal not to complicate the movement when it gets even heavier than it is today.

DISARRANGED HUMAN RELATIONSHIPS

In the not too distant future industrialized farming is going to move inland from the great farm factories of the Pacific coast. Under a system of skilled foremen, gang labor, piece

rates, recruiting by labor contractors, the traditional relations between the farmer and the hired man does not exist. Work is irregular, and the workers will mill about from crop to crop. The average earnings per family now on the Pacific coast totals less than $400 a year. Some one has to make up the difference when that family uses up its reserve in the off-season months. Will the county in which the roving farm family stops have to take the full burden? That is a question which only the State and the Federal Government can answer after a thorough investigation of the true responsibility which should fall upon each.

Homeless piece workers in American agriculture will make for class warfare. Mrs. Roosevelt and former President Herbert Hoover are urging the resettlement of these people upon small plots of land where pride of ownership will lead them to have a stronger sense of community responsibility. But can this be soundly advocated until we have appraised the success of the resettlement efforts of the Federal agencies from an independent and critical viewpoint?

TROUBLE SPOTS IN INTERSTATE MIGRATION

In Colorado today we have trouble with the sugar-beet worker; in Georgia, problems with fruit, truck, and berry-worker migration; in Illinois, with Chicago as the vortex of the movement of large numbers of seasonal workers, 4,000 single transients and 1,500 families registering every day, woodsmen, industrial, and agricultural workers meet in search of work, piling up on each other from east and west. In Indiana tomato harvesting and canning attracts too many workers, who stay too long. In Michigan sugar beets, berries, soft fruits, and vegetables are the crops in which most migrants seek work. In Mississippi tomato and cotton pickers work on into Florida. In Missouri the movement is northward and westward between crops, with a serious Negro indigent problem in St. Louis. New Mexico, in the flow of traffic from east to west, annually needs five or six thousand nonresidents to harvest its own cotton, broomcorn, and peas; yet the State treasury is not able to support the workers for the balance of the year. In New York the State Department of Social Welfare estimates that it cost $3,000,000 last year to support nonresidents. In North Carolina the number of seasonal hands has been estimated at 20,000 to 30,000 annually. The situation in Texas is worse than in California, but there the problem is aggravated by a serious intrastate problem in addition to an annual flood of cotton pickers, onion setters and pullers from adjoining States. Virginia is disturbed by the flow of harvest workers from Florida to up-State New York.

Outside of these few scanty conclusions, we know nothing about the cost, the treatment, or any proposed remedies to alleviate the wasteful effects of these trouble spots in interstate migration.

THE F. S. A. CAMP PROGRAM

During the present fiscal year the Farm Security Administration has made available temporary housing in 7 States with its 26 stationary and 6 mobile camps. We have estimated that there are about 350,000 farm families living on the highways; 1,432 tent platforms, 749 shelters, and 166 labor homes are certainly never going to make an appreciable dent in the housing of these families.

Mr. Speaker, everywhere I have turned in my search for possible solutions to this problem I have met the necessity for facts. California counted the migrants crossing her border in automobiles in search of manual labor. In a little over 4 years they counted over 350,000 persons. But they did not count the migrants that left California. The Bureau of Agricultural Economics reports that 47 percent of these people ultimately found their way into Los Angeles County, and most of them that have been in the State over a year are on the relief rolls. San Francisco and Alameda Counties have absorbed about three-fourths of the balance—Alameda County getting the largest share.

AUTHORITIES CALL FOR CONGRESSIONAL ACTION

What can an investigating committee hope to accomplish? We can make some definite recommendations as to the most valuable suggested solution of the 27 principal recommendations made to date by the experts on this subject. Dr. Paul Taylor, of the University of California, puts it this way:

> We need comprehensive congressional action. We need Federal aid to the States for general assistance, as we now give Federal aid for the aged, blind, and dependent children. This is necessary to diminish relief differentials between States of origin and States of destination, to equalize responsibility between them, and to care more surely and decently for families who seek opportunity by migration.

Again he says:

> We know that continued or recurring agricultural depression or drought threatens the precarious foothold of many who still cling to the land. We know that more tractors were sold in 1937 than were in use on all the farms of the country in 1920, and read in our magazines of more and better machines soon to reach the market. By their very efficiency and advantage to some Americans on the land they spell tragedy for others. Surely the urgency of a national effort of first magnitude is not concealed by our lack of statistics.

A serious effort to obtain the facts by a thorough national study of this problem has the endorsement of the American Federation of Labor, the American Bar Association, the National Travelers Aid Association, the Russell Sage Foundation, the Secretary of Agriculture, the leading magazines and newspapers, every student of the problem, and practically every social-service agency, public and private, in the country. A special committee appointed by the President recommended such a study last year.

CAN THE STATES SOLVE THE PROBLEM BY JOINT ACTION?

Mr. Speaker, the Constitution—article I, section 10, clause 3—provides that—

> No State shall, without the consent of Congress * * * enter into any agreement or compact with another State.

It is my hope that the proposed committee study will provide the Congress with standards by which any agreements between the States as to the transfer of indigents may be examined in the light of its effect upon the whole Nation.

The so-called Uniform Transfer of Dependents Act which is presently being urged upon several State legislatures is no more than an interstate compact within the meaning of the above-quoted section of the Constitution. It seems apparent that Congress should have facts at hand which are the result of independent study before it undertakes to approve or disapprove action which the dictates of necessity now forces upon the States.

IS ANY TYPE OF STATE ACTION AFFECTING MIGRATION CONSTITUTIONAL

Under the doctrine of the *Lottery Cases* (188 U. S. 321); *Cammenetti* v. *United States* (242 U. S. 470); *Hoke* v. *United States* (227 U. S. 308); and *Hague* v. *C. I. O.* (307 U. S. 496); it would appear that trade and business are not necessary elements in the traffic of persons in the channels of interstate commerce to bring the subject matter within the exclusive Federal power to act in that sphere. That being true, no State statute can affect the travel of an American citizen from State to State in search of employment. Appeals upon constitutional grounds of the infringement of the right of citizens to freedom of movement and selection of their place of residence by State statutes are now in the courts in two States. Chirillo against State, New York Courts of Appeals; and People against Ochoa, Superior Court of California in and for the County of Tulare. If the proposed congressional investigation committee determines that the New York statute which seeks to deport an indigent migrant and family back to Ohio affects interstate commerce; and the California statute which gives the migrant the alternative choice of departure or 6 months in jail affects a constitution guaranty of freedom of movement within our sovereignty, the necessity for action still is not solved. Should the courts determine that the States do not have the power to act, is there any alternative but the conclusion that it is the responsibility of the Congress to exercise its exclusive power in an effort to alleviate the hardship and regulate the movement of persons? Migration has always been a normal, healthy, and valuable safety valve in American economy. Are we going to allow the lack of an intelligent approach to the problem lead us

more deeply into the morass of wasteful movement of population which is the characteristic of our day?

STATES MUST DRAW ON FEDERAL RESOURCES

When the Thirteen Original States joined the Union and surrendered their power to the Federal Government to control the movement of persons and goods across their borders, they certainly did not expect that their citizens would be led into bankruptcy at some future date by the flow of poverty-stricken families from other States—good solid American families that must be fed, clothed, and housed, but which are refugees from the dislocated economy of certain blighted areas. They placed their trust in the resources of the Union, and every State which has since been brought into that Union feels the same sense of security. I do not believe that the Congress will throw up its hands and refuse to act.

I believe that after study and a well-considered definition of the national responsibility, assistance will be given within the limits of that responsibility. But first we must have the true picture based upon an independent search for the facts. I, therefore, urge the House to act favorably on House Resolution 63, so that we may be prepared to make recommendations to the various legislative committees of the House at the next Congress.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California [Mr. TOLAN].

The amendment was agreed to.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to have printed in the RECORD letters addressed by me to Colonel Fleming, Administrator of the Wage and Hour Division, his replies, and a comparison of the Labor Committee amendments to the wage and hour bill, the Barden and the Ramspeck amendments, and also an analysis of how these various bills affect industry in our respective States.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. SUTPHIN, for 3 days, on account of death in family.

To Mr. HENNINGS, for 5 days, on account of important business in his district.

To Mr. SHEPPARD, at the request of Mr. THOMAS of Texas, indefinitely, on account of illness.

To Mr. JOHNSON of Indiana, for 1 week, on account of serious illness in his family.

To Mr. KELLER, for 1 week, on account of taking his wife home to Illinois.

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a part of a speech by Chief Justice Hughes, as well as an editorial from the St. Louis Post-Dispatch.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a letter signed by John E. Yerxa, president of the Boston Stock Exchange, to Jerome Frank, of the Securities and Exchange Commission, and a copy of a letter I sent to Mr. Frank and a copy of his reply received from Mr. Frank in relation to a very unwise policy of the New York Stock Exchange.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KITCHENS. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter and the reply thereto in connection with the Wheeler-Lea bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent on behalf of the gentleman from Missouri [Mr. ANDERSON] that he may extend his remarks in the Appendix.

The SPEAKER pro tempore. Is there objection?

There was no objection.

MIGRANTS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for half a minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I rise to express my gratitude to the House for the action taken on this Tolan resolution. One of the great problems that our country faces today is the problem of homeless people seeking new homes elsewhere. It is well for us to get the facts regarding this matter, and I believe that through this investigation we may be able to do that job.

I ask unanimous consent to extend my remarks in the Appendix on two different subjects.

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix by including a decision of the Supreme Court rendered today in the suit of the Federal Government against the City and County of San Francisco, to enjoin the sale of Hetch-Hetchy power.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PRESERVE PEACE FOR THE UNITED STATES

Mr. THILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. THILL. Mr. Speaker, the overwhelming majority of the people in the world want to live in peace. They want to give their energy to the arts and sciences, to agriculture and manufacturing, that they may enjoy life by creating and building. They do not want to produce military planes, bombs, machine guns, poison gas, and cannon for the destruction of property and human beings. They believe, as did the signers of the Declaration of Independence, "that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness." People crave that peace which will give them a common opportunity to live in security—to maintain and rear their families—to guarantee for themselves and their children the right to live as God had intended them to live, in peace and love for one another. But today, many parts of the world are at war. Men of supposedly civilized nations are striving with all the cunning they can command to kill one another. It seems that the world has forgotten Christ's message of love, peace, and sanctity of human life.

We, as Americans, cannot be blind to this mad travesty of civilization. But we can and must stay out of the wars now going on in the world. By maintaining a well-ordered neutrality, by preparing for defense against all potential enemies, we can avoid those wars which might bring to the United States nothing except misery, death, and destruction.

War propagandists in our midst seek by vicious means to involve us in the European conflict. Through the radio and the press, they circulate deliberate falsehoods with emotional appeal to excite our sympathy or stir up hatred of such intensity, that it might induce us to stifle our strong desires for peace and take up arms for war.

We must avoid the snares of these paid warmongers and actively work to keep the United States at peace. Those who guard their country's welfare will follow the precepts stated by the Father of our country in his Farewell Address:

Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only

on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests * * *.

Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

Jefferson, too, was most outspoken against involvement in Europe. He said:

I have ever deemed it fundamental for the United States never to take an active part in the quarrels of Europe. * * * They are nations of eternal war.

We cannot disregard those words of wisdom and advice. We as citizens of the United States owe a sacred duty to our country to preserve those liberties which our forefathers willed to us. It is our job to make democracy work here, rather than to enter wars over there.

I detest war for the lies it lives, for the deaths it brings, for the undying hatreds it arouses, for the dictatorships it creates, for the starvation that stalks after it, and for the undying misery produced by it. I will do everything in my power to preserve peace for the United States.

EXTENSION OF REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an address by Mr. James A. Farley, delivered before Westminster College in my State.

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

The SPEAKER pro tempore. Under special order the Chair recognizes the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Speaker, the gentleman from Washington [Mr. LEAVY] and myself had special orders set for this afternoon. Due to the lateness of the hour I ask unanimous consent that the time be deferred until tomorrow afternoon and granted to each of us, at that time.

The SPEAKER pro tempore. The gentleman from North Carolina asks unanimous consent that he be permitted to address the House tomorrow, after the conclusion of the legislative program, and that the gentleman from Washington [Mr. LEAVY] may have the same privilege. Is there objection?

There was no objection.

ENROLLED BILLS SIGNED

Mr. PARSONS from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3406. An act for forest protection against the white-pine blister rust, and for other purposes; and

H. R. 4929. An act to amend the act of June 23, 1938 (52 Stat. 944).

ADJOURNMENT

Mr. COCHRAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 23, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

IRRIGATION AND RECLAMATION COMMITTEE

The Irrigation and Reclamation Committee will meet at 10:30 a. m., Tuesday, April 23, 1940, in room 128, House Office Building, for the consideration of S. 1777.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings on the following resolution on Wednesday, April 24, 1940:

House Joint Resolution 509, to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war. Hearings will be held at 10 a. m.

The Committee on Merchant Marine and Fisheries will hold hearings on the following bill on Tuesday, April 30, 1940:

H. R. 8855, to admit the American-owned steamship *Port Saunders* and steamship *Hawk* to American registry and to permit their use in coastwise and fisheries trade. Hearing will be held at 10 a. m.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, April 24, 1940, at 10:30 a. m., to hold hearings on H. R. 909, a bill providing for the purchase by the United States of the segregated coal and asphalt deposits in Oklahoma from the Choctaw and Chickasaw Tribes of Indians.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds Wednesday, April 24, 1940, at 10:30 a. m., for the consideration of House Joint Resolution 487. Important. The hearings will be held in room 1501, New House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1557. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 10, 1940, submitting a report, together with accompanying papers and an illustration, on reexamination of Larchmont Harbor, N. Y., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted May 12, 1938 (H. Doc. No. 697); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

1558. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 11, 1940, submitting a report, together with accompanying papers, on reexamination of channel to Bolinas, Calif., requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted February 28, 1939, and the Committee on Commerce, United States Senate, adopted March 14, 1939; to the Committee on Rivers and Harbors.

1559. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 11, 1940, submitting a report, together with accompanying papers, on reexamination of Big Sandy Creek and Mexico Bay, N. Y., for improvement of Little Salmon River, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted September 8, 1938; to the Committee on Rivers and Harbors.

1560. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 11, 1940, submitting a report, together with accompanying papers, on reexamination of waterway from Miami to Key West, Fla., to improve section between Florida Bay and Key West, requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted April 27, 1938, and the Committee on Commerce, United States Senate, adopted October 22, 1936; to the Committee on Rivers and Harbors.

1561. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 11, 1940, submitting a report, together with accompanying papers, on reexamination of Hingham Harbor, Mass., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted November 17, 1937; to the Committee on Rivers and Harbors.

1562. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 11, 1940, submitting a report, together with accompanying papers, on reexamination of New Bedford and Fairhaven Harbors, Mass., requested by resolution of the

Committee on Rivers and Harbors, House of Representatives, adopted January 11, 1938; to the Committee on Rivers and Harbors.

1563. A letter from the Chairman, the Textile Foundation, transmitting the annual report of the Textile Foundation for the fiscal year ending December 31, 1939; to the Committee on Interstate and Foreign Commerce.

1564. A letter from the Chairman, the Commission of Fine Arts, transmitting a letter from the Commission to embellish public buildings in the District of Columbia and in the several States of the Union; to the Committee on Public Buildings and Grounds.

1565. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 11, 1940, submitting a report, together with accompanying papers, on reexamination of Mississippi River between Missouri River and Minneapolis, with a view to providing a roadway along or around the pool of Lock and Dam No. 26 for use in connection with the operation of the pool in the interests of navigation, or for recreational and other purposes, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted March 28, 1938; to the Committee on Rivers and Harbors.

1566. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to section 2 of H. R. 8668, entitled "An act making appropriations for the fiscal year ending June 30, 1941, for civil functions administered by the War Department, and for other purposes," as passed by the United States Senate on April 17, 1940 (H. Doc. No. 698); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BURDICK: Committee on Indian Affairs. H. R. 3048. A bill to relinquish concurrent jurisdiction to the State of Kansas to prosecute Indians or others for offenses committed on Indian reservations; with amendment (Rept. No. 1999). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 9477. A bill to apply laws covering steam vessels to certain passenger-carrying vessels; to the Committee on Merchant Marine and Fisheries.

H. R. 9478. A bill to provide for a preliminary examination and survey of Branson's Cove, in the lower Machodoc River, Va.; to the Committee on Rivers and Harbors.

By Mr. BYRNS of Tennessee:

H. R. 9479. A bill authorizing the President of the United States to award posthumously the Congressional Medal of Honor to all persons who lost their lives in the *Squalus* disaster; to the Committee on Naval Affairs.

By Mr. CRAWFORD:

H. R. 9480. A bill to amend section 18 (U. S. C., title 46, sec. 817; 39 Stat. 735) of the Shipping Act of 1916 (U. S. C., title 46, sec. 801; 39 Stat. 728, ch. 451, approved Sept. 7, 1916), and to amend section 5 (U. S. C., title 46, sec. 8456; 52 Stat. 964) of the Intercoastal Shipping Act (U. S. C., title 46, sec. 848; 47 Stat. 1425, ch. 199, approved Mar. 3, 1933); to the Committee on Merchant Marine and Fisheries.

By Mr. FAY:

H. R. 9481. A bill to prohibit any age requirement for World War veterans applying for unclassified positions with the Panama Canal; to the Committee on Merchant Marine and Fisheries.

By Mr. FERNANDEZ:

H. R. 9482. A bill to amend the World War Veterans' Act of 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. GORE:

H. R. 9483. A bill to amend section 107 of the Judicial Code, as amended, to eliminate the requirements that suitable accommodations for holding the court at Winchester, Tenn., be provided by the local authorities; to the Committee on the Judiciary.

By Mr. MAY:

H. R. 9484. A bill to authorize appropriations for construction at the Army Medical Center, District of Columbia; to the Committee on Military Affairs.

By Mr. McCORMACK:

H. R. 9485 (by request). A bill to authorize the Administrator of Veterans' Affairs to furnish domiciliary and hospital care and medical treatment to World War veterans of the United States merchant marine, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. McGEHEE:

H. R. 9486. A bill to amend the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," approved June 22, 1936, as amended by the act of June 28, 1938; to the Committee on Flood Control.

By Mr. ANDERSON of Missouri:

H. R. 9487. A bill establishing a 5-day or 40-hour workweek in the Federal service; to the Committee on the Civil Service.

By Mr. BYRNS of Tennessee:

H. R. 9488. A bill to provide half holiday with pay for all employees of the Panama Canal on the Isthmus; to the Committee on the Civil Service.

By Mr. KING:

H. R. 9489. A bill to amend certain provisions of law relative to the production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions; to the Committee on Ways and Means.

By Mr. CROWTHER:

H. R. 9490. A bill to provide for the loan to the American Legion, department of New York, of cots, mattresses, and blankets for use in connection with its twenty-second annual convention; to the Committee on Military Affairs.

By Mr. McCORMACK:

H. R. 9491. A bill relating to compensation of former employees of the Railway Mail Service in certain positions and reinstated prior to August 14, 1937; to the Committee on the Post Office and Post Roads.

By Mr. BLAND:

H. R. 9492. A bill making it a misdemeanor to stow away on vessels engaged in interstate or foreign commerce and providing punishment therefor; to the Committee on Merchant Marine and Fisheries.

By Mr. BUCK:

H. J. Res. 519. Joint resolution to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European War, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HENNINGS:

H. J. Res. 520. Joint resolution to provide for the issuance of a special postage stamp in honor of Florence Nightingale and the nursing profession; to the Committee on the Post Office and Post Roads.

By Mr. ROMJUE:

H. Res. 470. Resolution providing for the consideration of S. 1214, a bill to provide for more permanent tenure for persons carrying the mails on star routes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHURCH:

H. R. 9493. A bill for the relief of Lella Smith; to the Committee on Claims.

By Mr. COLLINS:
H. R. 9494. A bill for the relief of Essie Harrison; to the Committee on Claims.
By Mr. COURTNEY:
H. R. 9495. A bill for the relief of W. W. Carlton; to the Committee on Claims.
By Mr. CULKIN:
H. R. 9496. A bill granting an increase of pension to Kate L. Schultze; to the Committee on Invalid Pensions.
By Mr. FAY:
H. R. 9497. A bill to authorize the presentation of a Congressional Medal of Honor to William Sinnott; to the Committee on the Library.
By Mr. FITZPATRICK:
H. R. 9498. A bill for the relief of Matias Rosenbaum; to the Committee on Immigration and Naturalization.
By Mr. KENNEDY of Maryland:
H. R. 9499. A bill for the relief of Edward Wahl, Rev. Martin Luther Enders, and S. Catherine Wahl; to the Committee on Claims.
H. R. 9500. A bill for the relief of Dr. Louis L. Jacobs and Dr. Louis Sachs; to the Committee on Claims.
By Mr. McLEOD:
H. R. 9501. A bill to confer citizenship on Edward Barchi; to the Committee on Immigration and Naturalization.
By Mr. MICHENER:
H. R. 9502. A bill granting a pension to Nettie E. Teeter; to the Committee on Invalid Pensions.
By Mr. SWEENEY:
H. R. 9503. A bill for the relief of Frank MacEwen; to the Committee on Claims.
By Mr. BATES of Kentucky:
H. R. 9504. A bill granting a pension to Florence Williams; to the Committee on Invalid Pensions.
By Mr. SWEENEY:
H. R. 9505. A bill for the relief of Walter Ream Lennox; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7564. By Mr. CULLEN: Petition of the American Legion of Kings County, Brooklyn, N. Y., urging upon Congress the necessity of enacting, at the present 1940 session, legislation that will prohibit the further expansion and, if possible, curtail the importation of refined sugar made in the tropical islands for our markets and thereby protect the jobs of the American men and women of Brooklyn, N. Y.; to the Committee on Foreign Affairs.

7565. By Mr. LUTHER A. JOHNSON: Petition of Garner Dunkerley, Jr., vice president of the Ennis Tag & Printing Co., Ennis, Tex., and Mr. T. E. Burleson, of Waxahachie, Tex., opposing House bill 8349, by Mr. O'TOOLE; to the Committee on the Judiciary.

7566. By Mr. MICHAEL J. KENNEDY: Petition of the Second District Dental Society of the State of New York, representing 1,300 dentists in second judicial district, urging enactment of House bill 7865, to improve dental service to public in District of Columbia; to the Committee on the District of Columbia.

7567. Also, petition of the National Association for the Advancement of Colored People, urging favorable action on Senate bill 591, to provide funds for continuation of the work of the United States Housing Authority; to the Committee on Banking and Currency.

7568. Also, petition of Hochenberg & Gelb, Inc., opposing adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7569. Also, petition of the Trinity Bag & Paper Co., Inc., of New York City, opposing enactment of House bill 1, known as the Patman chain-store bill; to the Committee on Ways and Means.

7570. Also, petition of the Textile Workers Union of America, representing 1,250,000 textile operatives, opposing all amendments, including both the Smith and Norton bills, to the Natonal Labor Relations Act; to the Committee on Labor.

7571. Also, petition of Rosenmond Shiers, Inc., of New York City, opposing adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7572. Also, petition of William P. Goldman & Bros, Inc., of New York City, opposing the adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7573. Also, petition of Eagle Clothes, opposing the adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7574. Also, petition opposing the adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7575. Also, petition of the American Newspaper Guild, representing 19,000 newspapermen and women, opposing any amendments to the National Labor Relations Act; to the Committee on Labor.

7576. Also, petition of the International Woodworkers of America, opposing all amendments to the National Labor Relations Act, including the Smith and Norton bills; to the Committee on Labor.

7577. Also, petition of the Progressive Coat Co., Inc., New York City, opposing adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7578. Also, petition of Quickturns, Inc., New York City, opposing the adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7579. Also, petition of Max Udell Sons & Co., opposing adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7580. By Mr. KEOGH: Petition of the American Communications Association, Local No. 2, opposing the Smith and Norton amendments to the National Labor Relations Act; to the Committee on Labor.

7581. Also, petition of the United Construction Workers Organizing Committee, Washintgon, D. C., opposing all amendments to the National Labor Relations Act; to the Committee on Labor.

7582. Also, petition of the Railroad Labor Executives' Association, opposing the passage of House bill 7133; to the Committee on Labor.

7583. Also, petition of the International Union Aluminum Workers of America, New Kensington, Pa., opposing all amendments to the National Labor Relations Act; to the Committee on Labor.

7584. Also, petition of the National Aviation Day Association, Inc., favoring the creation of a standing committee on aviation affairs; to the Committee on Rules.

7585. Also, petition of the Textile Workers Union of America, New York City, opposing all amendments to the National Labor Relations Act; to the Committee on Labor.

7586. Also, petition of the National Association for the Advancement of Colored People, New York City, favoring the passage of Senate bill 591; to the Committee on Banking and Currency.

7587. Also, petition of the International Union of United Automobile Workers of America, Detroit, Mich., opposing the Norton and Smith amendments to the Wagner National Labor Relations Act; to the Committee on Labor.

7588. Also, petition of the American Newspaper Guild, New York City, opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7589. Also, petition of the Steel Workers Organizing Committee, New York City, opposing all amendments to the National Labor Relations Act; to the Committee on Labor.

7590. Also, petition of the International Woodworkers of America, Seattle, Wash., opposing the passage of the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7591. By Mr. LAMBERTSON: Petition of G. W. Adams and 105 other veterans of Wadsworth, Kans., urging the enactment of House bills 7980 and 7950 into law to provide for disabled veterans and their dependents; to the Committee on World War Veterans' Legislation.

7592. By Mr. PFEIFER: Petition of the American Legion, Kings County, Brooklyn, N. Y., urging the enactment of sugar legislation that will prohibit expansion and curtail the importation of tropically refined sugar, thereby protecting the jobs of American workers in Brooklyn, N. Y.; to the Committee on Agriculture.

7593. By Mr. REES of Kansas: Petition of the Emporia Local Workers Alliance, G–715, Julian C. Davis, secretary; to the Committee on Ways and Means.

7594. By Mr. SANDAGER: Memorial of the General Assembly of the State of Rhode Island, urging Congress to appropriate $50,000,000 for the aid of Polish war refugees; to the Committee on Foreign Affairs.

7595. By Mr. SPRINGER: Resolution of Indiana Manufacturers of Dairy Products Association, opposing the contemplated labeling regulation of the Federal Food, Drug, and Cosmetic Administration and its possible application to dairy products; to the Committee on Interstate and Foreign Commerce.

7596. Also, resolution of the International Brotherhood of Teamsters, Chauffeurs, Stablemen, and Helpers of America, American Federation of Labor, Local No. 369, Muncie, Ind., supporting Senate bill 591; to the Committee on Banking and Currency.

7597. Also, resolution of the National Aviation Day Association, Inc., urging the creation of a standing Committee on Aviation Affairs to take full rank with the other great committees of the Senate and the House; to the Committee on the Judiciary.

7598. By Mr. SUTPHIN: Petition of the Federation of Polish-American Democratic Clubs in New Jersey, opposing the importation of refined sugar; to the Committee on Foreign Affairs.

7599. By the SPEAKER: Petition of the Insurance Guild, Local 22, United Office and Professional Workers of America, Congress of Industrial Organizations, Philadelphia, Pa., petitioning consideration of their resolution with reference to antialien bills; to the Committee on Immigration and Naturalization.

7600. Also, petition of James W. Mustin, Jr., of the Tuscaloosa, Ala., Tuscaloosa County Democratic Executive Committee, petitioning consideration of their resolution with reference to House bill 7534, concerning the poll tax; to the Committee on the Judiciary.

7601. Also, petition of the International Aviation Day Association, Inc., Washington, D. C., petitioning consideration of their resolution with reference to a standing Committee on Aviation Affairs in the Congress of the United States of America; to the Committee on the Judiciary.

7602. Also, petition of Andy Verane (Kirov), Philadelphia, Pa., petitioning consideration of his resolution with reference to the Dies committee; to the Committee on Rules.

7603. Also, petition of the Walker County Council Parent-Teacher Association, Alker County, Ala., petitioning consideration of their resolution with reference to Federal support for general education; to the Committee on Education.

7604. Also, petition of the International Workers Order, of Shamokin, Pa., Branch No. 1587, petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

7605. Also, petition of the Painters Local Union No. 469, of Fort Wayne, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7606. Also, petition of the Hammond Fire Fighters Association, Local 556, Hammond, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7607. Also, petition of the United Garment Workers of America, Local 182, petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7608. Also, petition of the Plumbers and Steamfitters, Local 157, petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7609. Also, petition of the Steering Wheel Makers, Local 21613, Portland, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7610. Also, petition of Oliver Local No. 112, U. F. E. W. A., South Bend, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7611. Also, petition of the Amalgamated Lithographers of America, Local No. 23, Indianapolis, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7612. Also, petition of the International Hod Carriers' Building and Common Laborers' Union of America, Local 403, Princeton, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7613. Also, petition of Local Union No. 73, I. B. of T. C. S. H. of A., Clifton, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7614. Also, petition of the Plasterers Local No. 595, O. P. and C. F. I. A., Fort Wayne, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7615. Also, petition of Huntingburg Lodge, No. 1394, Brotherhood Railway Carmen of America, Huntingburg, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7616. Also, petition of the Jackson Chamber of Commerce, Jackson, Miss., petitioning consideration of their resolution with reference to the construction of the Natchez Trace Parkway; to the Committee on Appropriations.

7617. Also, petition of the Alabama Bonded Warehousemen's Association, Frances Hoyle, secretary, Montgomery, Ala., petitioning consideration of their resolution with reference to House bill 7133, known as the Barden bill; to the Committee on Labor.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 23, 1940

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. RAYBURN.

Rev. Vernon VanBuren, B. D., pastor of the Methodist Church, Wilmington, Ohio, offered the following prayer:

Loving Father, reverently we pray that on earth Thy kingdom may come and Thy will be done both among men and nations in this tragic hour. We are not unmindful of our grave responsibilities. As we have bountifully been given our daily bread, so may we seek to share our blessings with the needy of earth. Hasten the day when ignorance, disease, poverty, and greed shall no longer blight the earth. Forgive us as we are willing to forgive.

Lead us and guide us in paths of righteousness. When others seek the way of the sword, God grant that this Nation shall seek the way of peace, good will, justice, and truth.

Let Thy light dawn in us, O God. Let there be rekindled a heroic and mighty faith among legislators and citizens alike, that evil shall not prevail. Deepen our affections, confirm our confidence, unite our hearts, and make strong the bulwarks of democracy. Guide us in the noble and lofty purposes of

life, with keenness of heart and mind, that in all honest endeavor we may find the ultimate fulfillment of life's glorious meaning. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On April 12, 1940:

H. R. 9016. An act to amend the joint resolution creating the Niagara Falls Bridge Commission; and

H. J. Res. 407. Joint resolution to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

On April 17, 1940:

H. R. 2161. An act for the relief of the Pacific Airmotive Corporation, Burbank, Calif;

H. R. 7421. An act to provide for terms of the District Court of the United States for the Western District of Arkansas at Fayetteville;

H. R. 8702. An act to amend the Judicial Code with respect to the continuation of grand juries to finish investigations; and

H. J. Res. 453. Joint resolution authorizing Capt. William Bowie, former Chief of the Division of Geodesy in the United States Coast and Geodetic Survey, Department of Commerce, to accept and wear the decoration of the Cross of Grand Officer of the Order of St. Sava.

On April 18, 1940:

H. R. 838. An act for the relief of Ray E. Nies;

H. R. 3477. An act for the relief of Francisco R. Acosta;

H. R. 4256. An act for the relief of the estate of George B. Spearin, deceased;

H. R. 4388. An act for the relief of James Henry Rigdon;

H. R. 4776. An act to amend section 6 of the Organic Act of Alaska;

H. R. 5866. An act for the relief of Howard Daury;

H. R. 7612. An act for the transfer of funds to the town of Wrangell, Alaska;

H. R. 7922. An act making appropriations for the executive office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1941, and for other purposes;

H. R. 7989. An act to legalize a bridge across the Nestucca River at Pacific City, Oreg.;

H. R. 8077. An act to authorize certain officers of the Army of the United States to accept such medals, orders, and decorations as have been tendered them by foreign governments; and

H. R. 8083. An act to authorize the Secretary of War to furnish certain markers for certain graves.

On April 20, 1940:

H. R. 2356. An act for the relief of the International Grain Co., Inc.;

H. R. 5257. An act for the relief of R. D. Torian;

H. R. 6513. An act for the relief of Floyd H. Roberts;

H. R. 7081. An act authorizing the Secretary of the Navy to sell certain surplus land owned by the United States in Bremerton, Wash.;

H. R. 8446. An act to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, as amended; and

H. R. 8822. An act to extend original jurisdiction to district courts in civil suits between citizens of the District of Columbia, the Territories of Hawaii or Alaska, and any State or Territory.

On April 22, 1940:

H. R. 2086. An act for the relief of Joseph Sciortino;

H. R. 3769. An act for the relief of the Keuffel & Esser Co. of New York;

H. R. 3784. An act for the relief of the estate of J. D. Warlick;

H. R. 3970. An act for the relief of Charles Sidenstucker;

H. R. 4436. An act for the relief of Robert Faughnan, a minor;

H. R. 5397. An act for the relief of Richard L. Calder;

H. R. 5812. An act for the relief of Marguerite P. Carmack;

H. R. 5928. An act for the relief of Ella Ragotski;

H. R. 6379. An act to amend section 1 of an act entitled "An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work," approved February 28, 1929 (45 Stat. 1406);

H. R. 7015. An act to reenact section 259 of the Judicial Code, relating to the traveling and subsistence expenses of circuit and district judges;

H. R. 7265. An act to amend the District of Columbia Unemployment Compensation Act;

H. R. 7420. An act to amend laws for preventing collisions of vessels;

H. R. 7809. An act authorizing the reconstruction or replacement of certain bridges necessitated by the Rio Grande canalization project and authorizing appropriation for that purpose;

H. R. 7855. An act for the relief of Morrison-Knudsen Co., Inc., and W. C. Cole;

H. R. 7857. An act for the relief of O'Brien Bros., Inc., New York City, N. Y.;

H. R. 8238. An act providing for the incorporation of the United Spanish War Veterans;

H. R. 8262. An act to regulate, in the District of Columbia, the disposal of certain refuse, and for other purposes;

H. R. 8498. An act to authorize the Secretary of the Interior to permit the payment of the costs of repairs, resurfacing, improvement, and enlargement of the Arrowrock Dam in 20 annual installments, and for other purposes;

H. R. 8540. An act to authorize an increase in the White House police force;

H. R. 8639. An act to change the name of a portion of Twenty-fourth Street NW. to Williamsburg Lane;

H. R. 8669. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.;

H. R. 8792. An act to authorize and direct the Commissioners of the District of Columbia to accept and maintain a memorial fountain to the members of the Metropolitan Police Department;

H. R. 8917. An act to authorize the construction of a waiting room and comfort station in Commodore Barney Circle, United States Reservation 55–56, and for other purposes;

H. J. Res. 433. Joint resolution to protect the copyrights and patents of foreign exhibitors at the Golden Gate International Exposition, to be held at San Francisco, Calif., in 1940;

H. J. Res. 465. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1941, and for other purposes; and

H. J. Res. 466. Joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies of 1941.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 7246. An act for the relief of Madeline Vera Buchholz;

H. R. 7406. An act granting the consent of Congress to the General State Authority, Commonwealth of Pennsylvania, and/or the Pennsylvania Bridge and Tunnel Commission, either singly or jointly, to construct, maintain, and operate a

toll bridge across the Susquehanna River at or near the city of Middletown, Pa.;

H. R. 7407. An act granting the consent of Congress to the General State Authority, Commonwealth of Pennsylvania, and/or the Pennsylvania Bridge and Tunnel Commission, either singly or jointly, to construct, maintain, and operate a toll bridge across the Susquehanna River at or near the city of Millersburg, Pa.;

H. R. 7655. An act to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.;

H. R. 7660. An act to amend section 35B of the United States Criminal Code to prohibit purchase or receipt in pledge of clothing and other supplies issued to veterans maintained in Veterans' Administration facilities;

H. R. 7663. An act providing for sick leave for substitute postal employees;

H. R. 7814. An act for the relief of Gerald Henry Simpson;

H. R. 8320. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River near Jefferson Barracks, Mo.;

H. R. 8397. An act to extend the times for commencing and completing the construction of a bridge or bridges across the St. Louis River at or near the city of Duluth, Minn., and the city of Superior, Wis., and to amend the act of August 7, 1939, and for other purposes;

H. R. 8398. An act amending acts extending the franking privilege to widows of ex-Presidents of the United States;

H. R. 8467. An act authorizing the Superior Oil Co., a California corporation, to construct, maintain, and operate a free highway bridge or causeway and approaches thereto across the old channel of the Wabash River from Cut-Off Island, Posey County, Ind., to White County, Ill.;

H. R. 8471. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River, at or near Wyalusing, between Terry and Wyalusing Townships, in the county of Bradford, and in the Commonwealth of Pennsylvania;

H. R. 8495. An act to extend the times for commencing and completing the construction of a bridge or bridges across the Mississippi River at or near the cities of Dubuque, Iowa, and East Dubuque, Ill., and to amend the act of July 18, 1939, and for other purposes;

H. R. 8500. An act authorizing the Secretary of War to execute an easement deed to the State of New Mexico for the use and occupation of lands and water areas at Conchas Dam and Reservoir project, New Mexico;

H. R. 8508. An act to amend the Subsistence Expense Act of 1926, as amended by the act of June 30, 1932 (ch. 314, sec. 209, 47 Stat. 405);

H. R. 8530. An act for the relief of Esther Cottingham Grab;

H. R. 8583. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Little Falls, Minn.;

H. R. 8650. An act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Great Pee Dee River at or near Cashua Ferry, S. C.;

H. R. 8772. An act to amend the act of August 23, 1912 (37 Stat. 414; U. S. C., title 31, sec. 679);

H. R. 9047. An act to provide for the transfer of United States prisoners in certain cases; and

H. J. Res. 275. Joint resolution to authorize the President to present the Distinguished Flying Cross to Frank W. Seifert and Lt. V. Hine, deceased.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 2948. An act for the relief of Morris Hoppenheim, Lena Hoppenheim, Doris Hoppenheim, and Ruth Hoppenheim;

H. R. 3094. An act for the relief of Luise Ehrenfeld; and

H. R. 6965. An act for the relief of Stina Anderson.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 881. An act for the relief of Dr. Hugh G. Nicholson;

S. 1356. An act for the relief of the heirs of Jesus Leyvas;

S. 1461. An act to remove discriminations against retired Army enlisted personnel and to equalize hospitalization and domiciliary benefits of retired enlisted men of the Army, Navy, Marine Corps, and Coast Guard;

S. 1608. An act to repeal the provisions of Private Law No. 347, Seventy-first Congress, pertaining to Victoria Kessel;

S. 1635. An act for the relief of the Acme Die-Casting Corporation;

S. 1678. An act for the relief of Charles B. Chrystal;

S. 2377. An act to amend the Commodity Exchange Act, as amended, to extend its provisions to hides;

S. 2457. An act for the relief of Clayton W. Curtis;

S. 2669. An act authorizing and directing change of the immigration status of Mrs. Orris R. Grimmesey;

S. 2757. An act for the relief of Bonifacio Suso;

S. 2760. An act for the the relief of Mijo Stanisic;

S. 2774. An act for the relief of Jose Mauri;

S. 2775. An act for the relief of Henry Gideon Schiller;

S. 2909. An act for the relief of Dexter and Elizabeth Shiomi;

S. 2964. An act for the relief of Joseph L. Lipsher and Esther Mila Lipsher;

S. 2969. An act for the relief of Louise Thorne;

S. 2995. An act for the relief of John Horvath;

S. 2999. An act to legalize a bridge across Bayou Lafourche at Galiano, La.;

S. 3093. An act for the relief of Addison B. Hampel;

S. 3106. An act authorizing the use of special canceling stamps and post-marking dies at the Portland, Oreg., post office in connection with the annual Portland Rose Festival;

S. 3123. An act for the relief of Joseph Dolak, father of Gene Dolak, deceased;

S. 3157. An act to authorize the construction of a bridge across the Ohio River at or near Cannelton, Perry County, Ind.;

S. 3183. An act to extend the time for completing the construction of a bridge across the Mississippi River at or near La Crosse, Wis.;

S. 3198. An act to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army;

S. 3242. An act to provide for furnishing the national flag to be used for draping the coffin of deceased members of the Officers' Reserve Corps of the Army;

S. 3245. An act for the relief of Maria Teresa Valdes Thompson;

S. 3254. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark.;

S. 3256. An act to enable Sadao Tanaka to remain permanently in the United States;

S. 3288. An act for the relief of William T. J. Ryan;

S. 3388. An act for the relief of Dan A. Tarpley, Ernest H. Tarpley, and Pearl Tarpley;

S. 3400. An act for the relief of Capt. Robert W. Evans;

S. 3412. An act for the relief of John Nicholas Chicouras;

S. 3424. An act for the relief of George O. Elliott and Winslow Farr Smith;

S. 3439. An act providing for the rank of commanders of special naval units afloat;

S. 3493. An act for the relief of Elliott L. Hovel;

S. 3502. An act for the relief of the Epes Transportation Corporation;

S. 3555. An act for the relief of Walter Chwalek;

S. 3561. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Mauckport, Harrison County, Ind.;

S. 3570. An act to grant the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Port Allegany Borough, Liberty Township, in the county of McKean, and in the Commonwealth of Pennsylvania;

S. 3571. An act to grant the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monogahela River, at a point between the boroughs of Elizabeth, in Elizabeth Township, and West Elizabeth, in Jefferson Township, in the county of Allegheny, and in the Commonwealth of Pennsylvania;

S. 3581. An act for the relief of John L. Pennington;

S. 3667. An act to provide for the local delivery rate on certain first-class mail matter;

S. 3673. An act to enable Kurt Frings to enter and remain permanently in the United States;

S. 3675. An act to authorize the establishment of boundary lines for the Wilmington National Cemetery, N. C.;

S. 3676. An act to withdraw certain portions of land within the Hawaii National Park and to transfer the same to the jurisdiction and control of the Secretary of War for military purposes;

S. 3813. An act to authorize the presentation of a Congressional Medal of Honor to William Sinnott; and

S. J. Res. 199. Joint resolution amending Public Resolution No. 112 of the Seventy-fifth Congress and Public Resolution No. 48 of the Seventy-sixth Congress.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 3800) entitled "An act to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SMITH, Mr. THOMAS of Oklahoma, Mr. BANKHEAD, and Mr. MCNARY to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD by including certain excerpts from a speech made by my late father.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in connection with the birthday of Edwin Markham and to include therein his poem The Man With the Hoe.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

WILLIAM SHAKESPEARE

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. PITTENGER. Mr. Speaker, in England on the 23d day of April 1564 William Shakespeare was born, and today marks the three hundred and seventy-sixth anniversary of his birth. To me the works of Shakespeare come next to the Bible. His writings are inspired, and no other author in history can approximate this master in the literary world.

As the years go by his greatness grows and appreciation for him by the peoples of the earth increases accordingly.

The heritage of the past, in spite of some of our modern thinkers, is worth preserving. It is ours. It costs us nothing. All of the contributions which the great men of the past ages have made to our civilization are worthy of being kept.

And so we celebrate the anniversary of the birth of Shakespeare and pay tribute to him. In point of genius and knowledge and ability, in his field of work, he stands alone. There is no subject that he ever touched to which he did not contribute something of the infinite.

His advice applicable to the men of public life in his day are words of wisdom for the leaders in government in this age and time. He said:

I charge thee, fling away ambition:
By that sin fell the angels.
Love thyself last: cherish those hearts that hate thee;
Corruption wins not more than honesty.
Still in thy right hand carry gentle peace,
To silence envious tongues. Be just, and fear not:
Let all the ends thou aim'st at be thy country's,
Thy God's, and truth's.

With the language that only a master can command, he pictures the downfall of men who achieve greatness and warns against a trait of character which we should avoid. He says:

'Tis a common proof,
That lowliness is young ambition's ladder,
Whereto the climber upward turns his face;
But when he once attains the upmost round,
He then unto the ladder turns his back,
Looks in the clouds, scorning the base degrees
By which he did ascend.

In this city of Washington it is proper that a monument be erected to the memory of William Shakespeare. Through the work of Henry C. Folger, the Folger Shakespearean Library has been built in the city of Washington, D. C. The cornerstone was laid in 1930, and this beautiful building, devoted entirely to William Shakespeare, symbolizes the reverence of the American people for the man who has enriched the thought and hopes of people in all countries and in all ages to come. It was dedicated on April 23, 1932.

The very language used by Shakespeare in one of his sonnets describes accurately his monument, builded not in stone or marble, which will crumble and decay, but in the heart and soul of mankind:

Your monument shall be my gentle verse,
Which eyes not yet created shall o'er-read;
And tongues to be your being shall rehearse
When all the breathers of this world are dead;
You still shall live (such virtue hath my pen)
Where breath most breathes, even in the mouths of men.

EXTENSION OF REMARKS

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address by Dr. Joseph F. Thorning, as appearing in The Catholic Review of April 19, 1940.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a dialog on agriculture and the wage and hour law, delivered last night over the radio by Secretary Wallace and Administrator Fleming.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. PAGÁN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech of our great Puerto Rican educator, Muna Lee.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BARNES. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter from V. V. Glassner.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. DONDERO. Mr. Speaker, I ask uanimous consent to extend my remarks and include a short statement dealing with the subject of immigration.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

NATIONAL AVIATION DAY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, today I am introducing a resolution authorizing the recognition of American women's interest in aviation and directing their attention to, and urging their cooperation with, the coming Nation-wide celebration of National Aviation Day, on August 19, 1940, and for other purposes.

Whereas the development of aviation, both as an important industrial asset and as a strong arm of our national defense, is vitally essential to the welfare of our country; and

Whereas by Public Resolution No. 14, approved May 11, 1939, at the suggestion of the National Aviation Day Association, recognized and designated August 19, 1940, the birth date of Orville Wright as National Aviation Day, and further provided for Nation-wide celebration of that date; and

Whereas the patriotism of American women from the very inception of our Republic has been the inspiration of lovers of liberty, respected and admired the entire world over; and

Whereas today American women have a double interest in the advancement of aviation, first, as a potent means of defending their homes against invaders; second, as an increasingly important industrial factor contributing to the pay rolls, and thus aiding recovery and maintaining prosperity: Now, therefore, be it

Resolved, etc., That in recognition of American women's interest in aviation Congress directs their attention to and urges their cooperation with the coming Nation-wide celebrations of National Aviation Day on August 19, 1940.

AIR CONTROL BOARD

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks and include an article from the Detroit News by Jay D. Hayden at this point.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, today the people of the United States are enjoying the benefits of the finest system of air transportation in the world—a spirit of cooperation and partnership between the United States Government and private enterprise which we believe to be unprecedented in the history of American business and has achieved the rapid advances made by air transportation in recent years.

Neither the Government nor private enterprise alone could have made common-carrier transportation by air what it is today.

Mr. Speaker, this was not brought about overnight. It has come about only after years of hard, conscientious effort on the part of friends of aviation in both Houses of Congress to give to aviation that to which it is entitled, that which it is imperative it must have—separate, individual, specialized regulation in our complex system of government. It is imperative that this regulation, if possible, be kept free from political domination and political patronage.

Mr. Speaker, well do friends of aviation recall the days of the "reign of terror" in the aviation industry from 1933 to 1938.

The President now proposes, under Reorganization Plan IV, to throw the aviation industry back into the same state of chaos and turmoil that existed then. He has stated that the arguments against this reorganization are "a lot of spinach." Well, here is some "spinach" well written by Mr. Jay Hayden in the Detroit News of last Sunday. I hope every Member of this House and of the Senate will carefully read and digest this "spinach," and I assure you that, if nothing else, it ought to give you sufficient strength to vote against this reorganization plan.

[From the Detroit News of April 21, 1940]

ROOSEVELT FACES BATTLE ON PLAN TO REVISE AIR-CONTROL SET-UP—RECORD OF LAST YEAR FOES' BEST ARGUMENT—APPROVAL OF SYSTEM BY CONGRESS IN 1938 OVER PRESIDENT'S OPPOSITION STILL BELIEVED TO RANKLE CHIEF EXECUTIVE

(By Jay G. Hayden)

WASHINGTON, April 20.—Unless President Roosevelt withdraws his proposal to return the Civil Aeronautics Authority to Cabinet control, he is in for a fight which may upset his whole Reorganization Plan No. IV, it has become increasingly apparent during the last week.

The proposal to revise the aviation-control set-up is inexplicable. For 5 years Congress and the President wrangled over the issue before the present system was created on August 22, 1938. There were some misgivings then respecting the plan, based on its seeming division of authority between an Administrator, a General Control Board, and an Air Safety Board. In practice, however, the organization has worked well. Certainly there is no official in Washington today more popular and respected than Robert C. Hinckley, chairman of the C. A. A. and the man who is given major credit for success of the system.

Overshadowing all of these factors was the news widely heralded on March 26 last that for the first time in history American commercial airplanes had operated a full 12 months, in which they had carried more than 2,000,000 passengers without a single fatality.

SETS PRECEDENT

This is perhaps the first instance in history when a President has proposed to denude of its power an administrative agency possessed of an absolutely perfect record of performance.

Why did Mr. Roosevelt do it? Chiefly, it appears, because he has a passion for concentrated authority and the C. A. A. is a particularly glaring example of decentralized authority. In the act creating it Congress made a business of short-circuiting the President. He was authorized to appoint the top-ranking officials, subject to confirmation by the Senate, but he was completely prohibited from removing them. For their actions, once they were sworn in, they were made responsible exclusively to Congress.

In addition to the fact that this creation of another completely independent administrative branch, just when he was trying to bring the existing independent agencies under his wing, rankled in Mr. Roosevelt's mind, the C. A. A. has clashed from time to time with Cabinet departments.

CITE SARABIA CRASH

The War Department bitterly resented a recent report of the Air Safety Board respecting a crash in which the Mexican aviator, Sarabia, was killed, which cast reflections on military flying efficiency. The State Department has looked askance on inspections in foreign ccuntries, made, it is alleged, without previous international consultations. And it is probable that the Budget Bureau has resented the direct approach of the C. A. A. to Congress in matters of appropriations.

A more intimate reason for the reorganization order may have been the desire of Clinton M. Hester, Administrator of the C. A. A., to enhance his authority at the expense of Chairman Hinckley and his control board. In his third reorganization order the President proposed changes that would have increased Hester's powers. But when this brought a mighty howl from Hinckley's numerous congressional friends the President withdrew it and substituted the present plan of making the Secretary of Commerce supreme over the whole aviation set-up.

HANDLING ASSAILED

President Roosevelt's handling of the aviation problem from the beginning has been unfortunate. When the necessity for some sort of governmental regulation of commercial aviation first arose during the administration of President Warren G. Harding, Herbert Hoover, then Secretary of Commerce, was assigned the job, and he went at it with his usual vigor. By the time Mr. Roosevelt appeared on the scene in 1933 the Bureau of Air Commerce, under such able Administrators as Clarence M. Young and William P. McCracken, had attained a high efficiency.

Because the Department of Commerce was a Hoover creation and was charged with being promotive of big business, Roosevelt had a particular prejudice against it. One of his new economy moves as President was to decrease the Commerce Department appropriation from $10,000,000 to $5,000,000. The office of Assistant Secretary of Commerce for Aviation was completely abolished and all branches of the Bureau of Air Commerce were sharply curtailed.

At the outset of the Roosevelt administration also there was a great scramble among deserving Democrats for the aeronautical jobs. Senator Thomas P. Gore, of Oklahoma, thought the directorship of the Bureau of Air Commerce should go to his son-in-law, Eugene Vidal. Senator Thomas P. Walsh, of Montana, was backing John H. Geisse; and Senator Joseph T. Robinson, of Arkansas, sponsored J. Carrol Cone for this same place.

ALL THREE GET JOBS

Not wanting to antagonize any of these loyal friends, the President conceived the idea of naming all three of their proteges with substantially equal powers. No one was placed in top authority. Vidal was named assistant director in charge of air regulation; Cone, assistant director in charge of aeronautical development; and Geisse, chief inspector. A fourth coequal job as director of airways went to Rex Martin, whose principal political sponsor was Speaker Henry T. Rainey.

The result was a cat-and-dog fight between these and others of the Bureau officials which kept it in turmoil for several years. Ultimately Vidal was named Director, supposedly in complete control, but the effect of this was to make his rivals, each with a powerful political pull, more obstreperous than they had been before, and Vidal was not permitted to fire them.

The bill blow-off came with Postmaster General James A Farley's cancelation of air-mail contracts and the subsequent tragic fiasco of the attempt to substitute Army planes and pilots as mail carriers. In response to a wave of congressional criticism, President Roosevelt

appointed a special commission, which recommended transfer of both commercial air control and the handling of air-mail contracts to the Interstate Commerce Commission.

HUNT FOR SUBSTITUTE

Then occurred a long legislative deadlock. Congress did not like the idea of air regulation by the already overworked Interstate Commerce Commission, but it found great difficulty in devising an acceptable substitute. It was not until 1938 that the present system was established.

The factors in the present arrangement which airmen say have been responsible for its success are its complete nonpolitical character and its separation of the three elements of policy making, rules enforcement, and the investigation of accidents.

The main Board, headed by Hinckley, deals with the establishment of air lines, freight, and passenger rates and the making of rules. The administrator's function is enforcement. The Air Safety Board, completely independent, has the sole job of fixing responsibility when an accident occurs.

The latter Board for example may find that the rules or lack of rules provided by the Air Board contributed to an accident or that the Government inspector was at fault—something that never happened when the rule makers, administrators, and investigators were all answerable to the same authority.

Similarly, the Hinckley board, which makes the rules and fixes rates, has no direct contact, except in consideration of specific cases presented to it, with the personnel of the private air lines.

PILOTS' VIEWS GIVEN

But the main argument of the people who contend that the present set-up should be preserved is that "the proof of the pudding is in the eating." In the words of David L. Behncke, president of the Air Line Pilots' Association, written to Representative FRED BRADLEY, of Michigan, this week:

"The regulation of air transportation and the civil aviation by the Department of Commerce is something that the pilots and, in fact, everyone in the industry look back upon with abhorrence. Crash upon crash, needless sacrifice of human life. During this dark period the pilots lost 146 of their number and a startling total of 473 persons lost their lives in air crashes. Congress passed the Civil Aeronautics Act in 1938; we all know the result. Crashes were cut to a minimum. There has been no fatality in the last 12 months. When Congress established the Air Safety Board it restored confidence in air travel with one stroke. If the President's reorganization plan, to place regulation and air-accident investigation back under the Department of Commerce, is approved, public confidence will be destroyed because where people's lives are involved they have a long memory."

EXTENSION OF REMARKS

Mr. EATON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include brief correspondence from a Democratic constituent.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks by including a brief newspaper editorial.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein several excerpts from newspapers relating to the Army base for Anchorage, Alaska.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE FARM CREDIT ADMINISTRATION WRITES ITS STOCKHOLDERS

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. PIERCE. Mr. Speaker, Washington papers have been carrying most unjust and bitter attacks on Secretary Wallace and Governor Black, of the Farm Credit Administration, under the news and editorial captions, "F. C. A. head accused of lobbying." "Unchecked lobbying." "Wallace using bill for votes." Since it appears to me that the memorandum of the Secretary, which was transmitted to stockholders of National farm loan associations by Governor Black, was not only justifiable but absolutely necessary and required under the law, I have informed myself and desire to pass on to my colleagues the facts in regard to the matter. I am convinced that the letter was needed to reassure farm borrowers, who are also perforce stockholders, because of the Nation-wide assaults upon the system conducted by dismissed and resigned employees. The truth is that the system has not changed except as to its governing chief, and a few other officials who have been flouting the will of Congress and stirring up discord, distrust, and dissension. It was clearly the duty of the head of that branch of the Government service to explain the situation to its borrowers who are also investors. Any financial institution under attack would have done the same.

I have, in two previous speeches recently made—see Appendix of the RECORD, page 1297 and the CONGRESSIONAL RECORD of Apr. 11, 1940, page 4360—explained to the Congress the details of the organization and work of the Farm Credit Administration. I have been greatly concerned over the attacks and have thought that others might give consideration to my voice, because I do speak from experience. I represent a constituency which is almost entirely agricultural and in need of seasonal credit. I am a member of the Committee on Agriculture which has been educated on this subject through prolonged hearings. I am a farmer myself, constantly associated with farmers, individually and in farm organizations to which I belong. I was formerly chairman of one of the local loan associations under a Federal land bank. I was formerly a borrower. I speak from the fullness of experience, and I believe I reflect accurately the views and opinions of farmers who have, through granges and other organizations, sent me resolutions of approval of my statements and my stand on pending legislation.

Those attacking Governor Black and Secretary Wallace are referring to a letter addressed, not to Members of Congress but to stockholders of national farm-loan associations throughout the Nation.

I should remind my colleagues that the Farm Credit Administration was placed under the Department of Agriculture following the Reorganization Act passed by this Congress. It was part of a plan submitted to the Congress by the President and accepted by the Congress through their acquiescence. When this transfer took place, the Secretary of Agriculture announced that it was only nominal and that the Governor of the Farm Credit Administration would have full administrative responsibility and that the agency would be really autonomous, simply reporting to the Secretary. The Comptroller General then ruled that the Secretary was wholly responsible for the Farm Credit Administration and must assume that administrative responsibility. Thereupon, Governor Hill resigned and protested in a long press statement given publicity throughout the Nation. This statement was calculated to shake confidence in the F. C. A. under the new set-up as provided by Congress.

SECRETARY SEEKS TO RESTORE CONFIDENCE

The Secretary and the new Governor soon found that there was ample cause for lack of confidence, but that it was based upon the previous conduct of affairs, rather than upon the administrative transfer. Results of careful investigation made it obligatory upon the Secretary to consider the acceptance of further resignations. Some of these resentful officials, before leaving their Government positions, used their offices to circulate further attacks upon the system and to destroy confidence in the new administration. After leaving their offices they again circularized the stockholders and published statements with the apparent intention of creating the impression that the agency was being disastrously affected by the administrative actions required of the Secretary under the new arrangement. In an effort to counteract the fear and suspicion engendered by these letters to Federal land-bank borrowers, and to give them an honest statement on what has been termed "their cooperative venture," Governor Black of the F. C. A. sent the letter to each stockholder, transmitting a memorandum made to him by Secretary Wallace.

My colleagues who attacked this memorandum were probably not aware that it was issued under definite provision of the law. I wish to make it clear to others, as it is to me, that the circulation of this letter was not only justifiable, but it was wise, and in compliance with the law. I quote the act in which this Congress required that such matters be brought to

the attention of land-bank borrowers, using quotations for the salient phrase.

LEGAL REQUIREMENT COMPELLED THE LETTER

Section 664, chapter 7, title 12, U. S. C.:

Bulletins and circulars. It shall be the duty of the Farm Credit Administration to prepare from time to time bulletins setting forth the principal features of this subchapter (Federal land banks, joint-stock land banks, and national farm-loan associations) and of subchapter III (Federal intermediate-credit banks) of this chapter and through the Department of Agriculture or otherwise to distribute the same, particularly to the press, to agricultural journals, and to farmers' organizations; to prepare and distribute in the same manner circulars setting forth the principles and advantages of amortized farm loans and the protection afforded debtors under said subchapters, instructing farmers how to organize and conduct farm-loan associations, and advising investors of the merits and advantages of farm-loan bonds; "and to disseminate in its discretion information for the further instruction of farmers regarding the methods and principles of cooperative credit and organization." Said administration is instructed to lay before the Congress at each session its recommendations for further appropriations to carry out the objects of this section. (July 17, 1916, ch. 245, sec. 3, 39 Stat. 361, Mar. 27, 1933, Executive Order 6084.)

I invite your attention to the requirement that the Farm Credit Administration disseminate "information for the further instruction of farmers regarding the methods and principles of cooperative credit and organization." Every question Secretary Wallace placed in his memorandum invites discussion of the principles of cooperative credit. I notice that Governor Black opened his letter by saying, "This letter probably breaks a precedent." I know of no precedent for the breaking of which there was more justification. The stockholders should have been informed long ago. If Governor Black is breaking a precedent, then obeying the law is unprecedented. If inviting attention to the principles of cooperative credit breaks a precedent, then the system is not and never was cooperative. If the Congress desires that farmers participate in their agricultural credit structure, it should warmly commend an official who will provide those farmers with a chance to participate such as they have never before enjoyed.

There is not a thing in Secretary Wallace's memorandum which every borrower of the Farm Credit Administration is not entitled to know. In fact, Members of Congress also should have received the letter, and I now make good that oversight by inserting it for their information. It is important that all who vote on the Farm Credit Administration should know the facts about it. I am sure careful readers will agree with me that the letter is a logical and accurate statement of facts and an excellent brief discussion of fundamental issues.

FARM CREDIT ADMINISTRATION,
Washington, D. C., April 10, 1940.

To Stockholders of National Farm Loan Associations:

This letter probably breaks a precedent, but here goes. I know of no better way of stimulating thought and discussion than writing to you. In fact, I plan to send you from time to time pertinent information about the farm-loan system.

Secretary Wallace and I have talked over repeatedly many of the problems confronting the Farm Credit Administration. I take it that you as a borrower and farmer also are interested, so I am passing on to you one of his memoranda in which he asks some very pertinent and far-reaching questions.

I hope this will stimulate your own thought, that there will be discussion of these problems among the farmers, and that many farmers will have things they will wish to contribute to our thinking on the subject.

Sincerely yours,

A. G. BLACK, *Governor.*

MEMORANDUM FOR A. G. BLACK, GOVERNOR, FARM CREDIT ADMINISTRATION

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington.

DEAR GOVERNOR BLACK: Our discussions of the various problems connected with the administration of the Farm Credit Administration have raised certain questions in my mind which I would like to pass on to you for consideration.

Your outline of conditions that have persisted for some time in the affairs of the land-bank system raises some grave questions, and I hope the facts have been laid before the borrowers. You say you have some doubts as to whether the borrowers are well informed. I was astounded to learn that more than half of the local national farm-loan associations in the United States are insolvent, and that only 40 percent of them are sufficiently solvent to be able to accept applications and sell their stock to members. Does this not raise the issue as to whether the stock which farmers have had to purchase in order to obtain loans has not carried a liability much larger than it should have borne? Also, I wonder if the borrowers have always been informed of the exact financial position of the association before they purchased stock?

What is troubling me is that many associations have been operating in territories where there seems to be a good deal of hazard, and consequently the borrowers assumed a liability which they should not have been asked to carry. After all, are not the loans made by the Federal land banks and not by the associations, although, of course, they are endorsed by the latter?

If in the future loans were to be made without farmers having to buy stock, the losses which might be incurred as a result of loans in a particular area wolud be spread on the books of the bank and not be confined to a single association. Of course, if loans were to be made in the future without requiring farmers to purchase stock, would it not be the equitable and just thing to pay off at par all the stock now owned by borrowers whether or not such stock is impaired?

In looking over the record of the Federal land banks and the so-called Commissioner loans made from the funds of the Federal Farm Mortgage Corporation, I am greatly impressed with the amount of delinquency on the part of borrowers, totaling about 22 percent for the land bank and about 30 percent for the Commissioner loan. We have discussed the very heavy delinquency in some States, but I didn't quite realize the situation throughout the country was as bad as these figures indicate. Part of this condition, of course, is due to long-continued adverse climatic conditions, but that is by no means the only cause.

Interest rates charged borrowers of the land banks have been reduced temporarily now for several years by Congress appropriating from the Federal Treasury and paying to the land banks the difference between the interest rate which the farmers contract to pay and the emergency rate established by Congress. I doubt if this can go on indefinitely. We have discussed many times the cost to the Government of a continued subsidized farm-mortgage interest rate which is costing the Federal Treasury a good many million dollars a year. As the land-bank system is now set up, the banks obtain their funds from the sale of Federal land-bank bonds not guaranteed by the Government. Would it not be worth while to explore with responsible persons the possibility that if the Government should guarantee these bonds they could be sold at a sufficiently lower rate of interest to give the farmers permanently the same low emergency rates they are now receiving or even perhaps lower without costing the Government the subsidy?

In the current money market I believe a Government-guaranteed land-bank bond would bear a much lower rate of interest than is borne by the non-Government-guaranteed land-bank bonds outstanding. Why, then, couldn't the outstanding land-bank bonds be replaced as rapidly as possible with the lower-rate bonds and give the farmers the benefit of the difference in rates?

Since the Farm Credit Administration is now a part of the United States Department of Agriculture and not an independent agency or under a loan board, I personally am particularly impressed with the need for improving the farm-mortgage situation along these lines and not limiting our thinking to the existing system and procedures.

Sincerely yours,

H. A. WALLACE, *Secretary.*

FARM INVESTORS ENTITLED TO THE INFORMATION

This letter raises a number of questions of policy in the field of agricultural credit. It presents issues in a clear-cut way for consideration by the farmers for whose benefit the Farm Credit Act was passed. The letter gives them, for the first time, a real insight into the affairs of corporate credit institutions in which they have been required to invest. It gives farmers some notion about the status of the banks Congress has asked them to help to run. The letter raises questions which ought to be raised in every stockholders' meeting of any properly managed corporation, and it asks the farmers for their opinions. This letter neither recommended nor criticized pending legislation, nor did it advance any specific remedy for the evils of which every student of agricultural credit has been aware.

Secretary Wallace first expresses his astonishment and consternation at learning that only 40 percent of the national farm-loan associations are sufficiently solvent to accept applications and sell stock. He raises two questions—whether the liability of individual stockholders is too large and whether farmer-borrowers have been informed about the value of the stock they are required to purchase. What is wrong about that part of the memorandum? It is true. Why should not the stockholder know the facts? Why should not the farmer, making application for a loan, be told the financial condition of the association in which he is required to invest?

LIABILITY WITHOUT CONSENT

This is certainly not the first time farmers have wondered about the liability they were required to assume to get a Federal land-bank loan, but it is the first time any responsible administrative official has invited their participation in finding the answer. In my own State and in other States Federal land banks have made exorbitant farm loans and have saddled local associations with 100-percent liability for any loss, with flagrant disregard for the judgment and wishes of those associations. I believe that if I were to be held liable as surety for a loan I should at least be given an opportunity to decide whether I wanted to assume that liability. If the farmers in my district are going to be charged with responsibility for possible losses on other people's mortgages, I shall defend to the limit of my ability their privilege of deciding whether those risks should be incurred. I will also defend their right to express opinions as to whether the liability their Government is asking them to bear is too heavy. These are precisely the questions the Secretary of Agriculture has sought to bring to the attention of American farmer-borrowers. When the day arrives that such questions may not be brought to the attention of the people whose homes, lives, and incomes are vitally affected, we will have wandered far from the democratic concepts this Congress is established to perpetuate.

The Secretary of Agriculture asked farmers whether they knew the value of stock in national farm-loan associations which they were required to purchase in order to obtain credit. I cannot believe that any Member of Congress would criticize that query. This Congress in the last few years has established strict regulation of securities markets to prevent private investors being swindled. This Congress has declared, as a matter of policy, that bankers, investors, and other owners of wealth may not be imposed upon by sharp-witted, unscrupulous speculators. We have declared that securities put up for sale on the open market must have some intrinsic value. What kind of reasoning can now bring any of us to the conclusion that it is right or justifiable for corporations sponsored and backed by the Government to peddle gold bricks to farmers?

LOCAL ASSOCIATIONS IGNORED BUT HELD RESPONSIBLE

The farming business requires seasonal credit. Often a farmer gets into desperate financial straits before he asks for credit. He is in a position where advantage can be taken of him. He will buy stock if it is required, but I cannot bring myself to believe that right-thinking people would condone the practice of selling him stock which is actually valueless and which, indeed, may be a personal liability.

The Secretary's statement goes on to inquire whether the loans are not, after all, made by Federal land banks and not by the local associations. I have had sufficient personal experience with the land-bank system to know that no local association of farmers has been permitted to decide whether a loan should be made. That decision has been made, in the past, by members of the banking fraternity duly initiated into the service of these quasi-governmental institutions. Those carefully chosen gentlemen have zealously guarded the privilege of making ultimate decisions about each individual loan. They have, even more jealously, guarded their license to pass on to groups of farmer borrowers the responsibility for their mistakes. The local associations have no alternative but to accept that responsibility. It has been my hope that the Farm Credit Administration would put an end to this fiction of private ownership and enter into honest, open negotiations with its borrowers so they would know what they were getting. I have hoped that the 5-percent discount, or bonus, on all Federal land-bank loans, dressed up as a stock-purchase requirement, could be eliminated.

Secretary Wallace does not mention the Jones nor Kleberg bills, but he does suggest that if the farmer is relieved from taking the 5-percent stock off his loan, the losses can be spread over the entire system, further suggesting that it might be better this way, as furnishing a broader base. Then he suggests that if the change is made it would be no more than right to pay off at par all those who have been forced to buy this 5-percent stock. What is wrong about that? I have been saying that, in Congress and out, for 20 years. There is certainly nothing criminal in telling the plain truth and suggesting proper restitution.

DELINQUENCIES

In a cogent paragraph the Secretary suggests that perhaps some associations have been operating in territories where the hazards are great. That also is true. Here I ask a question brought to my mind by the Secretary's letter: Why are they operating there? Why, because the insurance companies will lend money cheaper and on easier terms in the good territories, leaving the hazardous risks to Government lending agencies. Where is the crime, I pray, in telling the stockholders that the Farm Credit Administration has been taking greater risks than the insurance companies have been willing to accept?

The Secretary's letter then calls attention to the fact that the delinquency today in the Federal land banks is about 22 percent of all loans, and 30 percent of Commissioner's loans. Why should not the stockholders know that? It is a fact. Who is responsible for that condition—Secretary Wallace? No, no! It was the outgrowth of the supervision and management of men who are now loudly crying that the Farm Credit Administration has been ruined by the Secretary. What inconsistency, and what injustice, for Congressmen to rush to the press with bitter criticism of the Secretary and the F. C. A. Governor.

Officials of Federal land banks and other farm-credit institutions have been telling prospective investors that their financial status was secure. Thousands of borrowers have entered the system in the mistaken belief that they were protected by sound financial methods and balanced accounts. If a commercial bank were in the same situation, it would be forced to close as a protection to its depositors and stockholders. Yet the Secretary of Agriculture is criticized because he invites discussion of disastrous trends in the land-bank system. I welcome the assurance that the F. C. A. has been placed in the hands of responsible officials who will patiently search out the facts, make them known to those concerned, and suggest changes, legislative or administrative, necessary to the solvency and efficiency of the whole national farm-credit system. Former officials were remiss in the fulfillment of their duties. There have been no changes in structure nor in policy outside of legal requirements, which are now rigidly observed. I am thankful that we have gained cooperative, honest, and forceful leadership.

INTEREST RATES

The remainder of the Secretary's memorandum invites attention to some very pertinent considerations regarding land-bank interest rates. He cites the fact that Congress has reduced interest on farm loans to the uniform rate of 3½ percent by emergency legislation expiring July 1, 1940. He states that if we could have Government-guaranteed bonds and take up the outstanding land-bank bonds, replacing them with bonds bearing lower rates of interest, we could give farmers the benefits. Who would be hurt by that? Refinancing at lower rates of interest is the order of the day, and it is certainly the way of wisdom for any business.

The Federal land banks can obtain, and are now obtaining, funds at interest rates of approximately 2 percent. The basic law permits the system to charge 1 percent more than it is required to pay. Nevertheless, the lowest contract rate of interest to farmers is 4 percent. In giving the farmer a 3½-percent interest rate in the emergency legislation, the Congress has provided that the Treasury would pay the remaining one-half of 1 percent or more.

There is abundant evidence that a properly managed farm-credit structure could now lend money to American farmers at 3 or 3½ percent, without any subsidy from the Treasury, if it would take advantage of existing conditions in the American money market. This is a far cry from the 4½ to 5, even 6 percent farmers have been forced to pay for Federal land-bank loans in years past. The Secretary further states that this act of Congress, which was twice vetoed by the President,

under advice of the old F. C. A. group, and which has been twice passed over the President's veto, has cost the Treasury several millions of dollars. That is a fact. Wherein is the crime in calling attention to it and further suggesting that this cannot be continued indefinitely?

Who would be hurt by the sensible refinancing proposed, and who would be helped? Certainly the farmer would profit by it. The mortgage companies and insurance companies would be obliged to meet the lower rates. Therein lies the explanation of the flow of letters against the Jones bill and all other proposals to keep farm-interest rates low. No real farmer has written me a word of protest against the Jones bill. Those who have protested are money lenders or businessmen apparently influenced by them. I intend to publish for the information of farmers of my State the names of the firms which have protested against the Jones bill in the name of "protection of private enterprise," demanding a farm-money monopoly for these companies. Like all monopolies they would control rates and prices. Government lending furnishes a yardstick which they resent. The farmers of this Nation have at last been brought face to face with their enemies; by that I mean they are drawn up in battle array against those who would deny them the privileges of the low interest rates now enjoyed by all other businesses except farm producers.

MONEY MARKET FIGHTS FOR CONTROL

I submit that the real and underlying issue of this discussion of the Farm Credit Administration is whether the Congress is going to condone a continuance of unconscionable interest rates and sharp practices by credit agencies which are creatures of its own creation and use its capital. We now have, for the first time in my recollection, an opportunity to establish a farm-credit system which is responsive to and based upon the needs of American agriculture. The alternative to that type of credit is continuance, by a do-nothing policy, of the long-established practice of farming the farmer through credit manipulation. Those who control the money markets are in this fight up to their necks. They are in it, not because they love the Farm Credit Administration. They are in it to prevent any further reduction in the amount of unearned increment they can charge against agriculture. They are in it because they know that full understanding of farm-credit problems will lower the amount they can charge farmers for the use of idle money. It is time we realized that this economy cannot survive if those who hold idle money are able to charge rates of interest upon it which exceed the average increase in wealth. There has never been any real justification for an 8-percent interest rate on a farm mortgage through a private bank, or a 4-percent interest rate on a mortgage to a Federal land bank. The security of good farm land is normally the best security that can be offered. The farmer-borrowers, as a whole, have more reasons to want to pay than any other type of borrower, but they have been unorganized; they have been unable to defend themselves in the money market as in the commodity market. They could not establish their own rates of interest any more than they could establish the rates at which they sell their wheat. They took what they could get. They will use and are using every argument and artifice available to them to prevent a lowering of the interest privilege.

I have made these observations in the firm conviction that we can, and the sincere hope that we will protect productive farm labor from usury.

WHO WANTS AN INDEPENDENT F. C. A.?

In the last paragraph, our much-abused but ever-efficient Secretary of Agriculture says that since the F. C. A. has been placed in the Department of Agriculture, and no longer is an independent agency, he has been impressed with the need for improving the farm-credit situation for the benefit—of whom? The farmer or the money lender? The farmer is the man whom the Secretary of Agriculture has in mind, the man he wants to help and protect.

I have observed the work of the Department of Agriculture very carefully during the last 8 years, and I should like to say that this letter is an example of Secretary Wallace's underlying philosophy of democracy in Federal administration. He has asked and has received the enthusiastic cooperation of farmers everywhere, in the administration of the Agricultural Adjustment Act; in county land use planning work, and in all the varied problems in bringing about orderly, systematic consideration of the problems of agriculture. Neither Governor Black nor the Secretary has mentioned or referred, in that letter, to any pending legislation. Anyone who can see pressure tactics or lobbying in the Secretary's statement is seeing ghosts. But, of course, this is a good year for ghosts.

Enemies of the Department of Agriculture, which has ever been dear to the heart of the farmer, in whose behalf it was created, assert that the Farm Credit Administration is political when it is under the Department and free from politics when it is independent. In either case it is subject to an appointing power. If there are to be independent commissioners, they will be appointed by the President. If it remains where it is now placed, its head is appointed by the President. I consider it pertinent to point out in this connection that under the independent agency it became necessary for the Federal Government to acquire a stake of millions of dollars in this so-called independent agency. Members who now sit in this Congress were called upon to vote $125,000,000 to buy stock in order to maintain an appearance of solvency. The independent agency did not make a brilliant record, and it was responsible for the mistakes which have made the experiment so costly. It has thrown into the hands of the Secretary of Agriculture a miserably involved Government agency. The whole story has not yet been told. What will be revealed in the future we can only surmise, guided by some of the facts which have rightly been brought to our attention recently in the Secretary's letter.

The Farm Credit Administration is truly in no sense independent of the United States Government. It is, indeed, very dependent, having been furnished $684,000,000 of Government capital for its four agencies, only one of which—the Federal land bank—has any substantial private investment. Where would they be if Government capital were withdrawn? Let that consideration be the test; and we must conclude that the agency is best placed and safest in the strong Government department concerned with the agricultural life of our country. That Department can be trusted to improve the farm-mortgage situation.

THE COMPANY THEY KEEP

As I think of the arguments which have been made against pending farm-credit legislation in hearings and letters, I realize that they chiefly consist of constant reiteration of the same arguments, in the same phrases, undoubtedly from the same agencies. The saviors of the farmer, who are determined at any cost to help him by keeping his interest rates high and taking their pound of flesh in the form of a 5-percent bonus payment, seek to divert attention from the real issue by talking about higher prices for farm commodities. Surely, give us higher prices and lower interest. Can it be that these friends of the farmer, who are so anxious to protect the Farm Credit Administration, are like the character described by the English poet, whose lines kept running through my mind during the hearings?

> He was a man
> Who stole the livery of the Court of Heaven
> To serve the Devil in; in virtue's guise,
> Devoured the widow's house and orphan's bread;
> In holy phrase, transacted villainies
> That common sinners durst not meddle with.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include the letter of Governor Black and the Secretary of Agriculture.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to place two insertions in the RECORD, including a

statement I made before the Committee on Appropriations and the Committee on Ways and Means.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

By unanimous consent, Mr. THORKELSON was granted permission to extend his own remarks in the RECORD.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a short editorial from the Portland Oregonian on reciprocal-trade agreements.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE CALIFORNIA FILM INDUSTRY

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I would like again to draw the attention of the membership to the Federal blitzkrieg against the State of California. I noticed yesterday that Assistant Attorney General Thurman Arnold has gone after the moving-picture business, this time trying to divorce the producers from owning theaters, likening the methods of control in the film industry to those of Adolf Hitler in Germany, saying that it is un-American. I know of nothing more un-American than to destroy business like the attempt being made today out in California.

I say to Mr. Arnold that the film industry has built motion pictures up from nothing and made the industry what it is today, bought their theaters and paid for them. He now wants to set himself up as a bureaucrat, go into the State and tell them how to run their own business even to the extent of destroying it. [Applause.]

[From the Washington Post of April 23, 1940]

FILM INDUSTRY "UN-AMERICAN," ARNOLD SAYS

Assistant Attorney General Thurman Arnold, the Government's chief "trust buster," yesterday charged that the motion-picture industry is a "type of dictatorship which is distinctly un-American."

Arnold opened hearings before a Senate judiciary subcommittee on the Neely bill with a bombshell indictment of the film industry, going so far as to liken its control methods to those of Adolf Hitler.

The Neely measure would compel divorcing of theater holdings from film-producing and distributing companies. Such proposals have been strenuously fought by major movie producers.

COMPARED TO HITLER

Arnold, the first witness, declared the picture-making industry is controlled by a "cartel similar to the vertical cartel set up by Hitler in Germany," and added that the Government's antitrust case against major producers is moving "with incredible slowness."

He condemned the industry as wasteful and extravagant, and declared it has become clear that Congress and the courts "must share responsibility for determining what combinations are desirable for orderly marketing" in the film world.

The hearing was recessed until May 16 on the vigorous request of C. C. Pettijohn, counsel for the Motion Picture Producers and Distributors of America, who claimed the industry had not been given sufficient time to prepare its case against passage of the bill.

NEELY IN CLASH

Earlier, Pettijohn and Senator NEELY, the measure's author, clashed when the attorney claimed the bill was introduced only 15 days ago and that only 24 hours' notice was given of opening of hearings. NEELY retorted, "We don't wait until people grow old and totter before taking action in the Senate."

EXTENSION OF REMARKS

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address delivered by Hon. Samuel B. Pettengill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

[Mr. CASE of South Dakota addressed the House. His remarks appear in the Appendix of the RECORD.]

EXTENSION OF REMARKS

Mr. BOYKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein certain letters.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HEALEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Boston Transcript on the proposed amendments to the Wagner Act.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Chicago Tribune.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a radio speech.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PROMOTION OF PROMOTION-LIST OFFICERS OF THE ARMY

Mr. LEWIS of Colorado. Mr. Speaker, I call up House Resolution 466.

The Clerk read as follows:

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 9243, a bill to provide for the promotion of promotion-list officers of the Army after specified years of service in grade, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Military Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Colorado is recognized for 1 hour.

Mr. LEWIS of Colorado. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. FISH], and at this time I yield myself 3 minutes.

The SPEAKER pro tempore. The gentleman from Colorado is recognized for 3 minutes.

Mr. LEWIS of Colorado. Mr. Speaker, this resolution, House Resolution 466, is a rule providing for the consideration of the bill (H. R. 9243) to provide for the promotion of promotion-list officers of the Army after specified years of service in grade. It is an open rule and provides for 2 hours of general debate on the bill H. R. 9243, after which the bill shall be read for amendment under the 5-minute rule.

Mr. Speaker, up to now I have received no applications for time on the rule. But I reserve the balance of my time.

Mr. FISH. Mr. Speaker, I yield myself 15 minutes, and I ask unanimous consent that I may proceed out of order for half of that time.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. FISH. Mr. Speaker, there is no objection that I know of to either the rule or the bill. The bill seems to be a necessity in order to take care of a situation that arose as a result of the World War, when some 4,000 or 5,000 officers enlisted in those 2 years and continued in the Regular Army. This has

created a hump in the rank of colonel and lieutenant colonel at the present time.

The purpose of the bill is to retire colonels and lieutenant colonels at the age of 60 rather than at the age of 64 for what is supposed to be—and I agree—the best interests and the efficiency of the Army. In most of the other armies of the world colonels are generally retired at a much younger age, at 54 or at 55. Any veteran who served overseas knows that a colonel in a combat regiment during the World War was around 45 years of age. It is self-evident that beyond 60 years of age an officer has not the physical energy to properly lead a combat regiment. Without, therefore, going into the details of the bill, I hope the proposal will be adopted for the good of the service. Why it was not submitted before I do not know, for it should have been years ago regardless of the hump that now exists, because 60 years of age for a colonel is about 10 or 15 years too old for a combat officer, and particularly in modern warfare, which has become even more a matter of physical endurance.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman has explained the purpose of the bill. I therefore want to ask him a question on an important matter, as long as he has mentioned warfare. Some distinguished rear admiral or general stated that we would eventually have to go to war with Japan. Now, what has been troubling me for some time is this: We notice in the papers through statements made by high-ranking naval officials that Japan is building a tremendous navy. It occurs to me that the United States, through the sanction of our Government, is providing Japan with the raw materials with which to build this tremendous navy that we must fight sometime in the future if these generals are right. Now, what can be done to stop the shipment of these war materials which we are now sending over to Japan and prevent them from building up a big fleet which we will eventually have to fight?

Mr. FISH. I am very glad to answer the question of the gentleman from Minnesota, but I want to point out right now, because we are discussing an Army promotion bill and not a Navy promotion bill, that as far back as I can remember there has never been a general or an Army officer who tried to proclaim new foreign policies for the United States. The gentleman from Minnesota referred to a general. I never heard of a general or any Army officer making similar statements to those made yesterday by Admiral Taussig or by a number of other admirals, notably Admirals Woodward, Yarnell, and Sterling, all of whom have made, and are still issuing, provocative statements. In all fairness to the Army, I want to rise to their defense, as no Army officer has taken upon himself to promote war hysteria or to join in the propaganda of the interventionists that war is inevitable.

The gentleman asked what Congress can do to prohibit the sending of munitions of war—arms and ammunition—and particularly the supplies from America that will build up a great navy in Japan. In all fairness to the administration, and the gentleman knows I am not exactly the strongest administration supporter in the Congress, it has already taken certain proper and sound steps in that direction through the creation of what it calls a moral embargo prohibiting the sale of airplanes, airplane parts, instruments, and machinery that go to make up airplane gasoline processes, and I believe the sale of airplane gasoline. I have had a bill pending in the Foreign Affairs Committee for 2 years which calls for the prohibition of the sale of scrap iron to Japan, but up to the present time no action has been taken.

Personally, I am in favor of the Congress prohibiting the sale of all arms, ammunition, and munitions of war, including the sale of scrap iron, to Japan, because it is self-evident they are being used in the Chinese war; and, as the gentleman from Minnesota stated, many of these materials are now going into the Japanese Navy to make a greater and bigger navy; but so far, outside of the moral embargo, nothing has been done to stop the flow of war supplies to Japan.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. As I understand it, prior to the passage of the last Neutrality Act last year, all shipments of war materials and supplies to any country had to be sent out under an authorized permit from the State Department; is that correct?

Mr. FISH. Does the gentleman mean to belligerent countries?

Mr. AUGUST H. ANDRESEN. The administration did not recognize there was any belligerency on the part of Japan in China, nevertheless they were belligerent countries; and, as I understand it, any war materials that went out had to go out under a permit from the Secretary of State.

Mr. FISH. Yes; I believe that is correct.

Mr. AUGUST H. ANDRESEN. Is that still the practice?

Mr. FISH. I believe it is necessary to have a license to sell arms and ammunition to all nations.

Mr. AUGUST H. ANDRESEN. Then the State Department could stop the issuance of licenses for the sale of war materials to Japan, and if we did that it would not take long before the war in China would be stopped?

Mr. FISH. That I cannot answer, because I believe Japan could get most of these supplies elsewhere.

Mr. AUGUST H. ANDRESEN. What does the gentleman understand by a "moral embargo"?

Mr. FISH. It is simply that the State Department says to our exporters, "We do not want you to export airplanes or airplane parts or machinery that goes into factories that make gasoline, to Japan."

Mr. AUGUST H. ANDRESEN. Still they are issuing licenses to do that. It is only a sort of a prayer and a suggestion that they do not do so.

Mr. FISH. Yes. They simply ask the American manufacturers, and the American manufacturers have to agree. They have agreed in the last 6 months not to sell any airplanes, and none are being shipped.

Mr. AUGUST H. ANDRESEN. That does not stop the shipment of copper, scrap iron, and all the other things?

Mr. FISH. No. The difficulty is that cotton also is considered war supplies, and no one on the Democratic side wants to prevent the shipment of cotton to Japan, which is one of our greatest cotton buyers.

Mr. AUGUST H. ANDRESEN. They are getting most of their cotton from Brazil, Mexico, and other countries.

Mr. FISH. They are getting a large part from us. I do not disagree with the gentleman. I think we could do more. We have not recognized a state of war to exist in China; therefore we have not put into effect the Neutrality Act. I am in accord with what the State Department has done in regard to placing a moral embargo. I would like to see the Congress do a little more, particularly about passing my scrap-iron bill.

Mr. Speaker, in view of what the gentleman has just said, I want to make some reference to the remarks made yesterday by Admiral Taussig—perhaps the most provocative, inflammatory, and dangerous remarks that have been made by any Navy officer in our time and generation. He took the trouble to tell the Congress and the American people that war with Japan is inevitable—just adding fuel and flames to the war hysteria that now exists and increasing the dread and fear of war that now prevails in America. He practically sets up a hobgoblin and says that it will get us if we do not watch out unless we increase the size of our Navy, which is the greatest navy in the world today. He virtually states that unless we have a bigger, better, and greater navy that we have at the present time, Japan will take over Asia and will then come over here and wipe out the United States. He tells us that we must fortify the Philippines and Guam and become allied with the British and French in order to protect Singapore and Indochina and other foreign possessions. I do not believe Admiral Taussig speaks for the Navy or for

any considerable number of admirals. He only claimed to speak for himself.

The Secretary of State very properly rebuked Admiral Taussig, but, unfortunately, he is not the first admiral who has talked out of turn. Only yesterday Admiral Sterling had an article in the newspapers practically saying the same thing. The question that arises in my mind is, Is this Navy of ours for peace or is it to drag us into war? Is it primarily to defend our interests here on the American Continent or is it aimed for aggression—to take us over into the Far East to fight someone else's war? These jingoistic admirals remind me of a group of little children striking matches over a powder magazine. They do not seem to care at all whether they involve us in a war. Very obviously these warmongers, chauvinists, and fire-eaters have a Japanese complex. They seem to think that the only duty of our Navy is to get into war with Japan and to defeat the Japanese Navy.

We have a situation in America today where the dogs of war are barking and yelping and pulling at their leashes, ready to go, and along come these admirals saying war is inevitable, why not now? This is exactly the same argument I heard in Europe last summer—that war is inevitable, why not now? We are armed and ready; therefore, why not have a war?

Every time we have a Navy bill before us we have this type of propaganda, this inspired propaganda from some of the admirals of our Navy, and all these attacks upon Japan. We are now told that Japan is building 65,000-ton battleships; that the Japanese Navy is larger than our Navy; that we are defenseless; and that we are almost in the same category as China or Abyssinia or Poland. However, just as soon as the Navy appropriations have gone through, all the war talk over Japan subsides for another year.

The gentleman from Minnesota asks what can be done about it. I do not know what can be done about it. All we seem to do is rebuke one admiral, and a week later another admiral says the same thing. The question is whether the Congress should not do something and have a thorough investigation of this war propaganda from our Navy officers. They do not permit it in the Army. No one has ever heard an Army officer make a statement of that kind, yet it is repeatedly done in the Navy. I would like to know whether the Navy is to maintain peace or to drag us into war.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. AUGUST H. ANDRESEN. I understand that the President of the United States is Commander in Chief of the Army and Navy. Do you not suppose he could take a hand in closing the mouths of his admirals and rear admirals, or does he want these statements to come out?

Mr. FISH. I believe any other President in the past would have done it within 24 hours, but might it not be that these admirals are repeating in other words precisely what the President of the United States has said, particularly in his Chicago speech of 2 years ago, that it is the duty of America to quarantine these foreign nations? That is practically what Admiral Taussig said. In other words, he says that it is our duty to quarantine all of the Far East and Japan and become allied with England to protect Singapore, and that we must fortify Guam and the Philippines, which Congress refused by a substantial vote to arm.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 5 additional minutes.

The Congress, by an overwhelming vote, has voted independence for the Philippines, and I voted for it. One of the main reasons I voted to free the Philippines and give independence to them is simply that I believe the Philippines are the Achilles' heel of the United States. I would never vote, and no one else in the Congress would ever vote, to give up the Philippines in time of war or under threat. Way back in 1907 President Roosevelt wrote a letter to Secretary of War Taft and said:

> We must give up the Philippines because the Philippines are the Achilles' heel of the United States, and we must do it in peacetime.

Now along comes an admiral and says we must spend more millions of dollars to fortify the Philippines and to fortify Guam.

Are we, the Congress of the United States, going along with any such change of our foreign policies? Do we propose to extend the Monroe Doctrine 10,000 miles into the Far East, and back it up with our Navy? If this is true, then we had better appropriate two, three, or four billions more for our Navy.

There seems to be a great misunderstanding about the size of our Navy, even among our friends of the D. A. R. They laughed some speaker down the other day—I believe it was Senator WALSH—who said that we have the largest Navy. They ridiculed him. What are the facts? The facts are that we have the largest Navy in the history of America today. For the first time in our history our Navy is greater than the British Navy, and every day it is getting relatively greater and greater because every day some English battleship, cruiser, submarine, torpedo boat, or destroyer is sunk, and every day some German warship is also sunk.

At the outset of this war our Navy was three and one-half times the size of the German Navy. Today our Navy is probably five or six times as large as the German Navy. Our Navy is probably 30 or 40 percent larger than the Japanese Navy, and we have already appropriated practically a billion dollars additional to complete even a greater Navy. Yet the D. A. R., a highly intelligent American organization, and highly patriotic, ridiculed a statement made by a man who knows as much about it as anybody in America—Senator WALSH, head of the Naval Affairs Committee of the Senate—that we have the greatest Navy in the world. Because of this kind of propaganda emanating from the admirals and others, the American people back home and even the D. A. R. think that we are defenseless and that we can be attacked by Germany or Italy or Japan. They do not tell the D. A. R. that under cross-examination every admiral says that any navy to attack us must be three times the size of the American Navy, even to dare to attack us; yet our Navy is larger than the British Navy, and gradually, every day, it is getting proportionately stronger, and it is much larger than the Japanese Navy and five times larger than the German Navy.

What are the American people to think when an American admiral urges fortifying the Philippines and Guam and having a bigger Navy and stating that we will have to go to war with Japan in order to extend the Monroe Doctrine 10,000 miles into the Far East?

Mr. MASSINGALE. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. MASSINGALE. The gentleman made a significant statement to me a while ago to the effect that our Navy is 30 to 40 times as large as the Japanese Navy.

Mr. FISH. Thirty or forty percent larger.

Mr. MASSINGALE. The gentleman said 30 or 40 times larger, and I was going to ask the gentleman——

Mr. FISH. I meant to say 30 or 40 percent larger, and I am glad to be corrected.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 1 more minute.

Mr. Speaker, I trust there will be no more of these provocative and inflammatory speeches by the admirals of our Navy. If there are, then the American people will be looking under the bed every night to see if there is not some Jap there ready to pounce out upon poor, little, defenseless America and gobble up both North America and South America with one bite.

We in Congress know that we have the greatest Navy, and we propose to continue to have the greatest possible Navy to defend the United States of America, but none of us is looking for any naval program of expansion that will take us over to foreign lands for wars of aggression or to extend the Monroe Doctrine 10,000 miles to the Far East or to get us into any foreign wars. [Applause.]

[Here the gavel fell.]

Mr. LEWIS of Colorado. Mr. Speaker, I would like to ask the gentleman from New York if he has any further applications for time.

Mr. FISH. No; we have completed our argument for the day.

Mr. LEWIS of Colorado. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Speaker, it seems to me that the distinguished gentleman from New York who has just spoken has made a very serious mistake. We are not today debating a Navy bill but the Army promotion bill. Taking as his text and springboard the fact that there was no Republican opposition to the pending bill, he proceeds to give us a political lecture [laughter], and it seems to me there should be just a word or two spoken in reply.

I resent very vehemently his criticism of the President of the United States and of Admiral Taussig and of the other Admirals of our Navy whom he characterizes as a bunch of small boys striking matches over a powder keg. I respectfully submit that if there be any justification for the criticism and censure which has been meted out to Admiral Taussig it should be heaped upon the heads of the committee who permitted the release of Admiral Taussig's testimony for publication. There can be no escape from the point that any witness summoned to appear before a committee of Congress who tells the truth as he sees it, and testifies under oath to his honest convictions, is not and should not be subject to censure. [Applause.]

Admiral Taussig did not give his testimony to the press—he gave it to a congressional committee.

Then I think that the criticism that the President of the United States did not within 24 hours issue a reprimand comes with very poor grace from the distinguished gentleman from New York, who knows that Republican Presidents throughout history have been as deaf and dumb as oysters in situations demanding condemnation—which this one did not.

The present Commander in Chief of our Army and Navy has repeatedly spoken out in advocacy of discreet silence in aid of neutrality. Every officer has complied with his injunction. But when summoned to speak before one of our committees, a witness has no choice but to speak. The President, therefore, is perfectly right not to censure Admiral Taussig and shows commendable restraint in not criticizing the committee permitting publication of his testimony.

The Admirals of our Navy are men whose patriotism flames not only in word but in deed. When called upon to speak, they speak; and they usually know whereof they speak. No other group speaks with as much authority when they talk on the subject of national defense, unless it be those officers of similar grade in the Army.

With that preliminary statement, then, let us look at this bill. I want to congratulate the great Military Affairs Committee of this House upon the production of this bill, and I also want to congratulate the War Department for agreeing to it. Last year, that age-in-grade bill, which the War Department desired and for which the Military Affairs Committee of this House acted as a derailing switch, was not for the best interest of the Army or the Government or the people generally; but here we have a modification of that plan, which will take out the World War hump in our Army officer personnel, will give us, not an age-in-grade bill, but a vitalizing act that will stimulate and surcharge the batteries of our Army officers, will give new hope to those boys who are coming out of our splendid schools and through the ranks, will give hope and courage to them of attaining their life's ambition, and not only hope but assurance of an honored career in Uncle Sam's fighting forces. It is therefore with great pleasure that I congratulate not only this great Military Affairs Committee of ours, but also the War Department, for solidly backing this meritorious piece of legislation which, as the gentleman from New York [Mr. FISH] so creditably said, has the support of the Republican and the Democratic sides of the committee and of this House. So it is with these deserved felicitations that we today face the task, the pleasant task, of improving our Military Establishment by passing the most constructive promotion bill which has been presented to this or any other Congress since the World War. [Applause.]

[Here the gavel fell.]

Mr. LEWIS of Colorado. Mr. Speaker, I have no more applications for time, and I understand the gentleman from New York has none. The bill will be fully explained by the Military Affairs Committee. I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

KRIKOR HAROUTUNIAN (H. DOC. NO. 704)

The SPEAKER laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I am returning herewith, without my approval, H. R. 2487, an enrolled bill, entitled "An act for the relief of Krikor Haroutunian."

The purpose of the bill is to reimburse the person named for an alleged claim against the Government arising out of the forfeiture of a $1,000 immigration bond which he executed in 1925 in behalf of two aliens named Varter Zakarian and Vehanush Bagdasarian.

The bond was exacted by the immigration officials as a condition precedent to the admission of the aliens into the United States for a period of 6 months. The major obligation of the instrument was that the aliens would leave the country on or before the date they were required to do so, and guaranteed that that would be done without causing any expense to the Government. Through liberal extensions of time granted them by the immigration authorities the stay of the aliens was extended until January 1, 1928. When they failed to depart on or before that date, the bond was declared breached and its $1,000 collateral security turned into the Treasury on or about May 21, 1928.

One of the aliens persisted in remaining in the country until around January 25, 1929, when she went to Canada and, after obtaining the required immigration visa, was lawfully admitted to the United States for permanent residence on the same day. The other never departed from the country. She acquired in 1934, through the process of registration under a special statute in force and effect for 1 year, the status of a lawful resident.

The bond in question was posted to guarantee the departure of the aliens without expense to the United States. They were allowed generous extensions of time so as to enable them to arrange their affairs and voluntarily leave the country without causing any expense to the Government. When, without any reasonable excuse, they failed to do so, the bond was properly forfeited, not only as a punitive measure, but as compensation for the expense the aliens had caused the Government.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 22, 1940.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the journal.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent that the bill and the message be referred to the Committee on Claims and ordered printed.

The SPEAKER pro tempore. Without objection it will be so ordered.

There was no objection.

ALLEGHENY FORGING CO. (H. DOC. NO 705)

The SPEAKER pro tempore laid before the House the following message from the President of the United States which was read:

To the House of Representatives:

I return herewith, without my approval, H. R. 3674, Seventy-sixth Congress, third session, entitled "An act for the relief of the Allegheny Forging Co."

This enactment would authorize and direct the Secretary of the Treasury to pay to the company out of any money in the Treasury not otherwise appropriated, "the sum of $1,700 in full settlement of all claims against the United States for payments due it on account of forgings for kitchen trailers manufactured for the use of the United States Army, as a subcontractor of the Ohio Trailer Co., under contract with the Government dated October 3, 1918." The liability of the United States, if any, for the cancelation of the contract in question was to the Ohio Trailer Co. (or its successor, Ohio Motor Vehicle Co.), and not to its subcontractor, the Allegheny Forging Co. At a time when there was pending a suit against the Ohio Trailer Co. by the subcontractor for the purpose of determining the former's liability for the transaction here involved, the Allegheny Forging Co. in consideration of certain payments made to it from allowances by the United States released the contractor of all liability under the contract. Such release appears to be entirely valid, made with full knowledge of the facts, and serves effectively to extinguish any claim against the contractor and consequently against the United States. The granting of additional relief to a claimant who, after accepting an amount in full satisfaction of an obligation, attempts to retain the benefits obtained by the agreement but to ignore its own commitments thereunder, would, in my judgment, be entirely unjustified and would establish a dangerous precedent.

Furthermore, there is no clear authority under existing law, statutory or general, for the allowance of claims of other claimants under such circumstances, and after consideration of the record in this case I am not convinced that there are here present such elements of equitable merit as would justify the according of preferential treatment to this claimant.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 22, 1940.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent that the bill and message be referred to the Committee on Claims and ordered printed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

PRIEST LUMBER CO., INC. (H. DOC. NO. 706)

The SPEAKER pro tempore also laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith, without my approval, H. R. 5295, Seventy-sixth Congress, third session, entitled "An act for the relief of the Priest Lumber Co., Inc."

This enactment would authorize and direct the Secretary of the Treasury to pay to the Priest Lumber Co., Inc., the sum of $749.96, in full settlement of all claims against the United States for the remission of liquidated damages assessed against the said company because of delay in the delivery of lumber to the United States under War Department purchase order No. 537–A, dated April 7, 1934.

It appears the purchase order was issued under a contract which provided for the assessment of liquidated damages in the event of delays in delivery; that there were delays in delivery of the lumber; and that the amount here involved was properly and legally deducted from the amount otherwise due the claimant in accordance with the provisions of the contract.

It is not unusual for Government contracts to contain provisions with respect to liquidated damages similar to the one contained in the contract executed by the Priest Lumber Co., Inc., and the courts have held that such provisions are to be enforced in accordance with their terms. The contract here involved was freely entered into by the claimant and the liquidated damages were withheld in accordance with the agreement of the parties. The claimant apparently could have protected itself against the assessment of liquidated damages by obtaining the lumber from a source other than that originally contemplated and making delivery within the agreed period. There is no authority under existing law for the allowance of claims of other contractors under similar circumstances and the allowance of this claim would, in my judgment, be entirely unjustified as according preferential treatment to this claimant and as establishing an undesirable precedent.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 22, 1940.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent that the bill and the message be referred to the Committee on Claims and ordered to be printed.

The SPEAKER pro tempore. Is there objection?

There was no objection.

K. E. PARKER CO. (H. DOC. NO. 707)

The SPEAKER pro tempore also laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith, without my approval, H. R. 2055, Seventy-Sixth Congress, third session, entitled "An act for the relief of the K. E. Parker Co."

This enactment authorizes and directs the Secretary of the Treasury to pay to the K. E. Parker Co., of San Francisco, Calif., the sum of $1,878.98 in full settlement of all claims against the United States for repairing damage to roofing on a machine and electric shop building, Puget Sound Navy Yard, Bremerton, Wash., caused by the severe storm of October 21, 1934, which building was being constructed by the K. E. Parker Co. under contract NOy–1942, dated October 21, 1933.

It appears without question that the United States is under no legal obligation to reimburse the claimant for the expenses incurred in repairing the damage, and while the enactment contemplates the granting of relief on "equitable grounds alone" the claim does not, in my judgment, contain such elements of equity as to justify reimbursement to the claimant at the expense of the United States. The Government was in no way responsible for the damage and it obtained no benefit from the repairs it was not entitled to receive under the contract for construction of the building. In undertaking construction of the building the claimant assumed the risk of storm damage and could have guarded against such risk by obtaining adequate insurance. The fact that it did not obtain such insurance and that it encountered an unexpected difficulty, resulting in additional expense, in the performance of the contract, did not lessen its responsibility or operate to shift that responsibility to the United States. It is not the practice or purpose of the Government, in connection with its contracts, to indemnify contractors against loss from risks they assume, and the circumstances of the present claim are not such as would justify the according of preferential treatment to this claimant. There is no authority under existing law for the allowance of claims of other contractors who have suffered similar losses in the performance of their contracts with the Government and allowance of this claim would, in my judgment, be entirely unjustified and establish an undesirable precedent.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 22, 1940.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent that the bill and the message be referred to the Committee on Claims and ordered printed.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ARMY PROMOTION

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 9243) to provide for the promotion of promotion-list officers of the Army after specified years of service in grade, and for other purposes.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Kentucky that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9243.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9243, with Mr. PACE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MAY. Mr. Chairman, I yield myself 10 minutes. I shall make a very brief statement of the purposes of this bill. It is the result of long and continuing study in the War Department and by your Committee on Military Affairs, with many hearings and much consideration, in an effort to find a solution to the problem of promotion stagnation in the Regular Army. The stagnation of the Army is the result of the large number of World War officers that volunteered and were inducted into the Army shortly after the war closed and during the period of the war. We have endeavored in the consideration of this measure to bring to you a bill that would meet just as little opposition as possible. Last year, as you all know, we reported a bill on this subject that carried with it an expression of minority views by several members of the Committee on Military Affairs. That bill remained on the calendar until just a few days ago, and in an effort to reconcile the differences between those who reported the bill and those who were opposed to it I, as chairman of the committee, appointed a special committee of three members from the number who were opposed to that measure to collaborate with and discuss the matter with the War Department.

After that committee was appointed there were a large number of discussions and conferences between the special committee and officials of the War Department, and as a result of all of those discussions we were enabled to draft and report this bill in the nature of a compromise. I am happy to say to you today that the entire membership of the House Military Affairs Committee, both the majority and the minority, are supporting this measure.

Mr. VAN ZANDT. Will the gentleman yield?

Mr. MAY. Not just now.

The bill is a measure that will do equal justice to every member of the Army promotion list and render great public service in bringing about efficiency in the Army.

I would like to quote very briefly from the testimony of the Secretary of War before our committee in the hearings recently had on this measure. He stated:

> It discriminates against no group and it vitalizes the two most important grades in the Army, those of colonel and of captain.

Then, in speaking of the importance of the legislation, he said this:

> If some such legislation is not enacted we will have a situation in a few years where officers in obscure positions must be very suddenly advanced to high rank and command and control over matters of great importance without the proper training in the grades that they are skipping over rapidly, and this is the most critical phase, I think, of the whole problem that is before us.

In other words, what he meant to convey was that under existing law we would promote captains, probably, to the grade of major or lieutenant colonel without proper preparation.

In the consideration of the matter there was no opposition to the measure whatsoever. It met the approval of all of the officers of the Army. It has been O. K.'d by the Bureau of the Budget and the President of the United States.

In view of the fact that members of the committee will debate the measure, some gentlemen who have had wide experience in military affairs, who have had actual experience in the Army and in actual active service, I am not going to take any more of the time of the Committee to make any further detailed explanation of the matter.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. VAN ZANDT. Earlier in your remarks you made the statement that these officers were inducted into service.

Mr. MAY. If I used the word "inducted," I did not mean it. They volunteered to become officers in the Regular Army at the close of the World War, even though they had had the terrible experience of the battlefield in France.

Mr. VAN ZANDT. That is correct. I did not want the apparent mistake to remain in the RECORD.

Mr. MAY. Neither did I. I thank the gentleman from Pennsylvania for his correction of my remarks.

Mr. Chairman, I desire to extend my remarks by including a memorandum which I will hand to the reporter, and I reserve the balance of my time.

Mr. MAY. Mr. Chairman, H. R. 9243 is the result of long continuing study in the War Department and by your Committee on Military Affairs, to find a solution to the problem of promotion stagnation in the Regular Army. This stagnation is the result of the great increase in the strength of the Regular Army immediately following the World War. The large increase in the required number of officers was secured by commissioning a large number of World War officers whose service originated in the period of 2 years from November 1916 to November 1918. At the present time 4,200 of these officers, more than a third of all the officers on the promotion list, still remain on the active list. They are known as the World War "hump." They average 46 years of age and have approximately equal service. They occupy the lower 400 files of the grade of lieutenant colonel, the entire grade of major, and the top 900 files of the grade of captain. The fact that they are of the same average age and length of service gives them a rate of removal from the active list by death, retirement for physical disability, and other retirements, which is so low that it results in stagnation in promotion of the lower part of their own group and of the officers who follow them on the promotion list.

The problem is immediate. Officers in the grade of major have from 22 to 23 years' commissioned service. Officers in the grade of captain have from 10 to 22 years' commissioned service. The senior officer in the grade of major and the junior officer in that grade are separated by over 2,900 files on the promotion list and have approximately the same length of service, yet the promotion rate is such that the senior major will be a lieutenant colonel in a month or so, and the junior major must wait 10 years. The top 900 captains, all World War officers, are faced with similar prospects. This condition is demoralizing to the World War "hump" officers and to those who follow them on the promotion list, and is critical for the future. An officer entering the grade of captain today faces years of monotonous service in that grade so detrimental to his interest, initiative, and efficiency that it cannot fail to be reflected in the effectiveness of the Military Establishment.

Aside from the demoralizing effect of the lack of a career on the part of the officers affected, the matter is far more serious from the standpoint of the national defense. If the Army is to have an efficient officer corps, a promotion system must be devised which will provide opportunities to exercise command, executive, and staff functions appropriate to every grade at an age when the officer is in full possession of the mental and physical capacity required for such command duties. An officer should reach each grade at a proper age and have a reasonable length of service in each grade. The large majority of officers should have opportunity for selection as general officer, yet the system devised should avoid any undue hardship to any individual.

The solution of the promotion problem presented in H. R. 9243 is that of promotion after specified years of commissioned service. It is an extension of the provisions of the act of July 31, 1935, which provided for promotion from second lieutenant to first lieutenant after 3 years' service, for promotion

from first lieutenant to captain after completing 10 years' commissioned service—7 years in the grade of first lieutenant. The extension provides a similar method of promotion to the grade of major, to the grade of lieutenant colonel, and to the grade of colonel. Specifically the bill provides for—

Promotion to first lieutenant after 3 years of service, same as present law; to captain after 10 years of service, same as present law; to major after 17 years of service; to lieutenant colonel after 23 years of service; but an officer must serve 6 years as a major before being promoted to lieutenant colonel; to colonel after 28 years of service, but an officer must serve 5 years as a lieutenant colonel before being promoted to colonel, and the number of colonels is limited to 705, the present number, since appropriate peacetime assignments cannot be found for a greater number of colonels. For example, at the present time there are only 157 actual regimental commands for colonels in the peacetime Army. The remaining five-hundred-odd must be placed on other duty away from Regular Army troops, and it can be realized that there is a limit to the number of appropriate positions for a full colonel in the latter category.

Lieutenant colonels with over 28 years' service are made eligible for selection as brigadier general of the line or as chief of branch. This insures that approximately 3,900 of the 4,200 officers in the World War "hump" who are now less than 54 years of age will become eligible for selection as a general officer if they do not elect retirement prior to attaining 28 years' service. The present law limits such selections to officers in the grade of colonel.

In addition to the present laws governing retirement, the bill provides, beginning June 30, 1942, for mandatory retirement of brigadier generals at age 62 and other officers at age 60, with the exception that the Secretary of War may exempt not to exceed 5 percent of the colonels from retirement at age 60 and carry them on the active list to age 62. This permits the retention of outstanding colonels on active duty until age 62—the age for retirement of brigadier generals. The 2-year delay in applying this provision is to permit due notice to the officers concerned. The present mandatory retirement age is 64 years. H. R. 9243 leaves that age for major generals, but lowers it to 62 for brigadier generals and to 60 for other officers. The requirements of modern war demand too great physical requirements to warrant the retention on the active list of regimental commanders and staff officers over 60 years of age. The requirements for selecting and training general officers makes it undesirable and impracticable to select a brigadier general aged 62 for appointment as a major general, since he then has only 2 years to serve before reaching the statutory retirement age of 64 years. A colonel 60 years of age has already been passed over several times for selection as a brigadier general, since a brigadier general must be appointed at an age less than 58 if he is to have opportunity to exercise command for a period adequate to qualify him for the higher general officer grades.

The bill also provides that any officer with World War service may retire at any time with three-fourths pay. If he has 23 years of service and has not reached the grade of lieutenant colonel because of the requirement of 6 years' service in the grade of major, he can retire with the grade of lieutenant colonel. If he has 28 years of service and has not reached the grade of colonel, he can retire with the grade and pay of a colonel.

One effect of this measure will be to increase the number of field officers immediately by 1,350, largely in the grade of major, due to the promotion of those officers with from 17 to 22 years' service who are now stagnated in the grade of captain. However, the number of field officers will become less each year thereafter, and after 8 years will fall below the present authorized 40 percent of the authorized number of promotion-list officers. By 1953 the number will be approximately 34 percent, which, with the recently increased strength of the Regular Army, is considered a more appropriate percentage. At 28 years' service officers will be in the grades of lieutenant colonel and colonel, due to the limitation of 705 colonels. Because of this limitation, and while the hump is in the grade of lieutenant colonel, officers will not reach the grade of colonel immediately upon completing 28 years' service. When the "hump" is entirely separated from the active list that ideal can be attained. Retirement in the grade of colonel and the opportunity for selection as a general officer afforded by this bill to lieutenant colonels with over 28 years' service nullifies to some extent the effect of limiting the number of colonels.

The bill provides for promotion after specified years of continuous commissioned service in the Regular Army. However, in order to recognize the fact that in the World War hump there are a large number of officers whose commissioned service in the Regular Army dates only from July 1, 1920, but who had commissioned service in the National Guard or National Army during the war, a provision is made in the bill that any officer shall be credited for promotion and retirement purposes with at least the same length of continuous commissioned service in the Regular Army of any officer junior to him in his grade on the promotion list. Some such provision as this is necessary. Officers in the World War hump were originally placed on the promotion list by a method which accounted for all active commissioned service subsequent to April 6, 1917, in the National Army, the National Guard, and the Regular Army. Credit for all World War service was recognized then and is recognized now. During the World War a large number of officers were appointed directly in the Regular Army. These officers are in groups placed in the promotion list in accordance with length of active commissioned service. By crediting officers on the promotion list with the greatest amount of continuous commissioned service in the Regular Army of officers junior to them on the promotion list there is insured that there will be no change in relative order of officers on the promotion list. It also assures that the credit which such officers will receive will be by reason of the commissioned service of an entire group, such as, for example, the June 1917 provisional appointments in the Regular Army. Had another system been adopted, such as crediting all active commissioned service, it would result in one individual carrying forward a large group of officers in some cases to undesirable lengths of constructive service. Under this bill officers of the World War "hump" will have credit for service from 23 years at the top of the hump to over 21 7/12 years near the bottom. It is now 23 years since the United States entered the World War. Officers who were commissioned over a period of a year and a half thereafter prior to November 11, 1918, the date of the armistice, can truly be said to be World War officers. It can also be seen that they receive under this provision of the bill appropriate credit for such service.

The method proposed in the bill therefore is fair to every officer in the World War group, and it applies directly to all the officers who came into the Army after the World War group.

H. R. 9243 also provides that an officer shall serve 6 years in the grade of major and 5 years in the grade of lieutenant colonel. Since the bill provides for promotion to major at 17 years' service, to lieutenant colonel at 23 years' service, and to colonel at 28 years' service, it would appear that the stipulation of 6 years' service in the grade of major and 5 in the grade of lieutenant colonel is unnecessary since the difference between 23 and 17 years' service is 6 years and between 28 and 23 years' service is 5 years. The stipulation is made necessary by the World War "hump" officers who are stagnated in promotion. The entire purpose of the proposed legislation is to provide that officers shall be promoted after appropriate years of service in each grade, these being 3 years as second lieutenant, 7 years as first lieutenant, 7 years as captain, 6 years as major, and 5 years as lieutenant colonel. The senior captain now has 22 years' service. If this provision for 6 years' service in the grade of major were not in the bill, he would serve only 1 year as a major and upon completing his twenty-third year of service would be immediately promoted to lieutenant colonel, in effect practically jumping

the grade of major. Inasmuch as this captain has 22 years' service he has served 5 years longer in the grade of captain than will be necessary for promotion to major under the proposed bill; accordingly there is provision in the bill that an officer shall receive constructive credit for half the period in excess of 17 years' and 23 years' service with which he is credited upon promotion to the grades of major and lieutenant colonel, respectively. In the case of officers now serving in the grades of major and lieutenant colonel it is the intent of this provision that they receive constructive credit on the remaining years of service required in those grades of half the amount of service in excess of 17 years and 23 years, respectively, which they would have had under the provision of this bill at the time they were promoted to major or lieutenant colonel. The entire purpose is to prevent officers jumping the grade of major. As stated, the constructive credits are also applied to officers who are now in the grades of major and lieutenant colonel.

The costs of this measure will be less than the present system. The estimating agencies predict that additional costs will average about $300,000 the first 4 years; thereafter savings will run from $1,400,000 in 1945 to $4,300,000 in 1956—an average of $2,300,000 annually for the 12 years.

The important thing which the enactment of H. R. 9243 will do is to insure that officers will proceed through the various grades at a regular rate which will provide proper age within each grade and proper opportunities for training of the officer in that grade. Such an attainment is vital for the development of leadership. Leadership in the Army must extend down from the general officer through all grades to that of second lieutenant. If in each grade there are officers of appropriate age and appropriate length of service, the continuity of leadership is assured. That continuity is lost if there is stagnation in promotion such that officers of equal service and equal age serve in three of the grades of the Army—the condition which now exists with respect to the World War "hump"; it is also lost if officers remain in one grade too long and then jump intermediate grades.

The test of the value of our Regular officers is not whether or not they are performing satisfactorily routine duties of peace, but is what will we have if war comes? The really valuable element must be younger officers of zeal and ability, whose interest and efficiency has been maintained by reasonable advancements during their service in peace when preparing themselves and the Nation for the use of its armed forces should war come. They become qualified for service in war by virtue of experience gained during service in peace.

To sum up:

H. R. 9243 benefits national defense by—

First. Insuring a proper flow of promotion through all commissioned grades, with proper period of training and development in each grade.

Second. Making possible a continuity of vigorous, active, and trained leaders in each grade from the highest to lowest.

Third. Raising immeasurably the morale of our officer corps by insuring a reasonable career with proper advancement for each competent officer.

It benefits the World War officer by—

First. Affording to a large majority an opportunity for consideration for selection as brigadier general which is not possible under the present system.

Second. Assuring that practically all of them will reach the grade of colonel or retirement as a colonel.

Third. Insuring proper promotion for those near the bottom of the group.

It benefits the post-war officer by—

First. Giving him the opportunity for a real career and a chance to advance through all grades.

It does all this without introducing any hardships or injustices to any individual and without increasing the cost of national defense.

The primary objective of H. R. 9243 is to bring officers into the various grades of the Army at ages and with the experience appropriate to the command with which a grade is associated. The bill provides that officers who fail to reach the grade of general officer shall be retired upon reaching age 60. This retirement at age 60 is the essential vitalizing feature of the bill. It will provide younger, more energetic regimental commanders and at the same time permit savings in the pay of the Army which will amount to some $26,000,000 over the next 15 years.

Retirement at age 64, as at present, would throw the primary objective of the bill entirely out of line insofar as lieutenant colonels and colonels are concerned. The majority of the age 60 retirements will occur in the grade of colonel—without such retirements the World War veterans in the "hump" will stagnate in the grade of lieutenant colonel with the grade of colonel filled to its limit of 705 with increasingly older officers. Furthermore, to increase the number of colonels would be fatal to the efficient administration of the Army—a serious error.

We cannot build an effective leadership throughout the grades if the grade of colonel—the regimental command grade—is choked with older officers. Regardless of long and faithful service, a colonel or lieutenant colonel at 60 is too old to meet the physical requirements of active field leadership of regimental troops, either in peace or war. Our Army is the only army of a great power which has not recognized this fact. Colonels are forced to retire at age 59 in France; at age 58 in Italy; and at age 55 in Great Britain and Japan—these ages apply in peace and war. In our own Navy, captains, commanders, and lieutenant commanders who are twice passed over for promotion, are retired after 30 years', 28 years', and 26 years' service, respectively, at ages averaging 53, 51, and 49 years—much lower than the age 60 in this Army bill.

The Army officer and the civilian are not to be compared on the basis of age. Far greater physical vigor and stamina are required of an Army officer. Even in peacetime a regimental commander should possess the physical energy and drive to supervise the training of his command and to dominate its leadership in the field under all conditions of terrain and weather without regard to hours, or lack of food or sleep. A weary colonel means a disheartened regiment.

May I quote General Marshall, the Chief of Staff, testifying before the House Military Affairs Committee on this point:

> Before the Senate committee yesterday I referred to the fact that I saw 27 different divisions of ours engaged in battle—we employed 29—and there were more reliefs of field officers, those above the grade of captain, due to physical reasons than for any other cause. But by that I do not mean that they were definitely relieved because of a physical limitation, but because their spirit, their tenacity of purpose, their power of leadership over tired men, was broken through physical fatigue. They became pessimistic. They became nervous possibilities in positions of leadership. A man must have a great deal of stamina to stand the racket of campaign. Many of our mistakes were due to physical deficiency, and as I remarked, the majority of the reliefs, I think, were due specifically to physical exhaustion.
>
> Retirement at 60 years is, in my opinion, the most essential feature of this legislation. If retirement of colonels is deferred to 64, the procedure under this bill will not only involve a material increase in cost, but it will delay the advancement of a number of lieutenant colonels and will definitely operate to the disadvantage of leadership in the officer corps.

Brigadier generals should be selected from officers less than 58 years of age in order to have sufficient useful time in the grade of general. Officers over 60 are, therefore, denied opportunities for promotion. With only 157 regimental peacetime commands to which younger colonels should be assigned, the remaining 550 colonels must be assigned to other duties—Organized Reserves, National Guard, Reserve Officers' Training Corps, and so forth, which also require vigorous leadership. The War Department now experiences difficulty in placing its older colonels.

If the retirement at age 60 provision were eliminated, it would wipe out all the economy which this bill has over the present system. By 1956 the increased annual costs of our present system will be about $5,000,000 over present costs. The passage of this bill as written will increase costs by $300,000 per year for the first 4 years. Thereafter it will decrease costs on an average of $2,300,000 annually over the next 12 years.

Concerning these costs, they are for active and retired pay combined. They are estimates, of course, and I am informed that they are outside costs—that is, the predicted increased costs the first 4 years will probably be less than the figures given and the savings indicated for the next 12 years will probably be greater. The estimating agency of the War Department plays safe when it has to estimate so far in advance. The increased cost the first 4 years is due to two things: First, the immediate promotion during the next few years of officers who are now stagnated will result in some changes in pay periods since there are a very large number of World War officers who count for pay purposes periods of enlisted service, periods of active duty prior to the war, and a percentage of years of service as National Guard officers, which are not counted for promotion purposes. Second, because of the lowering of the retirement age from 64 to 60, a number of second lieutenants will have to be commissioned from 1 to 4 years earlier than had been anticipated. This makes an initial increased cost over the present system which is based on age 64 retirements. These officers will probably be brought in over a period of 2 or 3 years to avoid a slight "hump" in 1942, when the retirement at age 60 becomes effective.

Thereafter the second lieutenants coming in each year to replace officers retired at age 60 will be those who would have been brought in when officers retired or died at ages between 60 and 64, but since they are already included in the estimates of the future costs of the present system they do not add to the costs of the present bill. Therefore, after the reduction of the retirement age to 60 years there will be savings of the difference between active and retired pay of officers retired at age 60 for a period of from 1 to 4 years, since, except for the 60-year-retirement proviso, these officers would have continued on the active list for from 1 to 4 additional years up to age 64. Most of these officers will be retired in the grade of colonel. The maximum pay and allowances of a colonel is $600 per month, his retired pay is $375 per month; the difference is $225 per month. Over a period of 4 years this amounts to $10,800. For 100 officers this would mean a savings of $1,080,000. Retirements under this bill are estimated at from about 100 in 1943 to 325 in 1956. In estimating costs, of course, the savings are spread over 4 years in accordance with the attrition estimates for ages between 60 and 64, and are cumulative to the fourth year.

I believe my colleagues will agree with me that no great injustice is done by retiring an officer at age 60 with retirement pay of $375 per month.

REASONS NECESSITATING A NEW METHOD OF PROMOTION FOR PROMOTION-LIST OFFICERS OF THE ARMY—PRESENT SYSTEM OF PROMOTION

For promotion-list officers (promotion list—all officers except those of Medical Corps, Dental Corps, Veterinary Corps, and Corps of Chaplains): Second lieutenant to first lieutenant after 3 years' service; first lieutenant to captain after 10 years' service; captain to major, major to lieutenant colonel, lieutenant colonel to colonel, as vacancies occur, authorized 6 percent colonels, 9 percent lieutenant colonels, 25 percent majors; colonel to general officer, by selection from colonels, except assistant chiefs of branches may be from officers of 15 or more years' service. Variant: Air Corps officers have temporary promotion to field grades—major, lieutenant colonel, and colonel—and to general officer grades to meet Air Corps expansion needs.

For non-promotion-list officers—Medical Corps, Dental Corps, Veterinary Corps, Corps of Chaplains: First lieutenant to captain after 3 years' service; captain to major after 12 years' service; major to lieutenant colonel after 20 years' service; lieutenant colonel to colonel after 26 years' service; to general officer, by selection.

RESULT OF PRESENT SYSTEM IS STAGNATION IN PROMOTION

Affects officers on promotion list, except Air Corps officers. Latter have temporary promotion.

Example: Senior captain has now 22 years' service, is 1 of 900 World War officers still in grade of captain, has age and experience appropriate to a lieutenant colonel, but it will take him 10 years to go through the grade of major. In fact, officer is about same age and has within 1½ years of the same amount of service as has the junior lieutenant colonel. Prospects are he will be a colonel in 16 years, with 38 years' service, at age 62, too old for grade and for selection general officer. Approximately 1,000 junior majors and the top 2,000 captains face similar career.

WHY IS THERE STAGNATION IN PROMOTION?

Army was greatly increased in 1920, following World War, and some 7,200 World War officers were commissioned in the Regular Army, creating a "hump" of officers of approximately the same average age and length of service. "Hump" now numbers 4,200—over one-third of all promotion-list officers. "Hump" occupies lower 400 files of lieutenant colonel; entire grade of major, 2,900; upper 900 files of captain. Being about same age—average 46—their attrition rate is low and does not provide enough vacancies to create flow of promotion. With expected attrition, it will take "hump" 11 years to pass through grade of colonel, and by 1953 they will average 62 years of age, and all field grades will be filled with seriously overage officers.

WHAT HAS BEEN DONE ABOUT IT IN THE PAST

1926. Congress directed a study—act of July 2, 1926. Study recommended age in grade and service in grade retirements. No legislation enacted.

1929. Bill providing for promotion after years of service died in conference.

1935. Act of July 31, 1935, ended stagnation in lieutenant grades by providing promotion—second lieutenant to first lieutenant after 3 years' service; to captain after 10 years service; increased percentage of field officers from 26½ percent to 40 percent, thereby providing more vacancies.

1936. Act of June 16, 1936, ended stagnation for Air Corps officers by providing temporary promotion to meet requirements.

1939. Age-in-grade retirement measure proposed by War Department. Objected to because it would have retired officers less than 60 years of age.

WHY IS STAGNATION IN PROMOTION SERIOUS FOR THE NATIONAL DEFENSE?

Continuity of leadership is vital to provide an efficient corps of officers. This continuity must extend from the highest-ranking officer down through each grade in the chain of command. Continuity of leadership is secured by having in each grade a body of officers of proper age and experience. It is lost when officers remain too long in one grade or are promoted so rapidly that they jump a grade or pass through grades too rapidly. It is also lost when, as at present, there is a large body of officers of about the same age and experience—the "hump"—occupying three grades, and preventing the orderly promotion of younger officers to the higher grades. The ideal continuity is provided by service of 3 years second lieutenant, as at present; 7 years first lieutenant, as at present; 7 years captain; 6 years major; 5 years lieutenant colonel; enter grade of colonel after 28 years' service at average age 52. To attain this objective is the aim of this bill.

WHAT ARE THE GENERAL PROVISIONS OF THIS BILL?

This bill provides for:

Promotion: For promotion-list officers after years of service—3 years to first lieutenant; 10 years to captain, same as present law; 17 years to major, officer must serve 6 years as major; 23 years to lieutenant colonel, officer must serve 5 years as lieutenant colonel; 28 years to colonel, with a limit of 705 colonels. Promotion to the grade of brigadier general of the line and promotion of chiefs of branch to be made from officers in the grades of colonel and lieutenant colonel who have had 28 years of commissioned service.

Retirement: Same laws as at present plus—mandatory for brigadier generals at age 62; mandatory for all other promotion-list officers at 60, except temporary generals and 5 percent of the colonels at the discretion of the Secretary of War. Above retirement provisions effective June 30, 1942. World War officers may retire at any time with three-fourths pay.

Results: Attains the War Department objective of promotion after appropriate years of service in grade to all grades

except colonel. Vitalizes promotion list by 60-year—62-year for brigadier general—retirement age. Increases number of field officers initially, but after the first 8 years the number will drop below the present authorization of 40 percent and eventually will reach about 30 percent of the commissioned strength. Attains partial parity with the Navy and nonpromotion list.

COMPARATIVE COSTS (ESTIMATED)

New bill compared with present system: Average additional costs of $300,000 per year first 4 years, then savings which will average $2,300,000 annually for next 12 years.

Mr. ARENDS. Mr. Chairman, I yield 30 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, our principal problem in dealing with the Regular Army promotion system is to determine what is the best-balanced program or plan of advancement in rank and what are the best ages for the various grades in the officer personnel of the Regular Army. The true objective is, of course, to secure for the Nation the maximum of effective and efficient service from the officer personnel, and the best results can undoubtedly be obtained if we have due regard for the welfare of the individual officer. The thorough understanding of the problems of the individual officer and careful consideration of his treatment will inevitably result in the lifting of the officer personnel morale to a higher plane and result also in better service by the officers themselves. On the other hand, the fundamental training of the officer leads him to consider the Nation's welfare first and foremost, and that should be our own position in the study of and consideration of any bills affecting the personnel of the Army.

It might be well to deal briefly with the history of our promotion plans in the Army. Prior to 1890, promotion was by regiment. This system of promotion was found to be entirely unsuited to the best interests of the service. From 1890 to 1920, promotion was by branch. In other words, all officers in the Infantry were promoted by file within their branch of the service. This was found to be inadequate for our needs and the cause of much jockeying and maneuvering for positions of favor by the various branches of the service.

One of the greatest steps forward in service legislation came in 1920, when the officers of all branches except a few of the professional branches were placed on a single promotion list, so that promotions should move along uniformly and smoothly without regard to the regiment or the branch of service in which the individual officer is serving. Without any doubt, this change of system threw a tremendous load upon the General Staff to keep the officer personnel well placed within the various branches, notwithstanding any irregularities in numbers that may fall to their allotment. The disproportion of rank would naturally strike hardest the youngest branch of service, namely, the Air Corps; and the problem of the Air Corps was so great that special legislation was found necessary later on under the act of June 16, 1936, to give temporary increase in rank to the older officers in order to administer that branch properly.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. CASE of South Dakota. I do not wish to interrupt the way in which the gentleman intends to discuss his subject, but I am wondering if before he concludes he plans to place in the RECORD the cost of the bill and the savings it is estimated will be received through its eventual operation.

Mr. MARTIN of Iowa. I plan to discuss the cost of the bill later on. The hearings and the committee report contain some analysis of the costs.

Mr. CASE of South Dakota. I think it would be well to have in the RECORD the figures which appear in the committee report in order that the Committee on Appropriations may have the legislative history of the bill when the item comes before them later on.

Mr. MARTIN of Iowa. At the very time the transition was being made to the single promotion list, a huge and sudden extension of the Regular Army personnel took place under the provisions of the National Defense Act of 1916 and the National Defense Act of 1920. Starting in the fall of 1916, 6,003 officers were commissioned in the Regular Army under the National Defense Act of 1916, and on July 1, 1920, an additional 5,032 officers were commissioned in the Regular Army under the provisions of the National Defense Act of 1920. This made a total of 11,035 officers commissioned in the Regular Army in that brief space of time. However, attrition was so great during and immediately following the World War, due to death, physical disability, and resignation, and other causes, that the group of officers commissioned from November 1916 to include July 1, 1920, stood on July 1, 1920, at 7,200. This group of officers was the original war "hump." By 1926 it had reduced to 5,800, and today it stands at 4,200. Some idea of its relative size may be gained from the statement that the total number of officers on our Army promotion list as of October 20, 1939, was 11,677. In other words, the war "hump" still forms more than one-half of our total officer personnel on the promotion list. The size of the "hump" is even more of a problem now that these officers are growing older and should be advanced to grades commensurate with their age and experience.

Congress has wrestled with this problem long and hard throughout the period from 1920 down to date. In 1926 Congress directed a study of the problem, and a very interesting document of 268 pages on the subject of promotion and retirement was submitted to Congress in December 1926. No legislation was enacted. In 1929 a bill providing for promotion after years of service died in conference.

In the act of July 31, 1935, promotion by length of service was established in the junior grades of the Army providing for promotion from second lieutenant to first lieutenant after 3 years of service and to captain after 10 years of service. This act also increased the percentage of field officers from 26½ percent to 40 percent, thereby providing more vacancies and thereby resulting in the hump being pushed ahead into the grades of major and captain.

As referred to above, the act of June 16, 1936, provided temporary promotion for Air Corps officers to meet requirements in that branch. In 1939 an age in grade retirement measure was proposed by the War Department. This bill was passed by the Committee on Military Affairs, but never came on the floor of the House for consideration because of strenuous objections to the forced attrition provided in the bill through retirement provided therein of captains at age 50, majors at age 55, lieutenant colonels at age 58, colonels at age 60, and brigadier generals at age 62. That brings us up to date and to the consideration of the present bill.

You can readily see that if nothing is done the war hump will soon completely fill the senior grades of the Army, and that they will stay there until removed or until a promotion system is devised that is flexible enough to absorb them without submerging the officers in the lower part of the "hump" and below the "hump" in grades far below the grades in which these officers should serve. This situation would exist until the war "hump" passed out of the picture because of age, with the inevitable result of a sudden advancement by the submerged officers within a short space of time during the final period of the war "hump's" passing out of the picture.

If nothing is done the officers of average age at the bottom of the "hump" and just under the "hump" will not reach the grade of colonel until the age 62, which, of course, is far too old for effective service and further promotion. By 1953 the average age of our colonels will be 62, and all field grades will be filled with seriously overage officers. That constitutes the problem that is facing us today.

Mr. EDMISTON. Will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from West Virginia.

Mr. EDMISTON. I think the House will be interested in knowing that in comparing this bill with the bill reported last year, a great many World War majors will not be forced to retire from the service as they would have had to do under that bill, about which a great many Members received complaints. This does not take place under the new bill.

Mr. MARTIN of Iowa. I thank the gentleman for his suggestion. That is probably the most important difference between this bill and the bill that was considered by the House last year that we had so many echoes of discontent over, because that bill sought to cut them out by surgical operation without reference to merit or ability to serve. This bill does provide promotion commensurate with their service and experience. We will take up the matter of forced attrition after a little more thorough study later on.

Mr. ALEXANDER. Will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Minnesota.

Mr. ALEXANDER. As I understand it, this bill will force promotions along. That is, make them more rapid.

Mr. MARTIN of Iowa. Not necessarily more rapid. It may slow them up as well as make them more rapid. It does provide a definite length of service in a grade before being eligible for promotion to the next higher grade. To show how it could slow up promotions, may I say that my class in the World War was promoted to the grade of captain with less than 3 years' service. Under this bill you cannot get to the grade of captain with less than 10 years' service. So it works both ways.

Mr. ALEXANDER. Admiral Taussig, according to today's reports, made a startling statement yesterday. I think he is about as honest a man as I have had occasion to get a report on. He stated that it will be only a short time before we get into the present war. We will not have to worry about this thing if we get into another war situation like we had in 1917 and 1918, will we?

Mr. MARTIN of Iowa. This problem will not be solved by war. A war might relieve the problem momentarily through the medium of temporary advancement in grade on the promotion list of the Regular Army, much as we did in 1917 and 1918, but it will not solve the problem. The solution we have proposed here will not interfere in any way whatever with the judicious handling of the officer personnel if war comes.

[Here the gavel fell.]

Mr. ARENDS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. ALEXANDER. I notice in this chart on page 4 of the committee report it shows that after 1944 the cost occasioned by this bill will be less. Is that not an assumption based on going along as we are now and not on a condition such as Admiral Taussig pointed out?

Mr. MARTIN of Iowa. That table is based entirely on the cost of the promotion list as it exists and assuming that it goes ahead with normal attrition. That certainly would not cover the problem in case of war.

Mr. ALEXANDER. That is what I thought.

Mr. THOMASON. Will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Texas.

Mr. THOMASON. Is it not a fact that unless you reduce the retirement age and also fix an arbitrary limitation on term of service in grade, to be followed by automatic promotion, there is no chance or hope of ever getting rid of the hump?

Mr. MARTIN of Iowa. That is right.

Mr. THOMASON. Is that not the main purpose and objective of this bill, and does it not go to the real merits of the situation; that is, it does work out a practical plan by which we can get rid of this World War hump?

Mr. MARTIN of Iowa. That is right.

Mr. THOMASON. That is the only way we can get rid of it or else we will not have efficiency in the Army.

Mr. VAN ZANDT. Will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Will the gentleman explain the mechanics with reference to how these World War officers are going to be retained in the service under this new set-up?

Mr. MARTIN of Iowa. I will be very glad to do that as I go along. I have that point covered.

Mr. THOMASON. Under this bill there is not the slightest discrimination against them, is there?

Mr. MARTIN of Iowa. That is correct. I may say that this bill generally is a protection to the World War group. That is the fight we put up against the bill last year. That bill discriminated against the World War class, and gave them a court martial without hearing for the one offense of being 50 years of age in the grade of captain, and so on up, up to 60 years in the grade of colonel. We objected to that because it would have crucified the World War class. This bill does not crucify the World War class, but, on the contrary, protects them.

Mr. THOMASON. In that connection, may I pay a tribute to the gentleman from Iowa, to which I think he is entitled. I voted in committee for the bill reported last year, because I did not know the details or the machinery involving promotions in the Army; but the gentleman from Iowa, and the gentleman from Alabama [Mr. SPARKMAN], who took the leadership in that opposition, together with several others on the Military Affairs Committee, filed a very illuminating minority report. It was strong enough that in my judgment that bill never had the slightest chance in the world of becoming law. I know the gentleman's modesty, so I would like to say that he and the gentleman from Alabama [Mr. SPARKMAN] took this bill up with the War Department, and it now has the enthusiastic approval of the War Department, plus the unanimous report of the House Committee on Military Affairs; therefore it must have considerable merit. [Applause.]

Mr. SPARKMAN. Will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Alabama.

Mr. SPARKMAN. Is it not also true that this protects the World War officers, and it also gives to them a chance to attain grades they never would have had the opportunity to attain under either the old bill or the present system?

Mr. MARTIN of Iowa. That is correct.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Texas.

Mr. THOMASON. Since we seem to have plenty of time and there is no opposition to this bill, and since I know the gentleman can get all the time he wants, I believe it would be pertinent, at this point in the gentleman's remarks, to place these figures in the RECORD in connection with World War officers, in whom all of us have a very deep interest because they have been done an injustice.

I asked the War Department only this morning for the figures of the number of officers in the different grades.

The War Department advised me a few minutes ago that of the approximately 14,000 officers we now have in the Army there are about 67 major generals and brigadier generals, 700 colonels, 3,950 lieutenant colonels and majors, 3,262 captains, and 2,757 lieutenants.

This deplorable situation must be corrected, if General Marshall, our very able Chief of Staff, knows his business, and I am sure everyone who knows him and who has ever heard him testify before any of our committees will admit that he probably has no superior and, if we are to be relieved of this hump, we must do something to give these 4,200 World War officers and in fact all our officers an opportunity for promotion. Army officers are human and they must have the incentive of bettering their condition, if we expect to bring out the best in them.

Mr. MARTIN of Iowa. That is right.

Mr. THOMASON. In that connection, too, they gave me these statistics from the War Department, which I believe would also fit into the picture at this particular point. These figures I have given relate to officers who are on the promotion list as distinguished from the officers who are in the Medical Corps and chaplains. The lower 400 lieutenant colonels, the entire group of majors, and the top 900 captains were commissioned in the Army between November 1916 and November 1918.

I believe in view of the great interest the gentleman from Iowa has shown in this situation it is important to have these exact figures in the RECORD at this particular place in his

remarks. No army in the world ranks higher than ours in personnel and morale. I only plead for justice for these men.

Mr. MARTIN of Iowa. I am glad to have them in the RECORD at this point.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Louisiana.

Mr. BROOKS. In line with what has already been said about Rear Admiral Taussig's testimony and the statement of the two columnists in the White Book recently about the fact that this country is slowly moving toward war, I wish to say that it impresses me, especially in view of the manner in which the gentleman puts the statement, that this bill is designed to keep us out of war by increasing the field efficiency of our officers.

In other words, the war showed us one thing, and that is that in the field we have to have very active officers physically, and does not the gentleman feel that this bill goes a long way toward promoting the efficiency of our field officers by giving them a proper age and proper physical stamina to carry on in the face of an emergency?

Mr. MARTIN of Iowa. I agree with the gentleman absolutely. The younger and more vigorous force we have already prepared and in harness, the more we are protected against any sudden and unexpected attack.

I now turn to the consideration of the solution here proposed. As we undertook the solution of this problem, we were confronted by many factors that were conflicting. On the one hand, we were very desirous of preserving this last group of war-experienced officers insofar as possible. It is very shocking to those of us who have given special study to the problems of national defense to realize that practically the entire wartime Army has passed out of the picture so far as availability for effective military service is concerned. Of our 127,000 commissioned officers in the Regular Army, National Guard, and Officers' Reserve Corps, less than 22 percent have seen service in time of war—of the Regular Army, 53 percent; of the National Guard, 40 percent; but of the 100,000 Officers' Reserve Corps, only 15 percent. In other words, we are losing the value of any direct contribution by our war-experienced men so rapidly that we cannot avoid the conclusion that we must retain this last group in active service as long as it can possibly be considered advisable. On the other hand, we cannot lose sight of the fact that leadership and the resulting efficiency of the Army depends to a very great degree on experience and physical condition.

General Marshall saw 27 or 29 American divisions engaged in action in the World War, and it is his statement that the majority of reliefs of officers above the grade of captain were due to physical rather than any other reason, not necessarily because physical limits had been reached but because the spirit was broken through physical fatigue. Those relieved became pessimistic and nervous impossibilities in the position of leadership. After a long and tedious ordeal of replacements of older officers, the results stand out in contrast to the situation we now face today.

Deputy Chief of Staff General Gasser has told us:

> In analyzing the ages of officers who served in combat units during the World War, the following data are of interest. The average age of the World War colonel of a combat unit in France was 43 years. The average age of the present Regular Army colonel is 57 years. The average of the World War lieutenant colonel was 37 years. The average of the present Regular Army lieutenant colonel is 49. The average World War major was 34 years of age. The average of the present Regular Army major is 46½ years. In other words, the Regular Army field officer of today is 13 years older than his World War contemporary. Even if all the present Regular Army majors could be promoted two grades, to that of colonel, in the event of war, their average age would be 3 years greater than that of the World War colonel.

General Pershing cabled to The Adjutant General at Washington on July 28, 1917, as follows:

> For the Chief of Staff. My observations of British-French Armies and most exacting arduous service conditions at the front fully convinces that only officers in full mental and physical vigor should be sent here. Contrary course means certain inefficiency in our service and possible later humiliation to officers concerned. General officers must undergo extreme efforts in personal supervision of operations in trenches. Very few British-French division commanders over 45 or brigadiers over 40. We have too much at stake to risk inefficiency through mental or physical defects. Strongly recommend conditions be fully considered in making high appointments and suggest that no officer of whatever rank be sent here for active service who is not strong and robust in every particular. Officers selected for appointment as general officers of line should be those with experience in active commanding troops. Officers not fulfilling above conditions can be usefully employed at home in training troops.

As we undertake the solution of our problem, the factor of age becomes uppermost, and this bill represents a studied effort to devise a promotion plan for the active list of the Army that is sufficiently flexible to permit advancement of the large war hump into grades commensurate with their training and experience and age. It seems to me that this problem is the greatest problem confronting us today in the field of personnel legislation, and it seems to me that all other matters shrink to relative unimportance for the time being. Legislation of this character should be restricted to the field of developing a constructive promotion plan and should not be confused with various other classes of legislation in the personnel field. For example, the promotion list revision which was so thoroughly studied in 1926 should not be thrown into this particular legislation, or at least not without much further study and analysis than we have yet given it in this Congress.

Another field that should be treated separately is that involving the problem of attrition. Any legislation having for its purpose the acceleration or forcing of some rapid attrition should be taken up and studied most carefully in order to avoid unjust and unfair hardship.

Another field that should be carefully barred from the present bill is legislation having for its purpose the various adjustments that may be desired in the lists of those already retired.

By keeping these other various fields of personnel legislation out of the bill now under consideration, I believe we can accomplish the greatest good for the service with the least delay possible and we can then turn our attention to the various other fields of personnel legislation and give them the study they deserve with a greater assurance that our efforts will provide fair and just and effective results.

The only divergence from the promotion plan that is made in this bill is the provision offering voluntary retirement to war veterans, and that provision is placed in this bill only in the hope that it will help the War Department in the practical administration of this law after its enactment through the relieving of part of the hump.

Briefly, this bill provides for promotion to first lieutenant after 3 years, to captain after 10 years, to major after 17 years, to lieutenant colonel after 23 years, and to colonel after 28 years of service; provided, however, that not more than 705 officers shall service in the grade of colonel at one time.

This schedule of promotion will bring the average officer to the grade of colonel at the age of 52, and the bill provides for retirement at the age of 60, unless the colonel is selected for promotion to general, or unless he is selected as one of the 5 percent of colonels whose further services are considered by the War Department as most needed.

The bill provides for eligibility of lieutenant colonels as well as colonels for selection to the grade of brigadier general after 28 years of service. I wish to emphasize the importance of eligibility of lieutenant colonels with 28 years of service for selection to the grade of general. This provision will enable 3,900 of the 4,200 in the hump today to become eligible for selection to general grade provided they are still in active service when they reach the 28-year mark. This provision not only gives the outstanding officers already down in the hump an opportunity to attain maximum promotion but it also guarantees our Nation the service of outstanding officers who are unfortunately submerged in that hump.

You may wonder why we hit upon the length of service set out in this bill. I will tell you frankly that I am personally in favor of promotion at younger ages than herein provided, but that I have withheld my own personal ideas along that line because of the increased cost of any different plan. The

periods of service set out in this bill conform closely to the pay periods set out in our present law, and for that reason this change in the promotion plan involves practically no extra expense because of promotion alone. If these service periods were shortened, however, it would reflect immediately in greatly increased costs.

That brings us to the crux of the question, namely: At what age should retirement be provided? I fought strenuously last year against the bill H. R. 6632 largely because it provided retirement at too young an age when the only ground for retirement was the age set out in the bill.

As we have been confronted with the problem of leaving the service periods at practically the same length for promotion as they are for pay periods in the interest of economy, so are we now confronted with the problem of cutting down the expense involved in retaining these officers in the senior grades. Our own experience and the practice of all of the major foreign powers has taught us that we must adjust the retirement age at some figure calculated to give us the benefit of experience and training and yet set the figure young enough to assure us of vigorous, energetic leadership in the field. After long and careful study this age has been set at 60 years for the grades of colonel and below. It is thought that this age limitation will provide young and vital leadership and will give us young and vigorous regimental commanders.

The observation and study of the systems provided in other leading nations have led us to the conclusion that the physical vigor and energy of a line officer over 60 is inadequate for war and for vigorous peace programs. The United States combat colonels in the World War averaged only 43 years of age. Colonels are forced to retire at 59 in France; at 58 in Italy; at 55 in Great Britain and Japan in peace and war.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. VAN ZANDT. A moment ago the gentleman from Iowa mentioned about younger men officering the Army, especially during a period of war. Some weeks ago Col. "Wild" Bill Donovan advocated that men of about 45 or 50 years of age should fight the wars in the future rather than the younger men. Since the gentleman from Iowa has had much military service, I would like to ask his opinion on the suggestion of Colonel Donovan.

Mr. MARTIN of Iowa. The point there is just the same, namely, the need for youth and vigor. Any of us who served under older officers knows the difficulty for them to undergo field conditions and combat conditions, and I am very much in favor of the younger officer in the name of efficiency, but when it comes to deciding what age groups shall fight our wars, I have the idea they may have been thinking somewhat of placing the burden of warfare on the fellows responsible for bringing it on, rather than the military efficiency of the Army, and I am trying to approach consideration of this bill from the military-efficiency point of view.

Mr. VAN ZANDT. The gentleman from Iowa recognizes the fact, when it comes to fighting a war, it takes youth, energy, and a man who is willing to take a chance, and many of them. The conservative or older men are best as members of the command or General Staff.

Mr. MARTIN of Iowa. That is right.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman.

Mr. McCORMACK. I agree with my friend the gentleman from Pennsylvania [Mr. VAN ZANDT], but I think that an important part of the conduct of a war is the brains that direct it.

Mr. MARTIN of Iowa. You have to have the combination of youth and vigor and brain power and experience. You cannot put your brains out on crutches and win your battles.

Our discussion of the retirement age would not be complete if we did not consider the matter of cost. This discussion of cost should be made by way of comparison of the proposed plan with the cost of the present plan.

The costs of this measure, active and retired list, over the present system, are estimated as follows:

1941	cost	$290,177
1942	cost	260,948
1943	cost	197,068
1944	cost	412,128
1945	savings	1,420,591
1946	savings	1,648,560
1947	savings	1,565,607
1948	savings	1,405,412
1949	savings	1,352,605
1950	savings	1,596,974
1951	savings	2,106,614
1952	savings	2,496,538
1953	savings	2,857,410
1954	savings	3,313,764
1955	savings	3,904,932
1956	savings	4,298,698

The Bureau of the Budget advises that the proposed legislation would not be in conflict with the program of the President.

Under our present system officers retiring for age are replaced with newly commissioned officers in the grade of second lieutenant, and promotions have been heretofore made all the way up the line by file. Under this proposed plan the newly commissioned officer must serve his allotted time in the various grades, which time dates from his original commission. The change herein provided, reducing the retirement age from 64 to 60, will cause the replacement of these older officers by younger officers 4 years sooner than would be the case under the old law, and that will result in the additional cost of accelerating the commissioning of new officers sufficiently to absorb these 4 years' replacements. However, as soon as the 4-year cycle has passed, the replacements under the old system and under the new will just about counterbalance one another.

During the early years that we are adding these additional replacements the costs are shown to increase from $200,000 to $400,000 every year. The reason this increase in costs is not greater during these years is due to the fact that the Government is saving the difference between retired pay and active pay of the officers retired for age. As soon as the new 4-year replacement has been absorbed, the savings in the pay of officers retired for age starts to manifest itself very strongly, as shown by the tables included in these hearings. These savings in the 5 years start at about one and one-half million dollars and increase to about four and one-fourth million dollars in 1956.

In conclusion, I wish to express my appreciation for the cooperation of the Committee on Military Affairs and the War Department, as well as the General Staff of the Army. I think that we can properly catalog the bill here under consideration as one of the great milestones in perfecting and adjusting the flow of promotion and retirement in the Regular Army. It is my prediction that if this bill becomes law, the results will manifest themselves many times in the coming years through giving us a vitalized Regular Army officer personnel imbued with an improved morale in the knowledge that their problems have finally been given thorough study and fair consideration. It is to the everlasting credit of the Committee on Military Affairs, the War Department, and the General Staff that they have been willing to retract from their former position as sponsors of the former bill, H. R. 6632, and reexamine the problem in the light of our objections and prepare and substitute this measure in place of that bill. And if this bill is enacted into law, we will be free to turn our attention to many other pressing problems in the personnel field that have thus far been deliberately kept out of the bill here under consideration. [Applause.]

Mr. MAY. Mr. Chairman, I yield to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, in presenting this bill to the Congress, please do not confuse it—H. R. 9243—with the age-in-grade retirement bill which was introduced at the first session of this Congress and which has been withdrawn. My colleagues will remember that the age-in-grade bill brought considerable criticism from Members of the Congress and from Army officers from all grades throughout the Army. It provided mandatory retirement in all grades

of the commissioned personnel unless the officer reached a particular grade by a particular age. For instance, the age-in-grade retirement measure which was proposed by the War Department would have retired captains at 50, majors at 55, lieutenant colonels at 58, colonels at 60, and brigadier generals at 62. There was considerable opposition to the retirement of these officers below the age of 60, and, as a result, further study was given to the situation, and an entirely new measure has been prepared. This measure (H. R. 9243) has been reported unanimously by the Committee on Military Affairs.

The situation for the commissioned personnel of the Army is so bad as a result of the stagnation in promotion and the superannuation in the field grades that it is felt that something must be done at once to correct it. The Secretary of War in his statement before the committee said:

> The veterans of the World War have grown old without corresponding increase in rank and positions in command to which their age and war experience entitle them. A thousand or more officers commissioned after the war group have reached age and service appropriate to a lieutenant colonel while still serving, as today, in the grade of captain. The morale of the service is adversely affected by the uncertainty of the situation of the senior group, and the future leadership of the Army is jeopardized by the hopeless war hump.

The bill which we are now introducing and which we hope to pass before Congress adjourns, provides promotion as a reward for length of service rather than the penalties of the age and grade retirement proposed in the former measure introduced the last session.

The present bill extends the principle of promotion by length of service, which was provided by Congress a couple of years ago for the grades of first lieutenant and captain, to the grades of major, lieutenant colonel, and colonel. Specifically it provides for promotion to first lieutenant after 3 years of service, which is the same as the present law, and promotion to captain after 10 years of service, which is the same as the present law. In other words, after an officer has served 3 years as second lieutenant, he is promoted automatically to the grade of first lieutenant if he is physically qualified; and after he has served 7 years in the grade of first lieutenant, or a total of 10 years' commissioned service, he is promoted to the grade of captain.

This bill provides for promotion from captain to major at the completion of 17 years' service, from major to the grade of lieutenant colonel at the completion of 23 years of service, and promotion from lieutenant colonel to the grade of full colonel at the completion of 28 years of service. As a matter of fact, it provides promotion for the backbone of the Army—the Infantry, the Field Artillery, the Cavalry, the Signal Corps, the Coast Artillery, the Engineers, and the other combat branches which are now far behind in the promotion which is due them. At the present time all members of the Medical Corps—doctors, dentists, veterinarians, and nurses, are promoted by length of service; the chaplains are promoted after specified years of service, and, as a matter of fact, there has been argument to promote the lawyers, that is, the Judge Advocate General's division, on length of service.

This bill will take care of the Judge Advocate General on the same basis as the combat branches—as the Infantry and the Cavalry. It will not quite put them on a parity with the doctors, the dentists, the veterinarians, and the chaplains, but it will go a long way in correcting the present evils. It also eliminates to some extent the disparity now existing between the officers of the Air Corps, who now have temporary promotion, and the other combat arms. At the present time an Air Corps major, for example, who is a temporary lieutenant colonel under the Air Corps law, is about 10 or 11 years ahead of his contemporary officers in the Infantry, Field Artillery, Cavalry, Coast Artillery, and other combat branches. Such a condition of affairs does not make for high morale for the commissioned persons of the Army upon which so much rests. One of the important features of this bill is that it will save the Government money. There will be an average additional cost of about $300,000 annually for the first 4 years and thereafter a net saving of approximately $2,300,000 for the next 12 years. As a matter of fact, more money will be saved in 5 years than the additional cost for the first 4 years.

The reason for this saving is: Under the present system of promotions all officers go on to age 64 when they must retire. Therefore, in estimating cost for a period of years under the present system the officers will be on the active list unless they reach 64. When an officer reaches age 64 costs drop from those computed for active pay to those computed for retired pay, but there must be added to this apparent saving the cost of the newly commissioned second lieutenants who must be brought in to replace the officer going out at age 64, and the cost of the promotion of officers through the various grades. The current bill provides for the retirement age for officers other than general officers to be 60. When this proviso is first put into effect it will necessitate, therefore, bringing in an additional number of new second lieutenants who would otherwise have been brought in during the next 4 years as officers retire. The active pay and allowances of a colonel at age 60 is $600 per month, retired pay is $375 per month; the difference of $225 per month over a period of four years amounts to $10,800. It can be seen, therefore, that if a hundred officers are retired at age 60 the saving will be $1,080,000.

The War Department believes that after an officer has served 17 years he should be promoted to the grade of major, and that by the time he has served 23 years he should be qualified for the grade of lieutenant colonel. The promotion of captain to major at the termination of 17 years and from major to lieutenant colonel at the completion of 23 years of service and from lieutenant colonel to colonel at the completion of 28 years of service corresponds to the present pay periods. For example, if a captain has 23 years of service and he is not going to be promoted to the grade of major, nevertheless, he draws a major's pay because he has completed 23-years service. He is not at the present time given the opportunity to exercise the command of major but he draws a major's pay. Furthermore, if a major who has completed 23 years of service is not promoted to the grade of lieutenant colonel, he draws a lieutenant colonel's pay. This bill promotes these officers to their proper grades, and will not cost the country one more cent of pay. They get the pay at the present time; all we want to do now is to give them their proper grade.

The Army has captains who have served as high as 22 years and are still captains. It can be seen that all of these captains and all the majors who have served 23 years could all be promoted to the grade of lieutenant colonel the same time, and many of them would jump from the grade of captain to the grade of lieutenant colonel without serving in the grade of major. In order to take care of this the bill specifies that a major must serve 6 years in that grade before being promoted to lieutenant colonel, and that a lieutenant colonel must serve 5 years in that grade before being promoted to colonel. In order to spread the advancement into the grades of major and lieutenant colonel for officers who have served 22 and 23 years and are now only captains, and to insure that these officers will have some service in every grade before being promoted into the next, the bill provides that an officer who reached or reaches the grade of major or lieutenant colonel with more than 17 and 23 years' service, respectively, will receive credit toward the 6 and 5 years of service required in those grades, of one-half the years of service he has in excess of 17 and 23 years' service. This means that a captain who on July 1, 1940, is promoted to major after 22 years' service will have a credit of 2½ years on the 6 years of service in the grade of major.

The bill provides that the number of colonels shall be limited to 705, which is the number at present authorized, because the War Department cannot find appropriate peacetime assignments for a greater number of colonels. However, it is provided that lieutenant colonels with 28 years' service are eligible for selection as brigadier generals of the line or as chiefs of branches in the same manner as is now

provided for colonels. In other words, instead of limiting the selection of brigadier generals to 705 colonels as under the present law, this insures that approximately 3,900 of the 4,200 officers in the World War "hump" who are now less than 54 years of age will become eligible for selection as a general officer if they do not elect retirement prior to obtaining 28 years of service. The Army and the country are entitled to the best brains available for the selection to general officer. This selection should not be confined simply to 705 colonels because they happen to be at the top of the promotion list by reason of some accident of age or a few days' greater length of service. The War Department proposes—and I believe it is a sound principle—to extend the opportunity for selection to include any officer who has 28 years of service. All officers of 28 or more years of service will be colonels or lieutenant colonels. Therefore the provision is made that any officer, or rather any lieutenant colonel or colonel, who has completed 28 years' service will be eligible for selection to brigadier general. It is automatic that no officer who has 28 years of service will be at least a lieutenant colonel. They will all stand on their own records, and after 28 years of service the best of the lieutenant colonels or the colonels will be selected to brigadier general. It will give the Army an opportunity to select from nearly 4,000 officers instead of 705. The day is past when the selection to brigadier general should be confined to the top colonels of the Army.

I desire to point out that in case of a war, the services of these retired officers—I mean these officers who are retired at the age of 60 or at the age of 62—will not be lost to the Nation. The present regulations and laws give the War Department authority to recall to active duty any retired officer in time of emergency. These officers can be brought back and given assignments in the Army for which their training has prepared them but which do not require the high standard of physical endurance that is necessary for the leading of troops in battle, such as command of recruiting centers and replacement depots. It is a matter of fact the War Department would put these older officers on the same duty as they would be put on if they were kept on the retired list. I am told that under the present scheme older officers now on the active list will be given assignments in recruiting depots and mobilization centers, while younger officers will be pushed up into the posts of command.

But the important difference is this: Under the provisions of this bill, these officers will be placed on the retired list now, and the opportunity will then be given to younger officers to exercise the posts of command which are now held by the older officers. It is necessary to train these younger officers to command regiments and brigades in peacetime so that, if war comes or if there is a national emergency, they will have had some background and training for the job they are supposed to do. But they cannot get this training if the grades are cluttered up with aged colonels who, if war does come, will have to go into the positions of recruiting depots and replacement centers, and so forth, which they will be assigned to anyway if they were on the retired list and called back to active duty. Retirement at age 60 is the essential vitalizing feature of the bill.

Efficiency of the Army depends to very great degree on leadership—leadership in command and in battle. Leadership depends on experience and physical condition. Experience and physical condition depend largely on age. Age must be regarded in the Army from a little different point of view than in other activities in life. Experience and judgment is acquired with years, but unfortunately resilience of tendons and muscles is lost; leadership in the field and in battle depends to quite an extent on legs, stomach, and nervous system; on ability to stand hardships, lack of sleep, often in the face of grave danger, and still energetically, aggressively, and in a commanding fashion dominate the situation.

General Marshall, the Army Chief of Staff, who saw 27 of the 29 divisions engaged in the World War, stated in his testimony before the Military Affairs Committee that the majority of reliefs of officers above grade of captain was due to physical rather than any other reasons, not necessarily because physical limits had been reached, but because the spirit was broken through physical fatigue. Those relieved became pessimistic and nervous impossibilities in the position of leadership. A man needs a great deal of stamina to stand the racket that occurs in campaigns. Many mistakes were made through physical deficiency, and the reliefs mentioned were due specifically to physical, not mental, deficiency.

May I quote General Marshall in his testimony before the House Military Affairs Committee:

> Before the Senate committee yesterday I referred to the fact that I saw 27 different divisions of ours engaged in battle—we employed 29—and there were more reliefs of field officers, those above the grade of captain, due to physical reasons than for any other cause. But by that I do not mean that they were definitely relieved because of physical limitation, but because their spirit, their tenacity of purpose, their power of leadership over tired men, was broken through physical fatigue. They became pessimistic. They became nervous possibilities in positions of leadership. A man must have a great deal of stamina to stand the racket of campaign. Many of our mistakes were due to physical deficiency; and, as I remarked, the majority of the reliefs, I think, were due specifically to physical exhaustion.

I would like to again quote General Marshall in his statement before the Military Affairs Committee:

> Retirement at 60 years is, in my opinion, the most essential feature of this legislation. If retirement of colonels is deferred to 64, the procedure under this bill will not only involve a material increase in cost, but it will delay the advancement of a number of lieutenant colonels and will definitely operate to the disadvantage of leadership in the officer corps.

It can be seen that retirement at age of 64 would throw the primary objectives of the bill entirely out of line insofar as lieutenant colonels and colonels are concerned. The majority of the age-60 retirements will occur in the grade of colonel—without such retirements the World War veterans in the "hump" will stagnate in the grade of lieutenant colonel with the grade of colonel filled to its limit of 705 with increasingly older officers.

We cannot build an effective leadership throughout the grades if the regimental command grade is choked with older officers. Regardless of long and faithful service, a colonel or lieutenant colonel at 60 is too old to meet the physical requirements of active field leadership of regimental troops, either in peace or war. Our Army is the only army of a great power which has not recognized this fact. Colonels are forced to retire at age 59 in France; at age 58 in Italy; and at age 55 in Great Britain and Japan—these ages apply in peace and war.

I invite attention to the table showing retirement in foreign countries which was published on page 11 of the hearing by the Military Affairs Committee of the Senate. This shows that not a single nation in the world except the United States keeps colonels or any other officer on the active list after they have attained 60 years of age.

The Army officer and the civilian are not to be compared on the basis of age. Far greater physical vigor and stamina are required of an Army officer. Even in peacetime a regimental commander should possess the physical energy and drive to supervise the training of his command, and to dominate its leadership in the field under all conditions of terrain and weather and without regard to hours, or lack of food or sleep.

Brigadier generals should be selected from officers less than 58 years of age in order to have sufficient useful time in the grade of general. Officers over 60 are therefore denied opportunities for promotion.

The elimination of the retirement at age 60 provision will wipe out all the economy which this bill has over the present system. By 1956 the increased annual costs will be about $5,000,000 over the present costs.

The retired officers who are now being brought back to active duty for the purpose of R. O. T. C. work and other similar assignments are all less than 55 years of age and will be placed on duty away from troops thereby saving the War Department of detailing active Regular officers for those duties. The augmentation of the Army to 227,000 enlisted men has placed a heavy burden on the Regular Army officers

and this burden is being temporarily filled by the use of junior Reserve officers of limited experience who are being placed on extended active duty. The War Department does not need more officers over 60; it has a surplus of such officers now.

According to estimates prepared by the War Department in the year 1942 there will be 292 colonels retired for age. In 1942 there will also be 85 lieutenant colonels and 69 majors retired for age, or an estimate of about 446. The next year, 1943, there will only be 51 colonels retired for age, 36 lieutenant colonels, and 7 majors. In 1944 it is estimated that there will be 66 colonels, 46 lieutenant colonels retire for age, and no majors. Note that all retirements after 1944 are in the grades of colonel and lieutenant colonel—none are captains or majors. I am inserting in the RECORD an estimate which has been made by the War Department of the number of retirements for age up until 1956 under the provisions of this bill. It is interesting to note that these officers who are retired at the age of 60 would be retired anyway between ages of 60 and 64. Some would be retired for physical disability occurring between ages 60 and 63 and the others by the statutory retirement age of 64.

The bill vitalizes the two most important command grades below that of general officer; that is, those of colonel and captain. It immediately provides that all officers will reach field grades after several years of training in the lower grades and at an age that will enable the Army to receive full value from their services. No bill has ever been introduced which makes certain that those officers who had service in the World War, those officers who entered the Army in 1917 and 1918 and who were then in their early twenties, will have the opportunity to reach high command in the Army, and if they are not selected for higher command, they can retire. The bill provides that officers of the World War service may retire at any time with three-fourths pay. If he is a major with 23 years' service but has not yet reached the grade of lieutenant colonel he retires as a lieutenant colonel with three-quarters of his pay; and if he is a lieutenant colonel with 28 years' service, but has not yet reached the grade of colonel because of the limit on the number of colonels he can retire in the grade of colonel with three-quarters of his pay.

Stagnation in promotion has been in evidence since prior to 1926. It is due to what is called the World War "hump"—a group of officers whose commissioned service began between November 1916 and November 1918. In 1926 this group numbered 5,800 officers—now it numbers 4,200 officers—over one-third of all officers on promotion list, who average 46 years of age and have approximately equal service. They now occupy the lower 400 files of the grade of lieutenant colonel, the entire grade of major, and the upper 900 files of the grade of captain, blocking promotion to field grades. Nine hundred World War officers are still captains.

There is little hope of appropriate promotion for officers behind the World War "hump," commissioned since 1920. Officers should serve 3 years as second lieutenant, present law; 7 years as first lieutenant, present law; 7 years as captain; 6 years as major; 5 years as lieutenant colonel; reach colonel after 28 years' service.

Officers in the World War "hump" will begin to enter the grade of colonel in 1946, will continue to enter that grade for next 11 years with increasing average ages; from 1954 to 1957 that average age will be 62 years. Officers following "hump" to include class of 1925 have prospects of entering grade of colonel after 37 to 34 years of service at average ages from 61 to 58. Result: Superannuation of all field grades.

This bill does not change the position of any officer on the promotion list. The present promotion list was established in 1920 and gave credit at that time to officers for their service in the Regular Army, the National Guard, or the National Army. Credit for all World War service was recognized when the promotion list was made up by accounting for all commissioned service subsequent to April 6, 1917. That same principle is recognized now, and no change is to be made on the promotion list. No officer is to be promoted over another officer now senior to him under the provisions of this bill. All this bill does is to provide for promotion by length of service. This bill does not provide for the forced elimination of any officer. That is an entirely different subject.

The bill provides for promotion after specified years of continuous commissioned service in the Regular Army. However, in order to recognize the fact that in the World War "hump" there are a large number of officers whose commissioned service in the Regular Army dates only from July 1, 1920, but who had commissioned service in the National Guard or National Army during the war, a provision is made in the bill that any officer shall be credited for promotion and retirement purposes with at least the same length of continuous commissioned service in the Regular Army of any officer junior to him in his grade on the promotion list. Some such provision as this is necessary. Officers in the World War "hump" were originally placed on the promotion list by a method which accounted for all active commissioned service subsequent to April 6, 1917, in the National Army, the National Guard, and the Regular Army. Credit for all World War service was recognized then and is recognized now. During the World War a large number of officers were appointed directly in the Regular Army. These included the Military Academy class of 1917, the provisional appointments of June 1917; the provisional appointments of August and October 1917; the provisional appointments of May 1, 1918; the Military Academy classes of August 1917, June 1918, and November 1918. By crediting officers on the promotion list with the greatest amount of continuous commissioned service in the Regular Army of officers junior to them on the promotion list there is insured that there will be no change in relative order of officers on the promotion list. It also assures that the credit which such officers will receive will be by reason of the commissioned service of an entire group, such as, for example, the August 1917 Military Academy class. Had another system been adopted, such as crediting all active commissioned service, it would result in one individual carrying forward a large group of officers, in some cases to undesirable lengths of constructive service.

Mr. MAY. Mr. Chairman, I now yield to the gentleman from Alabama [Mr. SPARKMAN] 15 minutes.

Mr. SPARKMAN. Mr. Chairman, following those who have gone before me and the very fine analysis they have given of this bill, I find very little that I can add to it. I do want to carry out the thought that the gentleman from Texas [Mr. THOMASON] has just uttered, asking you not to confuse this bill with the bill that was passed out of the committee last year, H. R. 6632, which was known as the age-in-grade retirement bill. Associated with the gentleman from Iowa [Mr. MARTIN] and eight other members of the Committee on Military Affairs of the House, I filed a minority report on that bill. In supporting this bill today I take occasion to call to your attention some of the differences, even at the risk of saying something that has already been said. In that minority report we said this:

> We admit the presence in the promotion list of the "hump," and we are agreed that some method of giving an orderly and more rapid promotion back of the "hump" is desirable. However, we cannot agree from the meager evidence presented to our committee that this proposed plan is the way out of the present difficulty. There are many possible plans, some of which we believe should be explored, in an effort to find one that will not so ruthlessly throw out many of our most efficient officers in the prime of life and ripeness of experience, at an age when they can be most useful. Certainly no other plan was explored in the few hours this bill was under consideration by the committee.
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> The officers forced into retirement should this bill be enacted into law are of long service. The majority of them served in the World War. They know the art of war not from theory alone but from a first-hand experience. They know the hardship of service in the trenches, and they know the difficulty of leading troops under all kinds of adversities. Among them are some of the best line officers, some of the most efficient construction quartermasters, some of the ablest engineers, ordnance experts, and experienced officers in every line. An efficient army cannot afford the luxury of granting promotions in the lower grades (as desirable as that is) at the terrific loss of these efficient officers.

As a result of that opposition it was decided that we should try to work out a bill that would accomplish the objective

desired by all of us—that is, to give relief to this "hump" and yet without ruthlessly throwing out that great group of World War officers who, through no fault of their own, had become enmeshed in this thing that we call the "hump." This bill that we are presenting to you today with the unanimous endorsement of the Military Affairs Committee is the result of that study and that work.

I feel that no officer can complain of this bill. It gives an automatic promotion. It is true that while this great "hump" is before us, there must be in effect some manner of retardation, and for that reason the requirement is written in that they must have served so long in certain grades before they can be promoted to the other grades. But in order to take care of those who have already served a long time in some of the grades, longer than they should have had to serve, constructive service is given toward promotion to the next grade, by reason of that excess time they have served in the lower grades.

Not a single officer is thrown out as he would have been under H. R. 6632; that is, below the age of 60, and even then he is given the right to retire or given retirement privilege at a grade commensurate with the length of service he has had.

Furthermore, as I pointed out in a question to the gentleman from Iowa [Mr. MARTIN], every officer who has served as long as 28 years, the length of service within which he would ordinarily be promoted to the grade of colonel, yet by reason of the fact that we can have only 705 colonels has not attained the rank of colonel, even though a lieutenant colonel is eligible for selection to the grade of general officer. This takes care of virtually all of the World War officers. Those that are not taken care of in that respect cannot complain, because certainly under the present law they would have had no chance for consideration in any event.

In our minority report we made certain recommendations. One of them was tightening up on the physical examinations of our officers. This was done last year, and we have been assured by the officials of the War Department that they are just as anxious as we are to have able-bodied officers at all times, and we are assured that they will continue to require rigid physical examinations.

Another thing we suggested was the optional retirement after 30 years of service. As a matter of fact, this bill gives every World War officer the right to retire at any time upon three-quarters of his base pay. Therefore they are taken care of in this respect in this bill.

I do not think this bill is perfect. That is, I do think that, as far as the single objective that it seeks to attain is concerned, it is just about as nearly perfect as it could be made, but it does not cure all of the ills with which the War Department is confronted in its personnel problems. I still believe we ought to have some means of being sure that the officer who is going to benefit by the automatic-promotion provisions of this bill would be required to do a good job. By saying that I do not intend to cast any aspersions upon any officer in the United States Army. I want to pay my tribute to the personnel of the United States Army, both commissioned and noncommissioned, and to the very fine job that they have been doing and are doing, often under most trying circumstances and adverse conditions. But under this bill we are saying to the young officer who comes into the Regular Army, "If you keep your health and stay on the job so that you can stay in this service, you know that out yonder some time in the future, 28 years after you have entered into the commissioned service, you will attain the grade of colonel, and you will be eligible for selection to one of the general grades."

I do believe that we ought to go further, and I have made this statement many times heretofore. I believe that we ought to say to that officer, "Not only will you have to keep your health and simply dodge the class B board as it is presently run, but you will have to do a good job." This bill does not do that and the present law does not do it. I still believe just as I believed, and as those who cooperated with me believed in the statement of the minority report last year, that the provisions of our law should be tightened up in order that the officer would be required to render efficient service. I believe I am correct in saying that the officials of the War Department are in sympathy with that view, and I am certainly hopeful that they will submit to this Congress some proposed plan for putting that into effect.

I have heard no criticism of this bill except with reference to one or two items. I did hear it said by some officer that it did not go far enough because we did not go back and disarrange the promotion list that was established in 1920. I want to say that I am rather in sympathy with that group of officers, because I do believe, and I am sincere in my belief, that a great many of those officers were discriminated against. I do not say it was willfully done, but by the way the promotion list was set up they were perhaps discriminated against. Had I had anything to do with it, or were it to come up now, I would certainly raise my voice in protest against it. But after that condition has run for 20 years, I do not believe that anyone could rightly argue that we should disturb that promotion list at the present time.

I have heard some objection to the retirement at the age of 60, and I am in sympathy with that objection. As a matter of fact, I dislike very much to see these officers retire at the age of 60 because I still think that many, many of them will be in the full vigor of life and able to perform their duties until their regular retirement age. I call your attention to the fact, however, that under the law as it now exists the President can, if he wishes to do so, retire any Army officer at the age of 62. So, after all, the only thing this bill does, so far as the present law is concerned, is to cut down the retirement age in the grade of colonel from 62 years to 60.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from Kentucky.

Mr. MAY. This bill, of course, is an extension of the act of July 31, 1935, which dealt with lower-grade officers. I arose particularly to say, however, as chairman of the Military Affairs Committee of the House, that this very excellent bill is due almost entirely to the efforts of the gentleman from Alabama, who now is addressing the House; the gentleman from Iowa [Mr. MARTIN]; and the gentleman from Pennsylvania [Mr. FADDIS]. These gentlemen constituted a special committee I appointed to confer with the War Department and they are entitled to the chief credit for this fine legislation.

Mr. SPARKMAN. I appreciate those remarks from the chairman of our committee. Permit me to say that we who filed the minority report are deeply appreciative of the very fine cooperation we received from the chairman, from the members of the committee, and from the officials of the War Department. We found an absolute desire on the part of all to work out this most perplexing question, and when we got to work on it we found no great difficulty in arriving at this solution of the problem. I believe it is a good bill. I was absolutely sincere in my opposition to H. R. 6632, not moved by any personal motives or the interest of any individual officer. I simply believed that that bill ruthlessly threw out, without rhyme or reason, a great many officers whom we could not afford to lose, and did it on the basis of age alone.

The pending bill seeks to remove the "hump," but does it with a saving to the Government of the United States. As the chairman mentioned, it extends the act of 1935 by making automatic promotion to the grade of colonel instead of stopping at the grade of captain, as the present law does. It also insures the young officer who comes into the service that he will have a career; that he will be enabled to serve in the various ranks and have command of the various forces commensurate with the length of service that he has given; and that before he goes out he will at least have attained the rank of colonel—the highest rank which the average officer can reasonably hope to reach.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield 2 additional minutes to the gentleman from Alabama.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. BROOKS. The important thing with reference to this bill is that it increases the efficiency of the Army without doing any substantial injustice to anyone.

Mr. SPARKMAN. I certainly think that is a correct statement.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. BECKWORTH. The gentleman has stated that the bill will save the Government money. Has the gentleman figured out what the savings will be?

Mr. SPARKMAN. That is set out on page 4 of the report.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield to the distinguished chairman of my committee.

Mr. MAY. The gentleman is especially well informed on this bill. Will the gentleman explain the fine method of retirement whereby it does save money for the Government in the different ranks?

That is set out, of course, on page 4 of the report and, I believe, also in the hearings. Over a period of years there will be considerable savings by reason of this bill over the present law, and the saving is brought about by reason of the fact that whereas the active pay of a colonel with 30 years' service is $600 a month, his retirement pay is $375. This is a difference of $225 a month, which would be more than enough to pay the second lieutenant who would come in at the bottom to take his place when he retires. Another point to remember when thinking about savings is the fact that pay does not depend upon rank but upon length of service; in other words, our officers are paid according to performance based upon length of service rather than upon rank alone. [Applause.]

[Here the gavel fell.]

Mr. ARENDS. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes.

Mr. ARENDS. Mr. Chairman, for many years our Military Affairs Committee, with the assistance of the War Department, has been studying the problem of promotion stagnation in the Regular Army. The problem is not a simple one, and many of the solutions which were offered had to be eliminated in whole or in part because of the many elements involved. After the experience of many years and many months of hard work your Military Affairs Committee brings to you, without a dissenting vote, H. R. 9243.

Before discussing the details of the bill it might be well to say something about the conditions which make the bill necessary. At the present time the promotion list of the officers of the Regular Army contains the names of over 4,000 officers who entered the service during the World War. All of these officers are approximately the same age and have approximately the same length of service and experience. These officers are now the junior lieutenant colonels, all of the majors, and the 900 senior captains. Under the present law these captains will have served 38 years in the Army and be approximately 62 years old before they reach the grade of colonel. Those officers who entered the Army after the World War find this large group of officers, often referred to as the World War "hump," blocking any chance they have for normal promotion. This is very discouraging to this large group of officers and is unquestionably reflected in their efficiency, but this is only a small part of the story. Under existing law our Army will have majors who are 56 years old and lieutenant colonels who are 60 years old. I am not referring to the isolated cases of officers who entered the Army older than the average. I am referring to many of those groups who entered the service between the ages of 24 and 26 just after the World War. In emergencies these officers will not have swivel-chair jobs. They must be in the field leading their troops. They must be strong and vigorous and able to direct the placing of artillery, the barricading of roads, the erection of barbed-wire entanglements, and do these things in all sorts of weather and under the most adverse conditions. Men of 56 are seldom able to stand these rigorous duties. The result is that the efficiency of our Army suffers and our defense is weakened. It is things of this kind that H. R. 9243 is designed to cure.

In the first place, this bill assures a normal rate of promotion for all officers up to and including the grade of colonel. It prescribes the maximum number of years an officer will serve in each grade. This should encourage the junior officers, because it gives them an opportunity for promotion and relieves the promotion stagnation which they now face. Furthermore, it will decrease the average age of officers in the grades of captain, major, lieutenant colonel, and colonel. This is accomplished in a very simple and effective way. Under the present law a second lieutenant is promoted to first lieutenant after 3 years of service and to a captain after 10 years of service. There the promotion for length of service stops. This bill does not alter these promotions, but simply adds that promotion to major will be after 17 years of service, to lieutenant colonel after 23 years of service, and to colonel after 28 years of service.

In order to prevent any officer now in the Army from practically jumping one grade due to excessive years of service in a junior grade, a restriction in the bill requires an officer to serve 6 years as a major and 5 years as a lieutenant colonel. If an officer served more than 17 years before being promoted to major or more than 23 years before being promoted to lieutenant colonel, he is given credit for one-half year for each year so served. No restriction is placed on the number of officers in each grade except that of colonel, which is limited to the present number of 705. This restriction was necessary, because the War Department has found it very difficult to find suitable assignments for more than that number of colonels. Let us examine how this method of promotion will affect the ages of the officers in the different grades. Assuming a man enters the Army when he is 24 years old as that is the average age, he will become a first lieutenant at 27, a captain at 34, a major at 41, a lieutenant colonel at 47, and a colonel at 52. That is a marked improvement over the present law and will enable all officers to exercise the functions of command and gain experience in the several grades at more suitable ages. This is very necessary to our national defense.

The next consideration is cost. How much will it cost to perfect the national defense as set forth in this bill? The average cost for the first 4 years will be about $300,000. After that the savings will average $2,300,000 a year for 12 years. While this bill will promote officers more rapidly than under the present law, it will not affect the officer's salary until he reaches the grade of colonel. Under the present law an officer with 17 years' service draws the salary of a major, even though he is only a captain, and an officer with 23 years' service draws the salary of a lieutenant colonel although he may be a major. H. R. 9243 merely promotes the officer to the grade for which he is drawing the salary under the present law. Furthermore, this bill makes it mandatory for all officers to retire at 60 except brigadier generals, at which the age is 62, and major generals at 64. A provision of the bill authorizes the Secretary of War to keep 5 percent of the colonels on the active list until they reach the age of 62. The present law makes it mandatory for all officers to retire at the age of 64. If this bill is enacted into law, the reduced age of retirement will not go into effect until 1942. This will give all officers affected adequate time to adjust themselves. The reduced age of retirement is necessary, because without it the grade of colonel will be filled to its limit of 705 with older and older officers and the World War veterans in the "hump" will stagnate in the grade of lieutenant colonel. Furthermore, any colonel 60 years old, who has not been selected for brigadier general, has already been jumped several times and after reaching the age of 60 years will not be selected.

With the European war spreading rapidly from one neutral country to another all of us should give thanks that we are Americans, but we should not allow the peace which we are enjoying to lull us into a sense of false security. George Washington warned us when he said, "In times of peace prepare for war." All of us listened with rapt attention to the Army appropriation bill, because we knew that it was vitally

important to our national defense. We studied with care the number of tanks, antiaircraft guns, planes, and other material that was to be purchased. But these items were merely the mechanisms necessary for defense. Behind those mechanisms must be hundreds of thousands of trained men, men trained and guided by the officers of our Army. I am asking you to pass this bill, because I am firmly convinced that it is just as important for our national defense to revitalize the officer personnel of our Army as it is to equip it with the latest mechanical devices. [Applause.]

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HARTER].

Mr. HARTER of Ohio. Mr. Chairman, there is very little I feel can be added to the explanations that have already been given of the measure we are considering. Let us bear in mind, however, the fact that this bill is designed to promote the efficiency of the officer personnel of the Army. In addition to that, however, it is eminently fair in its treatment of this problem because it gives consideration to those officers who came in during the World War, who formed the hump in the promotion list. They are not objecting to the bill; in fact, I have it from various officers who are scattered over the country at different Army posts who have familiarized themselves with this legislation that they feel it is the fairest and most equitable method of dealing with this problem that has been presented.

None of us know the age of colonels in the German Army, the very efficient organization that is now functioning in Europe. We do know something of the make-up of the other armies of the leading nations of the world. We know that the retirement age of colonel in France, Britain, Italy, and Japan is much less than the age fixed for retirement of colonels in the bill that is under consideration. These ages in other countries apply in peace and war.

Retirement at age 60 is the most vitalizing feature contained in this bill. Without this provision it would be better that the bill be not enacted, since continued retirement at age 64 throws the primary objectives of the bill entirely out of line insofar as lieutenant colonels and colonels are concerned. The majority of these age-60 retirements will come in the grade of colonel—without those retirements the World War veterans in the "hump" will stagnate in the grade of lieutenant colonel with the grade of colonel filled to its limit of 705 with increasingly older officers.

Retirement of senior line officers at age 60 is vital to our national defense—we cannot build an effective leadership throughout the grades if the regimental command grade is filled with superannuated officers. Regardless of long and faithful service, a colonel or lieutenant colonel at age 60 is too old to meet the physical requirements of an active command in peace and war. The United States Army is the only army of a great power which has not recognized this fact. The army officer and the civilian are not comparable with respect to age. Far greater physical vigor and stamina are required of an army officer. Even in peacetime a regimental commander requires the physical energy and drive to thoroughly supervise the training of his command in garrison and then to lead it actively through maneuvers in all conditions of terrain and weather. A weary colonel makes a weary regiment. It takes youth to march and fight.

At age 60 a colonel has been passed over for promotion to general officer. A brigadier general must be selected from officers less than 58 years of age—otherwise, there is too little time remaining for him to gain experience and be advanced to the grade of major general with a useful period of service before him. Line officers over 60 are therefore isolated from promotion opportunities; they are also isolated from command opportunities; there are only 157 regimental peacetime commands, and the younger colonels must be assigned to them in order that they may gain experience and be eligible for selection as brigadier generals. The remaining 550 colonels must be assigned to other duties—a majority to duty with Organized Reserves, the National Guard, the R. O. T. C. These vitally important elements of the national defense require the best instructors we can give them; experience is not enough; the instructor must supply young, vigorous leadership, too. These civilian components do not want old officers who are just waiting to retire. Right now I am informed that the War Department experiences extreme difficulty in placing its older colonels.

The elimination of the retirement at age 60 provision wipes out all the economy which this bill has over the present system. The bill will then incur the same costs as the present system—a gradually increasing cost of the active and retired lists as the World War group reaches the higher-pay periods and goes on to retirement at age 64 at a higher rate of retirement pay. By 1956 these costs will be about five million over those at present.

The bill with retirement at 60 provides a younger, more vital command at less cost to the Government. After average additional costs of $300,000 per year for the first 4 years, average annual savings of $2,300,000 will result during the next 12 years.

Continuity of leadership is vital to provide an efficient corps of officers. This must extend from the highest ranking officer down through each grade in the chain of command. Continuity of leadership is secured by having in each grade a body of officers of proper age and experience. It is lost when officers remain too long in one grade or are promoted so rapidly that they jump a grade or pass through grades too rapidly. Under the provisions of this bill men will be lieutenants, captains, and majors at the age in life when they are most physically fit, and when they will be able to best exercise the commands of their rank. To my mind, some observations made to me in a letter from an old friend, a World War officer, now a major, are most enlightening, coming from one who has spent most of his life in the Army and knows how his fellow officers feel about this measure.

He says:

H. R. 9243, the newly proposed Army promotion bill, has great merit, and I am not hesitating to say so, though it does not benefit me one iota. We have here a good cross section of the Army, having Infantry, Field Artillery, Quartermaster Corps, Coast Artillery, and Signal Corps. Have talked with officers ranging in grade from captain to colonel, inclusive, and have found none that are not thoroughly in accord and enthusiastic over the bill. Many of them will be promoted, but it does not mean a penny increase in their pay, inasmuch as they already are in the increased-pay period. The bill seems to be most fair, particularly to war-service officers, by permitting their voluntary retirement after June 30, 1941. Morale will be greatly increased by its passage. It will provide a minimum of junior officers (lieutenants and captains), which will allow of expansion of the Army's commissioned personnel if and when the occasion arises, which God forbid will ever happen. The greatest pacifists in the U. S. A. are not the prayer-singing sisters, but those of your and my Army, who know what war really is, and who want only defense and not a huge standing (still) Army.

It is my hope, Mr. Chairman, that this bill will pass without a dissenting vote.

Mr. MAY. Mr. Chairman, I yield the gentleman from Louisiana [Mr. BROOKS] such time as he may desire.

Mr. BROOKS. Mr. Chairman, this bill could very aptly be termed a bill to promote the efficiency of the national defense system rather than a bill to provide for the promotion-list officers. Its prime purpose is to promote the efficiency of the United States Army and to increase the standard and morale of its officers. During a time of emergency, this purpose should commend itself to the profound consideration of this Congress.

For over 2 years, the best efforts of the Committee on Military Affairs of the House of Representatives and a large part of the effort of the General Staff of the Army has been directed to the elimination of one of the great problems of the Army; namely, "the Army hump." During the year 1939 the committee reported to the floor of this House a bill which would have accomplished this purpose but only at the expense of an injustice being done to many of the splendid officers who for years have served the Army with energy and ability. As a result of this fact, the Military Affairs Committee reconsidered its action by which the bill was reported out of the committee and decided not to press for a vote in the House. The committee now comes before the Congress with a new bill reported out of the committee by unanimous consent.

This new bill will accomplish the purpose intended, and at the same time, will work no injustice on anyone.

As a result of the World War, in the year 1926 the Army found itself in possession of what is called an unfortunate situation. In other words, at that time there were in service 5,800 officers in a condition of stagnation and superannuation. In 1940, this number has been reduced to some 4,200. Those officers, in this hump, find promotion very slow, and when received these promotions come late in their Army life. Those officers below the hump, on the other hand, find that they are denied the normal promotions, and the normal responsibilities incident to promotion, and must wait long periods of time until retirement of all of those ahead before they can hope to advance to the next higher grade and rank. It has been stated that the average officer, as a result of their condition, is 17 years behind in his normal promotion.

This bill provides for the mandatory retirement of brigadier generals at the age of 62, and for the retirement of all other officers at the age of 60. The Secretary of War, however, may exempt 5 percent of the colonels at the age of 60, and carry them forward until the age of 62 is reached. In this way, the most valuable part of the mature years of the higher army officers are available to the Army, and yet the way is made clear for the younger officers, upon whom the rigorous burden of field duty falls. The promotions will come to these young officers at regular intervals.

One effect of this bill is to increase the number of field officers immediately by 1,350. From year to year, this number will be increased until the proportionate number of field officers is reached. All this is done without doing injustice to anyone.

It has been said that the early retirement of some officers will result in increased costs to the Government. Such is not the case; and one is interested in knowing that this will actually result in time in a substantial saving to the Army. So that this saving may be fully understood, I present to you a chart showing the financial effect of the bill upon the expenses of the Army.

Fiscal year:	
1941 additional cost	$290,177
1942 additional cost	260,948
1943 additional cost	197,068
1944 additional cost	412,128
1945 savings	1,420,591
1946 savings	1,648,560
1947 savings	1,565,607
1948 savings	1,405,412
1949 savings	1,352,605
1950 savings	1,596,974
1951 savings	2,106,614
1952 savings	2,496,538
1953 savings	2,857,410
1954 savings	3,313,764
1955 savings	3,904,932
1956 savings	4,298,698

We are not unmindful in Congress of the fact that Europe is now engaged in a most disastrous war. In my opinion, this war will increase in intensity from day to day, as it will likewise increase in destructiveness. We must exert every effort to keep out of it—and our best way of doing so is to increase the strength and effectiveness of our Army and Navy. To this end this Congress has voted vast sums of money and has authorized increases in the land and water strength of our forces. There can be no reasonable doubt but that this measure will increase the efficiency of our Army and make it better prepared to face the emergencies which may be ahead of us.

And it may accomplish all of this without in any way doing injustice to any one of that splendid corps of fine officers who through the years have given patriotically of their talents. These officers, who under the bill will reach retirement, will receive three-fourths of their basic pay. Their services will have been fully appreciated by the Army and by the Nation; and I say to you today that our Army officers, from the Chief of Staff to the lowest ranking second lieutenant, have carried on through the dull, drab time of peace in the highest traditions of the service and are entitled to the commendation and thanks of our people.

I have just read the testimony of Admiral Joseph K. Taussig, of the Navy, in which he states:

> I do not see how we can escape being forced into an eventual war by the present trend of developments in the Far East.

I have also just read a newspaper account of two columnists who in a daring manner consign the future of our Nation to a part in the bloody war in Europe.

Mr. Chairman, I do not agree with these gentlemen or with those others who from time to time profess interest in our Nation's future by consigning us to war. I believe that this Nation intends to and will keep out of war. I believe this, the present bill, will go far to increase the efficiency of our Army and by doing so inspire respect from other powers in our ability to take care of ourselves. Our best way of avoiding war is by being prepared; and I, for one, except to devote my abilities and efforts to the end of building up our Army and our Navy.

This House, I believe, is fully conscious of the perilous course of events in the world today. This House is conscious of the real need of utmost possible protection from the war-mad powers of Europe, a protection which will guarantee our safety and our integrity, come what may in the vicissitudes of the affairs of the Old World.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. ANDERSON].

Mr. ANDERSON of Missouri. Mr. Chairman, this bill has been pretty well covered by the members of the subcommittee and the committee. It has been discussed very fully. I cannot at this time see why there should be a dissenting vote.

There seems to be some controversy regarding retirement age, and for the information of the members of the Committee I submit the following:

Retirement at age 60 is vital because:

First. It provides young and vital leadership at lesser cost.

Second. Entire bill is built on it—stagnation in grades of colonel and lieutenant colonel without it.

Third. Effective leadership requires young and vital regimental commanders. Experience and judgment is acquired with the years, but unfortunately the body's ability to withstand the physical requirements of maneuvers and campaign lessens. Fatigue weakens judgment. As stated by General Marshall, the Chief of Staff, failure of older officers during World War due primarily to physical weariness affecting their leadership, spirit, and tenacity of purpose.

Fourth. Physical vigor and energy of line officer over 60 inadequate for peace and war. United States combat colonels in World War averaged only 43 years of age. Colonels are forced to retire at 59 in France, at 58 in Italy, and 55 in Great Britain and Japan—in peace and war.

Fifth. Impossible to make enough jobs for officers over 60. Civilian components do not want old officers for instructors. There are only 157 peacetime regiments—younger colonels must be assigned to those regiments to provide proper leadership and to permit training for selection as general officers, and to insure that senior officers on general staff and in branch offices have had recent command of troops; hence officers over 60 must go largely to civilian components.

Sixth. Colonels and lieutenant colonels over 60 are past their greatest usefulness, yet draw active pay of $600 per month.

Seventh. Selection of brigadier generals is made from officers under 60. Therefore officers over 60 are isolated from command and promotion opportunities.

Eighth. Retirement at age 60 is the proviso which permits the greater part of the saving of $26,000,000 over the next 15 years. Without the proviso—little if any savings.

Retirement at age 64 with promotion system of this bill disadvantageous because:

First. Will stagnate the grade of colonel, limited to 705, with over-age officers—by 1953 practically all colonels will be over 60.

Second. Will cause stagnation in grade of lieutenant colonel where World War "hump" of 4,200 officers will pile up during next 6 years.

Third. Will create large body of high-pay officers too old for active command of regiments.

Fourth. Will necessitate assignment of many over-age officers to duties appropriate for company officers.

Fifth. Will necessitate going far down the list of colonels initially and the list of lieutenant colonels and majors eventually to find officers young enough for selection as brigadier generals.

Sixth. Will turn the expected savings of S. 3712—H. R. 9243—into additional costs.

Mr. MAY. Mr. Chairman, there are no further requests for time, and I suggest that the Clerk read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 2 of the act of July 31, 1935 (49 Stat. 505), is hereby repealed.

SEC. 2. Section 3 of the said act of July 31, 1935, is hereby amended to read as follows:

"SEC. 3. The number of promotion-list officers that shall be in the respective grades at any time after the effective date of this act shall be such as results from the operation of the promotion system hereinafter in this section prescribed. Promotion-list second lieutenants and first lieutenants shall be promoted to the respective grades of first lieutenant and captain immediately upon completing respectively 3 years' and 10 years' continuous commissioned service in the Regular Army, but not otherwise. Except as hereinafter provided promotion-list captains, majors, and lieutenant colonels shall be promoted to the respective grades of major, lieutenant colonel, and colonel immediately upon completing respectively 17 years', 23 years', and 28 years' continuous commissioned service in the Regular Army: *Provided*, That at no time shall the number of promotion-list colonels exceed 705: *Provided further*, That promotion-list majors and lieutenant colonels shall not be promoted to the respective grades of lieutenant colonel and colonel until they shall have completed respectively 6 years' and 5 years' continuous commissioned service under permanent appointments in the grades of major and lieutenant colonel, except that for the purpose of determining years of such service in grade officers promoted to or serving in the respective grades of major and lieutenant colonel shall, in addition to receiving credit for all actual continuous commissioned service in the Regular Army in those grades, receive constructive credit of one-half the amount of their continuous commissioned service in the Regular Army in excess of 17 and 23 years, respectively: *Provided further*, That each promotion-list officer shall be assumed to have, for promotion purposes, at least the same length of continuous commissioned service in the Regular Army and service in grade as any officer junior to him, in his grade, on the promotion list, except that an officer sentenced by courts martial to loss of files on the promotion list shall be assumed to have for promotion purposes no greater service than the officer next above him in his new position on the promotion list: *Provided further*, That no officer shall be promoted, under the provisions of this section, in advance of any officer in the same grade whose name appears above his on the promotion list, except that the promotion of an officer shall not be withheld by reason of the fact that an officer senior to him on the promotion list is for any reason not eligible for promotion: *And provided further*, That hereafter all promotion-list officers in any grade shall take rank among themselves according to their standing on the promotion list."

SEC. 3. That section 5 of the said act of July 31, 1935, is hereby amended to read as follows:

"That whenever any officer on the active list of the Regular Army or Philippine Scouts shall have completed not less than 15 nor more than 29 years' service, he may upon his own application be retired, in the discretion of the Secretary of War with annual pay equal to 2½ percent of his active-duty annual pay at the time of his retirement, multiplied by a number equal to the years of his active service not in excess of 29 years: *Provided*, That the number of years of service to be credited in computing the right to retirement and retirement pay hereinbefore provided in this section shall include all service now or hereafter credited for active-duty pay purposes, any fractional part of a year amounting to 6 months or more to be counted as a complete year: *Provided further*, That any officer on the active list of the Regular Army or Philippine Scouts who served in any capacity as a member of the military or naval forces of the United States prior to November 12, 1918, shall upon his own application be retired with annual pay equal to 75 percent of his active-duty annual pay at the time of his retirement unless entitled to retired pay of a higher grade as hereinafter provided, except that officers with less than 20 years' service and officers who are under investigation or who are awaiting trial by courts martial or the result of such trial, or whose cases are pending before courts of inquiry shall be retired only when the application for retirement in each case has been approved by the Secretary of War: *Provided further*, That on June 30, 1942, all brigadier generals of the line who are then 62 years of age or over and all promotion-list officers who are then 60 years of age or over shall be retired, and thereafter all brigadier generals of the line shall be retired at the age of 62 years and all promotion-list officers shall be retired at the age of 60 years, except that all officers in the grade of general officer whose names are carried on the promotion list are exempted from the operation of this proviso and in addition thereto the Secretary of War may, in his discretion, exempt from the operation of this proviso such number of colonels as will result in there being on active duty at any time a number of colonels who would otherwise be retired not greater than 5 percent of the total number of colonels then on the promotion list, but such exemption shall terminate in each case when the officer reaches the age of 62, or sooner in the discretion of the Secretary of War, and colonels so exempted shall be included within the authorized number of promotion-list colonels: *Provided further*, That any promotion-list officer retired for any reason except by operation of section 24b, National Defense Act, or wholly retired, who has completed 28 or more years of continuous commissioned service in the Regular Army and who has failed to reach the grade of colonel by reason of the limitation on the number of promotion-list officers in the grade of colonel or by reason of the restriction of years of service in grade of major or lieutenant colonel shall be retired in the grade of colonel with retired pay computed as otherwise provided by law for a colonel with the same length of service including all service now or hereafter credited for active-duty pay purposes, and any such officer who has completed more than 23 but less than 28 years of continuous commissioned service in the Regular Army and who has failed to reach the grade of lieutenant colonel by reason of the restriction of years of service in grade of major shall be retired in the grade of lieutenant colonel with retired pay computed as otherwise provided by law for a lieutenant colonel with the same length of service including all service now or hereafter credited for active-duty pay purposes: *Provided further*, That each promotion-list officer shall be assumed to have for retirement purposes, at least the same length of continuous commissioned service in the Regular Army as any officer junior to him on the promotion list: *Provided further*, That the number of years of service to be credited in computing the right to retirement and retirement pay in the case of officers retired by reason of having reached the age of 60 years or over shall include all service heretofore credited for retirement at age 64: *Provided further*, That nothing in this act shall operate to deprive any officer of the retired rank to which he is now entitled under the provisions of law: *And provided further*, That all officers retired under the provisions of this section shall be placed on the unlimited retired list."

SEC. 4. That hereafter brigadier generals of the line shall be appointed from among officers of the line commissioned in grades not below that of lieutenant colonel who are credited with 28 years' continuous commissioned service in the Regular Army as hereinbefore provided and whose names are borne on an eligible list prepared annually by a board of not less than five general officers of the line, not below the grade of major general; and hereafter appointment as chief of any branch shall be made from among officers commissioned in grades not below that of lieutenant colonel who are credited with 28 years' continuous commissioned service in the Regular Army as hereinbefore provided, and who have demonstrated by actual and extended service in such branch or on similar duty that they are qualified for such appointment.

SEC. 5. Except as otherwise provided, this act shall be effective July 1, 1940, and all laws and parts of laws, so far as they are inconsistent with or in conflict with any of the provisions hereof, are hereby repealed as of that date.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. RAYBURN] having resumed the chair, Mr. PACE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 9243) to provide for the promotion of promotion-list officers of the Army after specified years of service in grade, and for other purposes, pursuant to House Resolution 466, reported the same back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered on the bill to final passage.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their own remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

There was no objection.

APPOINTMENT TO COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution which I send to the desk and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 471

Resolved, That CLARENCE E. KILBURN, of New York, be, and he is hereby, elected to the Committee on Public Buildings and Grounds of the House of Representatives.

The resolution was agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. HARTER of New York. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. HARTER]?

There was no objection.

Mr. HARTER of New York. Mr. Speaker and Members of the House, the President's unique request of last week to eliminate the Woodrum amendment and permit Mr. Roosevelt or Colonel Harrington to spend next year's Presidentially recommended amount in 8 months, if necessary, rather than during 12 months, attracts attention. Unique, yes; because the President says the amount recommended is too small for the year with present need as an indicator, but he takes care of the period through November and up to March. What of the 4 remaining months of the fiscal year ending June 30, 1941? If more money is needed, why did he not definitely recommend its appropriation and specifically how to provide it? Is it the wrong year for taxes? Is it the wrong time to ask that the debt limit be raised? Maybe so; but it is the right time to be open and honest with the people of this country. They want no more of 1936–38 W. P. A. spending with crowded W. P. A. rolls through election day only to have thousands of needy people then eliminated from W. P. A. to shift for themselves through the cold months of the year.

I want you to hear this editorial which appears in today's Buffalo Courier Express. It is entitled "Harrington's Pledge" and reads:

"You are entitled to vote or not to vote, as you choose," Commissioner F. C. Harrington, of W. P. A., has advised employees of that agency. "No one connected with the Work Projects Administration can get you fired or change your wages because you do or do not vote or because you belong to or do not belong to a political party. It is against the law for anyone to ask you for money for any political campaign. * * * Voting is your own business. Keep it that way."

And Commissioner Harrington adds this assurance: "As Commissioner of Work Projects, I will not tolerate any violation of the above regulations. The Work Projects Administration is not in politics and does not take part in politics, either directly or indirectly."

Commissioner Harrington's record is such that no one will question his sincerity. There seems no doubt that he intends to do his best to make his pledge good. If and when the amended Hatch law, with its additional and sharper teeth, finally is enacted by both Houses and signed by the President, Mr. Harrington's prospects of making good will be improved. Disillusioned citizens, however, may be pardoned if recollections of the 1938 W. P. A. scandal still are lively in this Presidential election year, and if they see the W. P. A. as an important cog in a political machine, or a strong patronage weapon in the entrenched party's fight for continuance in office.

Laws now protect the W. P. A. employee from having to "kick in or else" and from plugging for some politician or political party. Now the President wants to remove the Woodrum safeguard. Let us meet the problem squarely.

Let us vote the administration of W. P. A. into the hands of the States with grants from the Federal Government for work relief contingent upon the States meeting requirements as may be laid down by Congress. High and nonrelief salaries, traveling, telephone, and telegraphic expenses could be saved to the advantage of needy people, including taxpayers. Why not meet the issue and eliminate any chance for a repetition of the Federal and local politics so vivid in our memory and so shamefully crushing to those requiring the aid of work relief through no fault of their own? It must be met, and there is no year like the present.

Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include an editorial.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. HARTER]?

There was no objection.

EXTENSION OF REMARKS

Mr. HARTER of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a petition concerning a tax.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. HARTER]?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Ohio [Mr. BENDER] is recognized for 1 hour.

THE TAXPAYERS' BILLION-DOLLAR UNDERCHARGE

Mr. BENDER. Mr. Speaker, the Tennessee Valley has a great Federal eleemosynary institution for the indigent Aluminum Co., Boss Crump's Memphis city-hall gang, and Tupelo's rural sweatshops. For these worthy poor the T. V. A. is Uncle Sam's house of charity.

To protect the vested interests of these paupers, the Tennessee Valley Authority has everwatchful defenders on the floor of this House.

They make no attempt to justify the fact that of the hundreds of millions of dollars Congress has appropriated to this income-producing, proprietary business, T. V. A. has returned not one penny of interest to the Federal Government, and is accumulating an interest deficit at current Government rates of $8,918,000 annually.

Nor have they stood on this floor and honestly faced T. V. A.'s critics to justify the 60 percent charge-off of T. V. A.'s power costs to the fictional objectives of flood control and navigation.

Not once have they defended the endowment of T. V. A.'s yardstick rates by a 50 percent subsidy out of the pockets of the Federal taxpayers of Ohio and other taxpaying States. Driven from corner to corner in a debate of that sort, only one plan of defense could they present with any sort of validity.

This defense would be that, after all, the T. V. A. is a huge eleemosynary institution and can only be defended as such.

If they would come in here frankly and admit that Mississippi has three times the native white illiteracy of Ohio, that Tennessee has six times the native white illiteracy of Ohio, they might meet with a more sympathetic and understanding audience.

But I could suggest better ways of spreading the more abundant life to the ill-clothed, ill-housed, ill-fed rural slums of Mississippi and Tennessee. When the average family with a $1,500-a-year income—twice to three times as much as the lower third in these States—finds its electricity bill just above 1 percent of its total expenditures, it is obvious that to spend the same money for education, resettlement, and rehabilitation were a better place to start than cutting the light bills a few cents.

They ask for bread and T. V. A. gives them a stone.

The defenders of T. V. A. make no such justification for this Federal almshouse.

They do not—because they cannot—defend T. V. A. on its merits.

Their methods are craftier than that.

Let any man stand on this floor and attack the waste of T. V. A. Let him propose decent, honest yardstick bookkeeping. Do the gentlemen meet such arguments foursquare? They do not.

Evading charges they cannot meet, they broadly imply that T. V. A.'s accusers are conniving with "boodlers" and are spokesmen for the Power Trust.

They go further. They select the rates of T. V. A. and the rates of the publicly owned municipal plant at Tacoma, Wash., and the rates of the Ontario Hydro Commission in Canada, and attempt to show by the same criteria that the home district is being even worse overcharged.

Such speeches have been repeated so often in this body that they empty the seats in record time whenever they launch one of them.

Mysteriously financed, these speeches soon appear in the mail of the offending Member's constituents. It is more than a coincidence that these speeches are being circulated in the districts of T. V. A. opponents by the Public Ownership League of America, founded by and as an adjunct to the Socialist Party. It will be recalled that it was brought out on the floor recently that Carl D. Thompson, secretary of the Public Ownership League and onetime campaign manager for the Socialist Party, is doubling in brass as secretary of the Public Ownership League and chief propagandist of the Bonneville administration at $5,600 a year.

IS DEFAMATION T. V. A.'S ONLY DEFENSE?

Can it be that the case for the T. V. A. is so poor, so unworthy, that its best, its only defense, must be a campaign of vilification, of mud slinging, of defamation of character?

I particularly desire to destroy the effectiveness of such tactics by which a speech inserted into the RECORD under leave to revise and extend remarks, printed at Government expense, is mailed into districts of Congressmen who seek to bring out the truth about T. V. A.

In the facts presented here I shall emphasize the relation of Ohio to T. V. A. and its rates. With little adaptation to different local conditions the same figures will apply equally well to any of the States which foot the bill for the T. V. A.

If they are right, private ownership of public utilities has not a leg to stand on. If they are right, we are all of us remiss in not voting to spread T. V. A.'s throughout the land as fast as we can.

But, if they are wrong, I leave it to the solemn judgment of this House as to the measure of the guilt of men who, on the basis of fake statistics, impugn the motives of the Members of this body.

What is the burden of their charge? The gentlemen will correct me if these points do not cover, in the main, their principal contentions. They are taken directly from their recent speeches on this subject.

First. They say that the consumers of electricity in the United States are being overcharged $1,000,000,000 annually; they have been known to raise the ante to a billion and a half, as in the Seven T. V. A.'s hearings. They arrive at this figure on the basis of rates charged by T. V. A. as compared with rates generally charged throughout the country. Then they go on and prove additional overcharges on the basis of comparison of rates charged by the publicly owned plant of Tacoma, Wash., and by the publicly owned systems of the Ontario Hydro Commission in Canada.

Second. They assert that the so-called Power Trust charges "are so high"—here I quote from a March 28 speech—"that it virtually amounts to the consumer paying rent to the Power Trust to get to live in his own house or do business in his own establishment." They purport to show, further, that the dead weight of these alleged overcharges constitute a deterrent to recovery and reemployment as an added cost burden to industry.

Let us examine the facts.

They set up the T. V. A. rates as standards upon which the fairness of rates charged by private industry shall be judged. All above the T. V. A. rate level constitute a piratical overcharge, according to their thesis.

T. V. A. OVERCHARGE ON UNITED STATES TAXPAYERS

In the first place, the sum of the difference between the average rates for the Nation and the average rates for a town like Tupelo represents not the overcharge on the consumer but T. V. A.'s overcharge on the Federal taxpayer.

By the yardstick of T. V. A. rates, the Federal taxpayers would be overcharged a billion dollars annually to make up the losses if the Nation should be T. V. A.-ized, as the gentlemen have so often advocated.

This statement can be proved very simply. Let us suppose that the private utilities enjoyed the same immunity from honesty that T. V. A. has. We can quickly determine then whether T. V. A.'s rates are fair by the yardstick of honest bookkeeping.

At the end of the fiscal year 1940 T. V. A. will have an investment of $343,000,000 in dams, and so forth. Congress appropriated that money. In its annual report showing "net income" T. V. A. makes no deduction whatever for interest on any part of this sum. The average cost of capital to private companies now is about 6 percent, including bonds, preferred stock, and common stock. Under congressional authorization of last year T. V. A. has also issued $45,000,000 in bonds for the purchase of private electrical systems. On these bonds T. V. A. pays to R. F. C. 2.5 percent interest.

If it were a private concern, T. V. A. would have to pay interest at 6 percent to its financial backer—the United States Treasury—totaling $21,600,000 annually. It actually pays 2.5 percent, or about $1,125,000, on a small fraction of its total investment, and no interest at all on the rest. In other words, T. V. A. is paying 5.2 percent of the amount of interest a private concern would pay—a 94.8-percent subsidy in interest alone, paid by the people of the United States everywhere, for the benefit of the T. V. A.'s Tupelos.

In 1938 the private industry paid out $715,000,000 to meet its interest and dividend requirements. This is the figure for operating companies and has nothing to do with the holding companies and their so-called write-ups. Had they enjoyed the advantages of the free backing of the Federal Treasury to the same extent that T. V. A. enjoyed it, they would have had to pay out for the use of money only $37,200,000. They could have passed on to their consumers $677,800,000 in rate reductions from interest savings alone. But the utility industry does not have a Santa Claus. It has to go to the public and borrow the money and sell the stocks with which to operate the business. And the public, unlike Uncle Sam, will not put up the money without a definite prospect of return on the investment.

T. V. A. A PROPRIETARY BUSINESS

It is not my contention that T. V. A. should pay the Federal Treasury interest at the rate of 6 percent, the same as private companies must pay for capital. I merely contend that if we are going to use the rates of this Federal agency as the yardstick of the fairness of private rates, then those rates should be predicated on comparable capital costs. I further contend that T. V. A., as a proprietary business, should pay interest on all of its investment and not on one-seventh of its investment only. The amount of that interest rate should be at least as much as the money costs the Government to borrow, and the interest payments should be actually made to the United States Treasury. T. V. A. is millions in arrears to the Treasury now on interest payments.

Then there is the matter of taxes. The utility industry paid $325,000,000 in taxes in 1938 to Federal, State, and local taxing units. That is 15.9 percent of its gross revenues. T. V. A. pays out 5 percent of its wholesale revenues in taxes. It sells at wholesale. The utility industry sells at wholesale and at retail.

I can hear T. V. A. proponents moan with anguish at the suggestion that T. V. A. pay equal taxes with private companies. Let us waive that point. Let us just assume that private companies are assessed the T. V. A. 5 percent of their gross sales, whether wholesale or retail. That would still give them a $222,000,000 reduction from their present tax level.

Thus, on taxes and the cost of capital alone, if the private industry enjoyed identical privileges with T. V. A., it would have been able to pass on to consumers rate reductions amounting to $890,000,000 annually—within $110,000,000 of the billion dollars the advocates of T. V. A. claim to be overcharged to American consumers. Government freight rates, the franking privilege, and other immunities and privileges accorded a Federal agency, plus normal private fixed charges, such as insurance, if extended to the private industry, would more than account for the remaining difference. The fact that a number of the cities distributing T. V. A. power are using systems financed by P. W. A., supplemented by 45

percent Feredal donations, may have an important bearing at that point.

Let us put it another way:

T. V. A.'s friends say the utilities are charging a billion dollars more than they should be charging. The total private power bill of the Nation in 1938 was $2,050,000,000. Let us wipe out every cent available for interest and dividends. That amounts to $715,000,000. Half of it goes to insurance companies to support 65,000,000 life-insurance policies. Life-insurance policyholders get no consideration from the New Deal anyway. Let us forget about them. Let us wipe out the payments in dividends and interest to the holding companies and destroy the equities of their 4,000,000 investors.

Still there remains $285,000,000 of the alleged overcharge yet to be located.

SHALL IT BE TAXES OR WAGES?

We cannot take the money out of purchases of coal and oil and gas; nor can it be taken from necessary repairs, maintenance, and other fixed requirements.

Where, then, can we find the additional money for this overcharge of a billion dollars? There are just two possible sources: Wages or taxes.

I leave it to any fair-minded man whether they would cut the $430,000,000 private operating utility pay roll to $145,000,000 or cut the $325,000,000 tax yield to $40,000,000. They will have to do one or the other, or a good deal of both, to make their "billion-dollar overcharge" hokum stand up.

There is weeping and wailing and gnashing of teeth in the Tennessee Valley these days. All because T. V. A. gobbled up the private power companies and left a score or more of counties broke for lack of taxes.

We have legislation pending before us now which would relieve them of this pitiable condition. They want Uncle Sam to force T. V. A. to pay these counties for the taxes lost when it took over its private competitors. But they want this money taken out of T. V. A. revenues first before any other expenses of the agency are deducted. That would leave the Federal taxpayer holding the bag. After T. V. A. pays its local taxes, pays its operating expenses, sets aside its depreciation reserves, pays interest on its R. F. C. bonds, then and only then would the Federal taxpayer get a possible break. If they should set up regulations by which T. V. A. would pay the Federal Treasury full interest and amortization charges first on the Federal investment, then took care of all legitimate expenses, and after that reimbursed the counties for tax losses, there might be more appeal in their present plea.

So the only place to reduce power costs is in salaries and wages. The Department of Commerce national income study states that the salaries of executive officers of operating utility companies amount to six-tenths of 1 percent of the total gross sales. According to the T. V. A. propagandists, these Power Trust executives are milking the public with their excessive salaries, so let us fire them all. The utility industry then will get along without any executive direction and the customers will be saved how much? A good deal less than 2 cents per residential customer per month.

WAGE CUTS TO MISSISSIPPI LEVELS?

So you will have to go after the wage earner and cut his wages if you are going to obtain any reductions in rates to justify the frequently heard "billion-dollar overcharge."

In fact, to get it all from wages alone and nothing from taxes, you would have to cut wages in the electrical industry from $430,000,000 to $145,000,000. That would mean cutting wages 66 percent from an average of about $1,700 per year to about $550 per year for a quarter of a million wage earners.

T. V. A. makes a virtue of the fact that it pays prevailing rates of wages of the surrounding communities. According to the Bureau of Labor Statistics, in a survey of entrance rates of pay of common laborers in 20 industries in July 1939, the T. V. A. States had the following hourly rates:

Mississippi	$0.322
Tennessee	.322
Alabama	.370
Georgia	.262

Compare that with the average of 57.6 cents per hour paid, according to the official figures, in the State of Ohio. On that basis Ohio had a "labor overcharge" of 78 percent over Tennessee and Mississippi and a "labor overcharge" of 55 percent over Alabama and a "labor overcharge" of 119 percent over Georgia.

Of such are the prevailing labor wages with which T. V. A. conforms and which are a controlling factor in electric rates.

A byproduct of these figures is the obvious conclusion that if we in Ohio do pay a few cents more directly for our current, at least our wage scale is sufficient to compensate for the difference many times over.

According to the Consumer Market Data Handbook for 1939, the number of individual income-tax returns per thousand of population showed: For Mississippi, 7; for Tennessee, 16; for Ohio, 38.

Could it be that this might explain the advocacy of such reckless Federal waste for projects like the T. V. A.?

From March 4, 1933, to June 30, 1939, the Internal Revenue Bureau collected $1,541,000,000 from the State of Ohio, and from the State of Mississippi $27,884,000, 1.8 percent as much as from Ohio. In that period the State of Ohio received back in Federal expenditures of all kinds $381,735,000 less than it contributed to the Federal Government. This amount would have paid for T. V. A.'s investment to that date and leave $38,000,000 over. Meantime the State of Mississippi received Federal contributions totaling $343,686,000, or $315,800,000 more than it contributed to Uncle Sam. The story for Tennessee is similar.

Small wonder at the saying that the Tennessee River flows through five States and drains the Nation.

The State of Tennessee is in the throes of a tax nightmare because of taxes lost by the taking over of the private utilities by public nontaxable bodies, either the T. V. A. or its subsidiary municipal and cooperative agencies. Real-property taxes must be increased from 40 to 100 percent to replace such losses.

TAXES, NOT POWER COST, MORE IMPORTANT

I have been informed of several Tennessee industrial concerns which, unless relieved of the intolerable tax loads forced upon them by T. V. A.'s power policy, must either go out of business or move to new localities. Instead of attracting new industries, unemployment and distress are following in the wake of T. V. A.'s conquest of private enterprise.

In Ohio I have made an examination of the relative costs in manufacturing as between the cost of power and the cost of taxes as elements in the value of the finished product.

In Cincinnati there is an excellent tool-manufacturing concern, employing 400 skilled artisans. It has a county tax rate of $1.998 per hundred. This compares with rates as high as $4 per hundred in Tennessee, as disclosed in the recent hearings before the Military Affairs Committee and before the Independent Offices Appropriations Committee. The element of power costs in relation to total value of sales for this company was 1.2 percent. Taxes loomed twice as large, 2.9 percent.

A valve manufacturer, employing 600 in the same city, found his power costs 1.66 percent of his total costs, and taxes were almost three times as much, or 4.48 percent.

An Ohio rubber company, with a pay roll of 1,200, and with a county tax rate of $2 per hundred, found its power costs 1.27 percent of its gross receipts; tax costs were 2.11 percent of gross.

I made inquiries in my own city of Cleveland. I found that in 1938 three representative textile companies in my home city, with a total pay roll of 1,964 persons, paid $95,750, exclusive of the Ohio sales tax, the intangible-property tax, the corporate-franchise tax, the unemployment-insurance tax, the Federal capital-stock tax, or the corporate-income tax—real-estate and tangible-property taxes alone were $95,750. And the same companies had a power cost for the year of $34,600—about a third as much as taxes.

Real-estate and tangible-property taxes of three representative Cleveland automotive and parts manufacturers, with a pay roll of 2,150, amounted to $305,670 in 1938, while they paid $235,740 for power.

According to T. V. A.'s own announcement, power rates have been cut to its new customers $4,000,000 annually. By

its own figures, it has displaced by purchase of reservoir lands or purchase of private companies $3,690,000 of local and State taxes, to say nothing of an annual $1,000,000 Federal tax loss. This amounts to robbing the tax Peter to pay the power Paul. But the burden of this exchange will fall heaviest on the heavy taxpaying industrial concerns. Before the T. V. A. show is over Tennessee and affected T. V. A. areas will be among the heaviest taxed areas in the country—except and unless, of course, the T. V. A. beneficiaries manage to browbeat Congress into forcing the Federal taxpayers of Ohio and elsewhere to assume the rightful burdens of the localities benefited.

"CHEAP POWER" BALLYHOO LOSES LURE

Before we examined these facts, chambers of commerce outside the T. V. A. area were alarmed by T. V. A. ballyhoo, fearing that the lure of cheap power would attract industries away from established locations to that area. Examination of the case shows that taxes more than counterweigh subsidized power rates. The Blue Book of Southern Progress issued last year tells the story of the T. V. A. blight on Tennessee industry in cold figures.

Telling the story of new industries attracted to the South in the year 1938, 5 years after the T. V. A. was created, the State of Tennessee was listed last. Its nearest rival for cellar honors had won two and a half times as much new industry. Of a total of $143,775,000 invested in the South that year, T. V. A.'s dominion of Tennessee was only able to attract $548,000—or a mere three-tenths of 1 percent of the total. On a population basis, Tennessee's share should have been $8,626,600, or 15 times as much as it actually obtained.

In Tennessee, the displaced private utilities paid in taxes more than 17 percent of their gross revenues back to the Federal, State, and local taxing agencies in taxes. This amounted to about $4,500,000 annually, including Federal taxes. Ohio, more conservative in taxation, gets 13.4 percent of the electric utilities' gross revenue in taxes. This amounts to $17,000,000—or did in 1938.

In my home county the electric, gas, and telephone utilities are included in the list of the first 10 taxpayers of Cuyahoga County. The electric company leads all the rest with $1,383,515 annual tax bill, according to our county auditor. Next is the telephone company, and further down the gas company.

Dun's Review for July 1939 clearly demonstrates that: First, compared with other manufacturing industries, the electric utilities bear from 3 to 12 times as great a tax burden; and, second, the cost of taxation is from 50 percent to 3 times as much as the cost of power in manufacture, which averages 2 percent of the final cost. Only gasoline, distilling, brewing, and tobacco products are taxed more heavily, and all of these by the Federal Government through excises. The electric industry is the biggest single taxpayer in the States and local taxing units.

Rather than remove from the tax rolls the richest single source of revenue, we Ohioans would be saving money even if we had to pay a few cents more each month on our light bills.

Although the national average cost of power in relation to finished manufactured products is 2 percent of final cost, it is true there are certain electrochemical and electrometallurgical processes in which this cost runs as high as 30 to 40 percent, although it might be noted pay-roll costs are far below par. For such business we see the Bonneville Administration vying with the T. V. A. to offer lower and lower rates—whoever wins, the Federal taxpayer must lose.

The fat cats, great corporate industrial organizations such as the Aluminum Trust, admittedly benefit by T. V. A.'s industrial power rate.

But how about the little fellow in business, the small independent merchant and manufacturer whose power needs are small, yet are larger than those of the domestic consumer and smaller than the big manufacturer? How does he fare under T. V. A. rate? Apparently the small-business man is the forgotten man in this New Deal rate set-up.

Too few in number to make his voice heard politically, too small financially to make his protest felt economically, tied to local conditions by personal and financial ties, the small-business man in Tupelo and Tennessee helps pay the way for the popular political rates of T. V. A.

Here is the statement of W. C. C. Winfrey in the Morning Tennessean at Nashville, a small-business man of that city. After figuring out his rates before and after the great boon of T. V. A. descended upon him, Mr. Winfrey decides he is worse off than before. Hear his statement:

> I wish to call attention to the fact that commercial rates are higher instead of lower. That is, an industry of any importance and using current for more than 500 kilowatt-hours. I am on this rate, and last month my bill was $16.69 for 959 kilowatt-hours. Under T. V. A. this will amount to $18.49, an increase of $1.80. If I continue to use current until I reach the lowest step, then my bill would be $30.48, where, under the Tennessee Electric Power Co., it would be $26.73. At this point, however, I would begin to save the enormous amount of 0.003 kilowatt per hour, and at 14,500 kilowatt-hours my bill would be $145.48, under either. In other words, I must have a bill under $11.50 or over $145.48 to save.

But the point is urged that it is the residential consumer whom T. V. A. rates are supposed to chiefly benefit. We can thank the W. P. A. for illumination on this point. In 1937 the Division of Social Research, W. P. A., issued a study of Intercity Differences in Costs of Living for March 1935. At this point I shall insert into the RECORD the results of that study, based on the 59 American cities:

Percentage required—Maintenance level

Food	35.6
Clothing, clothing upkeep, personal care (total)	14.6
Housing, including water	17.6
Fuel	4.6
Ice	1.8
Household supplies, furniture, furnishings, equipment, etc	4.3
Medical care	4.2
Transportation	4.3
School attendance, church, contributions, taxes	1.9
Electricity	1.5

Average annual cost, 59 cities, $1,260.62.

This shows the cost of living for a laborer's family to be $1,260.62 a year. Food, clothing, housing—these are the major items of expense. Of the 10 listed items, electricity comes last. This item amounts to but 1½ percent of the total budget. It could be doubled or eliminated without materially affecting the whole.

This is the figure for a common laborer's family whose total income is $1,260.62—below the average for Ohio, I am glad to say.

But, according to the census of manufactures, where the average wage in manufacturing labor in Ohio is $1,379 annually, the annual wage in the State of Mississippi is a meager $573 annually. Suppose the Mississippi workman gets his electricity rate cut in half, what good will that do him? Chances are that unless he works and his wife and children work, too, he cannot even afford electricity. Can a man making $573 afford $100 for a refrigerator? And if Uncle Sam will sell him one on time payments, should he buy one? Is not the best way to spread the blessings of electricity not by reducing the price of it by Federal subsidy but by raising standards of living—wage levels—to a point where honest workingmen can afford to pay an honest unsubsidized price for it?

After all, what is all the shouting about? Has the price of bread dropped consistently each year for the past 50 years? The price of electricity has. Have the prices of food, of clothes, of rents, of medical care, of all the other necessities of life taken a step downward each year for the past 50 years? They have not. Electricity has. Here they stand, political power propagandists, screaming ever for cheap power when power is cheaper today than any other necessity of life on the market, and getting cheaper ever day despite increasing tax burdens.

T. V. A. advocates have many times made a great point that since T. V. A. rates were introduced in 1933, electric rates of the Nation, under fear of competition, have been so reduced as to effect savings of hundreds of millions of dollars to consumers. Examination of the records shows that the rate reductions have been continuous and regular since the industry was organized. Their argument there is on a par with their "billion-dollar overcharge" hocus pocus.

The drop in the price of electricity to homes in this country has been no more rapid under the New Deal than before. The most recent pamphlet of the United States Bureau of Labor Statistics backs up this statement with convincing figures. I refer to its pamphlet, Changes in Retail Prices of Electricity 1923–38. At page 2 is an index of retail prices of electricity covering this period.

Indexes are shown for the cost in each year during this period for monthly consumptions of 25, 40, and 100 kilowatt-hours.

UNITED STATES DATA PROVES T. V. A. NO RATE BOON

The period under the New Deal as covered by the pamphlet would embrace the 6-year period from 1933 to 1938. During this 6-year period the combined average index of these three consumptions decreased from 81.9 at the beginning of 1933 to 71.6 in December 1938. This was a drop of 12.6 percent. In the immediately preceding 6 years covering the period from 1927 to 1932, the combined index dropped from 95.9 to 81.9 or a decrease of 14.6 percent.

While the index for a consumption of 25 kilowatt-hours per month decreased more rapidly under the New Deal 6-year period than the preceding 6 years, the reverse situation existed as to the consumptions of 40 and 100 kilowatt-hours. For 25 kilowatt-hours per month the index decreased 9.7 percent for the period from 1927 to 1932 and 14.1 percent in the New Deal period from 1933 to 1938. For 40 kilowatt-hours per month the index in the first period decreased 13.9 percent and in the later period 11.3 percent. For 100 kilowatt-hours per month the decrease in the 1927–32 period was 24 percent as against only 12.1 percent decrease in the New Deal period.

The Bureau of Labor Statistics index of the national cost of living had risen to 144.2 in December 1938 from the 100 for 1913. And at the same time the downward curve of residential electric costs has dropped to 48.4. In other words, the general cost of living, housing, heating, lighting, food, all weighed together, had risen 44 percent since 1913, while at the same time the one commodity which has at the same time dropped 52 percent from the 1913 level—a spread of 96 percent—is none other than residential electricity, the cost of which now stirs the crocodile tears of demagogs and rabble rousers.

Before electricity, come the down-to-earth necessities of life, proper food, proper clothing, and proper housing. These problems are not solved by a reduction of a few cents per month on the electric-light bill. They can be solved only by lifting the earnings of the ill-clad, ill-clothed, ill-housed lower third. T. V. A. and T. V. A. rates dodge the real issue.

Eloquent and unbiased testimony of the social and economic contributions of the electric industry to the welfare of the consumers and the wage earners is found in a study released April 8 by the Brookings Institution on Productivity, Wages, and National Income.

Searching for factual basis for decisions of national policy, the information as to the electric industry is developed, incidentally to the main purpose of this disinterested study, an element which renders the conclusion doubly valuable.

GIVES MORE FOR LESS MONEY

This careful study shows that on the basis of man-hour wages and efficiency of the industry as of 1923–24 the consumers of 1936–37 would have had to pay for the volume of actual consumption for those years $1,603,000,000, but actually paid $462,000,000 less. The author states that for a given money outlay the consumer of electricity received 40 percent more for his money in 1936–37 than in 1923–24.

At the same time the industry increased its pay roll 35 percent while increasing man-hours but 4 percent. This was accomplished by an increase of the total number of workers 23 percent. Salaried workers—about 44 percent of the total employees—received 67 percent more in the later period, although man-hours increased only 29 percent. Meantime, the number of salaried workers increased 58 percent.

Meanwhile, while consumer was receiving 40 percent more for his money and wage earners were receiving more money for less work, and while pay rolls and jobs jumped, the owners of the industry, the investors, were receiving less return for the money they invested in the business. While capital investment increased 98 percent, the aggregate earnings increased only 87 percent.

No other industry in manufacturing, mining, or transportation showed anything like so favorable a record as this one which now is the victim of political witch burners who aim to seize it for political operation and control.

The real issue is to relieve industry of its artificial tax burdens which carry such wasteful projects as T. V. A., to remove artificial regulatory obstructions by a bureaucracy dedicated to the belief that capitalism is finished. Then by the normal processes of economics, the salvation of the lower third will be found in jobs and honest wages.

Would it be fair to suggest that the true motive behind all this blather about cheap power is not sincere concern for the welfare of the workingman but the greed for bureaucratic power of politicians who wish to create a great Federal political machine by T. V. A.-izing the Nation?

But they also make the overcharge claim on the basis of Tacoma, Wash., rates, and the rates of the Ontario Hydro Commission. T. V. A.'s rates may be subsidized, a drain on the Federal taxpayer and so on, but what about Tacoma?

I promise it will not be necessary to deal so lengthily with these propositions, since many of the statements applied against T. V. A.'s rates are equally effective in both instances.

Let us take Tacoma first.

Tacoma has had a municipal light plant for 47 years. Admittedly, it has some of the lowest rates in the United States. But does it follow that if the company in your home town sells electricity less cheaply than Tacoma does that your company is overcharging you? If that be so, then T. V. A. is overcharging the citizens of Tupelo, because Tacoma's rates are below Tupelo's. And remember that Tupelo had a municipal plant long before there was ever a T. V. A.

ARE 1,800 MUNICIPAL PLANTS OVERCHARGING TOO?

There are over 1,800 municipal electric plants in the United States, every one of which is overcharging its customers just as much as your private company back home is overcharging you—if you take Tacoma as a criterion. Instead of taking one lone exception to the rule, an average of all municipal-plant rates would have proven that the municipal plants either are overcharging, the private companies are undercharging, or that the municipal plants are charging taxation rates, not political rates, or rates based on sound economics.

The facts about Tacoma are simple. It had available cheap waterpower sites and has enjoyed unusual nonpolitical management. So the money from those rates was not wasted by a corrupt city-hall gang. This money was plowed back into retirement of debt as rapidly as possible. Oh yes, the Tacoma plant now makes a contribution in lieu of city taxes, but not so for many long years, and today bonded indebtedness represents only about 20 percent of the city's investment in power.

But the whole story of Tacoma's rates is not yet told.

Back in 1890 Tacoma had a population of 36,000. It was situated on one of the finest deep-water sounds on either coast, with a rich back country to draw upon. It was blessed with enormous resources of lumber and water power. At that time, back in the semiarid jack-rabbit country of Washington, 300 miles and a range of mountains from the sea coast, struggling young Spokane had a meager population of 19,992. Today Spokane has outstripped Tacoma with all of its natural advantages, and has a population of 115,514, while Tacoma, once twice its size, now boasts but 106,817 population. Tacoma for the past 47 years has had the glorious benefits of public ownership. Spokane has been served by a private company. The private company pays 18½ percent of its gross in taxes and still sells its power at an average of 2.1 cents per kilowatt-hour for domestic consumers and sells a third more power to its average consumer than does T. V. A.

In 1935, Tacoma had bank clearings of $304,000,000 and Spokane of $445,000,000. In 1936, the net public debt was $127 per capita in Tacoma while Spokane's debt was only $33 per capita. The total Spokane tax rate, 1939, was $44.70,

while Tacoma's was $57.72, both with the same assessment ratios.

And mark this: Tacoma's average residential use of power—despite its slightly cheaper rates—was 1,900 as against Spokane's 2,200 kilowatt-hour average use per customer.

TAX DIFFERENTIAL TELLS THE TALE

At a rate hearing before the Oregon Public Utilities Commission at Portland recently, uncontested evidence was produced showing that Northwestern Electric Co., serving part of Portland and suburbs, with a fixed capital of $21,000,000, had paid $8,868,000 in taxes since formation 25 years ago. Alongside that record was Tacoma's $24,000,000 plant account on which it had made tax contributions totaling $2,678,788 in 47 years. On the relative basis it should have contributed 16 to 17 millions of dollars over that period. Last year the smaller Northwestern Electric paid $731,000 in taxes, Tacoma about one-third as much or $248,000.

What happened is obvious. While the private company was paying taxes, Tacoma's managers were diverting revenues that a private company would have paid in taxes to the retirement of bonded debt. And the taxpayer footed the difference. The trouble with that system was that they had cheap power and high taxes.

Taxes being more important in the growth of a city than power, Tacoma lagged behind while Portland, equally favored by nature, but with private ownership and lower taxes, leaped to a dominating position in the Pacific Northwest with a population of 300,000.

And that's the Tacoma story in a nutshell. In a region abounding in cheap power, its rates are comparable, taxes discounted, with rates of nearby private companies in Portland, Seattle, and Spokane. But the towns with privately owned companies, enjoying cheaper tax rates, have gone forward in population, wealth, and industry, while tax-ridden Tacoma has lagged behind. Again the story of power "overcharge" versus tax "overcharge." Which would you prefer for your town?

And now to unmask the final bugabco of the billion-dollar overcharge fable—the rates of the Ontario Hydroelectric Commission. In the light of our T. V. A. and Tacoma experiences, I shall be brief lest much of the discussion become repetitive.

Here again is a case of Government subsidized power. The influence of escaped taxes and, as in the case of Tacoma, but not in the case of the T. V. A., the availability of cheap power sources.

The city of Toronto gets its power through the lines of Ontario Hydro from Niagara Falls. The city of Buffalo gets its power from a private company from Niagara power, generated on the American side, and also from steam plants. The source of power is identical. The populations of the two cities are nearly comparable: 573,000 for Buffalo; 623,000 for Toronto.

Comparison of Buffalo and Toronto rates

	Toronto, 12 months ended Oct. 31, 1935	Buffalo, 12 months ended Dec. 31, 1935
Population	623,582	573,076
Cents per kilowatt-hour (domestic)	1.35	3.27
Cents per kilowatt-hour (commercial)	2.27	1.75
Cents per kilowatt-hour (industrial)	.83	.66
Cents per kilowatt-hour (total average)	1.36	1.39
Taxes paid	$38,041	$1,921,162
Cents per kilowatt-hour (total average excluding taxes)	1.35	1.18

Again we find the residential customer living in a fool's paradise of political rates below cost, while commerce and industry pay the higher rate, and the consumer in his role as taxpayer foots the balance of the bill. The annual light bill of a family in Toronto would be about $7.50 less than the same family would pay for the same average amount of current in Buffalo. But if the family lived in a $4,000 house, the differential in city and school taxes in favor of Buffalo would be $22.60 annually. The tax Peter robs to pay the power Paul in Canada as well as in T. V. A.

One reason the Tacoma and Ontario hydro figures show to advantage, in comparison with American private figures, is that in both areas competition from fuels for water heating and for cooking is negligible. In Tacoma and in Ontario gas or coal are relatively so expensive as to put electricity in a competitive position. But if one were to combine the water heating, cooking, and electric bills of comparative customer groups in the three areas the story is different.

In spite of the low rates in Tacoma and Toronto, the combination gas and electric bill for the domestic customer using electricity for lighting and small appliances, and gas for cooking and water heating, is substantially less in Buffalo and Cleveland, for instance, than the equivalent all-electric bill in Tacoma or Toronto; 500 kilowatt-hours in Tacoma cost $5.30, and in Toronto cost $5.04. In Buffalo, the equivalent on the combined gas and electric bill is $4.63, and in Cleveland is $4.78. That accounts for the fact that the use of electricity for domestic purposes is not as high in Buffalo and Cleveland as it is in Tacoma and Toronto.

The Organic Act which created the Hydro Commission on May 10, 1906, fixed the responsibility of the Commission to set up an annual sum sufficient to form, in 30 years, a sinking fund for the retirement of the securities issued by the Province; that is, the cost of operating, maintaining, renewing, and insuring works. In other words, the entire debt should be retired in 30 years, and a depreciation fund set up sufficient to install a new system. But at the end of 30 years, the debt of the Commission was still 91 percent of its total investment. Even Tacoma has a far better record than our Canadian neighbors.

Again the deadly parallel of debt and taxation under public and under private ownership of utilities.

The per capita expenditures for 1901 in the Province of Quebec, were $2.74, in Ontario, $1.85. Ten years later, after 5 years of public ownership, Ontario had a government cost of $3.92 per capita; Quebec, $3.20. Taxation has risen in both provinces since. But in 1937 government costs in Ontario were almost double Quebec's; $14.02 for Quebec, and $26.35 for Ontario.

The same story is reflected in the debts of the two Provinces. Until 1904, Ontario had no bonded debt, while at that time Quebec was carrying a debt of $20.40 per capita. In 1906, when the Hydro Commission was created, the Ontario debt was $3.85 per capita; Quebec's, $16.12 per capita.

Each year until the World War, Quebec's per capita debt declined, Ontario's rose. With the war, and later with the depression, the indebtedness of both Provinces rose rapidly. But Ontario went three times as fast as Quebec; from $11.29 in 1914, to $163.15 for every man, woman, and child in the Province—including the Dionne quintuplets. That was in 1936, the latest figures I have. In the same year the Province of Quebec had a public debt of less than one-third as much, or $53.21.

One more word and I will be finished with the Canadian power story. At this point, I wish to insert into the RECORD a comparison of wages paid in Toronto and in Buffalo for similar work, showing a 10- to 25-percent differential in favor of the man who works in a town having private enterprise in charge. It demonstrates that he does not require an artificially distorted political rate to meet his electricity bills, that he makes enough money to pay an honest rate.

Comparison of hourly wages in Buffalo and Toronto

	Buffalo [1] 1935	Toronto [2] 1935-36
Bricklayers	$1.25	$0.90
Glaziers	1.00	
Carpenters	1.00	.80
Inside wiremen	1.125	[3] 1.00
Painters	1.00	.75
Plasterers	1.50	.90
Plumbers	1.20	.90
Steam fitters	1.20	
Stone masons	1.25	.875
Structural-iron workers	1.215	

[1] Source: Monthly Labor Review, November 1935, U. S. Department of Labor.
[2] Source: Canada Year Book, 1937, p. 782.
[3] Electrical workers.

The dead hand of public ownership, with its artificially high industrial power rates, tending to discourage industrial development, is reflected in the story of population growth of the two Provinces. From 1911 to 1931, while Quebec gained 43 percent in population, its sister Province, Ontario, gained 35 percent. Quebec, the oldest Province, was holding its own in relation to the population of the entire Dominion, despite the population drains of the new Provinces. But Ontario, which in 1911 had 35 percent of the entire Dominion population, had slipped to 33 percent by 1931.

And now I am done. Never again do I intend to discuss this silly "billion-dollar overcharge" bunk. There is nothing more to be said about it. I have proved it is sheer, unadulterated, manufactured political baloney. Advocates of T. V. A. have spent thousands upon thousands of taxpayers' dollars spreading this fable as the gospel truth. And now it is proved to be a snare and a delusion. Let us hear no more from them—but I am not sanguine enough to expect as much. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that at the close of the special orders of the day I may be permitted to address the House for 30 minutes.

The SPEAKER pro tempore (Mr. MURDOCK of Arizona). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EXTENSION OF REMARKS

Mr. HART. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter addressed by the Governor of New Jersey to the chairman of the House Committee on Appropriations.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein excerpts from a book written by a United States Ambassador to Russia under the Czar, David R. Francis, entitled "Russia From the American Embassy," and also my own remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. CLASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by Col. James Van Horn at Westover Field, Chicopee, Mass., on the dedication of that air base on April 6, 1940.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. Under a previous special order, the gentleman from North Carolina [Mr. BARDEN] is recognized for 30 minutes.

WAGE AND HOUR ACT AMENDMENT

Mr. BARDEN. Mr. Speaker, for some time I have been wanting an opportunity to discuss a piece of legislation pending in the House which has been written about quite a bit and talked about quite a bit, but very little time has been spent in giving it a correct interpretation. Those who are interested in the legislation to which I refer, that is, the wage-hour amendments, have been both criticized and complimented. The particular bills which will come before this House on Thursday, April 25, are H. R. 5435, H. R. 7133, and H. R. 7349. I can speak for one of them, as I am interested in H. R. 7133, occasionally referred to as the Barden bill.

I have no desire to wreck the Wage and Hour Act. I served on the committee that wrote that legislation. There are some provisions in the act now of which I am the author. One provision, I recall distinctly, was the graduated rise in wages. I believe most of you will agree that that provision saved the life of the bill. Another was the provision which made it possible for the States to cooperate in the enforcement of the act. Therefore, I say now that there is no disposition on my part to injure either the Wage and Hour Act or those who may be enjoying the benefits of that act.

The amendments contained in H. R. 7133 do not in any way affect the cotton mill industry clothing workers, general industrial labor as we refer to it, the coal mines, or anything else except insofar as the amendments attempt to provide more protection for the agricultural situation and for the producers of agricultural products.

It so happens that we have 32,000,000 farmers in the United States, and no one would venture the assertion that their earnings amount to 30 cents an hour, 15 cents an hour, or even 10 cents an hour. They are below 5 cents an hour in many cases.

Let us, for a moment, look at the problems confronting agriculture, using the same base period as used by the Statistical Department of the United States Government, that period between 1910 and 1914. We find that in 1937 farm prices were 21 percent above base period; in 1938 farm prices were 22 percent lower than in 1937, and 5 percent lower than they were in 1910 and 1914. In 1939 farm prices were 24 percent lower than they were in 1937, and 7 percent lower than in 1910 to 1914. With labor supplies and materials used by agriculture increasing in cost, is it any wonder that agriculture should become alarmed with the same old custom in vogue of having the industrial areas fix the price on everything they sell, and also fix the price on everything they buy from the farmer?

Few of you have heard about some of the most important sections of H. R. 7133. I am going to briefly discuss the most important amendments in the bill.

The first amendment, or group of amendments, I may say, deals with the Puerto Rican situation, which has probably been one of the most troublesome problems with which the Administrator has had to deal. He sent an investigating committee to Puerto Rico and the committee came back with a very bad story. The Administrator recommended the identical amendment in H. R. 7133, the Department of the Interior approved, and two Governors General of Puerto Rico, the present Governor General, Admiral Leahy, and the preceding Governor General, recommended and approved the amendments. General Winship came down here last year and personally called me out of this Hall, urging that the amendments be passed. The Labor Committee approved them and the Labor Department approved them. The Senate passed the amendments, and they are now in this House. I say this ought to be a fairly good recommendation for that group of amendments contained in H. R. 7133.

The next amendment to which I wish to call your attention is the one that deals with rural home work. The gentleman from Georgia [Mr. TARVER] appeared before the committee and made an excellent showing for that amendment. It provides for the Administrator to permit rural home work where not in direct competition with the industrial worker, and permits the Administrator to set up a minimum piecework price that would guarantee the minimum wage and permit the work to go on. Is there anything unreasonable or unfair about that? The law wherever in force today has simply wiped out that additional income which the rural people have had. If we can protect them by throwing this safeguard around them and permitting the Administrator to fix the piece-work price, why should we not do it, for that industry is quite an item in the rural areas. This very amendment was approved by the Administrator before the Committee on Appropriations.

There has been no trouble with that, and yet the statement is made that I would disarrange a great many people by that amendment, although I do not believe there would be one vote in the House against that particular amendment if it were put up to a vote.

The next amendment deals with partial exemptions on hours. In this connection I would like to insert in the RECORD paragraph C of section 7 (a) of the act, which deals with a part of the same problems dealt with in H. R. 7133.

This bill makes an exemption of 56 hours on the grading and storage of grain at terminal markets; the wholesale distribution of perishable or seasonal fruit; storage of terminal markets in any seasonable or perishable agricultural or horticultural commodity or handling or transportation in connection with or incidental to such operations; and the felling of trees and logging operations, and following that comes practically the same exemptions as are contained in the Norton bill, with some clarifications and changes, leaving out the area-of-production clause; but this section is not the one that gives particular concern, so I am told. So I will refer you to the bill and the present law.

The next section deals with a very important question, and that is the innocent purchaser of so-called "hot" goods. If you are in business, whether it be pulp business, cotton business, lumber business, or any business, you may happen to be in at the present time, and Mr. A comes to you to sell you some materials, lumber, cotton, or whatever it may happen to be, and you say, "Were these goods produced under the wage-hour law?" and Mr. A says "Yes." "Will you swear to it and give me an affidavit to that effect?" "Yes, sir." He signs that affidavit, he gives it to you, and you buy the goods and commingle them with your goods. If it later proves to be the fact that the goods you purchased were "hot" goods, it does not make any difference whether you bought them in good faith, without notice or anything else, they are "hot" goods, and there is no provision in the act for disposing of them.

It is simply impossible to administer this act without some provision of that kind unless the Administrator is willing to strong-arm the law and just overlook it as so far, probably, has been done to avoid public criticism, but that cannot last long.

Then I have another provision which provides for 5 days' notice where an injunction is brought to enforce an order or regulation made by the Administrator.

The penal provisions in the law are the same, the enforcement provisions in the law are the same, but this provision does this: It says to the Administrator, "Mr. Administrator, if you issue an order, then you must give the defendant 5 days' notice before you actually drag him into court." If he puts his house in order in that length of time, then why drag him into court? Have we not enough lawsuits pending?

There is another question involved; this order or this regulation made by the Administrator may in the meantime prove to be an error or prove to be illegal. This applies to rules and regulations issued by the Administrator and I think if there is any one thing that this House is pretty well together on, it is the fact that we are somewhat reluctant to pass any more laws containing three paragraphs and then permitting an administrator to write three volumes of law on it.

Mr. SEGER. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. SEGER. Does not the gentleman believe that even 5 days is too short a period within which to give notice to the Administrator?

Mr. BARDEN. May I say to the gentleman that I thought so, but I have done a tremendous amount of work on this bill for a year and a half, ever since the area-of-production interpretation came out. I have tried to follow a midway road and step aside from some of my personal views in order to get a workable piece of legislation. I think there is something to the gentleman's suggestion, because there are very few things you can do in 5 days, but this is 5 days' notice more than they have now.

I may say that at the time we were having hearings on this bill and when the Committee on Labor had under consideration amendments to this piece of legislation, even though 32,000,000 agricultural people live in this country, not one single one was permitted to go before that committee to present his or her views.

Not a single one, though I begged day in and day out and told the Labor Committee that the overwhelming majority of that committee did not know one thing about a farm, about agriculture, or come from agricultural areas, and I did not feel that we would be justified in shutting our ears and saying that we did not want to hear about agriculture when we were dealing with a piece of legislation that was as far reaching as this was. But that did not happen.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. Yes.

Mr. RAMSPECK. I think in fairness the gentleman ought to state the committee did not hear from anybody during that discussion.

Mr. BARDEN. I think in all fairness I might say to the gentleman that we heard for weeks and weeks from the Labor Department. They appeared—everybody from the Administrator down—representing every kind of interest you could think of, except agriculture, and may I say in addition to that that we heard plenty by message from other organizations.

Mr. RAMSPECK. The gentleman will admit, I think, that the representatives of the Department of Labor came at the request of the chairman of the committee.

Mr. BARDEN. Oh, well, you know these administrators will always gladly consent to come down and tell us what to do, and they were there. I do not know how many thousands of pages of evidence and statements, and so forth, were collected, but the gentleman will agree with me, although we were dealing with agriculture and a very vital part of agriculture, not one single man from the Department of Agriculture was invited in there.

I pass on from that. I have another provision in these amendments. That is the 6 months' statute of limitations. I have been terribly abused about that, and I cannot for the life of me see any reason for anyone disagreeing with that provision. It simply provides a 6 months' statute of limitations, and 6 months' time is enough for an employee to find out whether or not he is being overworked and underpaid, and 6 months is time enough for the Department to find out something about it. Unless that provision is put in, we are going to have just what we are experiencing right now, and that is this: These small businesses, with small capital, were permitted to go along from October 1938 right on until just within the last few months or few weeks, when they find that they are not exempt from the law and they are brought in, and when they get through with the penalties they have mounted so high that it simply closes up the business, and then everyone loses his job and the man who is running the business loses his business. I cannot believe that that would be in the interest of labor. It could not be in the interest of anyone, and it is well known that in the rural areas small business is what we are principally concerned with. We do not have the big business that is complained about. Another provision contains the so-called white-collar exemptions. In the present act there is no such thing as white-collar workers' exemption, except the following section, which is 13 (a) 1:

> Any employee employed in a bona fide executive, administrative, professional, or local retail capacity, or in the capacity of outside salesman (as such terms are defined and delineated by regulations of the Administrator).

As absurd as it may sound, it is nevertheless true that the Administrator is now confronted with men drawing as much as $7,000 per year and more who are under this act, and apparently there is no way to take them out without an amendment. My amendment is very simple and provides as follows: After exempting those exempted in 13 (a) 1, I quote:

> Or at a guaranteed monthly salary of $150 or more, or at a guaranteed yearly salary of $1,800 or more, if such employee is not required by his employer to work any specified minimum number of hours in any workday, workweek, or other period, and has been notified by his employer in writing to that effect.

Without this amendment it is absolutely unfair to the Administrator to expect him to perform an utterly impossible job by enforcing the act. As it is now written, columnists, newspaper reporters, and others who have responsible jobs, and sometimes like to go to a baseball game, play golf, or take an afternoon out for fishing, either must forego this pleasure or violate the act. I am willing to leave it to the American people which would happen. It is very clear to me that we

have in this country at the present time more than a sufficient number of law violators without attempting to increase the number by growing a new crop.

There is another provision which I desire to discuss, and that is one that probably has caused more trouble than anything else and was primarily responsible for the introduction of these amendments, though not solely responsible, because the other amendments that I have referred to are very, very important; and, by the way, one that I have not referred to that is very important is the one that prohibits the shipment of convict-made goods. That is not in the original law, and certainly no one would disagree with the statement that this amendment would improve the law. But the one that has caused so much dust is this statement right here. In section 13a of the act there is listed a large number of exemptions from the act. I read:

SEC. 10. To any individual employed within the area of production, as defined by the Administrator, engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in the raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products.

Tell me what this House had in mind when it passed the provision exempting those very articles and those very operations, and when it put into the law "within the area of production." I shall now read to you the interpretation given that by the Administrator.

SEC. 536.2—

I do not know what that is, but that is the number the Administrator gives this. I am reading from his official bulletin and order; and, by the way, it is law, just as much law as the law we passed. This is the law that he writes:

"Area of production," as used in section 13 (a) (10) of the Fair Labor Standards Act.

An individual shall be regarded as employed in the "area of production," within the meaning of section 13 (a) (10), in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products:

(a) if he performs those operations on materials all of which come from farms in the general vicinity of the establishment where he is employed and the number of employees engaged in those operations in that establishment does not exceed seven, or

(b) with respect to dry edible beans, if he is so engaged in an establishment which is a first concentration point for the processing of such beans into standard commercial grades for marketing in their raw or natural state. As used in this subsection (b), "first concentration point" means a place where such beans are first assembled from nearby farms for such processing but shall not include any establishment normally receiving a portion of the beans assembled from other first concentration points, or

(c) with respect to Puerto Rican leaf tobacco, if he is engaged in handling, packing, storing, and drying such tobacco for market in an establishment which is a first concentration point for such tobacco—

And so forth. Here is one that will cover the whole works:

(d) if he performs those operations on materials all of which come from farms in the immediate locality of the establishment where he is employed and the establishment is located in the open country or in a rural community. As used in this subsection (d), "immediate locality" shall not include any distance of more than 10 miles and "open country" or "rural community" shall not include any city or town of 2,500 or greater population according to the fifteenth United States census, 1930.

Now, who on earth besides the Administrator could have ever written such a definition? I do not see how such an interpretation could be placed on "area of production." We do not think of the area of production of oranges as being a 10-mile circle. We do not think of the area of production of strawberries as being a 10-mile circle. I simply cannot understand how he reached that conclusion. And in my amendments I simply strike out or leave out the term "area of production" and set out in plain English the exemptions.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I am glad to yield.

Mr. KEEFE. Is the gentleman familiar with the interpretation that has been placed by the administration upon the words "general vicinity," as applied to the first processor of agricultural products employing less than 7 people, and located in cities of not over 2,500 population, and is there anybody in this Congress or in the United States today that knows what the words "general vicinity" mean? I have been carrying on a conversation with the Department through letters for the last 2 months. If there is anybody who can define it, I would like to have them do it, so that a man who is in business knows whether he is subject to the act or whether he is not subject to the act. The General Counsel was unable to give an opinion in a specific case, whether he was subject to it or not.

Mr. BARDEN. May I say I have gathered together all of the law written by the Administrator and tried to read it and tried to understand it. There is no question in my mind but what he has a difficult problem to try to interpret the term "area of production" to suit everybody; but at the same time there is no question in my mind about what the Congress intended to say when it said "area of production." Let us give to agriculture the exemption Congress intended. [Applause.]

[Here the gavel fell.]

The SPEAKER pro tempore (Mr. MURDOCK of Arizona). Under special order heretofore entered, the gentleman from Washington [Mr. LEAVY] is recognized for 30 minutes.

Mr. ELLIOTT. Mr. Speaker, will the gentleman yield?

Mr. LEAVY. Yes; I yield.

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point the effect of Wage-Hour Act upon citrus-fruit growers in the States of California and Arizona.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ELLIOTT. Mr. Speaker, I asked for a report showing the effect of the definition of the "area of production" on the small citrus growers in California and Arizona. I am in receipt of that report, and it is as follows:

EFFECT OF WAGE-HOUR ACT UPON CITRUS-FRUIT GROWERS

This report is being submitted by the Agricultural Producers Labor Committee, which represents substantially all of the 28,000 citrus growers in the States of California and Arizona. These growers each cultivate, on an average, 12 acres of citrus fruit. They are directly interested in and vitally affected by the regulation of the Administrator defining "area of production" (Regulations, sec. 536.2, promulgated June 15, 1939) in that the packing houses are in most instances operated by associations of growers and in all instances the costs of packing are paid for by the growers.

It is our firm belief that the present regulation of the Administrator defining "area of production" does not define that term as was intended by Congress. Such was our position in the hearings before the former Administrator and such has been our position in the equitable action filed in the District Court of the Southern District of California praying for an injunction restraining the enforcement of this regulation. In those proceedings we have pointed out that in California and Arizona there is a definite and legally recognized "area of production" of citrus fruit and that as far as citrus fruit is concerned this is the only proper area of production for the Administrator to adopt.

NUMBER OF CITRUS-PACKING HOUSES IN CALIFORNIA AND ARIZONA AND HOW THEY OPERATE

There are in California and Arizona 275 citrus-packing houses. Of these, 235 citrus-packing houses, packing approximately 85 percent of the oranges and grapefruit and 94 percent of the lemons grown in California and Arizona, are nonprofit cooperative associations organized and controlled by the citrus growers. Such cooperative citrus-packing houses act as the agent of the members in picking, washing, grading, and packing their citrus fruit. They handle only the fruit of their members. As such cooperative packing houses act as agents for and pack the fruit for the account of the members, all packing costs are borne directly by the grower members. Forty citrus-packing houses, packing approximately 15 percent of the oranges and grapefruit and 6 percent of the lemons grown in California and Arizona, are independently owned. Such packing houses either pack exclusively the fruit which they grow or pack fruit for growers under contract whereby the fruit is packed for the account of the grower. In the latter case the fruit is packed and sold and the packing charges, plus a reasonable fixed charge, are deducted from the sales price and the balance is passed on to the grower. In such a case the grower directly bears the increased

cost of packing the fruit. In some instances a buyer may acquire fruit directly from the grower for cash, but in such instances the buyer deducts the packing and handling costs from the purchase price, so that any increase in packing charges is directly paid by the grower.

NUMBER OF CITRUS-PACKING HOUSES IN CALIFORNIA AND ARIZONA WITHIN "AREA OF PRODUCTION" AS DEFINED BY THE ADMINISTRATOR

In addition to personal investigation by members of this committee, this committee has caused questionnaires to be sent to the different citrus-packing houses, from time to time, to determine the effect of the regulation of the Administrator upon the California and Arizona growers. In a questionnaire sent to the 275 citrus-packing houses to determine whether they were located within or without the "area of production" as defined by the Administrator, returns were had from 267 packing houses. The results of these returns were compiled and show as follows:

	Percent
Citrus-packing houses located in towns of a population of less than 2,500	42
Citrus-packing houses located in towns of a population of more than 2,500	58
Citrus-packing houses hauling fruit 10 miles or less	34
Citrus-packing houses hauling fruit more than 10 miles	66
Citrus-packing houses located in towns of less than 2,500 population and hauling fruit not over 10 miles	19
Citrus-packing houses located in towns of more than 2,500 population and hauling fruit more than 10 miles	81

These figures, which are the most accurate which have been obtained for the States of California and Arizona, show that, as a result of the regulations of the Administrator, only 19 percent of the citrus packing houses are within the area of production within the meaning of section 13 (a) of the Fair Labor Standards Act, and 81 percent of such citrus packing houses are, by such regulation, declared to be without the area of production.

By the same questionnaire it was determined what proportion of the fruit by volume was packed within the area of production as defined by the Administrator and what percentage was packed without the area. These figures followed very closely the percentages for packing houses within and without the area, the final figures showing that only 15 percent of the volume of citrus fruit was packed within the area of production as that term has been defined by the Administrator.

THE TESTS USED TO DETERMINE AREA OF PRODUCTION ARE ARBITRARILY AND UNREASONABLE WHEN APPLIED TO CALIFORNIA AND ARIZONA CITRUS PACKING

When growers associate themselves to build a citrus packing house they locate it at the closest point to the groves of the members where electricity, water, and transportation are available. The same is true of those packing houses which are individually owned. Our surveys show that on the average the nearest grove is five-eighths of a mile away from the packing house, while, in many instances, the nearest grove is actually adjoining or within a few hundred feet of the packing house. All of these packing houses in California and Arizona pack the fruit in the same manner, use the same type of labor, and sell the fruit upon the same markets and obtain therefor the market price. In other words, the 275 citrus packing houses operate under the same competitive advantages and disadvantages except for the regulation of the Administrator which arbitrarily and without any basis in fact strikes at 81 percent of the houses and leaves the other 19 percent free.

ARBITRARY AND UNREASONABLE EFFECT OF THE 2,500 POPULATION TEST AS APPLIED TO CALIFORNIA AND ARIZONA CITRUS PACKING

Forty-two percent of the California-Arizona citrus packing houses are located in towns of a population more than 2,500. They happen to be so located for a variety of reasons, none of which gives them any competitive advantage over the other citrus packing houses or cause them to operate in any other or different manner.

For example, there are located in the San Fernando Valley, in California, seven cooperative citrus packing houses. Five of these are located within the corporate limits of the city of Los Angeles. These five citrus packing houses are located within the corporate limits of the city of Los Angeles not to obtain any economic advantage, or so they can operate in a manner different from the other citrus packing houses, but because all of the groves of their members are located within the corporate limits of the city of Los Angeles and the packing houses are located there to be close to the groves of their members. For the most part, these citrus groves were planted and the citrus packing houses were constructed before the San Fernando Valley became a part of the city of Los Angeles. The fact that the city of Los Angeles has extended its corporate limits to include these groves and their adjacent packing houses does not cause them to operate in any different manner than when they were in unincorporated territory. Two of these packing houses in the San Fernando Valley are located within the town of San Fernando, but the groves of their members are located within the corporate limits of the city of Los Angeles. The returns from questionnaires show that not only a great number of citrus packing houses are located within towns of more than 2,500 but a great deal of citrus acreage is also located within towns of more than 2,500.

The following are examples of citrus packing houses located in towns of more than 2,500 population and the amount of citrus acreage which it serves which is also located in towns of a population of more than 2,500:

Name of citrus packing house	Amount of citrus acreage cultivated by members	Amount of such citrus acreage in towns of over 2,500	Names of towns of over 2,500 in which such citrus acreage is located
Anaheim Cooperative Orange Association.	2,653½	129½	Anaheim, Fullerton, Orange.
Arlington Heights Fruit Co	754	562	Riverside.
Azusa Citrus Association	712	712	Azusa.
Briggs Lemon Association	591	190	Santa Paula.
Canoga Citrus Association	1,305	1,019	Los Angeles.
Chula Vista Citrus Association	1,200	750	Chula Vista.
Claremont Citrus Association	996	554½	Claremont, Pomona.
Consolidated Orange Growers	3,011	488½	Orange, Santa Ana, Anaheim.
Corona Citrus Association	980	680	Corona.
Corona Foothill Lemon Company	1,018	856	Do.
Crafton Orange Growers Association.	711	159	Redlands.
El Camino Citrus Association	578	328	Claremont, Pomona, Ontario.
Fillmore Lemon Association	1,129	162	Fillmore.
Gavilan Citrus Association	1,200	1,150	Riverside.
Glendora Lemon Growers Association.	1,000	1,000	Azusa, Irwindale, Glendora.
Gold Banner Association	1,438	1,261	Redlands.
Hazeltine Packing Co	1,482	875	Los Angeles.
I. L. Lyon & Sons	1,068	325	Redlands.
Old Baldy Citrus Association	1,425	514	Ontario, Upland.
Redlands Select Groves	1,200	736	Redlands, Fontana.

This list is not exhaustive, but is intended only as an illustration of this situation.

It is also true that many of the citrus packing houses now located within towns of over 2,500 population were, when built, not so located. Such packing houses were constructed in small villages or outside the corporate limits of any town, and as the town grew were included within the town. The fact that they are now located within a town of 2,500 population is not anything of their seeking or anything from which they gain an economic advantage or which makes them operate in any different manner from other citrus packing houses. Examples of such citrus packing houses are as follows:

Anaheim Cooperative Orange Association, Anaheim; Azusa Citrus Association,[1] Azusa; Chula Vista Citrus Association, Chula Vista; Claremont Citrus Association, Claremont; Corona Citrus Association, Corona; Covina Citrus Association, Covina; Orange Packing Co., Lindsay; Pomona Fruit Growers Exchange,[1] Pomona.

This list is not exhaustive, but is intended only as an illustration of this situation.

The Whittier Citrus Association, a grower cooperative association, has its packing house located in the town of Whittier, a town having a population of over 2,500 Within 200 yards of its packing house is the packing house of the Whittier Select Citrus Association. This happens to be across the road and without the city limits of the town of Whittier. Damerel-Allison Co. operates a citrus packing house in the town of Covina, a town having a population of more than 2,500, and also operates a citrus packing house 1 mile without the town of Covina. All four of these packing houses are operated in an identical manner, employing the same type of labor, and getting their citrus fruit from the surrounding groves, but two are declared to be within the "area of production" and two without the "area of production" by the regulation of the Administrator.

The use of the 2,500 population test to determine "area of production," which is unreasonable when applied to most California and Arizona citrus packing houses, becomes ludicrous when applied to the Corona Foothill Lemon Co. This packing house is bisected by the city limits of the town of Corona, a town having a population of over 2,500. Here some workers are within the "area of production" and some are without; the fruit may leave and enter the "area of production" several times while being washed, graded, and packed. A worker may only work 42 hours per week on one side of a chalked line, but let him jump over this line and he has passed into the magic circle of "area of production" where he may labor without limitation. But this is not the end to our confusion. More than 84 percent of the citrus acreage which this packing house serves is located within the corporate limits of the town of Corona.

Under this Alice in Wonderland regulation the worker must go outside of the area of production to get inside the "area of production." This is all very confusing to the poor worker who is trying to determine whether he is working on the side of the packing house which is inside or outside the "area of production."

The examples above given could be extended almost to the number of citrus packing houses located in California and Ari-

[1] Population was less than 2,500 when house was built, and since then town has grown to over 2,500; in the case of the other packing houses the corporate limits of the town were extended to include these packing houses.

zona. The tabulations and examples given in this section are, however, sufficient, we believe, to show that the use of this test (2,500 population) to determine area of production when applied to the packing of citrus fruit in California and Arizona is absolutely arbitrary, unreasonable, and without basis in fact.

ARBITRARY EFFECT OF THAT PORTION OF THE REGULATION WHICH DECLARES THAT PACKING HOUSES HAULING FRUIT MORE THAN 10 MILES ARE WITHOUT THE AREA OF PRODUCTION

All of the citrus packing houses in California and Arizona haul the bulk of the citrus fruit which they pack less than 10 miles but 66 percent of such citrus packing houses haul some portion of the citrus fruit which they pack more than 10 miles.

The committee has determined from its surveys that the haulage of citrus fruit in California and Arizona from the groves to the packing houses is as follows:

Percentage of citrus packing houses hauling all fruit less than 10 miles	34
Percentage of citrus packing houses hauling all fruit less than 25 miles	76
Percentage of citrus packing houses hauling all fruit less than 50 miles	90

(Ten percent of the houses haul a small portion of their fruit more than 50 miles.)

When these packing houses were organized to pack the fruit of their members or of the growers in the district, there was no arbitrary distance for hauling of fruit considered. For example, a group of growers might get together to form a cooperative packing house and such growers might be within a radius of 15 miles of the packing house. Now, such a packing house is faced with the decision either to continue to handle the fruit of members beyond a radius of 10 miles from the packing house and come under the terms of the Fair Labor Standards Act by virtue of the regulation of the Administrator, or else to arbitrarily refuse to handle the fruit of those members whose groves are more than 10 miles from the packing house. Either decision is fraught with difficulty both for the packing house and the grower.

Such grower may be unable to have his fruit packed through an association whose packing house is within 10 miles of his citrus grove or may be unable to find another packing house where the type of fruit or sizes usually produced by him best blends with the fruit produced by other growers so as to bring up the general average of grade and size of the pool. On the other hand, a packing house is constructed for a certain volume, and if this volume is decreased by refusing the fruit of these members more than 10 miles away it cannot operate as economically, and the packing charges paid by the other growers will increase. If the packing house decides to continue to take fruit from citrus groves beyond 10 miles from the packing house, it thereupon becomes subject to expenses and restraint which place it at a competitive disadvantage with packing houses not subject to the act.

The unreasonableness of the 10-mile limitation is particularly apparent in those packing houses where the members are largely grapefruit growers. There is not a great density of grapefruit production in California and Arizona, and consequently members often have to haul their grapefruit longer distances to the packing house. For example, the Monte Vista Citrus Association, a cooperative packing association having 105 members, pack a great deal of grapefruit. This packing house hauls 32 percent of its fruit from 25 to 50 miles and 11 percent of its fruit 10 to 25 miles from the groves to the packing house. The Imperial Valley Grapefruit Growers, a cooperative association which packs nothing but winter grapefruit for its members, hauls 60 percent of the fruit from 10 to 25 miles from the groves of the members to its packing house.

The length of the haulage from the groves to the packing house bears no relation to the size of the packing house. Therefore, if it was the theory of the Administrator that the larger or more commercial packing houses would haul more than 10 miles and should therefore be subject to the act, while the smaller houses would haul less than 10 miles, this assumption has no basis in fact.

The following tabulation shows that there is no relationship between the size of the packing house and the length of the haul. The first three packing houses listed are three of the largest in California and Arizona; the next three packing houses listed are three of the smallest, and the last three are medium-sized or smaller than medium-sized houses.

Name of packing house	Number of acres of citrus fruit of members	Percent of fruit hauled less than 10 miles
Fillmore Citrus Association	3,644	100
Gold Buckle Association	3,045	96
Anaheim Cooperative Orange Association	2,931	98
Alta Loma Citrus Association	1,050	95
Bryn Mawr Fruit Growers Association	786	94
Orange Heights Orange Association	750	84
Fullerton Cooperative Orange Association	1,130	70
Monte Vista Citrus Association	1,385	57
San Antonio Orchards	1,213	35

The distance from the packing house to the farthest grove of its members is not a reasonable test to determine whether the packing house itself is in the area of production. For example, a packing house may be surrounded by citrus groves but, because it happens to take fruit from a grove more than 10 miles away, the packing house is, by the terms of the regulation, without the area of production. If the packing house then refuses to take such fruit it immediately jumps into the area of production; yet the location of the packing house has not changed an inch.

INJURIOUS EFFECT OF COMPETITION BETWEEN CITRUS PACKING HOUSES UNDER AND NOT UNDER THE FAIR LABOR STANDARDS ACT

To date the injurious effect of competition between the citrus packing houses subject to, and those not subject to, the Fair Labor Standards Act has been minimized through the efforts of this committee and others to get all citrus growers in California and Arizona to face the situation with a united front. This has so far been successful because the citrus growers have believed that the unreasonableness of the present regulation would soon be recognized and relief would be obtained either from the present Administrator or from Congress. If no relief is obtained and the present regulation continues in effect those citrus packing houses not subject to the Fair Labor Standards Act will begin to take competitive advantage of their situation.

In the first place, there will be, in cases where possible, a shift of membership. Those growers who are now members of cooperative packing houses subject to the act will, if possible, become members of packing houses within 10 miles of their groves and discontinue their memberships in the other associations. The same will be equally so of packing houses within and without towns of a population of 2,500. For example, there are numerous packing houses around the towns of Redlands and Anaheim, some of the packing houses being within the city limits and some without. Those that happen to be located without the city limits will obtain a competitive advantage which will cause an increase in membership and a disruption of orderly marketing in the other packing houses. Probably the greatest competitive advantage that those houses not subject to the Fair Labor Standards Act will obtain will be in the labor market. As will be set forth hereinafter, the persons employed in citrus packing houses depend upon this employment for their livelihood and therefore, during the sesason when the operations are heavy, desire to work long hours to make up for those seasons of the year when there is little or no employment. These persons therefore wish to work in the packing houses where the longer hours are permissible. Thus those houses located within the area of production, as defined by the Administrator, find that they can obtain the best workers from the other packing houses subject to the Fair Labor Standards Act. As a result there has started a small but steady flow of the best labor from packing houses without the area to those within the area as defined by the Administrator, and it has been with difficulty that this situation has been coped with pending the promised relief from Congress or the Administrator. Such shifting of growers from one packing house to another disrupts orderly marketing of the citrus crops and is particularly damaging to the effective operation of the Federal and State marketing or prorate orders. (See complaint for injunctive relief filed by California citrus packing houses hereinbefore referred to.)

THE 14 WORKWEEK EXEMPTION IS NOT SUFFICIENT TO EXEMPT CALIFORNIA AND ARIZONA CITRUS PACKING HOUSES FROM THE BURDENS OF THE ACT

By section 7 (c) of the Fair Labor Standards Act, these citrus packing houses are exempt from the requirements of section 7 (a) for a period of 14 workweeks in the aggregate of any calendar year. Such 14 workweek exemption is not sufficient to totally exempt any of the citrus packing houses from the provisions of section 7 (a). The packing of citrus fruit is seasonal and each variety of citrus fruit has its own season, such season varying, to some extent, with the particular location. In southern California the season for navels is from January to April, for valencias from May to October, for grapefruit from June to October and for lemons, although they mature the year around, the heavy picking is in the spring and the heavy packing of lemons is in the summer.

The committee has made a study of the different varieties and kinds of citrus fruit handled by the citrus packing houses in California and Arizona. The following tabulation shows the percentage of packing houses handling four kinds and varieties of citrus fruit (navel and valencia oranges, grapefruit, and lemons), those handling three kinds and varieties of citrus fruit (any three), those handling two, and those handling one:

Citrus packing houses handling:	*Percent*
4 kinds	22.5
3 kinds	42.5
2 kinds	22.5
1 kind	12.5

Those packing houses handling only one variety of citrus fruit are all lemon packing houses. This will be taken up later. The other houses are engaged in seasonal packing from 5 to 8 months of the year. Actually the 14 workweek exemption does not begin to exempt these packing activities from the provisions of the act. The usual packing house will have a 3 months' fruit-packing season for navels,

another fruit-packing season of at least 3 months for valencias, and in addition to that may have a packing season for grapefruit or lemons, which partially overlap with the orange seasons.

PERCENTAGE OF PACKING-HOUSE COSTS COMPOSED OF LABOR CHARGES

The largest single item in washing, grading, and packing of citrus fruit is the labor charge. In citrus packing houses in California and Arizona it was found that the percentage of labor to total cost of packing was as follows:

	Percent
Oranges and grapefruit	40.5
Lemons	49.1
Oranges, grapefruit, and lemons	43.6

Therefore any law or regulation which affects citrus packing labor costs affects the largest single item of all expenditures in connection with the work.

INCREASED CITRUS-PACKING COSTS CANNOT BE PASSED ON TO THE CONSUMER AND GROWERS ARE NOT IN A POSITION TO BEAR THIS INCREASED COST

The wholesale price of citrus fruit is determined by the price at the auction markets throughout the United States. The auction price is determined by supply and demand neither of which is controlled by the grower. Demand is controlled by numerous economic conditions entirely unconnected with the grower; supply is mainly controlled by the vagaries of nature. The State and Federal marketing agreements regulate the supply of citrus fruit going on the market in any one week, but does not attempt to regulate the total amount which will be marketed. For example, in years when there is a large crop of small sizes the State and Federal marketing orders endeavor to regulate the marketing of this crop, but as it now functions, it does not prevent the marketing of this entire crop over the period of the season. The grower consequently takes the price which he is bid for the fruit at auction which price is no greater because it has cost him more to pack it. The grower is not in a position to bear these extra costs. As of February 1940 prices paid by farmers for commodities used by them in living and production were 122 percent of the 1910–14 level; on the other hand farmers producing fruit were receiving only 66 percent of such prices while farm wages were 119 percent of the 1910–14 level. While farmers received prices for their commodities considerably below the parity level, the prices farmers paid for their labor and for their material were considerably above it. It is figured that the buying power of farm products is now only 81 percent of what it was in 1910–14. Last year it was figured that California citrus growers lost an average of approximately 30 cents per packed box on all citrus fruit shipped, or about $40 per acre loss. This year even with the freeze in Florida and Texas there is still a surplus of citrus fruit on the market and next year, when Florida and Texas are again marketing full crops of citrus fruit the condition of the California and Arizona citrus growers will be even worse.

Regarding the financial condition of the farmer and his ability to pay additional costs, Representative COLMER, of the House of Representatives, has this to say (CONGRESSIONAL RECORD, vol. 86, p. 3257):

"What has been the average income of the farmer over the period of the past 5 years? Statistics compiled by the Department of Agriculture show that the net income of each person living on the farm for the past 5 years has been $166 per person, while the same statistics show that the net income of persons not engaged in farming for the same period has been $625 per year per person. Can any fair-minded person, therefore, for a moment, argue against this effort to approach parity payments for our farmers? Can it be argued, without the blush of shame, that this pitiable net income should be further reduced?"

Representative MILLS of Louisiana says (CONGRESSIONAL RECORD, vol. 86, p. 3259):

"Further, the national income for 1939 was $67,608,000,000, whereas the farming population, consisting of approximately one-third of the Nation's people, only received $4,458,000,000, which is less than 7 percent of the national income. So farm prices and farm income have been steadily dropping for 5 years, according to the Bureau of Agricultural Economics, while labor and industry costs entering into farm necessities have been rising to such a degree until it is almost impossible for the farmer to continue."

THE EFFECT OF REGULATION UPON THE GROWER

Any burden placed upon a citrus packing house by virtue of this regulation is borne directly by the grower, and, therefore, its effect is upon the grower and not upon the packing house. If the packing house continues to operate in the same manner as it did before the Fair Labor Standards Act became effective, it would become necessary to pay the workers time and a half for overtime for a large amount of work being done. The average citrus packing house in California and Arizona has a little over a hundred employees, 65 percent of whom are women and 35 percent men. It has been customary for the women to work 48 hours per week for an average of at least 34 weeks and for the men to work as much as 70 hours and an average of 60 hours per week during the same season. If a citrus packing house did not change its method of operation, it would have to pay overtime to both of these groups for all hours worked over 42 hours a week in all weeks except 14 workweeks. An example of the cost to the average packing house of payment of time and one-half for overtime without bringing in any extra employees is as follows:

Women employees	
Number of hours formerly worked without overtime pay	48
Number of hours can work now without overtime pay	42
Difference	6
Number of employees	65
Number of overtime hours per week	390
Number of weeks in which overtime payable (14 workweeks deducted)	20
Number of hours overtime per year	7,800
Average extra wage paid—cents	20
Total extra wage paid	$1,560
Men employees	
Number of hours formerly worked without overtime pay	60
Number of hours can work now without overtime pay	42
Difference	18
Number of employees	35
Number of overtime hours per week	630
Number of weeks in which overtime payable (14 workweeks deducted)	20
Number of hours overtime per year	12,600
Average extra wage paid—cents	20
Total extra wage paid	$2,520

The methods of operating these citrus packing houses without the area of production so as not to necessitate the payment of time and a half overtime are various and sundry. For example, in certain cases one man is the manager of two packing houses, one within the area of production and the other, a few hundred yards away, without the area of production. In this instance the employees of the packing house without the area of production work there for 42 hours and then change places with the employees of the packing house within the area of production the balance of the week. This advantage, of course, is not enjoyed by very many citrus packing houses, although such arrangements will tend to increase if the regulation is not changed.

The usual method is to employ the regular employees up to 42 hours for each week during the season and then to bring him other help to work the balance of the week. This arrangement is not entirely satisfactory, as such help is not always experienced and may not have a natural aptitude for the work, and the bringing in of outside labor cuts down the working efficiency of the regular employees.

The effect of bringing in other persons to do all packing work in excess of 42 hours per week is double-edged, injuring the employees and packing house alike. For example, let us again take the average citrus packing house employing 100 persons, 65 of these women and 35 men. Under present circumstances, these men work 8 months a year, an average of 60 hours per week. It would take 50 men to do this work so that none works more than 42 hours, or an addition of 15 employees. The first effect of this would be upon the employee, who would make on the average $244.80 less for the year than he did when there were only 35 employees working. At the end of the season, assuming that these people went nowhere else to work, as in the majority of cases they do not, there would be 50 persons applying for unemployment benefits rather than 35. Under the California law (secs. 53 and 54 of the California Unemployment Insurance Act, as amended), all 50 of these persons would be entitled to maximum benefits of $18 weekly, or a total of $14,400 per year. Had the packing house employed only 35 employees, they also would be entitled to maximum benefits of $18 per week, but only 35 of them, instead of 50, would cost the State $10,080, or a difference of $4,320. Under section 43 of the same act, the commission is given power to recommend to the legislature a higher rate of contribution for any classification of industry or occupation in which unemployment is excessive or chronic. The California citrus packing houses, and therefore directly the California citrus growers, are faced with the prospect of legislation raising the unemployment-benefit payments, which must be paid in order to pay for unemployment between seasons in a seasonal industry; and in this instance if the rates were raised to meet the increased cost of unemployment compensation, it would cost the average packing house $4,320 more per year when it employed 50 persons 42 hours per week instead of 35 persons 60 hours per week.

Another method of avoiding the payment of time-and-a-half overtime is technological improvement of the packing house. Certain packing houses have been able to improve their equipment and their efficiency so that relatively few new employees have had to be brought in. Such an arrangement is injurious to laborers depending upon this work for their livelihood, and is particularly injurious to the marginal worker who formerly could make a living in the packing house when he was not fit for any form of industrial employment, but who is being forced out of this employment because of the demand for greater efficiency to avoid the payment of overtime. The difficulty with such changes from the point of view

of the packing house and the grower is that they cannot in most instances afford to make any technological changes in the packing house.

THE EFFECT OF THE REGULATION UPON THE CITRUS PACKING HOUSE WORKERS

The citrus packing houses in the States of California and Arizona had, up until the time the Fair Labor Standards Act became effective upon them because of the regulation of the Administrator, obtained a great degree of labor stability. While in other agricultural crops, because of the shorter harvesting and packing seasons, the labor is necessarily more migratory, in the citrus industry the labor employed was almost entirely local, and such workers were able to make a living from citrus packing without the need of migrating within and without the State to engage in the packing of other fruits and vegetables to eke out a living. Studies which we have made we show that of the labor employed in the citrus packing houses in California in 1938, 3 percent were migratory laborers from other States, 57 percent lived in the same locality as the packing house and made their entire source of income from packing in that particular house or in packing houses in the vicinity, and 40 percent lived in the same locality as the packing house and made all of their income from working in the one packing house. Such a stability of working conditions were of great advantage to the worker. He could build a home in the vicinity, could perhaps have a few acres of land on which he grew crops while not working in the packing house, and he and his family could remain in the one locality where they could become a regular part of the community and they and their children could take advantage of those facilities provided by the State and community for the education and maintenance of the family. These persons are dependent upon working in the packing houses for their livelihood. On the average they work 8 months a year, and during that time they must make enough to keep them for 12 months. If their working hours are cut down to 42 hours per week, they cannot continue to make a living by packing in the immediate locality. They and their families must become migrant, and when they have finished packing in that district they must move on to another district in an effort to get work to support themselves. In the meanwhile the packing house must also bring in other labor from the outside to work the time formerly worked by these persons over 42 hours per week. The result is not only to create a migratory labor problem with all the vicious consequences that flow in its wake but to cut down the means of livelihood of those heretofore sustained by working in local citrus packing houses.

Respectfully submitted.

AGRICULTURAL PRODUCERS LABOR COMMITTEE.

Dated APRIL 6, 1940.

EXTENSION OF REMARKS

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to insert in the RECORD an article appearing in the Saturday Evening Post entitled "We're Moving the Rain," in regard to the Central Valley water project.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. Under special order of the House, the gentleman from Washington [Mr. LEAVY] is recognized for 30 minutes.

UNITED STATES POSTAL SERVICE—THE NATION'S GREATEST BUSINESS

Mr. LEAVY. Mr. Speaker, I am going to discuss briefly a subject that is strictly noncontroversial, and I hope that the facts I will give will prove to be somewhat informative, and I am sure that to me they were extremely interesting. I shall discuss the United States post-office establishment, its evolution, development, growth, and its present status.

Mr. Speaker, frequently those things in life that are most essential we fail to appreciate as fully as we should, because by reason of their dependable, efficient, long-continued, and uninterrupted service, they have become commonplace.

There is no more essential agency in the whole of this great Government of ours than the Postal Service. It touches the lives of every one of us from the cradle to the grave. Without it our splendid American civilization could not possibly endure.

The history of the postal service goes back so far into antiquity that it is impossible to say just when it had its beginning. We know that they must have had some sort of postal service in ancient times because in the Bible, in the Book of Job, we find the expression, "The swiftness of the post." There are numerous other references in the Old Testament in regard to sending letters by post, by messengers, and by couriers on horses, mules, camels, and other forms of transportation.

Six hundred years before the birth of Christ the great Greek historian, Herodotus, in referring to those engaged in the postal service of that ancient time, paid them this tribute:

Neither snow, nor rain, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds.

This unusual tribute is as much the motto today of the modern American postman, rural carrier, air-mail pilot, and every employee in the Postal Service as it was when it was uttered more than 2,500 years ago. So long as the American postal employees continue to make this their motto, just so long will our Postal Service maintain the undivided support and loyalty of the American citizens.

EARLY AMERICAN POSTAL SERVICE

In 1639 the General Court of Massachusetts legalized the first postal service, and in the legislation creating this service it was provided that in transmitting the letters to the persons to whom they were addressed the party performing this service should receive a penny for each letter so transmitted. Thus we see the establishment of the first post office in the United States, which was in Boston, and the first man who could be classified as a postmaster was one Richard Fairbanks.

In 1672 the first steps were taken to establish an intercolonial post office system and provision was made that once a month there should be a delivery of mail between New York and Boston. This mail was carried by men who rode on horseback, and it is interesting to note that the route over which they traveled is known to this day as the Boston Post Road.

In 1683 William Penn, then Governor of the Colony of Pennsylvania, established the first post office in Philadelphia and provided for weekly mail between Philadelphia and certain outlying points, the mail to be carried again by riders on horseback. By the end of that year a regular service had been established along the entire Atlantic seaboard, extending from Maine to Georgia. The paths over which these carriers of the mail rode by horseback, later became the trunk highways of the Atlantic seaboard.

In 1691 Andrew Hamilton, of Edinburgh, Scotland, was appointed the first Postmaster General of the American Colonies, and he came to this country and took charge of his new duties.

BENJAMIN FRANKLIN MADE FIRST POSTMASTER GENERAL

In 1753 while we were still colonies of Great Britain, Benjamin Franklin was appointed Postmaster General, which position he held until 1774, when he was dismissed by the Crown because of his sympathies with the cause of the American colonists.

During this period of 21 years, in spite of the many difficulties and the numerous other activities and responsibilities of Franklin, he brought the Postal Service to a state of high efficiency, and he laid the ground work upon which has been built that great superstructure which we today know as the post-office establishment of the United States. When Franklin left his position, from which he had been dismissed by the British Crown because of his sympathy for the cause of the American colonists, he had an efficient and reliable system of communication among the colonists, and mail was being carried with a high degree of regularity, there being a mail service from one to three times a week between New York and Philadelphia in the summer, and twice a month in the winter. The motto of those early postal servants was still: "Neither snow, nor rain, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds."

In July 1775 the Continental Congress established the American postal system, and Benjamin Franklin became Postmaster General again. His salary was $1,000 a year. The policies that he inaugurated, in part, survive to this day and still control the administration of the Postal Service in the United States.

The total number of post offices in operation in 1776 was 28. The significance of this becomes more noticeable when I state that in my congressional district, one district out of 435, I have 192 post offices, 53 of which are Presidential offices. In 1776, out of 28 post offices, one-half of them, or 14, were in Massachusetts, and the other 12 Colonies had 14 post offices to serve the needs of them all.

After the ratification of the Constitution and the establishment of our Government, Samuel Osgood, of Massachusetts, was appointed Postmaster General by George Washington, but the Postmaster General was then under the Treasury Department, and it remained so until 1829, when the Postmaster General became a Member of the President's Cabinet.

At the beginning of our second war with England in 1812, the post office in New York City had but 4 clerks, and a part of their compensation was board furnished by the postmaster in his home. Today New York has more than 20,000 employees. In the entire United States the Post Office Department has a total pay roll of 235,000 employees.

The first postal service to the far West was established in 1848 and mail was carried to California by way of Fort Leavenworth and Santa Fe. In 1860 the first contracts for the carrying of mail at considerable distances entered into between the Government and private individuals were the contracts with the pony express, which operated between St. Joseph, Mo., and San Francisco, Calif. This was inaugurated for the purpose of affording a faster means of transportation of mail to and from the Pacific coast. The fastest trip that was made over this service, a distance of 1,400 miles, was covered in 7 days and 17 hours, the travel being entirely on horseback. It is interesting to contrast that with the air-mail service of today, when the same distance can be covered in about 5 hours. The company that had the contract for carrying the mail charged $5 for each one-half ounce, and later this charge was reduced to $1. Buffalo Bill was one of the early pony riders.

FIRST POSTAGE STAMPS AUTHORIZED

Adhesive stamps for use in prepayment of postage were first authorized in 1847. Before the days of postage stamps, the writer of a letter would so fold it that the name and address of the addressee might be written on the outside. The letter was sealed with wax and the postmaster at the office of mailing would write in the upper right-hand corner of the folded letter the rate of the postage which could be paid by the sender or the addressee on delivery. The rate was 6 cents for a letter composed of a single sheet of paper, weighing less than 1 ounce, if it were conveyed not exceeding 30 miles, and graduated upward to 25 cents if over 400 miles.

GROWTH OF THE POST OFFICE ESTABLISHMENT

The 3,000,000 people in the early days of our existence as an independent Government did not feel the need for speed as we do; their requirements were few as compared to ours and they were easily met. A few hundred employees were sufficient in the Postal Service to take care of all of its requirements. Today the Postal Service is one of the largest employers of labor. In fact, there is no single industrial enterprise in the whole world that employs as many people as the United States Postal Service. There are 45,000 post offices and in the last year it is estimated that there were 25,800,000,000 pieces of mail carried. The total estimated weight of this enormous volume of mail was 5,500,000,000 pounds, or 2,750,000 tons. This mail was carried by every conceivable means of modern transportation, both animate and inanimate, from the postman who walks his route to the lightning like rapidity of the pneumatic tube.

NEW SERVICES ESTABLISHED

One of the first of the new services created was the registry system, which was established in 1855, which came in response to a demand for greater security in sending money and valuables through the mail. In 1863, 2 years after the beginning of the Civil War, the first free delivery of mail in cities was undertaken and was installed in 49 cities with 440 carriers. This service has grown today to where it comprises 55,000 letter carriers in more than 4,000 communities.

MONEY-ORDER SYSTEM

Following the establishment of the registry system came the establishment of the money-order system in 1864. This system was adopted during the third year of the Civil War, and largely as a result of the war, being used as a means of accommodating soldiers who desired to send money to their homes. It was placed in operation in 139 post offices, and though it had been bitterly opposed before its adoption for a number of years as being an improper field for governmental activity, still after its adoption it was so popular that it grew at a most rapid rate until today the gross value of money orders issued each year exceeds $2,000,000,000.

SPECIAL DELIVERY

The next important activity added to the Postal Service was Special Delivery Service, which came in the year 1885, and this was so well received that in the first year of its existence it handled 1,000,000 letters, while today in the last year for which we have any records, it handled 88,000,000 letters.

RURAL FREE DELIVERY

Mr. Speaker, we come now to a period in the history of the Postal Service within the recollection of many of us. This was in 1896, when the first Rural Free Delivery Service was instituted. The suggestion for this service had been advanced for a long time before Congress was finally persuaded to enact it into a law. Every argument that is being stated today against progress and changes was advanced in opposition to this service, even including the economy argument and the balanced Budgets. Rural Free Delivery was first placed in operation in West Virginia. This service has expanded and grown until today there are 25,000,000 persons who are patrons of the service. There are 33,000 carriers who in the aggregate travel more than 1,000,000 miles each day.

POSTAL SAVINGS SYSTEM

The next great innovation was the Postal Savings System, which came into being in 1911. Here again for many years preceding the institution of this important service bitter opposition was encountered by those who opposed what they called Government banking, but by 1917 this service had 500,000 patrons and their total deposits were in the neighborhood of $80,000,000. These figures seem large but when compared with the Postal Service of today they are rather insignificant because there are now 2,700,000 depositors and more than $1,250,000,000 on deposit with the Post Office Department. The original limit of deposit was $500. It is now $2,500.

PARCEL POST SYSTEM

The next great forward step in the Postal Service and perhaps the one that was the most bitterly opposed by many people in good faith, believing it was improper for the Government to enter into this field, was the Parcel Post System. This was established in 1913. I can well remember, as I am sure that almost every Member of this House can, how it was asserted that certainly here the Government was leaving the field of legitimate Government enterprise and engaging in a socialistic activity that would certainly lead to dire consequences. Today no man, irrespective of how reactionary or conservative he might be, would have the temerity to seriously recommend that we abolish the Parcel Post System. It is one of the chief sources of revenue to the Postal Department, ranking second to only first-class mail matter. It brings the city and the country closer together than any other activity either public or private.

DEAD LETTER OFFICE

I had almost overlooked a very important branch of the Postal Service which was established in 1825, and that is the dead-letter office. In 1860 Congress passed a resolution requiring information on dead-letter service.

The information obtained as a result of that resolution disclosed that there were more than 2,000,000 letters undelivered that year. That was in 1860. At the present time we have a

dead-letter office in every first-class post office, and in addition there are 14 dead-parcel-post branches throughout the country.

Between ten and fifteen million dead letters are received annually at the present time, and more than $100,000 is found in these letters every year. The facts here stated ought to persuade every writer of a letter or the sender of a parcel that they should plainly make known in the proper place on their letter or parcel their own name and address, so that if the letter or parcel cannot be delivered, it would be returned to them without the loss of time and expense incident to passing through the dead-letter office. Of course, I know this will never be done, because many of us are in too great a hurry or our faith in this almost perfect Postal System is so great that we give no second thought to a letter or parcel after we have placed it in the custody of the postal employees.

AIR-MAIL SERVICE

Mr. Speaker, I want to now briefly refer to the latest unusual development of the Post Office Department, and that is the Air Mail Service, which was first established in 1918 as a domestic Air Mail Service, the first line being a 218-mile single route between Washington, D. C., and New York. Contrast this with the Air Mail Service of today, which covers 65,000 route-miles and over which fliers travel 70,000,000 miles in a year.

The first transcontinental air-mail flight was undertaken February 22, 1921. An air-mail plane left San Francisco at 4:30 in the morning and at 4:50 p. m. the next afternoon landed at Hazelhurst Field in Long Island. The total time elapsed for the trip, including stops, was 33 hours and 21 minutes. It is interesting to contrast that with the time now consumed for the same distance, which is 15 hours and 38 minutes.

The hero of this first flight was a young flier named Jack Knight. The first leg of the flight from San Francisco to North Platte, Nebr., was made by Pilot Frank Yager, and from there on Knight was to fly to Chicago. The weather was stormy and it was 10:44 p. m. when Knight was ready to take off at North Platte for Omaha, but in spite of these hazards he flew on to Omaha, which he reached at 1:10 a. m., and here he was told the weather was so bad and snow falling heavily between there and Chicago that he would have to call off the flight. Knight evidently remembered the motto of the postal employee. He was not familiar with the territory between Omaha and Chicago. He took a map and spent a short time familiarizing himself with it, and then at 2 a. m. he headed east. By the time he had reached Des Moines, Iowa, 1½ hours later, he was flying into a driving snowstorm. He dropped his plane as low as he dared, just skimming over the earth, and continued on east to Iowa City, at which point there was only gas enough to last for 10 minutes longer. Here he experienced difficulty in landing because the ground crew, certain that no one would be flying in such bad weather and believing that the flight had been halted in Omaha, had gone home. The watchman in charge heard the plane and lit a red flare. This became the guide for Knight to land his plane through the driving snow, and here he refueled with the aid of the watchman and then took off again, continuing his daring flight where he encountered terrific fog over the Mississippi Valley. Finally overcoming this obstacle, at 8:30 a. m. he landed at the airport in Chicago.

In this daring and courageous undertaking, this young aviator, a hero that most of us never heard of and whom those of us who did have completely forgotten, made the first night air-mail flight, and demonstrated the motto 2,500 years old that—

Neither snow, nor rain, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds.

As a result of the marvelous achievement of young Knight, Congress was persuaded to make available $1,250,000 for continuing and expanding the Air Mail Service, until today air-mail transportation has become commonplace in our everyday life, and we now have a trans-Pacific and trans-Atlantic, as well as a transcontinental, service, and we have come from a single 218-mile system in 1918 to a system of 30,450 miles in carrying mail to foreign countries and 32,376 miles in domestic service, making a combined Air Mail Service of 62,826 miles.

RAILWAY MAIL SERVICE AND POSTAL INSPECTION SERVICE

In addition to the services enumerated, there is another great army of faithful, valiant, and dependable men engaged in the Railway Mail Service, and a smaller but yet dependable, essential, and efficient group is the Postal Inspection Service. Each of these services, as well as any one of the numerous others that I have mentioned, could be made the theme of an address itself.

Mr. Speaker, from the time of Benjamin Franklin, the first Postmaster General, down to the present Postmaster General, James A Farley, this mighty business establishment, the greatest of its kind in the world, has not alone carried on true to the motto announced by Herodotus 2,500 years ago, but it has made itself a self-supporting institution in a financial way.

The total expenditures for the post-office establishment during the last fiscal year is $784,646,938.14 and the total revenue is $745,955,075.24, and when you deduct from the expenditures nonpostal items in the sum of $53,239,658.20, you will find that the net postal surplus for the fiscal year ending June 30, 1939, is actually $14,547,795.30. This is indeed a tribute to the Postmaster General and the thousands of faithful men and women who serve in this great establishment, both as to their efficiency and faithfulness.

POST-OFFICE ESTABLISHMENT IN MY CONGRESSIONAL DISTRICT

Mr. Speaker, my own congressional district has two first-class post offices, one located at Spokane and the other at Wenatchee, and in these two offices there are approximately 325 people employed. Then in addition to these first-class offices there are 51 second- and third-class offices and 139 fourth-class offices. There are 65 star routes operating in my district and 95 rural-route deliveries. I feel that I can say that practically without a single exception, every one of the employees engaged in this important service in my district are fully conscious of the responsible position they hold, and they perform their services with that degree of courage and faithfulness that is characteristic of postal workers and which is not surpassed even in the armed forces of the country. They are truly soldiers of peace. I am proud to represent them and to number them among my loyal friends and acquaintances.

In conclusion let me again repeat the motto of the American postal worker: "Neither snow, nor rain, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds." [Applause.]

EXTENSION OF REMARKS

Mr. GORE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein answers to certain questions which I propounded to the State Department on the trade-treaty agreements program.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from James A. Myers.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an article from the Atlanta Constitution by Mr. McGill.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. RANKIN], under the previous order of the House, is recognized for 30 minutes.

ANSWERING MR. BENDER'S ATTACK ON THE TENNESSEE VALLEY AUTHORITY

Mr. RANKIN. Mr. Speaker, we have just listened to one of the most unusual addresses ever heard in this House, when the

gentleman from Ohio [Mr. BENDER] read a speech awhile ago in which he started out as follows:

The Tennessee Valley Authority has a great Federal eleemosynary institution for the indigent Aluminum Co., Boss Crump's Memphis City Hall gang, and Tupelo's rural sweatshops.

His reference to Tupelo, of course, was to Tupelo, Miss., my home town. Of course, there are no rural sweatshops down there. Such insinuations will not appeal to the intelligence of this House.

But going a little further, he touched a still lower segment, if possible, in the following paragraph read from his unusual manuscript:

If they would come in here frankly and admit that Mississippi has three times the native white illiteracy of Ohio, that Tennessee has six times the native white illiteracy of Ohio, they might meet with a more sympathetic and understanding audience.

Let me say to the gentleman from Ohio, who is listening, that I do not know of a community in either Mississippi or Tennessee that would be embarrassed by comparison with the gentleman from Ohio [Mr. BENDER] from an intellectual or an educational standpoint. They are people of the finest Anglo-Saxon blood, culture, and tradition—and none of them have ever had to change their names to make them sound American.

He goes on to say:

But I could suggest better ways of spreading the more abundant life to the ill-clothed, ill-housed, ill-fed rural slums of Mississippi and Tennessee.

What a pity that some Members do not visit something besides their bailiwicks before they come to Congress and attempt to insult the constituencies of other Members!

The gentleman from Ohio [Mr. BENDER] read for an hour from his manuscript attacking the Tennessee Valley Authority while at this very moment the people on the Ohio River are drowning, and their property is being washed away and destroyed, because a Republican administration, in order to prevent salutary developments, such as we have on the Tennessee River, cluttered the Ohio River up with low dams which aid navigation very little, increase flood damages, and have destroyed the possibility of power development until some other administration takes the reins in hand, rebuilds those dams, and recovers the power resources of that majestic stream.

Not only that, but I can remember very distinctly during a Republican administration when the power companies or their agents were writing the schoolbooks in the State of Ohio. I wonder if the gentleman from Ohio [Mr. BENDER] read some of those books in his school days.

Getting back to this administration, which the gentleman from Ohio so vigorously and so viciously attacked, I call attention to the fact that we have built 13,000 miles of rural power lines in the State of Ohio in the last 5 years, reaching more than 50,000 farmers who never had electricity in their homes and who probably never would have had if they had waited until a Republican administration built them.

He talks about my speech being circulated in Ohio. I was invited to Ohio to address the farmers who were appealing for rural electrification. I can understand now why they did not send for him. I went to Columbus, the capital of Ohio, and spoke to 7,000 farmers. They published that speech, not at Government expense as he insinuates in his statement, but they paid for it themselves and circulated it, with my consent, and thereby helped the farmers of Ohio in their program of rural electrification, which is doing more for them than anything else that has been done by this or any other administration in your day and mine.

Mr. HOFFMAN. Will the gentleman yield?

Mr. RANKIN. For a question.

Mr. HOFFMAN. Then Ohio went Republican in the next election, did it not?

Mr. RANKIN. I understand that Ohio got off the reservation 2 years ago, if that is what the gentleman refers to, but a Presidential election is coming on this year and Ohio will no doubt be found back in the Democratic column, especially if the voters of that State read the speech of the gentleman from Ohio [Mr. BENDER]. [Applause.]

Evidently the Republican Party has set out to destroy our program of rural electrification, shut it down, abolish the cooperative power associations and public-utility districts, and turn their lines over to the private power companies. Then they could, and no doubt would, raise their rates and bleed the farmers with excessive overcharges.

If the rural light and power users of this country are ever forced into the bondage of the Power Trust, then they are gone. It will be economic slavery for them from that day on.

Six years ago a rural consumer in my county paid the private power company $4.50 for 25 kilowatt-hours of electricity a month. He now gets 25 kilowatt-hours a month from the cooperative power association for $1; and 25 cents out of that dollar goes to help pay out his line. When it is paid for, it will belong to the consumers and not to a private power company. So you see the farmers in that county really pay 75 cents for 25 kilowatt-hours a month, for which they used to pay $4.50.

Do you suppose the farmers of this country want to go back to those "good old days" of Republican prosperity—even in Ohio?

I want to refer to some of the things the gentleman from Ohio said. I pointed out some time ago that in 1938, according to the T. V. A. rates, the people of Ohio were overcharged $47,000,000 a year for electric lights and power, and that according to the Ontario rates they were overcharged $56,000,000 a year. The gentleman from Ohio [Mr. BENDER] lives in Cleveland, a town once blessed by that great Democrat, Newton D. Baker, who fought through and established their municipal light and power system. In the State of Ohio alone the residential consumers are overcharged $15,000,000 a year, according to the T. V. A. rates, and between $12,000,000 and $15,000,000 a year according to the Cleveland, Ohio, rates. He attempts to prove that the Tennessee Valley Authority is sustained by Federal taxes. What about Cleveland? If the people of Ohio received their electricity at the Cleveland rates, I dare say they would save at least $30,000,000 a year. Cleveland is not supported by Federal taxes. I wonder why he does not want the people of the rest of the State to enjoy the same cheap rates now enjoyed by the people of Cleveland?

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. RANKIN. For a question.

Mr. BATES of Massachusetts. I have been very much interested in what the gentleman has said year after year about the T. V. A. set-up. For my information, as well as for the information of the Members of the House, what percent of the construction cost of the T. V. A. dams, which are used to generate power, is charged off to other than power projects; in other words, what is charged to navigation and flood control?

Mr. RANKIN. About 50 percent. I will discuss that question with the gentleman when I get around to Massachusetts. You know the people of Massachusetts are overcharged more than $44,000,000 a year for electricity.

You Republicans do not seem to want your own constituents to get electricity at reasonable rates.

Mr. BATES of Massachusetts. I want to get that for my information.

Mr. ELSTON. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Ohio.

Mr. ELSTON. Is it not a fact that the domestic power rates in Cincinnati, Ohio, are the second lowest in the United States?

Mr. RANKIN. The gentleman lives in Cincinnati?

Mr. ELSTON. Yes.

Mr. RANKIN. Cincinnati does not have the second lowest rates, but rates there have been greatly reduced. A drive was started some time ago to build a power line from the T. V. A. into Ohio to serve the farmers of that State. The people of Cincinnati demanded that they be hooked on, which caused the power company to reduce the rates in Cincinnati.

Mr. ELSTON. It is a fact, is it not, that the rates in Cincinnati are the second lowest in the United States today?

Mr. RANKIN. No. The gentleman is wrong about that; but they have been greatly reduced since the T. V. A. yardstick has been in operation.

Mr. ELSTON. The Federal Power Commission report shows that.

Mr. RANKIN. I have the light and power rates here for every city and town in every State in the Union.

Mr. ELSTON. Is that from the Federal Power Commission?

Mr. RANKIN. Yes. The Federal Power Commission's report does not show that Cincinnati rates are the second lowest in the United States, but they have been greatly reduced since the creation of the T. V. A.

The gentleman from Ohio [Mr. BENDER] spoke about the rates in Tupelo, Miss., my home town. Tupelo has reduced her rates again recently.

During the Hoover administration, the Republicans made a contract to sell the power generated at Muscle Shoals to the Alabama Power Co. wholesale at an average of about 1.56 mills per kilowatt-hour. Today those municipalities and cooperative associations are paying two or three times that amount to the T. V. A. for wholesale power and at the same time selling it at less than one-third of what the power company was charging the ultimate consumers 7 years ago.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. RANKIN. I must decline to yield.

Mr. BATES of Massachusetts. I am asking a question. If the gentleman will answer the question, I would appreciate it. That is all I am asking. I am trying to get some information.

Mr. RANKIN. The gentleman does not want information.

Mr. BATES of Massachusetts. Yes, I do; and I think the House is entitled to it.

Mr. RANKIN. The House will get it in due time.

The gentleman from Ohio [Mr. BENDER], who represents, or misrepresents, the State at large, talks about Cleveland. I just pointed out that if the people of Ohio—and remember, he does not just represent Newton Baker's old home town—they are going to want to know something about this when he goes to the other towns in Ohio that are paying these exorbitant rates, and when he gets out in the country, they are going to want to know where he has been all these years. In addition to having the lowest rates in Ohio, the municipal plant at Cleveland made a gross annual profit of $1,624,000 from the sale of $2,138,000 worth of electricity in 1938. There is not a power company in the United States that pays that percentage of its gross revenues in taxes or in lieu of taxes. If the gentleman from Ohio [Mr. BENDER] had been as diligent in looking into the affairs of his own State and his own city as he was in digging up this material to try to besmirch the T. V. A., he might have known these facts.

Mr. BENDER. We are not talking about the municipal plant; we are talking about the T. V. A.

Mr. RANKIN. I will tell you why they are against the T. V. A. It is because the T. V. A. has furnished a yardstick that has shown the American people what electricty is worth and has forced reductions in light and power rates to the American people—the ultimate consumers—by $600,000,000 a year. [Applause.]

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I am sorry I cannot yield to the gentleman from Massachusetts at this time.

Mr. BATES of Massachusetts. I believe the gentleman ought to explain how those rates were brought down.

Mr. LEAVY. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Washington.

Mr. LEAVY. I want to ask the gentleman if it would not be fair in the matter of presenting the cause from both sides to show what private power rates were before the New Deal came in with the various remedies it has brought about in the last 7 years, taking private power rates in 1932 and not in 1939, after the influence and the effect of T. V. A. and these other agencies made itself felt.

Mr. RANKIN. Yes; that is what I am doing.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield at that point?

Mr. RANKIN. Yes; I will yield to the gentleman for a question, if he really wants information.

Mr. BATES of Massachusetts. The gentleman has quoted Tupelo many times here as being the base for charging that other rates throughout the country are far in excess of what they ought to be. For my information, what are the capital charges charged off to power, flood control, and navigation at the dam at which the power for Tupelo is generated, and what are the percentages? This is important and the gentleman ought to tell that to the Members of the House. If we are going to build your dams for you, that is another matter.

Mr. RANKIN. The gentleman does not want information on this subject; it might get back to Massachusetts.

The Power Trust that bought this power from Muscle Shoals at 2 mills a kilowatt-hour from a Republican administration sold it to the ultimate consumers for 10 cents a kilowatt-hour, or a spread of more than 6,000 percent. Today our municipalities and cooperative power associations are buying it wholesale at about 5 mills, or two and one-half times what the power company paid for it under the Republican administration and selling it at a maximum of 3 cents. In Tupelo we have reduced it to a maximum of 2½ cents to the ultimate consumers.

In his discussion of the Tacoma situation the gentleman from Ohio [Mr. BENDER] was all but pathetic. Tacoma, it is true, has only about 110,000 people while Cleveland, Ohio, has 918,000, yet he says that Tacoma has cheap power because of the small investment. Cleveland has only $18,000,000 invested in its plant and system while Tacoma, Wash., has $24,000,000 invested in its plants and system. Tacoma has paid that down to about $4,000,000, is paying it out as it goes, and has lower rates than any other town, city, or community in America.

He says the reason we can sell power so cheaply is that the T. V. A. is subsidized, and he takes up the tax situation to try to prove it. As a matter of fact, the only money they are asking in lieu of taxes is 10 percent of the gross sales, and the T. V. A. has been collecting 12½ percent of the gross sales for that purpose, ever since the T. V. A. has been in operation.

The people of the State of Tennessee have had their light and power rates reduced $7,000,000 per year. The people in my own small district, if they paid the rate for electricity they were paying during the Hoover administration, would pay $2,000,000 a year more for electricity than they pay now.

But the gentleman from Ohio talks as if they were a benighted crowd. In Ohio they only use about 60 to 70 kilowatt-hours a month on the average, while in my home town of Tupelo we are using over 200 kilowatt-hours a month, because we are using it for something besides light, and the people of Ohio will be using it for something besides light if they can ever get it at reasonable rates.

They will be using it for lights, radio, vacuum cleaner, the electric iron that takes a most terrific burden from the backs of the toiling women of Ohio; they will use it for water pumps to make the farm homes of Ohio, with which the gentleman from Ohio will probably get acquainted; they will use it for water pumps to make those homes more pleasant and more attractive places in which to live.

Mr. BENDER. While Tupelo is using it, we are paying for it.

Mr. RANKIN. I suppose he thinks he is paying for the electricity used in Tacoma, Wash. No; the people of Ohio are not paying for the power used in Tupelo. But they are paying "through the nose" for what they use in Ohio, outside of Cleveland.

They are paying about two or three prices outside of Cleveland, and you Clevelandites are getting power cheaper because Newt Baker made it possible for you to do so.

It also takes the refrigerator into the home. The saturation of refrigerators in the State of Ohio, if I am correctly informed, is less than 40 percent. In my town it is 90 percent. Among the rural consumers in my district, that he talks about living in slums, the saturation for electric refrigerators is greater than it is in the average city in the State of Ohio. They are learning to live and to put their money into those things that make their homes pleasant and profitable and attractive. Not only that but they use electric ranges and electric heaters that add to the comforts and conveniences of their homes. They are building cold-storage plants all over that country to save their meats, milk, vegetables, and other things that are necessary for the enjoyment of human life.

O Mr. Speaker, I have heard this abuse of President Roosevelt, but I want to say now that Franklin D. Roosevelt has done more for the power consumers of America than all the other Presidents combined. [Applause.]

The gentleman from Ohio [Mr. BENDER] is going to be in that hopeless minority that will vote the Republican ticket this fall, but I want to say to him now that, to use a Biblical expression, he might as well attempt to "bind the sweet influences of the Pleiades or loose the bands of Orion" as to try to check this movement for the electrification of America and for bringing these rates down to a level where the American people can afford to pay them.

Not only that, but give us a chance and we will take care of the Ohio River. We will make a T. V. A. on the Ohio River and save that great stream for the American people in the years to come.

Right over here today at the Conowingo Dam, on the Susquehanna River, they are selling power wholesale at 3⅓ mills a kilowatt-hour—cheaper than the T. V. A. is selling it even to Huntsville or Florence, Ala.; cheaper than they are selling it at Tupelo, Miss. But by the time it reaches the people of Pennsylvania or Maryland, they pay two or three times what it is worth.

The Louisiana Power & Light Co. is selling power to the Arkansas Power & Light Co. wholesale for 2.2 mills per kilowatt-hour, or one-third, you might say, of what the average municipality is paying the T. V. A. in my district, yet we are distributing at a rate that, if applied in Arkansas, would save the people of Arkansas from $5,000,000 to $7,000,000 a year; and if applied in Ohio, would save the people of Ohio $47,000,000 a year, or more than the wheat crop of the entire State of Ohio brought in the year 1938 or in the year 1931, when Herbert Hoover was President of the United States.

No, Mr. Speaker; there is no use bucking this proposition. We are going to electrify America at reasonable rates before we quit. And that means that we are going to electrify the farm homes in every State, including Ohio and Michigan.

It sounds very cheap to the decent white people of the South to hear some demagog talk about our people being ignorant or living in slums.

I wish they would come down and mingle with those old-line Americans, the sons of that pioneer stock that followed old Andrew Jackson to New Orleans, where they "taught the new-fledged American eagle to match his talons with the lion's strength"; talk to those old-line Americans, who do not know what a Socialist is or what a Communist looks like—those individualists who fight the Nation's battles in time of war and carry its burdens in time of peace. Then I am sure we would never again have our ears vexed with such speeches as we have listened to here today.

I sincerely trust that no other man on this floor, at least as long as I am a Member, will ever again descend to the level reached by the gentleman from Ohio [Mr. BENDER] in his slurring remarks about the people of Mississippi and Tennessee. [Applause.]

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes and to extend and revise my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, it is an encouraging thing to know that the people of the South, more especially the people of Mississippi, have electricity, and for one I hope that in the gentleman's [Mr. RANKIN] State, when they get this electricity, opportunity will be offered for that large proportion of the population which never has been able to learn how to read and write, to learn to read and write, and that after they obtain that knowledge, that down in the gentleman's State a large proportion—perhaps a major proportion—of the people who are not now permitted to vote will be permitted to vote, so that they can exercise their rights as American citizens.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. No. Wait a minute, you are out of order. You know they have never been able to do it. It is all right for the gentleman to attack the Northern States, the State of Michigan, the State of Ohio, and the people of those States, but the gentleman seems to have forgotten——

Mr. RANKIN. Mr. Speaker, a point of order. I did not attack the people of any State, and the gentleman is not going to stand here and get away with it.

Mr. HOFFMAN. I have not yielded to the gentleman to make a point of order or anything else.

The SPEAKER pro tempore. The gentleman from Michigan will proceed in order.

Mr. HOFFMAN. Yes; I will proceed in order. The gentleman from Mississippi, from the southern part of Mississippi, from the city of Tupelo——

Mr. RANKIN. Mr. Speaker, I make a point of order. The gentleman from Michigan cannot juggle geography in that way. I am from the north part of Mississippi.

Mr. HOFFMAN. The gentleman is very free with his criticisms of other Members of the House, but I recall distinctly how not long ago on the floor of the House he questioned the integrity of the gentleman from Connecticut [Mr. MILLER].

Mr. RANKIN. O, Mr. Speaker, I rise to a point of order, I did not do anything of the kind; I never have questioned his integrity; and unless that is withdrawn I shall demand that those words be taken down. I did not question the integrity of the gentleman from Connecticut.

Mr. HOFFMAN. What did you do if you did not question it? I heard the gentleman from Connecticut [Mr. MILLER] make a defense here.

Mr. RANKIN. Mr. Speaker, I am not going to permit him to get by with that statement. I did not question the integrity of the gentleman from Connecticut [Mr. MILLER] or anybody else.

Mr. HOFFMAN. All right. If he says he did not, I withdraw the words. You can read what he said on page 4754 of the RECORD. I say this, that not so long ago you said my campaign expenses were paid by the Power Trust, and there is no truth in that statement.

Mr. RANKIN. Now, Mr. Speaker, I make two points of order. In the first place he called me "you," in violation of the rules.

Mr. HOFFMAN. All right. I withdraw that. The gentleman from Mississippi—the northern part of Mississippi.

The SPEAKER pro tempore. The gentleman from Michigan corrects his statement. He withdraws the word "you" and refers to the gentleman from northern Mississippi.

Mr. RANKIN. Another point.

Mr. HOFFMAN. I withdraw that, too, without knowing what it is, if it is offensive to him, but I notice that all of the time he occupied he referred to the gentleman from Ohio as "he," and he also said that the gentleman from Ohio was attempting to represent, and so on.

Mr. RANKIN. You have a right to say "he." That is not against the rule. The gentleman better familiarize himself with the rules.

Mr. HOFFMAN. The gentleman from Mississippi—from the northern or the lower part of Mississippi, wherever it may be, where they do not permit thousands upon thousands of citizens down there to vote—that is the thing that I am

talking about, where they pay them an average wage of $10 or $12 for a week's work and feed them on corn bread and side bacon.

Mr. RANKIN. The gentleman shows his ignorance of the people of Mississippi. They do not do anything of the kind.

Mr. HOFFMAN. All right. You do not feed them at all—let them "root hog or die"? [Laughter.]

Mr. RANKIN. Oh, yes; they feed themselves.

Mr. HOFFMAN. A point of order, Mr. Speaker. He has not obtained permission of the Chair to speak.

The SPEAKER pro tempore. The gentleman from Mississippi did not have a point of order because the gentleman from Michigan had not said anything that was subject to a point of order during the last minute.

Mr. HOFFMAN. I would like to be protected, Mr. Speaker.

The SPEAKER pro tempore. The Chair will protect the gentleman, if he can.

Mr. HOFFMAN. Not too much; just a little. [Laughter.]

Now, the gentleman from Mississippi, as I stated before, is always and forever—listen to this—so often you criticize us, over here, so bitterly and find so much fault with our motives. Am I right?

Mr. RANKIN. I am questioning your judgment, not your motives.

Mr. HOFFMAN. With our motives?

Mr. RANKIN. I am leaving the motives to you. I am questioning your judgment.

Mr. HOFFMAN. Not our motives?

Mr. RANKIN. I question the gentleman's judgment.

Mr. HOFFMAN. In the days to come we will watch that record. Hereafter—oh, no, I must not say "hereafter," but when, on occasion, if you do, as you may, challenge our motives and our integrity, we are going to call attention to the rules, and no longer will any on the majority side be permitted to challenge the motives of all those who do not agree that the T. V. A. is a blessing to the Nation as a whole.

Now, of course, in the view of some it is all right for all the rest of us to furnish the money—when I say "the rest of us" I mean the people in the Northern States—to furnish the money to build your power plants even if through them you take away our factories. They, the industrial States, contribute, through Federal taxation, millions of dollars which go into the Southern States to build these power dams, to build these electric-light plants which I suppose under the decision of the Supreme Court are for flood control. Electric lights and poles and wires for flood control. Take money from industrial States, string wire on poles, and call it a waterway for navigation—sail a ship or operate a power boat on a high-power electric wire? [Laughter.]

Mr. RANKIN. Will the gentleman yield? Does the gentleman know how many miles of rural power lines we have built in Michigan?

Mr. HOFFMAN. Oh, the gentleman is interrupting me now, Mr. Speaker, in violation of the rules, without obtaining permission. [Laughter.]

Mr. RANKIN. Does the gentleman yield?

The SPEAKER pro tempore. Does the gentleman yield to the gentleman from Mississippi?

Mr. HOFFMAN. For a question?

Mr. RANKIN. Yes.

Mr. HOFFMAN. Oh, surely.

Mr. RANKIN. Is it not a fact that this administration has built thousands of miles of rural power lines in Michigan for farmers who never would have had electricity, and that thousands of them live in the gentleman's own district? They probably never would have got electricity to their homes if it had not been for this administration.

Mr. HOFFMAN. I do not know how many live in my district. The Government has built lines. It has paralleled private power lines. There is no question about that. It has by high-pressure salesmanship sold contracts to farmers who have learned to their sorrow that with income reduced by the New Deal they are hard put to it to pay their light and power bills. It has been building those lines with money collected from taxpayers; but the point I want to make is: You cannot get away from the record—most of the money to build those plants in the South has come from the northern sections, the industrial sections, the rich farming sections of the country, and most of it has gone down South, where small wages are paid and where they do not even let the citizens vote. [Applause and laughter on the Republican side.]

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SECCOMBE for the balance of the week on account of official business.

EXTENSION OF REMARKS

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to revise and extend my remarks with regard to the bill H. R. 9243 and include therein a table from the hearings before the Committee on Military Affairs showing the cost and saving of this measure.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 881. An act for the relief of Dr. Hugh G. Nicholson; to the Committee on Claims.

S. 1356. An act for the relief of the heirs of Jesus Leyvas; to the Committee on Claims.

S. 1461. An act to remove discriminations against retired Army enlisted personnel and to equalize hospitalization and domiciliary benefits of retired enlisted men of the Army, Navy, Marine Corps, and Coast Guard; to the Committee on Military Affairs.

S. 1608. An act to repeal the provisions of Private Law No. 347, Seventy-first Congress, pertaining to Victoria Kessel; to the Committee on Invalid Pensions.

S. 1635. An act for the relief of the Acme Die-Casting Corporation; to the Committee on War Claims.

S. 1678. An act for the relief of Charles B. Chrystal; to the Committee on War Claims.

S. 2377. An act to amend the Commodity Exchange Act, as amended, to extend its provisions to hides; to the Committee on Agriculture.

S. 2457. An act for the relief of Clayton W. Curtis; to the Committee on Claims.

S. 2669. An act authorizing and directing change of the immigration status of Mrs. Orris R. Grimmesey; to the Committee on Immigration and Naturalization.

S. 2757. An act for the relief of Bonifacio Suso; to the Committee on Immigration and Naturalization.

S. 2760. An act for the relief of Mijo Stanisic; to the Committee on Immigration and Naturalization.

S. 2774. An act for the relief of Jose Mauri; to the Committee on Immigration and Naturalization.

S. 2775. An act for the relief of Henry Gideon Schiller; to the Committee on Immigration and Naturalization.

S. 2909. An act for the relief of Dexter and Elizabeth Shiomi; to the Committee on Immigration and Naturalization.

S. 2964. An act for the relief of Joseph L. Lipsher and Esther Mila Lipsher; to the Committee on Immigration and Naturalization.

S. 2969. An act for the relief of Louise Thorne; to the Committee on Immigration and Naturalization.

S. 2995. An act for the relief of John Horvath; to the Committee on Immigration and Naturalization.

S. 2999. An act to legalize a bridge across Bayou Lafourche at Galiano, La.; to the Committee on Interstate and Foreign Commerce.

S. 3093. An act for the relief of Addison B. Hampel; to the Committee on Claims.

S. 3106. An act authorizing the use of special canceling stamps and post-marking dies at the Portland, Oreg., post office in connection with the annual Portland Rose Festival; to the Committee on Post Offices and Post Roads.

S. 3123. An act for the relief of Joseph Dolak, father of Gene Dolak, deceased; to the Committee on Claims.

S. 3157. An act to authorize the construction of a bridge across the Ohio River at or near Cannelton, Perry County, Ind.; to the Committee on Interstate and Foreign Commerce.

S. 3183. An act to extend the time for completing the construction of a bridge across the Mississippi River at or near La Crosse, Wis.; to the Committee on Interstate and Foreign Commerce.

S. 3198. An act to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army; to the Committee on Military Affairs.

S. 3242. An act to provide for furnishing the national flag to be used for draping the coffin of deceased members of the Officers' Reserve Corps of the Army; to the Committee on Military Affairs.

S. 3245. An act for the relief of Maria Teresa Valdes Thompson; to the Committee on Immigration and Naturalization.

S. 3254. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark.; to the Committee on Interstate and Foreign Commerce.

S. 3256. An act to enable Sadao Tanaka to remain permanently in the United States; to the Committee on Immigration and Naturalization.

S. 3288. An act for the relief of William T. J. Ryan; to the Committee on Claims.

S. 3388. An act for the relief of Dan A. Tarpley, Ernest H. Tarpley, and Pearl Tarpley; to the Committee on Claims.

S. 3400. An act for the relief of Capt. Robert W. Evans; to the Committee on Claims.

S. 3412. An act for the relief of John Nicholas Chicouras; to the Committee on Immigration and Naturalization.

S. 3424. An act for the relief of George O. Elliott and Winslow Farr Smith; to the Committee on Claims.

S. 3439. An act providing for the rank of commanders of special naval units afloat; to the Committee on Naval Affairs.

S. 3493. An act for the relief of Elliott L. Hovel; to the Committee on Claims.

S. 3502. An act for the relief of the Epes Transportation Corporation; to the Committee on Claims.

S. 3555. An act for the relief of Walter Chwalek; to the Committee on Claims.

S. 3561. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Mauckport, Harrison County, Ind.; to the Committee on Interstate and Foreign Commerce.

S. 3570. An act to grant the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Port Allegany Borough, Liberty Township, in the county of McKean and in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

S. 3571. An act to grant the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River at a point between the boroughs of Elizabeth, in Elizabeth Township, and West Elizabeth, in Jefferson Township, in the county of Allegheny and in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

S. 3581. An act for the relief of John L. Pennington; to the Committee on Claims.

S. 3667. An act to provide for the local-delivery rate on certain first-class mail matter; to the Committee on Post Offices and Post Roads.

S. 3673. An act to enable Kurt Frings to enter and remain permanently in the United States; to the Committee on Immigration and Naturalization.

S. 3676. An act to withdraw certain portions of land within the Hawaii National Park and to transfer the same to the jurisdiction and control of the Secretary of War for military purposes; to the Committee on the Public Lands.

S. 3813. An act to authorize the presentation of a Congressional Medal of Honor to William Sinnott; to the Committee on Coinage, Weights, and Measures.

ADJOURNMENT

Mr. RANKIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 26 minutes p. m.), pursuant to its order heretofore entered, the House adjourned until tomorrow, Wednesday, April 24, 1940, at 11:45 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, April 24, 1940, at 10:30 a. m., to hold hearings on H. R. 909, a bill providing for the purchase by the United States of the segregated coal and asphalt deposits in Oklahoma from the Choctaw and Chickasaw Tribes of Indians.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds Wednesday, April 24, 1940, at 10:30 a. m., for the consideration of House Joint Resolution 487. Important. The hearings will be held in room 1501, New House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings on the following resolution on Wednesday, April 24, 1940:

House Joint Resolution 509, to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war. Hearings will be held at 10 a. m.

The Committee on Merchant Marine and Fisheries will hold hearings on the following bill on Tuesday, April 30, 1940:

H. R. 8855, to admit the American-owned steamship *Port Saunders* and steamship *Hawk* to American registry and to permit their use in coastwise and fisheries trade. Hearing will be held at 10 a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1567. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1568. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 10, 1940, submitting a report, together with accompanying papers and an illustration, on reexamination of Olympia Harbor, Wash., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted April 4, 1939 (H. Doc. No. 699); to the Committee on Rivers and Harbors and ordered to be printed with an illustration.

1569. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 11, 1940, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Jamaica Bay, N. Y., authorized by the River and Harbor Act approved June 20, 1938 (H. Doc. No. 700); to the Committee on Rivers and Harbors and ordered to be printed with an illustration.

1570. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 10, 1940, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Salem Harbor, Mass., authorized by the River and Harbor Act approved June 20, 1938 (H. Doc. No. 701); to the Committee on Rivers and Harbors and ordered to be printed with two illustrations.

1571. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated

April 11, 1940, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Seldovia Harbor, Alaska, authorized by the River and Harbor Act approved August 26, 1937 (H. Doc. No. 702); to the Committee on Rivers and Harbors and ordered to be printed with an illustration.

1572. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 10, 1940, submitting a report, together with accompanying papers and illustrations, on reexamination of Newburyport Harbor, Mass., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 12, 1937 (H. Doc. No. 703); to the Committee on Rivers and Harbors and ordered to be printed, with two illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'CONNOR: Committee on Irrigation and Reclamation. S. 1777. An act granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Little Missouri River; without amendment (Rept. No. 2000). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCKLER of Minnesota: Committee on Indian Affairs. H. R. 8369. A bill authorizing a per capita payment of $12.50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; with amendment (Rept. No. 2003). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 8373. A bill to amend section 79 of the Judicial Code, as amended; with amendment (Rept. No. 2004). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 9013. A bill to transfer Hardeman County, Tex., from the Fort Worth division to the Wichita Falls division of the northern judicial district of Texas; without amendment (Rept. No. 2005). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LESINSKI: Committee on Invalid Pensions. H. R. 5060. A bill granting a pension to Jane A. Baker; without amendment (Rept. No. 2001). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Invalid Pensions. H. R. 2369. A bill granting a pension to Jethro H. Midgett; without amendment (Rept. No. 2002). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 8267) granting a pension to James S. Landrum, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SHANLEY:

H. R. 9506. A bill authorizing appointments to the United States Military Academy and United States Naval Academy of sons of soldiers, sailors, and marines who were killed in action or have died of wounds or injuries received, or disease contracted in line of duty during the World War; to the Committee on Military Affairs.

By Mr. ALEXANDER:

H. R. 9507. A bill to amend section 13 (a) of the act approved June 25, 1938 (52 Stat. 1069), entitled "Fair Labor Standards Act of 1938"; to the Committee on Labor.

By Mr. BLAND:

H. R. 9508. A bill to provide for a preliminary examination and survey of Davis Creek, Mathews County, Va., and channel connecting same with Mobjack Bay, Va.; to the Committee on Rivers and Harbors.

By Mr. PARSONS:

H. R. 9509. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. PETERSON of Florida:

H. R. 9510. A bill granting marine-hospitalization benefits to persons engaged in sponge diving; to the Committee on Merchant Marine and Fisheries.

H. R. 9511. A bill prescribing certain qualifications for persons employed by the Interstate Commerce Commission as safety inspectors in the inspection of motor vehicles; to the Committee on Interstate and Foreign Commerce.

By Mr. SUMNERS of Texas:

H. R. 9512. A bill to eliminate oaths required of masters of vessels and shippers of cargo in certain cases in which the requirement of such oaths is unnecessarily burdensome upon legitimate commerce and administratively impossible of enforcement; to the Committee on the Judiciary.

By Mr. VOORHIS of California:

H. R. 9513. A bill to provide revenue, equalize taxation, and for other purposes; to the Committee on Ways and Means.

By Mr. KENNEDY of Maryland:

H. R. 9514 (by request). A bill for the relief of certain former disbursing officers for the Civil Works Administration and the Federal Emergency Relief Administration; to the Committee on Claims.

H. R. 9515 (by request). A bill to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the United States Navy for personal property lost in the hurricane and flood at New London, Conn., on September 21, 1938; to the Committee on Claims.

By Mrs. ROGERS of Massachusetts:

H. J. Res. 521. Joint resolution authorizing the recognition of American women's interest in aviation and directing their attention to, and urging their cooperation with, the coming Nation-wide celebrations of National Aviation Day, on August 19, 1940, and for other purposes; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Puerto Rico, memorializing the President and the Congress of the United States to consider their concurrent resolution with reference to Puerto Rican coffee; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Kentucky:

H. R. 9516. A bill granting a pension to Thomas H. Williams; to the Committee on Pensions.

H. R. 9517. A bill granting a pension to James William Branham and Della Branham; to the Committee on Invalid Pensions.

By Mr. GIBBS:

H. R. 9518: A bill for the relief of Laura Trice Converse; to the Committee on Foreign Affairs.

By Mr. KENNEDY of Maryland:

H. R. 9519 (by request). A bill for the relief of Capt. David H. Passell and First Lt. Paul E. LaMaster; to the Committee on Claims.

H. R. 9520 (by request). A bill for the relief of Edward F. Higgins, postmaster, Great Neck, N. Y.; to the Committee on Claims.

By Mr. McLAUGHLIN:

H. R. 9521. A bill for the relief of the estate of Mary E. Philpot, Sandra G. Philpot, and Mrs. R. L. Keckler; to the Committee on Claims.

By Mr. MACIEJEWSKI:

H. R. 9522. A bill to enable Arno Sellnau to remain permanently in the United States; to the Committee on Immigration and Naturalization.

By Mr. VAN ZANDT:

H. R. 9523. A bill for the relief of Paul T. Ward; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7618. By Mr. GRANT of Indiana: Petition of Nelson D. Lambert, of South Bend, Ind., and 70 other members of the Michiana Electrical Utility Workers Association, protesting against the decision of the National Labor Relations Board in the matter of the Indiana & Michigan Electric Co. and International Brotherhood of Electrical Workers Local B-9; to the Committee on Labor.

7619. By Mr. HART: Petition of the Federation of Polish-American Democratic Clubs of New Jersey, opposing the importation of refined sugar produced by cheap, tropical, unorganized labor; to the Committee on Agriculture.

7620. By Mr. MARTIN J. KENNEDY: Petition of the American Communications Association, Congress of Industrial Organizations, New York City, expressing opposition to the Smith and Norton amendments to the Wagner Act; to the Committee on Labor.

7621. Also, petition of Comrade Post, No. 987, Veterans of Foreign Wars of the United States, Brooklyn, N. Y., urging the adoption of a 6-hour day, 30-hour week program for all workers in the United States for the purpose of eliminating unemployment and increasing the standard of living of those persons taken off relief and emergency employment; to the Committee on Labor.

7622. Also, petition of the United Furniture Workers of America, New York City, expressing opposition to Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7623. Also, petition of the Transport Workers Union of America, New York City, expressing opposition to the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7624. Also, petition of the Central Trades and Labor Council of Greater New York and Vicinity, New York City, urging support of House bill 9195, embodying amendments to the National Labor Relations Act; to the Committee on Labor.

7625. Also, petition of the New York Board of Trade, Inc., New York City, expressing approval of House bill 8813, to amend the National Labor Relations Act; to the Committee on Labor.

7626. Also, petition of the New York Board of Trade, Inc., expressing opposition to Senate bill 3580, to provide for the registration and regulation of investment companies, investment councilors, and for other purposes; to the Committee on Banking and Currency.

7627. Also, petition of Local No. 802, American Federation of Musicians, New York City, concerning Senate bill 280, re block booking of motion-picture films; to the Committee on Interstate and Foreign Commerce.

7628. Also, petition of the National Maritime Union of America, New York City, concerning the Norton amendments to the National Labor Relations Act; to the Committee on Labor.

7629. Also, petition of the American Association of University Women, Washington, D. C., concerning its legislative program for 1939–41, "Support of appropriations for the Wage-Hour Division of the Department of Labor to insure fair and uniform enforcement of the Fair Labor Standards Act"; to the Committee on Labor.

7630. By Mr. MICHAEL J. KENNEDY: Petition of the Washington Central Labor Union relative to the District of Columbia sales tax; to the Committee on Ways and Means.

7631. Also, petition of the United Shoe Workers of America, opposing amendments to the Wagner National Labor Relations Act; to the Committee on Labor.

7632. Also, petition of I. Abelson & Son, of New York City, opposing adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7633. Also, petition of the Lester Udell Co., of New York City, opposing adoption of amendment to the Norton bill (H. R. 9195); to the Committee on Labor.

7634. Also, petition of Samuel W. Peck, Inc., opposing adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7635. Also, petition of the United Electrical Radio & Machine Workers of America, opposing any amendments to the Wagner National Labor Relations Act, including Norton and Smith amendments; to the Committee on Labor.

7636. Also, petition of the American Federation of Musicians, Local 802, representing 22,000 members, urging enactment of increased appropriations for the Work Projects Administration music project, and opposing any efforts to transfer funds from Work Projects Administration appropriations to the Public Works Administration; to the Committee on Appropriations.

7637. Also, petition of the American Communications Association, representing 3,000 members employed in New York City, opposing the Smith and Norton amendments to the Wagner Labor Relations Act; to the Committee on Labor.

7638. Also, petition of Blacker Bros., Inc., opposing adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7639. Also, petition of Howard Clothes, Brooklyn, N. Y., opposing adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7640. Also, petition of International Union of Playthings and Novelty Workers of America, opposing enactment of the Smith and Norton amendments to the National Labor Relations Act; to the Committee on Labor.

7641. Also, petition of the Building and Construction Trades Council of Greater New York, Long Island, and vicinity, supporting enactment of an appropriation measure to provide for payment of the prevailing wage rate on Work Projects Administration work; to the Committee on Appropriations.

7642. Also, petition of the United Office and Professional Workers of America, opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7643. By Mr. KEOGH: Petition of the United Shoe Workers of America, Washington, D. C., concerning amendments to the National Labor Relations Act; to the Committee on Labor.

7644. Also, petition of Joseph J. Scott, chairman, American Communications Association, Congress of Industrial Organizations, Local 36-A, New York City, concerning the amendments to the Wagner Act; to the Committee on Labor.

7645. Also, petition of William Feinberg, secretary, Local 802, American Federation of Musicians, New York City, urging increased appropriations for the music project; to the Committee on Appropriations.

7646. By Mrs. NORTON: Petition of the Mountain View Woman's Club, Mountain View, N. J., favoring and desiring the adoption of the plan developed by the United States Army engineers for flood control for the Passaic River Valley; to the Committee on Flood Control.

7647. Also, petition of the Haledon Borough Council, Haledon, N. J., favoring and desiring the adoption of the plan developed by the United States Army engineers for flood

control for the Passaic River Valley; to the Committee on Flood Control.

7648. By Mr. VAN ZANDT: Petition of the St. Stanislaw Roman Catholic Society, No. 827, of Du Bois, Pa., voicing approval of the bill granting a loan of $15,000,000 for the benefit of the suffering people of Poland; to the Committee on Foreign Affairs.

7649. Also, petition of the St. Michael's Society, No. 87, of Du Bois, Pa., voicing approval of the bill granting a loan of $15,000,000 for the benefit of the suffering people of Poland; to the Committee on Foreign Affairs.

7650. Also, petition of the Woman's Polish National Alliance, Group 2466, of Du Bois, Pa., voicing approval of the bill granting a loan of $15,000,000 for the benefit of the suffering people of Poland; to the Committee on Foreign Affairs.

7651. By the SPEAKER: Petition of the International Brotherhood of Firemen and Oilers, Local Union No. 326, Lawrenceburg, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7652. Also, petition of Engineers' Union, No. 112, International Union of Operating Engineers, Indianapolis, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, APRIL 24, 1940

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, the Father, of an infinite majesty, concealed in light in the midst of a glory into which mortal vision may not penetrate: Be Thou inclined to dwell with us this day, for we come before Thee with contrite hearts, our need our only prayer. Compass our being with Thy love, and renew our faith in our own glorious possibilities and those of our fellow men at home and abroad, lest we lose all confidence in the power of truth over human hearts, knowing that when hope dies endeavor ends. And, as we strive and struggle for the right, do Thou sustain us by the vision of the Holy City wherein all sin, sorrow, and weakness shall pass away and all discords of existence shall melt into beauteous harmony and the ransomed of the Lord shall hunger no more, neither thirst any more, for the Lamb that is in the midst of the Throne shall guide them unto fountains of waters of life, and God shall wipe away all tears from their eyes. We ask these blessings for Thy mercy's sake and in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, April 22, 1940, was dispensed with and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On April 18, 1940:

S. 3174. An act to authorize the Secretary of the Navy to accept, without cost to the United States, a fee-simple conveyance of 16.4 acres, more or less, of land at Floyd Bennett Field, in the city and State of New York.

On April 20, 1940:

S. 3067. An act authorizing appropriations to be made for the disposition of the remains of personnel of the Navy and Marine Corps and certain civilian employees of the Navy, and for other purposes.

On April 22, 1940:

S. 2993. An act to authorize an exchange of lands between the city of San Diego, Calif., and the United States, and acceptance by gift of certain lands from the city of San Diego, Calif.; and

S. 3440. An act to amend the Locomotive Inspection Act of February 17, 1911, as amended, so as to change the title of the chief inspector and assistant chief inspectors of locomotive boilers.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7865. An act to amend the act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto, approved June 6, 1892, and acts amendatory thereof;

H. R. 8692. An act to amend the act to regulate the practice of podiatry in the District of Columbia;

H. R. 9210. An act to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes," approved July 15, 1932, and for other purposes;

H. R. 9243. An act to provide for the promotion of promotion-list officers of the Army after specified years of service in grade, and for other purposes;

H. R. 9284. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. A. L. Ridings; and

H. R. 9326. An act to provide educational employees of the public schools of the District of Columbia with leave of absence, with part pay, for purposes of educational improvement, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 3406. An act for forest protection against the white-pine blister rust, and for other purposes; and

H. R. 4929. An act to amend the act of June 23, 1938 (52 Stat. 944).

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	La Follette	Schwartz
Ashurst	Davis	Lee	Schwellenbach
Austin	Donahey	Lodge	Sheppard
Bailey	Ellender	Lucas	Shipstead
Bankhead	Frazier	Lundeen	Slattery
Barbour	George	McKellar	Smathers
Barkley	Gerry	McNary	Smith
Bilbo	Gibson	Maloney	Stewart
Bone	Gillette	Mead	Taft
Bridges	Glass	Miller	Thomas, Idaho
Brown	Green	Minton	Thomas, Okla.
Bulow	Guffey	Murray	Thomas, Utah
Burke	Gurney	Neely	Townsend
Byrd	Hale	Norris	Truman
Byrnes	Harrison	Nye	Tydings
Capper	Hatch	O'Mahoney	Vandenberg
Caraway	Hayden	Overton	Van Nuys
Chandler	Herring	Pepper	Wagner
Chavez	Hughes	Pittman	Walsh
Clark, Idaho	Johnson, Calif.	Reed	White
Clark, Mo.	Johnson, Colo.	Reynolds	Wiley
Connally	King	Russell	

Mr. MINTON. I announce that the Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. HILL], the Senator from West Virginia [Mr. HOLT], the Senator from Nevada [Mr. MCCARRAN], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Montana [Mr. WHEELER] are detained from the Senate on public business.

The Senator from California [Mr. DOWNEY] is conducting hearings in New York for the Committee on Banking and Currency and is therefore necessarily absent.

Mr. AUSTIN. I announce the necessary absence of the Senator from New Hampshire [Mr. TOBEY] and the Senator from Oregon [Mr. HOLMAN].

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

EMBELLISHMENT OF PUBLIC BUILDINGS

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Commission of Fine Arts, presenting for consideration the question of the proper decoration and embellishment of public buildings as having an important bearing upon the future art of the country, which was referred to the Committee on Public Buildings and Grounds.

LAWS PERTAINING TO THE COAST GUARD

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes, which, with the accompanying papers, was referred to the Committee on Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of Puerto Rico, which was referred to the Committee on Finance:

[Translation]

Concurrent resolution to request the Tariff Commission of the Foreign Commerce Service of the Department of State and the other competent authorities of the Federal Government, through the corresponding official bodies, that in all reciprocal-trade agreements that the United States of America may hereafter make with the European nations, preference be given to Puerto Rican coffee among the products that are to be the object of tariff protection under said agreements so that this product of our land may regain the market that it once had among the nations of the old continent

Whereas coffee is one of the two principal products of Puerto Rico from which a great part of our rural population and a great number of small landowners have obtained their living and should hereafter continue to do so;

Whereas the value and utility of coffee as a basic product of our economy not only depends on the limited market of domestic consumption but also depends—and to a greater degree—on the possibilities of export;

Whereas in spite of the high place which our coffee formerly held in European markets on account of its excellent quality, its export to said countries has considerably decreased, due in part to tariff barriers and in part to the invasion of the market by other producing areas;

Whereas even though our coffee enjoys free entry into the territory of the continental United States, there it has to compete disadvantageously with coffee of inferior quality and lower price coming from other countries where the cost of production and their large crops permit it to be placed on the American market at prices that mean real ruin to the coffee of Puerto Rico;

Whereas this has brought about, as a result, an excess in production over the capacity of local consumption, which is the reason the Puerto Rican growers cannot sell all their coffee at a profitable price;

Whereas for the reasons stated herein and other natural causes, such as the hurricanes that have frequently scourged us, the coffee industry of Puerto Rico has suffered serious reverses, the greater part of the coffee growers now finding themselves if not completely ruined, at least with their properties and the credit encumbered on account of large debts which increase from year to year, it being the case that a large majority of the property owners have not yet been able to pay the loans which were granted them by the Puerto Rican Hurricane Relief Commission, and that not a few properties have had to be sold at auction by the Federal Land Bank of Baltimore; it being also true that many coffee growers cannot even pay the property taxes;

Whereas the legislature and the government of Puerto Rico have for several years been making desperate efforts successfully to meet the coffee crisis by deferring and remitting taxes, taking action against contraband coffee, establishing quotas for the local market, appropriating funds for subsidies and purchase of excess coffee, and putting other measures into practice without its being possible to attack the problem in its full magnitude because our insular government lacks such financial resources and legislative and administrative powers under our organic act as the case requires;

Whereas it is still acknowledged in many countries that Puerto Rican coffee, on account of its aroma, its color, and its flavor, is one of the best produced in the entire world;

Whereas Puerto Rico is not only a possession of the United States but also at the same time a conglomerate of about 2,000,000 inhabitants who are proud of their American citizenship and who constitute one of the first overseas markets for the products of the metropolis, its coffee should be considered, for the effects of proper protection in the international market, as a national product of the United States of America; and

Whereas a similar policy has already been initiated by Great Britain which, in treaties recently made with the United States and other nations, has procured adequate protection for some of the products of its possessions: Now, therefore, be it

Resolved by the House of Representatives of Puerto Rico (the senate concurring)—

SECTION 1. To request through the proper official bodies, as it is hereby requested, the Tariff Commission, the Department of State, and the Foreign Commerce Service of said Department, and all other competent authorities of the Federal Government, that in all the reciprocal-trade agreements which the United States may hereafter enter into with European nations, Puerto Rican coffee be included preferentially among the products that may be the object of tariff protection under said treaties, with a view to a wider commercial interchange, so that this product, the decisive factor in our insular economy, may regain the market and the reasonable price that it enjoyed in the past among the nations of the Old World.

SEC. 2. That a copy of this resolution be sent by registered mail to—

The President of the United States,

The Tariff Commission of the Federal Government,

Both legislative Houses of Congress,

The Secretary of the Interior and the Division of Territories and Possessions of said Department,

The Secretary of State and the Foreign Commerce Service of said Department,

The Governor of Puerto Rico, and

The Resident Commissioner of Puerto Rico in Washington.

SEC. 3. That not less than three certified copies be sent to each of the three persons and entities last mentioned in section 2 of this resolution, with the special charge that this request of the highest representation of the people of Puerto Rico joined in these two legislative houses, reach all the competent authorities of the national administration that may intervene in the matter.

MIGUEL A. GARCIA MÉNDEZ,
Speaker, House of Representatives.
R. MARTINEZ NADAL,
President of the Senate.

The VICE PRESIDENT also laid before the Senate a telegram in the nature of a memorial from Ava Benjamin, secretary, Independence Club, and Alvin Washburn, chairman, Committee for Political Unity, Oroville, Calif., remonstrating against reduction in the appropriations for the National Labor Relations Board and the Wage and Hour Administration, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution of the New Group of the Brooklyn Ethical Culture Society, Brooklyn, N. Y., favoring the enactment of Senate bill 3170, known as the American Youth Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate petitions of several citizens of Milwaukee, Wis., praying for the appropriation of funds for Polish relief, which were referred to the Committee on Foreign Relations.

He also laid before the Senate a memorial of sundry citizens of Stockton, Calif., remonstrating against the shipment of war materials to Japan, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution of Local Union No. 3, International Brotherhood of Electrical Workers, New York City, N. Y., protesting against the appropriation of funds for the Department of Justice to be used to prosecute criminally labor unions and labor officials, which was referred to the Committee on the Judiciary.

He also laid before the Senate petitions of sundry citizens of New York City and vicinity, praying for the enactment of the so-called Wagner-Van Nuys-Capper antilynching bill, which were ordered to lie on the table.

Mr. WALSH presented a resolution of the board of directors of the Housing Association of Metropolitan Boston (Mass.) protesting against the enactment of the bill (S. 591) to amend the United States Housing Act of 1937, and for other purposes, which was ordered to lie on the table.

Mr. LODGE presented a memorial of sundry citizens of the State of Massachusetts, protesting against the shipment of war materials and munitions to Japan, which was referred to the Committee on Foreign Relations.

Mr. WILEY presented a resolution of the Waupaca County Council, American Legion, adopted in meeting assembled at Iola, Wis., favoring the granting of pensions to World War veterans on the basis of age and disability, which was referred to the Committee on Finance.

He also presented a resolution of the Manitowoc County (Wis.) Board of Supervisors, favoring the maintenance of a policy of strict neutrality on the part of the United States in

its foreign relations, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the American Jugoslav-Voters League, of Milwaukee, Wis., protesting against the enactment of certain pending antialien legislation, which was referred to the Committee on Immigration.

EFFECT OF EUROPEAN WAR ON THE UNITED STATES—ADDRESS BY SENATOR PITTMAN AT RENO, NEV.

Mr. PITTMAN. Mr. President, on the 16th of this month at Reno, Nev., I delivered an address on the subject of the possible effect of the European war upon the welfare of the United States. Some excerpts from that address have been published. I fear that a wrong construction will be placed upon the entire address unless its full text appears. Therefore, so that there may be no misunderstanding, I ask unanimous consent that the address, in full, may be published in the RECORD at this point, as a part of my remarks.

The VICE PRESIDENT. Is there objection?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster of the banquet and ladies and gentlemen of the radio audience of America, I have been requested to discuss the possible effect of the European war upon the welfare of the United States.

The proximate effect is upon our economic system. Its future effect may threaten the peace and safety of our country.

Great Britain and France as belligerents, being denied the privilege of selling their securities or obtaining credit in the United States, are compelled to purchase in the United States with gold. It is estimated that Great Britain and France have sufficient gold to make purchases of war materials in the United States for a period of 2 years. Great Britain and France, however, particularly Great Britain, must purchase raw materials. Realizing that the war area will probably expand and that the war may last longer than 2 years, Great Britain and France must hoard their gold supplies for purchases of war material in the United States and must attempt to buy foodstuffs and raw materials in other countries where they can trade their manufactured articles for such materials. This program has already been undertaken by Great Britain and France. It has resulted in a very large decrease of importations by those countries of those articles and materials to which I have referred. This process has a tendency to expand certain manufacturing industries while repressing other industries, particularly agriculture and mining.

The probable necessity for the deflation of the currencies of the warring powers would again place those countries in a better competitive position with relation to exports, thereby tending to decrease our exports. This is but a sketchy description of the economic effect of the war upon our country. The result of the war must of necessity have far-reaching military effects upon the United States.

So far, it appears to me as a nonmilitary expert, that Hitler has outgeneraled the British and the French. Of course, the war is but in its infancy, and conditions may rapidly change. It is unnecessary to go back to the beginning of the retreat of Great Britain. The surrender of Munich and the conquest of Czechoslovakia greatly strengthened Germany, both as to prestige and as to possession of physical properties. It was with this added strength that Hitler invaded Poland. Then Great Britain and France declared war upon Germany. Hitler carried out its vaunted blitzkrieg by conquering Poland in an astonishingly short period of time. Great Britain and France, upon the declaration of war, announced their intention of going to the aid of Poland. It was practically impossible. Poland was isolated from approach by land or by sea. It would appear that Great Britain and France should have anticipated the results. Possibly the fate of Poland might have been less severe. The conquest of Poland injured the prestige of Great Britain and France with all neutral countries. All of these neutral countries were then, and now are, shivering in fear of Hitler.

And then Russia conquered Finland. When that invasion started we again heard pronouncements of intended aid to Finland. There was no substantial aid granted. And now Norway, lying entirely on the sea, accessible to the fleet of Great Britain and France, has been invaded by the German armed forces. Should the German conquest of Norway be consummated, Sweden would inevitably be next. Such an event would almost destroy the prestige of Great Britain and France and would probably force all of the Balkan states into submission to Hitler. Victory by Great Britain and France would then be very difficult, if not impossible. I do not believe, however, that Germany will be able to hold Norway. I am satisfied that the necessity of driving the German forces out of Norway is fully realized by Mr. Churchill. I am of the opinion that the German forces will be driven out of Norway within 30 days. If I am right in this conjecture, then Sweden is saved. Whether Hitler will attack in Holland and Belgium, or march into the Balkans, no one knows but Hitler. In any event, Hitler will be greatly weakened if he fails in his conquest of Norway and Sweden. Our country is neutral in all of its acts and will remain neutral, and yet it is impossible for statesmen to banish from their minds the effect of a conquest of Europe by Hitler singly or in cooperation with other totalitarian powers.

Now, let us remember that there is no danger to the United States while the European war is in progress. When the war ends, if it be through a victory by Hitler, or by the totalitarian powers, then there will arise immediately a threat to the peace and safety of the United States through South America, Central America, and Mexico. The same threat would not exist if Great Britain and France are the victors. Great Britain has vast colonies and cares little for more possessions. It is to her interest to maintain the independence of neutrals so that she may have free trade and commerce with them. It is by reason of this British policy that the British Navy, since 1812, has not been a threat to the United States. Having no cause to fear the British Navy, the duty has not been imposed upon us of maintaining a dominant navy. While most of our statesmen undoubtedly view the situation in Europe as I do, nevertheless our people and our Congress, and our President, are determined to take no part in that war. It would be less burdensome and less dangerous to provide a Navy that could protect the American hemisphere against any attack than it would be to maintain a constant protectorate over Great Britain and France. To do that would permanently involve us in the turmoils of Europe. It was with such intent and under such fixed policy that we adopted the Neutrality Act. By that act we prohibited our vessels from carrying on commerce with belligerents, or even entering combat areas where there is danger of destruction of our vessels and the lives of our citizens on board. We will not permit our citizens to travel on belligerent vessels. We will not permit belligerent governments to sell their securities in our country or to obtain credit here. They can come with their ships and pay for our goods and take the risk of getting them across the seas. There was some doubt, at the time of the adoption of the Neutrality Act, as to the effect it would have in keeping us out of war, but the experience of the 6 months of war has removed all doubt in the mind of every calm, intelligent, and advised person. During such period we have not lost a vessel nor the life of a single citizen. The act is almost automatic in its operations. There is substantially no discretion in it. We are prohibited from committing acts that might drag us into the war. We will stay out of the war. Let the mothers and fathers of this country rest in peace.

REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Appropriations, to which was referred the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes, reported it with amendments and submitted a report (No. 1487) thereon.

Mr. BULOW, from the Committee on Indian Affairs, to which was referred the bill (H. R. 952) for the relief of Indians who have paid taxes on allotted lands for which patents in fee were issued without application by or consent of the allottees and subsequently canceled, and for the reimbursement of public subdivisions by whom judgments for such claims have been paid, reported it without amendment and submitted a report (No. 1488) thereon.

Mr. MILLER, from the Committee on the Judiciary, to which was referred the bill (H. R. 5906) to repeal the prohibition against the filling of a vacancy in the office of district judge for the southern district of New York, reported it without amendment and submitted a report (No. 1489) thereon.

Mr. VAN NUYS, from the Committee on the Judiciary, to which were referred the following bill and joint resolution, reported them each without amendment and submitted a report thereon as indicated:

H. R. 5880. A bill to incorporate the Navy Club of the United States of America (Rept. No. 1490); and

H. J. Res. 400. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1940, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (H. R. 6668) to grant the State of North Carolina a right-of-way for the Blue Ridge Parkway across the Cherokee Indian Reservation in North Carolina, to provide for the payment of just compensation for said right-of-way, and for other purposes, reported it with amendments and submitted a report (No. 1491) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2983. A bill to authorize the sale of lumber and other forest products obtained from the forests on Indian reservations by Indian enterprises (Rept. No. 1501); and

H. R. 5918. A bill amending Public Law No. 96 of the Seventy-fifth Congress, being an act entitled "An act amending section 2 of Public Law No. 716 of the Seventy-fourth Congress, being an act entitled 'An act to relieve restricted Indians whose lands have been taxed or have been lost by failure to pay taxes, and for other purposes'" (Rept. No. 1502).

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the joint resolution (S. J. Res. 157) authorizing the President of the United States to present to Eire on behalf of the people of the United States a statue of Commodore John Barry, reported it with amendments and submitted a report (No. 1492) thereon.

Mr. SHIPSTEAD, from the Committee on Indian Affairs, to which was referred the bill (S. 3352) to amend the Act of August 27, 1935 (49 Stat. 2194), and for other purposes, reported it with amendments and submitted a report (No. 1493) thereon.

Mr. LA FOLLETTE, from the Committee on Indian Affairs, to which was referred the bill (S. 2984) authorizing the transfer of title of the Hayward Indian School to the State of Wisconsin, reported it with an amendment and submitted a report (No. 1494) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3578. A bill for the relief of Edward Smith (Rept. No. 1499);

S. 3742. A bill for the relief of M. E. McGivern (Rept. No. 1500); and

H. R. 7530. A bill to transfer the site and buildings of the Tomah Indian School to the State of Wisconsin (Rept. No. 1495).

Mr. ADAMS, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 2418) to extend the provisions of the Forest Exchange Act, as amended, to certain lands, so that they may become parts of the Whitman, Malheur, or Umatilla National Forests, reported it with an amendment and submitted a report (No. 1497) thereon.

He also, from the same committee, to which was referred the bill (H. R. 6446) amending section 4 of the act entitled "An act to authorize the city of Pierre, S. Dak., to construct, equip, maintain, and operate on Farm Island, S. Dak., certain amusement and recreational facilities; to charge for the use thereof; and for other purposes," reported it with amendments and submitted a report (No. 1498) thereon.

Mr. CHAVEZ, from the Committee on Indian Affairs, to which was referred the bill (H. R. 7853) for the relief of the Gallup Mercantile Co. of Gallup, N. Mex., reported it without amendment and submitted a report (No. 1503) thereon.

Mr. HATCH, from the Committee on Indian Affairs, to which was referred the bill (H. R. 5961) granting to the regents of the University of New Mexico the right to alienate certain lands conveyed to them under authority of the act of Congress, approved August 19, 1935 (49 Stat. 659), in exchange for an equivalent amount of land more expediently situated, reported it without amendment and submitted a report (No. 1504) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MALONEY:

S. 3832. A bill for the relief of Charles C. McCauley; to the Committee on Claims.

By Mr. GEORGE:

S. 3833. A bill to amend section 202 (3), World War Veterans' Act, 1924, as amended, to provide more adequate and uniform administrative provisions in veterans' laws, and for other purposes; and

S. 3834 (by request). A bill to provide more adequate compensation for certain dependents of World War veterans, and for other purposes; to the Committee on Finance.

(Mr. GEORGE also (by request) introduced Senate bill 3835, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. STEWART:

S. 3836. A bill for the relief of L. H. Goodman; to the Committee on Claims.

S. 3837. A bill authorizing the President of the United States to award posthumously the Congressional Medal of Honor to Robert Preston Thompson; to the Committee on Naval Affairs.

By Mr. WALSH:

S. 3838. A bill establishing in the Department of Labor a Bureau for the Welfare of the Deaf, and for other purposes; to the Committee on Education and Labor.

By Mr. MEAD:

S. 3839. A bill to amend section 13 (b) of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

S. 3840. A bill to provide for the establishment of the Adirondack National Recreational Area, in the State of New York, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. BYRNES:

S. 3841. A bill to allow an additional period of 6 months in which to file claims for increased compensation to certain Government employees for the period July 1, 1917, to June 30, 1924; to the Committee on Naval Affairs.

By Mr. MINTON:

S. 3842. A bill granting a pension to Oscar Mitchell (with accompanying papers); to the Committee on Pensions.

By Mr. CLARK of Idaho:

S. 3843. A bill to promote a program of water conservation and to facilitate the investigation of means and methods for the prevention or reduction of water losses caused by seepage from irrigation canals, and for related purposes; to the Committee on Irrigation and Reclamation.

By Mr. PEPPER:

S. 3844. A bill for the relief of special tax school district No. 2, Broward County, Fla.;

S. 3845. A bill for the relief of special tax school district No. 3, Broward County, Fla.;

S. 3846. A bill for the relief of special tax school district No. 4, Broward County, Fla.; and

S. 3847. A bill for the relief of special tax school district No. 5, Broward County, Fla.; to the Committee on Claims.

S. 3848. A bill for the construction of a fish hatchery at or near Marianna, in Jackson County, Fla.; to the Committee on Commerce.

S. 3849. A bill for the relief of James J. Kilgore; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

S. 3850 (by request). A bill for the relief of the Eastern or Emigrant Cherokees; to the Committee on Indian Affairs.

By Mr. KING:

S. 3851. A bill to provide for the acquisition of a site and the erection thereon of a post-office at Delta, Utah; to the Committee on Public Buildings and Grounds.

By Mr. BROWN:

S. 3852. A bill to promote the development of the mineral resources of certain lands belonging to the United States located in Allegan County, Mich.; to the Committee on Agriculture and Forestry.

By Mrs. CARAWAY:

S. J. Res. 251. Joint resolution authorizing the recognition of American women's interest in aviation and directing their attention to, and urging their cooperation with, the coming Nation-wide celebrations of National Aviation Day, on August 19, 1940, and for other purposes; to the Committee on the Judiciary.

By Mr. WAGNER:

S. J. Res. 252. Joint resolution to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes; to the Committee on Banking and Currency.

CONTROL OF PAYMENTS TO VETERANS AND DEPENDENTS RESIDING ABROAD

Mr. GEORGE. Mr. President, by request, I introduce for proper reference a bill with regard to which I desire to make a statement.

There are some 9,000 war veterans and dependents of war veterans overseas who receive checks monthly from the Veterans' Administration. The total checks perhaps run as high as two and a half to three million dollars. There is no certainty that much of this money is being received by the veterans themselves, or the dependents of veterans. On the contrary, there is ground for belief that a large portion of the money transmitted abroad monthly is taken by way of taxes in certain countries. The money, of course, is the money of the veteran to whom it has been awarded, or of his widow or orphans. The bill introduced by me authorizes the Administrator of Veterans' Affairs to withhold payment, and to accumulate the money due the veteran under such regulations as he may adopt, if there cannot be worked out satisfactory arrangements with the countries in which many of these veterans now reside.

In that connection, I desire to say that an effort has been made and is now being made between the Veterans' Administration, the State Department, and other departments of the Government, to work out an arrangement by which there can be assurance that the money paid monthly by the Veterans' Administration to these beneficiaries will go to the beneficiaries under some guarantee that they will receive the full or substantially the full amount, and will retain freedom to expend for their necessities such amounts as they may elect. This bill is introduced not for the purpose of embarrassing the negotiations which are under way, but rather in aid of them.

The VICE PRESIDENT. The bill of the Senator from Georgia will be received and appropriately referred.

The bill (S. 3835) to provide for the control of payments of financial benefits to veterans and their dependents who reside outside the continental limits of the United States, except for Hawaii, Alaska, Puerto Rico, Virgin Islands, and the Panama Canal Zone, was read twice by its title and referred to the Committee on Finance.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated below:

H. R. 7865. An act to amend the act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto, approved June 6, 1892, and acts amendatory thereof;

H. R. 8692. An act to amend the act to regulate the practice of podiatry in the District of Columbia;

H. R. 9210. An act to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes," approved July 15, 1932, and for other purposes;

H. R. 9284. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. A. L. Ridings; and

H. R. 9326. An act to provide educational employees of the public schools of the District of Columbia with leave of absence, with part pay, for purposes of educational improvement, and for other purposes; to the Committee on the District of Columbia.

H. R. 9243. An act to provide for the promotion of promotion-list officers of the Army after specified years of service in grade, and for other purposes; to the calendar.

EXTENSION OF THE CLASSIFIED CIVIL SERVICE—AMENDMENTS

Mr. MEAD submitted amendments intended to be proposed by him to the bill (H. R. 960) extending the classified executive civil service of the United States, which were referred to the Committee on Civil Service and ordered to be printed.

ADVISORY COUNCIL ON EMPLOYMENT SECURITY—AMENDMENTS

Mr. GREEN submitted amendments intended to be proposed by him to the concurrent resolution (S. Con. Res. 34) authorizing the establishment of an Advisory Council on Employment Security, which were referred to the Committee on Finance and ordered to be printed.

AMENDMENTS TO RIVER AND HARBOR BILL—BAYOU LA FOURCHE AND CHANNELS BETWEEN GULF OF MEXICO AND INTRACOASTAL WATERWAY, LA.

Mr. OVERTON submitted two amendments intended to be proposed by him to House bill 6264, the river and harbor authorization bill, which were ordered to lie on the table and to be printed.

AMENDMENT TO DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. TYDINGS submitted an amendment intended to be proposed by him to House bill 9109, the District of Columbia appropriation bill, 1941, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 78, lines 1 to 4, inclusive, strike out the following: "No part of the appropriations contained in this act shall be used for the operation of a testing laboratory of the highways department for making tests of materials in connection with any activity of the District government."

AMENDMENT TO LABOR-FEDERAL SECURITY APPROPRIATION BILL

Mr. HAYDEN submitted an amendment intended to be proposed by him to House bill 9007, the Labor-Federal Security appropriation bill, 1941, which was ordered to lie on the table and to be printed, as follows:

On page 3, line 19, to strike out the period and insert a colon and the following: "*Provided*, That notwithstanding any other provision of law, the publication entitled 'Our Constitution and Government—Federal Textbook on Citizenship,' may be sold by the Superintendent of Documents, Government Printing Office in quantities of 10 or more copies at the rate of 25 cents per copy."

PROHIBITION OF TRANSPORTATION OF CONVICT-MADE GOODS—AMENDMENT

Mr. WILEY. Mr. President, I submit an amendment intended to be proposed by me to Senate bill 3550, and I wish to speak briefly on it.

This bill (S. 3550) would make unlawful the transportation of convict-made goods in interstate and foreign commerce. My amendment would exempt from the provisions of the bill all parts for farm equipment already sold by State penal institutions.

In the State of Wisconsin, for example, it has been estimated by one of the farmers' educational and cooperative equity groups that Wisconsin farmers own almost $7,000,000 worth of farm equipment purchased from the Minnesota State penal institutions.

I am not arguing the merits of making any further sales of convict-made machinery to Wisconsin farmers, nor am I arguing the merits or demerits of Senate bill 3550. I am merely stating that, as our farmers already own this much equipment it would be an unwarranted hardship on them to prevent them from purchasing parts from the penal institutions for the machinery they now own. In other words, I do not want to see this bill orphan all the farm equipment already sold by State penal institutions.

I believe the objectives of this proposed legislation may be valid, but before it is considered further, it might be wise to investigate its somewhat all-inclusive provisions. It is barely possible that the bill as written might have some rather amusing effects. Under the provisions of this bill it might happen that many of the distinguished Senators here today would be unable to drive their cars back to their home States because their license tags were made in State penal institutions and, consequently, could not be used in interstate commerce.

It might even be that the prisoner who had served his time and departed from his alma mater in a prison-made suit which he received free would be unable to leave the State while he was wearing such a suit. It seems quite possible that under the terms of this bill a convict-made truck body used on a State truck would be unable to cross the State line. I mention these not as probabilities, but as possibilities, which could stand consideration.

It might be that this proposed legislation would be more acceptable if it made further exemption of:

First. Goods purchased before the enactment of the act so that the Minnesota farmer who bought a Minnesota prison-made tractor would not have to abandon the tractor when he moved to Wisconsin.

Second. All license tags made in State penal institutions.

Third. All prison-made goods not intended to be sold to the general public.

Fourth. Prison-made goods used in exchange between States. For example, I understand that the penal institutions of Utah exchange canned goods for blankets made by the prisons of Wyoming and make a similar exchange for clothing manufactured by the prisons of Nebraska.

Mr. President, I ask unanimous consent that following my remarks a copy of Senate bill 3550, to which I have referred, may be printed in the RECORD, and also the amendment which I now send to the desk and ask to have lie on the table.

The VICE PRESIDENT. The amendment presented by the Senator from Wisconsin will lie on the table and be printed; and, without objection, the bill and amendment will be printed in the RECORD.

The bill and amendment are as follows:

A bill (S. 3550) to make unlawful the transportation of convict-made goods in interstate and foreign commerce

Be it enacted, etc., That whoever knowingly shall transport or cause to be transported in interstate or foreign commerce in any manner or by any means whatsoever or aid or assist in obtaining transportation for or in transporting any goods, wares, and merchandise manufactured, produced, or mined, wholly or in part by convicts and prisoners (except convicts or prisoners on parole or probation), or in any penal or reformatory institution, from one State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof, or from any foreign country, into any State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof, shall be punished by a fine of not more than $1,000 or by imprisonment for not more than 1 year or both: *Provided*, That nothing herein shall apply to commodities manufactured in Federal penal and correctional institutions for use by the Federal Government: *Provided further*, That this act shall go into effect 1 year after its approval by the President.

Amendment intended to be proposed by Mr. WILEY to the bill (S. 3550) to make unlawful the transportation of convict-made goods in interstate and foreign commerce, viz: On page 2, line 10, after the word "Government", to insert the following: "and nothing herein shall apply to repair parts for farm machinery."

INVESTIGATION OF CAMPAIGN EXPENDITURES—LIMIT OF EXPENDITURES

Mr. GILLETTE submitted the following resolution (S. Res. 260), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures under Senate Resolution 212, Seventy-sixth Congress, third session, agreed to February 9, 1940, authorizing a special committee to investigate campaign expenditures, is hereby increased by $45,000.

REPORT ON THE EMORY AND OBED RIVERS, TENN.

Mr. McKELLAR submitted a resolution (S. Res. 261), which was ordered to lie over 1 day under the rule, as follows:

Resolved, That the Secretary of War be, and he is hereby, directed to furnish the Senate a copy of the report of Maj. Bernard Smith, district engineer, Corps of Engineers, Nashville, Tenn. district, concerning the Emory and Obed Rivers of Tennessee, which report was recently filed by Major Smith with the Chief of Engineers of the War Department.

ADDITIONAL COPIES OF REPORT ON THE STATUS OF WILDLIFE

Mr. PITTMAN submitted the following resolution (S. Res. 263), which was referred to the Committee on Printing:

Resolved, That there be printed 1,800 additional copies of Senate Report No. 1203, submitted pursuant to Senate Resolution 246 (71st Cong.), entitled "The Status of Wildlife in the United States," of which 1,500 copies shall be for the use of the Special Committee on the Conservation of Wildlife Resources and 300 copies for the use of the Senate document room.

FILMING OF MOTION PICTURES ON PUBLIC LANDS

Mr. ASHURST. Mr. President, I submit a resolution which I ask to have read and referred to the Committee on Public Lands and Surveys.

The VICE PRESIDENT. Without objection, the resolution will be read.

The resolution (S. Res. 262) was read as follows:

Resolved, That the Committee on Public Lands and Surveys is authorized and directed to make a full and complete investigation with respect to the filming of motion or sound pictures on areas (1) under the jurisdiction of the Department of the Interior, and (2) any other matter with respect to the filming of motion or sound pictures on land belonging to the United States which the committee may deem it appropriate to investigate. The committee shall report to the Senate as soon as practicable during the Seventy-seventh Congress the results of its investigation and shall include in its report any recommendations for legislation it may deem appropriate.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-sixth and Seventy-seventh Congresses, to employ and to call upon the executive departments for clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $6,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. ASHURST. Mr. President, I ask that the resolution be referred to the Committee on Public Lands and Surveys; and I desire to say a word in explanation:

The honorable Secretary of the Interior, in his zeal, has conceived the idea that he is paramount in regard to all lands belonging to the United States. I may be wrong, but I believe that under the Constitution Congress is the appropriate body to deal with and dispose of the public lands. This resolution has something to do with an inquiry as to which of the two authorities—the Secretary of the Interior or the Congress—is, under the Constitution, the proper one to deal with the public lands.

Mr. McKELLAR. Mr. President, will the Senator yield for a moment?

Mr. ASHURST. Certainly.

Mr. McKELLAR. I notice that part of the resolution, at any rate, deals with the making of films and sound pictures. In the Appropriations Committee it developed that not only the Interior Department but certain other departments, apparently without any direct authority therefor, are devoting a considerable portion of their funds, amounting perhaps to well over half a million dollars, to filming various things. The appropriation for that purpose was left out of the appropriation bill by the committee. I do not know what the connection is, but it does seem that our departments are going a little strong on making films.

Mr. ASHURST. Mr. President, I do not doubt the accuracy of the statement of the able Senator from Tennessee, but, in addition to that, the Department of the Interior, by an order issued April 20, 1940, has presumed to set forth a schedule of fees and commissions which shall be charged against persons who desire to make films on the lands of the United States. That may or may not be the desire of Congress.

This resolution is not in any sense designed to "muckrake" the Interior Department. Far from my mind is such an idea. I wish not to inject into the morning hour a discussion of the Logan-Walter bill. This is not the time for that, but it is such actions as that taken by the honorable Secretary of the Interior in setting up fees and commissions to be charged for entering upon the lands of the United States and taking pictures and making films, which give rise to such measures as the Logan-Walter bill. Nobody outside of the Department was present when that order was discussed. We do not know the nature of the evidence which was taken. It may have been hearsay. It may have been incompetent. No provision is made for any appeal. Hence, when such unnecessary, irritating, arbitrary, pestiferous—I think that is a good locution; it comes from "pestis"—orders are issued, is the Congress to be blamed for providing some sort of an avenue by which the citizen may sometime, somewhere, have his day in court?

Mr. McKELLAR. Mr. President, if the Senator will yield, I am delighted that the Senator has submitted such a

resolution. I hope it will be adopted and I want to say to him that I shall take great pleasure in voting for it.

Mr. ASHURST. I feel much reenforced by the statement of the very able Senator from Tennessee.

The VICE PRESIDENT. The resolution will be referred to the Committee on Public Lands and Surveys.

REGULATION OF TRANSACTIONS IN FOREIGN-OWNED PROPERTY

Mr. WAGNER. Mr. President, from the Committee on Banking and Currency I report back favorably, without amendment, the joint resolution (S. J. Res. 252) to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes, introduced by me today, and I submit a report (No. 1496) thereon. I hope to confer with the two leaders, and perhaps have the joint resolution called up for consideration tomorrow. It covers a rather important subject.

The VICE PRESIDENT. The report will be received and the joint resolution placed on the calendar.

ADDRESS BY SENATOR MURRAY ON ANTIALIEN LEGISLATION

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD a radio address on the subject Antialien Legislation, delivered by Senator MURRAY on April 22, 1940, which appears in the Appendix.]

AIR SAFETY BOARD

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD portion of an article from the New York Herald Tribune of April 23, 1940, and an article by Frederic William Wile published in the Washington Evening Star of April 22, 1940, both relating to the Air Safety Board and the Civil Aeronautics Authority, which appear in the Appendix.]

DECISION OF SUPREME COURT IN PICKETING CASES

[Mr. WAGNER asked and obtained leave to have printed in the RECORD the opinion delivered by Mr. Justice Murphy for the Supreme Court on last Monday in the so-called picketing cases, which appears in the Appendix.]

OPINION OF CIRCUIT COURT OF APPEALS IN OPP COTTON MILLS *v.* ADMINISTRATOR OF WAGE AND HOUR DIVISION

[Mr. MEAD asked and obtained leave to have printed in the RECORD the opinion of the Circuit Court of Appeals for the Fifth Circuit in the case of Opp Cotton Mills, Inc., against Administrator of the Wage and Hour Division of the Department of Labor, which appears in the Appendix.]

THE LATE WALTER J. KOHLER

[Mr. WILEY asked and obtained leave to have printed in the RECORD an editorial from a recent issue of the Milwaukee Journal relative to the late Walter J. Kohler, former Governor of Wisconsin, which appears in the Appendix.]

ARTICLE BY WILLIAM F. MONTAVON ON TAX EXEMPTION AND SOCIAL SECURITY

[Mr. WALSH asked and obtained leave to have printed in the RECORD an article by William F. Montavon, K. S. G., director of the legal department of the National Catholic Welfare Conference, entitled "Tax Exemption and Social Security," which appears in the Appendix.]

ARTICLE BY SAMUEL GRAFTON ON FAR EASTERN PROBLEMS

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD an article by Samuel Grafton, published in the New York Post of April 17, 1940, relative to far eastern problems, which appears in the Appendix.]

FINANCIAL REPORTS OF CERTAIN RAILROAD AND OTHER CORPORATIONS

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD an article from the Washington Post of today relative to the financial reports of certain railroad and other corporations, which appears in the Appendix.]

THE WALTER-LOGAN BILL

[Mr. MINTON asked and obtained leave to have printed in the RECORD an editorial in the Washington Times-Herald of April 24, 1940, entitled "The Walter-Logan Bill," which appears in the Appendix.]

SUBSIDIES TO CERTAIN FORMS OF TRANSPORTATION

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an article from the New York Times of April 15, 1940, written by John H. Crider, condensing certain portions of Commissioner Eastman's report on subsidies to certain forms of transportation, which appears in the Appendix.]

CITIZENSHIP DAY—CONFERENCE REPORT

Mr. CHANDLER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 437) authorizing the President of the United States of America to proclaim Citizenship Day for the recognition, observance, and commemoration of American citizenship, having met, after full and free conference, have agreed to recommend and do recommend to their respective House, as follows:

That the House recede from its disagreement to the Senate amendments, and agree to the same.

ALBERT B. CHANDLER,
JNO. E. MILLER,
ALEXANDER WILEY,
Managers on the part of the Senate.
HATTON W. SUMNERS,
SAM HOBBS,
U. S. GUYER,
Managers on the part of the House.

The report was agreed to.

ORDER DISPENSING WITH CALL OF THE CALENDAR

The VICE PRESIDENT. The routine morning business is concluded. The calendar under rule VIII is in order.

Mr. BARKLEY. I ask unanimous consent that the call of the calendar be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

RIVER AND HARBOR AUTHORIZATIONS, 1941

Mr. BAILEY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1424, House bill 6264, authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which had been reported from the Committee on Commerce, with amendments.

Mr. BAILEY. Mr. President, I ask that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will proceed to state the amendments reported by the committee.

The first amendment of the Committee on Commerce was on page 2, after line 10, to insert:

Portland Harbor, Maine; House Document No. 560, Seventy-sixth Congress.

The amendment was agreed to.

Mr. MCNARY. Mr. President, I have no objection to this routine procedure, which is usually followed, but I think in this particular instance the able Senator from North Carolina, the chairman of the Committee on Commerce, should make a statement concerning the bill, stating the amount of the appropriation, and the history associated with the measure. There is an impression throughout the country that this is the old Senate bill which went to the calendar last year. I think that the Senator, who is so able to do so, should distinguish between the pending bill, the Senate bill, and the House bill, if I may be permitted to make that suggestion to the able Senator.

Mr. BAILEY. Mr. President, it is entirely agreeable to me and I should prefer to proceed according to the suggestion of the senior Senator from Oregon.

This is a bill which has been generally known in the Senate heretofore as a river and harbor bill, but it is distinguished from former bills in two respects. In the first place, it is a strictly navigation bill; that is to say, it is limited to river and harbor and channel improvements throughout our country, Puerto Rico, the Hawaiian Islands, and Alaska. We have followed the policy of excluding, for present purposes, what have been known here as flood-control and power projects,

or flood-control projects solely, or power projects which appear to be power projects solely.

The other distinction is that, having made this division, which we hope the Senate will sustain, the value of which I intend to argue, we are undertaking now to lay before the Senate and the country a 7-year program, with a view to avoiding the annual or biennial struggles in matters of this sort.

Mr. President, with those two distinctions before us, I shall undertake to give the reason why we are separating the navigation projects from the flood-control and power projects. Probably the principal reason is the fact that if we combine them, the demands upon the Senate and the Treasury will at once appear to be so great that, notwithstanding the bill might be passed here because of such widespread and thoroughgoing interest created by the authorization, it might nevertheless meet with great difficulty, and possibly defeat.

The other reason is that the House has two committees dealing with rivers and harbors. One is the Rivers and Harbors Committee, the other is the Flood Control Committee. It is very difficult to handle on the Senate side two separate measures coming from the House unless we have two separate Senate measures.

There is a third reason. Personally, and as chairman of the committee, I am hoping that we may dispose of this navigation authorization bill today, get it behind us, and clear the decks for the consideration of flood-control bills and flood-control-plus-power bills, many of which have been introduced, demands for the enactment of which are very great, and the authorizations in which, I am informed by the chairman of the committee in the House, are mounting up to considerably more than $200,000,000.

What I have in mind is that either in the remaining days of the present session, if the flood-control bill comes to the Senate from the House—and if it does not, then during the next session—once this navigation bill is out of the way, we will give the right-of-way to the flood-control projects.

Mr. President, I think there is sound reason behind this policy. It is new, but we are driven to it by necessity. It is very difficult for us intelligently to handle a bill, either in the committee or on the floor of the Senate, which calls for authorizations up to three, or four, or five, or, perhaps, six hundred million dollars, and which is complicated with navigation, rivers, harbors, flood control, and power. I think those functions are in separate categories, and that it will greatly simplify matters to separate them for purposes of legislation.

I may say in passing that, while I have no power in the premises, I hope that Senators who are primarily interested in flood control and power projects will not undertake to get their projects into this bill. If they do, they will not only disrupt the plan we have adopted but I think they will threaten all such legislation for this session. I think they will gain nothing for themselves, and probably will defeat some very valuable navigation projects.

With this statement as to the reasons for our procedure, I shall now make a statement as to the difference between the House bill as it came to the Senate and the bill as it now stands.

The House bill came over last year about this time. It called for projects—navigation, flood control, and power projects—totaling $83,000,000. It was referred to a subcommittee of the Committee on Commerce, and in the course of its consideration by that subcommittee demands were made and amendments were offered which lifted the amount of the House bill from $83,000,000 to $330,000,000. They involved navigation, flood control, and power.

At the instance of the majority leader, in the last regular session, the first session of the present Congress, I did not ask to have the bill made a special order, or to have it taken up for consideration. I thought the sum involved was too great. It seemed to me that in the interest of what we have been describing in a very general way as economy, and in the effort to bring about some reasonable reduction in Federal expenditures, a course to which I am thoroughly committed, it was the part of wisdom not to ask for the consideration of the bill in the former regular session of the Congress.

The consequence was that with the lapse of time many more projects were favorably passed upon and approved by the Board of Engineers and the Chief of Engineers. Many projects were brought forward by many Members of the House and the Senate, and in the present session we have been struggling with a situation involving demands upon the Commerce Committee for legislation or authorizations exceeding $400,000,000.

So in the effort to bring about some sort of separation, and to let Congress and the country understand how much money is proposed to be used for flood control and how much for navigation, in order that each cause might stand upon its merits, we have brought in this bill, which calls for authorizations amounting to $231,000,000, strictly limited to navigation projects, and in the bill we provide for appropriations over a 7-year period. Seven into $231,000,000 gives about $35,000,000 a year—no great amount. In frankness I should say that the $35,000,000 is increased, of course, by the annual maintenance charges for river and harbor projects which now amount to a little more than $50,000,000 a year.

I should say further that there are other projects heretofore authorized, amounting perhaps to $125,000,000. With that sum added, still there would be an annual appropriation for new work of only about $45,000,000 a year.

Mr. President, I submit that that is moderate. I am perfectly willing to enter into a bond—and my word will be my bond in this matter—that I shall not ask under any circumstances that we vary from this 7-year program. I shall not ask that we increase the amount above the authorizations proposed and the authorizations outstanding, divided into the 7-year period.

I now wish to address myself to the subject of rivers and harbors and navigation. I do this because we have been taking this great Federal function for granted, and bad impressions concerning it have cropped out throughout the land.

For example, I frequently hear the river and harbor authorization bill referred to as a "pork barrel" proposition. I saw such a statement in a most reputable journal this week. There is no "pork barrel" in this measure. Every project in the bill has, after survey, been approved by the Chief of Engineers of the War Department of the United States as economically sound. That negatives the "pork barrel" idea.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BAILEY. I shall yield in a moment. There is not a project in the bill, other than one which I intend to discuss quite frankly before we finish, that is not approved by men who are utterly divorced from politics, who have no interest whatever in the distribution of patronage or the gratification of local constituencies or building up the popularity of Senators or Members of the House.

I now yield to the Senator from Michigan.

Mr. VANDENBERG. I am not interested in epithets, and I will pass the question of whether or not there is any "pork" in this bill; but I want to dissent at this point from the Senator's apparent assumption that the mere fact that the Chief of Engineers and the present Board of Engineers report economic justification for projects necessarily means that there is economic justification. I emphatically dissent from that point of view, and I intend to present proof to justify my position a little later today.

Mr. BAILEY. Mr. President, I shall be very glad to hear the proof from my very able and distinguished colleague and friend. His judgment is always to be respected. But I shall be perfectly amazed if it can be demonstrated here that the Board of Engineers of the United States Army, and, in particular, the Chief of Engineers—because the River and Harbor Act refers the final judgment to the Chief of Engineers, not the Board—I shall be utterly amazed if it can be demonstrated that that eminent and historical body of able men have misled us in the slightest degree in their statements that these projects are economically justified.

I have heard the criticism on that point that the engineers have confused benefits with economics. Well, I also am confused on that matter. If there is a confusion there, very well, I am a victim of it. If the American people receive a benefit of $2,000,000 from a channel, I consider that benefit as a $2,000,000 contribution to our economic situation. The fact that it is not realized in cash by way of payment makes no difference to me. If it is a material benefit of a value of $2,000,000, who cares whether or not it is represented in the money of the country? If it is represented in the benefits inuring to the American people, that is sufficient for me.

Let us now look at the picture.

Mr. CONNALLY. Mr. President, will the Senator yield to me for a moment?

Mr. BAILEY. I yield.

Mr. CONNALLY. In regard to what the Senator from North Carolina said respecting the Chief of Engineers, and the Corps of Engineers, may I ask him if it is not true that among all the governmental agencies over a long period of years the Corps of Engineers of the United States Army at least has the reputation of being one of the most efficient and far-seeing agencies, as well as being dissociated from political wire pulling and things of that kind?

Mr. BAILEY. I do not think there is any question about that, but I am going to listen to the distinguished Senator from Michigan, who has given us notice of what he intends to show.

I wish now to go over this picture about our navigation projects. We have a vast country. The waters of four seas wash her shores—not only the Atlantic and the Pacific, but the Caribbean and the Bering Seas. I know of no other country that has such a shore line. We need harbors everywhere along that shore line.

Probably one of the great misfortunes of this country was that about 1790 there began a concentration of commerce whereby just two or three harbors received the benefit of all our foreign commerce. They had a monopoly. Under the river and harbor legislation of the Congress, which was inaugurated in 1822, 118 years ago, we began to build up first our harbors, principally New York, Boston, Portland, Philadelphia, and Baltimore. In more recent times we have extended harbor improvements along the southern border to Norfolk, Wilmington, Morehead, Beaufort, Georgetown, Charleston, Savannah, Jacksonville, and Miami, and then around the Gulf to Mobile, New Orleans, Corpus Christi, Houston, Galveston, and Port Arthur.

Then on the western coast there has been some magnificent work done. Portland, far in the interior, is now a great ocean seaport, and the harbors of Seattle, San Francisco, San Diego, Los Angeles, and Tacoma, have likewise been developed.

Mr. McNARY. Do not omit Portland.

Mr. BAILEY. I said Portland. I am glad the Senator put emphasis on it. I may say, at this point, that the Senator from Oregon is now seriously interested in a project contained in the bill which would extend water transportation into the wheat fields of Idaho, at Lewistown, Idaho. If Senators will read the report on the bill they will see how the freight rates on wheat would be reduced thereby.

Mr. President, my point is that these harbors have been of inestimable value, not only to their localities, but to the whole country.

I am very happy to say that, in recent years, the harbors along the southern coast, the Gulf coast and the Pacific coast have undergone a very great development under the auspices of the Congress. But that is not, by any means, the whole story. We have our Great Lakes system; and on the threshold we are met with the fact that, up to date, we have expended $260,000,000 in the development of harbors and channels in the Great Lakes. But everyone who realizes the volume of traffic in that section, the convenience of water transportation, and the effect upon freight rates from as far west as Minnesota and Wisconsin to the Atlantic, can have no question that that quarter of a billion dollars has been wisely invested and paid back over and over again. I do not think the Senator from Michigan [Mr. VANDENBERG] will say that in approving those projects over the years in the Great Lakes system, the engineers have not been wise and accurate in their statement that the projects were economically justified.

But that is by no means all, Mr. President. We have, in our land, two very great rivers. So far as I know, only one other river on earth compares with the Mississippi, and I question whether any water system in any land compares with the Mississippi and its tributaries. It accounts practically for the heart of the country we call the United States, and affords an amazing water transportation.

Congress has provided water transportation from as far north as the upper reaches of Minnesota all the way to the Gulf of Mexico, a distance of 2,000 miles. But that is not all. There is provision for water transportation in the Red River, a tributary; there is provision for it in the Missouri River, a great tributary, above Alton. There is provision in the Ohio River all the way up into Pennsylvania. I have before me data showing the traffic in this American system. While it does not compare with the railroad traffic, it is immense, and in its class it stands alone.

The railroads have a great number of lines, and serve a great multitude of small towns. Naturally, they have much of the tonnage. I am glad they have it. I am no enemy of the railroads. I want to upbuild them for the country's sake. I am perfectly willing to have the stockholders receive fair dividends. I should like to see all investment in America on a basis which would justify the American people in saving their money and investing it in stocks and bonds. I have no objection to anything of that sort. I think that is the only way out of the depression. I never did think the Government could invest money in such a way as to get us out of the depression. I shall always think—until it is too late to think at all—that the only thing to do is to encourage private enterprise and investment in order that men may save their money and put it into enterprise, thereby employing our people.

The railroads have about 66 percent of the freight tonnage in this country; trucks have about 25 percent; and the waterways the remainder.

I have not covered all the waterways. We have river after river. My own State is a perfect illustration. We have water transportation from Southport, on the Atlantic, up to Fayetteville, which is a little to the west of the capital of the State. Some may say it is useless. It reduces the cost of gasoline to consumers throughout the State. The gasoline comes from Texas by water up the Cape Fear River, and is delivered at Fayetteville, which is near the heart of the State. That is an evidence of the value of the system. In addition, we have our inland-waterway canal. It has not cost us anything compared with the cost of the Great Lakes system. The Atlantic inland waterway, from New York around by Florida and through the Gulf, cost $66,000,000. It is doing an ever-increasing business. It tends always to keep freight rates down. I think we can keep them down to some degree by regulation, but I think fair competition aids regulation.

There is another matter which is very close to my heart. The people on the little waterways and channels in my State have no other way to travel. In the bill are many little projects, some costing $5,000, and others costing $10,000 or $15,000. One Senator said to me, "What do all these creeks in the bill mean?"

Mr. President, if one looks at the map of our country, and especially at the map of my State, he will see that great numbers of people, and not a few fine communities, have no highways, no railroads, and no way to travel except by the water channels which the Government builds. In North Carolina we have Pamlico Sound, which is so broad that one may get out of sight of land in the midst of it, as I have done. It is 150 miles long. It lies between a fine group of towns and the mainland. The people on those sand banks have no roads, but a man can take his little sailboat and go down the sound in the channel, and if he keeps out of the shallows he will make his way and keep his contact with civilization. That sort of thing is going on all the time.

Mr. President, I have merely sketched this matter. It seems to me the time has come when somebody in this coun-

try should defend river and harbor legislation or navigation legislation. It is not emergency spending. It is not spending to save. It is not lending and spending. It is spending for direct annual economic returns. That sort of investment, when wisely made, will pay dividends so long as civilization lasts. I have no apologies for supporting that sort of legislation. When we support the other sort—and I have supported it—we do not do so with a view to annual returns or profits. We do so because we have to. We do so because the dictates of humanity, the ordinary sympathies of the human heart, and a fair consideration for the Government itself demand that we make such appropriations. I regret that we cannot be more generous; but when we have to deal with so many people, and with a Treasury in the condition in which ours is, we must have a care. In having a care, it would be fatal to the country to sacrifice the regular Federal activities and functions on account of any emergency. To do so would make matters worse instead of better.

So we are proposing in this legislation only a reasonably moderate annual appropriation for projects approved as economically sound, projects recommended to us by a Board of Engineers utterly divorced from politics and coordinated with a history of 122 years of successful endeavor by the Congress. We are not proposing the separation because of any prejudice. When we come to flood control there is as great a demand and necessity for this country to harness its rivers and take charge of them as there is for establishing channels through which people may carry on their commerce.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MEAD in the chair). Does the Senator from North Carolina yield to the Senator from Nebraska?

Mr. BAILEY. I yield.

Mr. NORRIS. To begin with, in asking any question in regard to the bill, or the Senator's attitude, I should like to state that I do so as a friend of this kind of legislation. I would not for the world, if I knew it, be guilty of trying to throw a monkey wrench into the machine.

However, notwithstanding what the Senator has so eloquently said, I am unable to see how we can separate a bill providing for navigation from one providing for flood-control. If we consider a stream as a whole, and try to improve it in a scientific way from its source to its mouth, having in mind the idea of making it fit for navigation, I think we are moved by a very noble purpose. But when we come to the actual construction of the dams that are necessary on streams it seems to me that we have to take recognition of the fact that a proper dam which will make a river navigable, will, if we can utilize what nature has provided by way of reservoirs capable of holding a large amount of water, also serve other uses. I do not see how we can separate the two. It often occurs, though not always, that the same dam which will make a river navigable will also provide for controlling a large amount of floodwaters. It seems to me that in considering this kind of legislation looking to the improvement of our streams, we ought to take mind of the fact that floods in our rivers annually cause millions of dollars of damage, and if we can by the same dam provide for flood control and navigation both, it seems to me it would be economy and wisdom and a practical necessity, if we want to control floods, to build dams at the mouths of reservoirs which are provided by nature, and thus have the dams perform a double purpose instead of one. I am not convinced, notwithstanding the Senator's able argument, that in such a case we ought to separate flood control from navigation. I should like to have the Senator's idea on the point suggested.

Mr. BAILEY. Mr. President, I am very glad to have the observations of the Senator, and, of course, they have a great deal of force, but it does not follow that a navigation project will prevent floods. There are no end of navigation projects that do not do so. And there are flood-control projects that do not aid navigation. On the Mississippi River navigation and flood control do go along together; there is no doubt about that; but in harbor improvements there is nothing of flood control; in our canals there is nothing of flood control; and in our Great Lakes there is nothing of flood control. There is a great field to itself. What we have undertaken to do there is to keep that field to itself.

Mr. NORRIS. Mr. President, if the Senator will permit me——

Mr. BAILEY. Let me add, before yielding, that that does not preclude the consideration of flood control plus power when we come to those questions. I wanted to make this statement in order to make it clear to the Senator's mind.

Mr. NORRIS. Mr. President, I wish to admit just what the Senator has said. There is a field of navigation that has nothing to do with flood control or power. I may say that in the section of the country west of the Missouri Valley, there is another consideration which I think is more important than flood control and navigation or power, and that is irrigation. If the same dam which will make a river navigable or contribute to flood control will also enable land to be irrigated it seems to me it is economy and wisdom to build a dam that will do all three, if, of course, Nature has provided a place where that kind of dam could be used.

I am not referring to the Great Lakes, or channels, or the other things which the Senator mentions; I can readily conceive that they constitute a field to themselves, having to do with navigation only and having no connection with the other uses of stored waters.

Mr. BAILEY. I think the Senator and I are disagreeing largely on a matter of expediency and order rather than on principle. I could at once agree with the Senator that we could undertake to make up a bill and put everything in it at once, flood control, power, navigation, and irrigation. I may say to the Senator that such a bill would be absolutely irresistible; every Senator and every State would have a direct interest in it; but I think it is much better to let the several categories stand on their own merits rather than that the legislation be exposed to something in the nature of log-rolling in the Senate.

I will go a little further. If I had my way about legislation of this character, I would put a rule through the Senate that any bill for navigation or flood control or power calling for the expenditure of as much as $25,000,000 should be introduced separately and be passed by the Senate separately. Why? Because I want to avoid the pork-barrel idea. I should like to see every bill stand on its own bottom. We could not do that with regard to the great host of little projects; they would go on the calendar and be subject to the 5-minute rule and not receive due consideration; but we could put the little projects in an omnibus bill, and then let the big projects come in and each one stand on its own merits. That goes back to the proposition that has frequently been made here, that we should provide in these appropriation bills, and perhaps in the authorization bills, for the item veto. I have never been committed to the item veto, but the policy of separation which I am now advocating is a move in the direction not of the item veto but in the direction of preventing a great host of questionable projects from sliding through with a great host of good ones. That is without prejudice to the flood-control projects. When the flood-control bill comes to the Senate, I am going to support it, and I am going through it as I have gone through the pending bill, and our Flood Control Committee will go through it with the utmost care under the advices of the engineers. But I am committed to the view that a great country such as ours ought to see to it that no floods shall sweep over its people and its cities. That is a primary function of the Government. The government that cannot handle that is hardly worthy to be called a great government; it might be called a little one.

I may say to the Senator that if irrigation is a fair incident of such an undertaking, I am for the irrigation. I am for the redemption of every foot of available good farm land in America. What we need is more, not less. So, too, if electric power is a fair product of such an undertaking, then, I am for that.

I will go with the Senator to this extent, that the more power we have in this land available to the people at a low

rate, the better for us all, because power is nothing but another word for energy, and the more energy we have the more production we have and the nearer we come in the long run to the solution of our economic difficulties.

So the very distinguished Senator from Nebraska and I are merely differing here on a matter of procedure, not of principle. I am for everything that he is for in this matter. I am for flood control; I am for the improvement of rivers and harbors; he is, too; but I am trying to develop a basis of procedure here which will accommodate us to the condition of the legislation as it comes over from two committees on the other side of the Capitol, and which, I think, will tend to provide for more thorough consideration of each bill on the floor of the Senate. That is what we need. So it is policy, I may say to the Senator, and not principle, that we are discussing here; and if we are divided, it is only on the question of the wisdom of the procedure.

Mr. President, with one further observation, I will take my seat. The bill includes certain projects in Puerto Rico and Alaska and the Hawaiian Islands which I will not undertake to describe.

I am mentioning them because those possessions of the United States do not have a spokesman on the floor of the Senate. The projects I have in mind are very important to those possessions and to their people, and they are very fortunate, in that they are commended to us by the naval authorities of the United States as being of primary importance to our national defense.

So, Mr. President, I have laid the bill before the Senate. I shall be perfectly willing to fall in with the usual amendments which come here by way of asking for surveys, and asking that navigation projects which have been approved by the engineers since the bill was written be included; but, in the interest of the ultimate fate of all such legislation—flood control and navigation—I hope this bill may be limited to navigation, and laid before the President in that condition.

Mr. VANDENBERG. Mr. President, I desire to resist the passage of the bill, and to say something to the Senate about it; but I prefer to reserve my observations until certain amendments shall have been reached which will rather personify and dramatize the thought I wish to submit.

Therefore, for the time being, I am perfectly willing to have the pending amendment acted upon.

The PRESIDING OFFICER. The question is on agreeing to the first amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Commerce was, on page 2, line 15, after the name "House", to strike out "Document" and insert "Documents"; and in line 16, after the numerals "225" to insert "and 362", so as to read:

Boston Harbor, Mass.; House Documents Nos. 225 and 362, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 2, after line 16 to insert:

Nantasket (Hull) Gut and Weymouth, Fore River, Mass.; House Document No. 568, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 2, after line 19 to insert:

Cohasset Harbor, Mass.; House Document No. 425, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 2, after line 21 to insert:

Wellfleet Harbor, Mass.; House Document No. 557, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 2, after line 23, to insert:

Menemsha Creek, Marthas Vineyard, Mass.; House Document No. 365, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 3, after line 4, to insert:

Connecticut River below Hartford, Conn.; House Document No. 368, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 3, after line 6, to insert:

Thames River, Conn.; House Document No. 367, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 3, after line 8, to insert:

New Haven Harbor, Conn.; House Document No. 307, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 3, after line 16, to insert:

Lake Montauk Harbor, N. Y.; House Document No. 369, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 3, after line 18, to insert:

East River, N. Y.; House Document No. 554, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 3, after line 22, to insert:

Passaic River, N. J.; House Document No. 430, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, at the top of page 4, to insert:

Compton Creek, N. J.; House Document No. 673, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 4, after line 6, to insert:

Delaware River, Philadelphia to the sea; House Document No. 580, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 4, after line 8, to insert:

Wilmington Harbor, Del.; House Document No. 658, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 4, after line 10, to insert:

Indian River, Del.; House Document No. 330, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 4, after line 12, to insert:

Pocomoke River, Md.; House Document No. 429, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 4, after line 14, to insert:

Crisfield Harbor, Md.; House Document No. 457, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 5, after line 10, to insert:

Middle River and Dark Head Creek, Md.; House Document No. 556, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 5, after line 12, to insert:

Cadle Creek, Md.; House Document No. 465, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 5, after line 16, to insert:

Urbanna Creek, Va.; House Document No. 285, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 5, after line 18, to insert:

Broad Creek, Va.; House Document No. 381, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 5, after line 20, to insert:

Whitings Creek, Va.; House Document No. 582, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 5, after line 22, to insert:

Pamunkey River, Va.; House Document No. 671, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, at the top of page 6, to insert:

Hampton Creek, Va.; House Document No. 559, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 6, after line 2, to insert:

Onancock River, Va.; House Document No. 358, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 6, after line 11, to insert:

Silver Lake Harbor, N. C.; House Document No. 325, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 6, after line 16, to insert:

Pamlico Sound to Avon, N. C.; House Document No. 316, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 6, after line 21, to insert:

Thoroughfare Bay-Cedar Bay Channel, N. C.; House Document No. 87, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 7, after line 2, to insert:

Beaufort Harbor, N. C.; House Document No. 334, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 7, after line 4, to insert:

Intracoastal Waterway from Beaufort, N. C., to Cape Fear River; House Document No. 660, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 7, after line 10, to insert:

Manteo to Oregon Inlet, N. C.; House Document No. 313, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 7, line 14, after the word "Numbered", to strike out "131" and insert "131 and Senate Document No. 83", so as to read:

Cape Fear River, N. C., at and below Wilmington; House Document No. 131 and Senate Document No. 83, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 7, after line 15, to insert:

Northeast (Cape Fear) River, N. C.; Senate Document No. 170, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 7, after line 17, to insert:

Cape Fear River to St. Johns River intracoastal waterway anchorage basin near Myrtle Beach, S. C.; House Document No. 327, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 7, after line 21, to insert:

Beresford Creek, S. C.; House Document No. 602, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 8, after line 6, to insert:

Savannah Harbor, Ga.; House Document No. 283, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 8, after line 8, to insert:

St. Johns River, Fla., Jacksonville to Lake Harney; House Document No. 603, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 8, after line 14, to insert:

Sebastian, Fla., to intracoastal waterway; House Document No. 336, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 8, after line 16, to insert:

New River, Fla.; House Document No. 553, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 8, after line 18, to insert:

Miami Harbor, Fla.; House Document No. 470, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 8, after line 20, to insert:

Caloosahatchee River and Lake Okeechobee drainage areas, Florida; House Document No. 469, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 8, after line 23, to insert:

Caloosahatchee River to Withlacoochee River, Fla.; House Document No. 371, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, at the top of page 9, to insert:

Little Manatee River, Fla.; House Document No. 552, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 9, after line 5, to insert:

Apalachicola, Chattahoochee, and Flint Rivers, Ga. and Fla.; House Document No. 342, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 9, after line 10, to insert:

Intracoastal waterway from Apalachicola Bay to St. Marks River, Fla.; House Document No. 442, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 9, after line 13, to insert:

Watson Bayou, Fla.; House Document No. 555, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 9, line 19, after the name "House", to strike out "Document No. 221" and insert "Documents Nos. 221 and 282", so as to read:

Mobile Harbor, Ala.; House Documents Nos. 221 and 282, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 9, after line 21, to insert:

Dauphin Island Bay Channel, Ala.; House Document No. 333, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 9, after line 23, to insert:

Waterway connecting the Tombigbee and Tennessee Rivers, in accordance with the recommendation of the Board of Engineers for Rivers and Harbors in the report submitted in House Document No. 269, Seventy-sixth Congress;

Mr. VANDENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrnes	Gerry	Johnson, Colo.
Ashurst	Capper	Gibson	King
Austin	Caraway	Gillette	La Follette
Bailey	Chandler	Glass	Lee
Bankhead	Chavez	Green	Lodge
Barbour	Clark, Idaho	Guffey	Lucas
Barkley	Clark, Mo.	Gurney	Lundeen
Bilbo	Connally	Hale	McKellar
Bone	Danaher	Harrison	McNary
Bridges	Davis	Hatch	Maloney
Brown	Donahey	Hayden	Mead
Bulow	Ellender	Herring	Miller
Burke	Frazier	Hughes	Minton
Byrd	George	Johnson, Calif.	Murray

Neely	Reynolds	Smith	Tydings
Norris	Russell	Stewart	Vandenberg
Nye	Schwartz	Taft	Van Nuys
O'Mahoney	Schwellenbach	Thomas, Idaho	Wagner
Overton	Sheppard	Thomas, Okla.	Walsh
Pepper	Shipstead	Thomas, Utah	White
Pittman	Slattery	Townsend	Wiley
Reed	Smathers	Truman	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. VANDENBERG. Mr. President, I listened with complete sympathy and approval to the eloquent tribute which my able and distinguished friend, the Senator from North Carolina [Mr. BAILEY], paid to the waterway developments and the waterway opportunities of the United States. I think I am undoubtedly as waterway-minded as is any other Senator in the body, because I live in the midst of one of the greatest water developments in the world. I would not for a moment rise in opposition to this complete bill if it were not for the fact that I think it includes indefensible items, on the one hand, and because, on the other hand, I think it is basically indefensible, at a time when the Treasury is worse than bankrupt, for us to talk about new river and harbor development projects upon any such exaggerated scale as the pending bill represents.

Let us look at the history of the bill from a few angles to which my able friend did not refer. In the first instance, when the bill passed the House, in May 1939, it carried projects totaling only $83,000,000 for all navigation, power, and flood control. When it came to the Senate and was referred to the Senate Committee on Commerce, the Committee on Commerce loaded it down with everything in sight, and ran up an authorization bill approximating $400,000,000. It multiplied the House bill by about 5.

The bill came to the Senate Calendar and it stayed there. It was too much even for its own authors to swallow. It was never brought up. There was never any effort to bring it up. The bill languished. There were none to do it reverence. It was indefensible.

Then came the recess of the Congress. The bill was recommitted to the Committee on Commerce, because everyone knew that even the wildest spender could not get a sufficiently tight clothespin on his nose to enable him to go past this outrage as it was originally proposed to be perpetrated. So the bill went back to the Committee on Commerce.

Then the Committee on Commerce, under the guidance of the very able Senator from North Carolina, hit upon a very clever scheme. They decided to divide the bill, like all Gaul, into three parts. They decided to put navigation over by itself, flood control over by itself, and power projects over by themselves, in this fashion making the total reported to the Senate in each one of the three bills less staggering, less challenging in the utter impact of its size, than if the original plan had been pursued, and all had again been bunched together. But the pending bill, representing navigation, is just as big in respect to the navigation section of the bill as it was originally reported by the Senate Committee on Commerce as it was last summer.

The effort was made by this separation to sugar-coat a very bitter pill. The effort was made to make the burden less apparent, and therefore the pill more palatable. But here it is, with $231,000,000 of navigation authorizations, at a time, I repeat, when the Congress is supposed to be economy-minded, at least occasionally economy-minded, and when everyone who dares face facts realizes that unless we watch our step we shall run squarely into national bankruptcy. That is not my phrase; it is the phrase of the President of the United States, and he prophesied it 7 years ago, since which time our speed in the direction of bankruptcy has been nothing less than pell-mell.

Mr. President, in my judgment, under the existing circumstances Congress simply cannot afford to pass a navigation authorization bill carrying projects totaling $231,000,000. When the bill was before the Committee on Commerce, the committee authorized the chairman and the senior Members on each side of the aisle to consult the President of the United States to see what his attitude would be respecting an authorization of this magnitude at this particular time. It was deemed advisable to determine whether a bill of this size and challenge really stood any show of getting by the White House, even if it got by the Congress. The able chairman of the committee reported back to us that the President did not want any authorization bill at all at this session, and that probably an authorization bill of the nature of that which here lies upon the Senate bar would meet with a Presidential veto.

Mr. President, that may be of no particular moment to us in the exercise of our legislative function. Certainly I am not one to plead for the Presidential point of view. I am referring to this phase of the matter merely because of the practical fact that there are river and harbor projects which should proceed, and every one of them is going to be sacrificed if they are included in an omnibus of this size. In the lush twenties we rarely averaged an annual rivers and harbors authorization bill carrying in excess of $50,000,000. Yet in the bankrupt forties it is proposed that we swallow in one gulp an authorization of $231,000,000. So far as I am concerned, I simply decline to do it—reluctantly, because the area of the country from which I come is represented in the bill, represented by what I believe to be worthy projects; but I know the bill will never survive in its present form, and I have the complete conviction that it should not survive.

Mr. President, I think that until we have found a way to pay for existing Federal projects we should cease authorizing any new Federal projects. Therefore, from my point of view, the only river and harbor authorizations which would be justified under existing circumstances would be authorizations confined to existing projects and their essential expansion and development.

I wish to personify my feeling about the bill by confining my remarks to the pending amendment, because, from my point of view, the waterway connecting the Tombigbee and Tennessee Rivers, in accordance with the recommendation of the Board of Engineers for Rivers and Harbors, in the report submitted in House Document No. 269, Seventy-sixth Congress, emphasizes the reason why the pending bill is not entitled to be passed at the present time. So I ask the Senate to look very briefly through my eyes at the Tombigbee project as I view it.

The cost is set down in the bill at $66,000,000. It is the biggest single item in the bill. The real cost, including interest during construction, will be $75,000,000. Therefore, in reality it is a $75,000,000 project, and I shall refer to it as such, although the trifling difference of $9,000,000, I fully realize, is really pocket change in this prodigal day.

The project calls for a perpetual annual upkeep charge of $500,000. I shall undertake to show that a realistic view of its economic justification, or lack of it, crowds zero. On the basis of the engineers' own report approving it, I shall undertake to show that it is condemned even by its own alleged credentials.

By the way, the present so-called favorable report of the Board of Engineers was preceded by four other reports, in 1913, 1923, 1932, and 1935, and all the other four reports were unfavorable. Now suddenly we get a favorable report. But the Chief of Engineers does not actually and affirmatively recommend the project. The T. V. A., which is incidentally involved, does not recommend it. The National Resources Board, which has passed upon it, does not recommend it. Simple arithmetic rejects it. Only in the prodigal spirit of these times is it proposed.

Mr. REED. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. REED. I may suggest to the Senator from Michigan that the T. V. A. reported that this project, if approved and completed, would lessen the value of power from the Gilbertsville Dam $100,000 a year.

Mr. VANDENBERG. Mr. President, I am coming to that in due course.

The Tombigbee project about which we are talking is a waterway substantially paralleling the Mississippi River. It involves 41 miles of canal, 18 locks, 8 dams, 200 miles of river

drainage and channel from Pickwick Landing, Tenn., to Demopolis, Ala., 260 miles long, I repeat, substantially paralleling the Mississippi River, and costing $75,000,000.

First, what does the Chief of Engineers himself say about this project? The able Senator from North Carolina [Mr. BAILEY] has emphasized our necessary reliance upon the reports of the Chief of Engineers. What does the Chief say about Tombigbee? Well, the very best he does, or even attempts to do, is to damn it with faint praise. He makes no affirmative recommendation. He simply rides along with his Board. He specifically questions one-third of the economic justification claimed by his own Board. He specifically says that the whole case hangs on "intangibles" and "indirect benefits." Those are his words, not mine. The Chief of Engineers, who is supposed to be the important witness in behalf of this undertaking, says some of the factors to which I have referred—

> Are difficult to evaluate and appear to be questions falling within the realm of statesmanship to which the Congress can best assign the proper values.

In other words, the Chief of Engineers frankly leaves the decision to Congress. It is a very strange report. I doubt if we have ever before had the like of it. It is a weak and feeble reversal of the four previous adverse reports. As a matter of fact, it is no reversal at all. The Chief of Engineers frankly admits that the navigation benefits assigned to this project by his own Board are insufficient to justify the $75,000,000 expenditure.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. CONNALLY. I am not familiar with the particular project on the Tombigbee, but the Senator from Michigan suggested some time ago the inadvisability of adopting these authorizations at this time. Is it not true that all an authorization does is to make the Senate capable of adopting an appropriation measure or not adopting an appropriation measure later on in the progress of these works?

Mr. VANDENBERG. That is correct.

Mr. CONNALLY. It does not bind the Government?

Mr. VANDENBERG. That is correct.

Mr. CONNALLY. Many of these projects, I assume, will continue for a period of 8 or 10 years?

Mr. VANDENBERG. That is correct.

Mr. CONNALLY. That would be true in the case of the St. Lawrence project proposed to be undertaken under a treaty; what was the date of it?

Mr. KING. Its cost would have reached four or five hundred million dollars.

Mr. VANDENBERG. We did not make an appropriation.

Mr. CONNALLY. I mean there was an authorization and then a proposal for undertaking the work, which would progress and extend from year to year and involve an aggregate of four or five hundred million dollars.

Mr. VANDENBERG. Probably.

Mr. CONNALLY. How did the Senator vote with respect to that matter?

Mr. VANDENBERG. The Senator voted in favor of ratifying the treaty and is in favor of all waterway projects which are economically justifiable. He is almost willing to say that he would rest his case on the judgment of the Senator from Texas himself if the Senator will listen to what the Senator from Michigan has to say regarding economic justification in connection with this particular undertaking.

Mr. CONNALLY. I will say to the Senator from Michigan that I certainly expect to listen to him. I confess that I know very little about this particular project, but I do know something about some of the other projects.

Mr. VANDENBERG. I am talking about this one at the moment.

Mr. CONNALLY. If I were to take advice with respect to an engineering project, I think I would give a little more weight to the opinion of an engineer than I would to that given by a blacksmith or a watchmaker——

Mr. NORRIS. Or a Senator.

Mr. CONNALLY. Yes; or a Senator, as the Senator from Nebraska suggests.

Mr. VANDENBERG. I am sure the Senator would want to pay far more attention to the report of the Chief of Engineers than to any of the other factors.

Mr. CONNALLY. I say that with all respect to the Senator from Michigan. I realize that the Senator from Michigan is a student and has a good mind, and he frequently knows what he is talking about. [Laughter.]

Mr. VANDENBERG. Yes; particularly at this moment. I suggest to the Senator from Texas that I have just completed reading the report of the Chief of Engineers, and he himself throws a serious doubt upon the dependability of the ultimate calculations presented by his own Board of Engineers.

So far as the question of easily and complacently slipping an authorization into a legislative measure is concerned, on the theory that it does not amount to anything, that we can easily retrace our steps, and prevent Congress from going over the precipice in the last minute by voting against an appropriation, that theory does not appeal to me at all, because in the 12 or 13 years I have been here I have not seen an authorization which did not settle the whole business, and did not involve the entire expenditure.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. CLARK of Missouri. Is it not true that at this very session of Congress we have seen a very admirable illustration of the binding effect of authorizations? When the bill making appropriations for the independent offices came into the House the House cut out an item—I believe it was $66,000,000, though I am not certain about the sum—for the construction of ships under the Maritime Commission, because the Congress felt that at this time, when economy was necessary, it was not desirable to pursue the policy of constructing ships. When the bill came over to the Senate the item for the construction of ships, running into many millions, had to be restored, because the Senator in charge of the bill, the distinguished Senator from South Carolina [Mr. BYRNES] appeared on the floor of the Senate and said it was necessary to make the appropriation because, under authority heretofore granted, contracts had been entered into, the ships were actually under contract, the solemn obligations of the Government were at stake, and, therefore, it was necessary to make the appropriation.

While I was very much opposed to the policy of constructing the ships, yet feeling that a question of national good faith was at stake, I voted very reluctantly for that appropriation.

Mr. VANDENBERG. I thank the Senator for his observation. He makes the case very plain.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. ADAMS. Let me give another illustration. During the week I opposed an appropriation for some additional locks on the Panama Canal. The majority leader told me that Senators had very little right to oppose the measure, because the project had been authorized.

Mr. VANDENBERG. Exactly. The authorization is always taken as a key to the Treasury, and it does not take long to fit the key into the lock after the authorization is made.

Mr. President, I have referred to the report of the Chief of Engineers, and I have asserted that this is a very strange report from the Chief of Engineers, because it lacks any affirmative recommendation, and seriously questions the report of the Board itself in at least two particulars, to which I shall advert.

This brings us to the report of the Board of Engineers itself, mind you, reversing four successive preceding reports of the same Board. I said to the able Senator from North Carolina earlier in the day, in the course of the debate, that I would undertake to prove in at least this instance that the mere announcement by the Board of Engineers that a project was

economically justified did not prove that it was economically justified, and that I would undertake to make that plain, which I am about to do in this instance.

Fortunately for a bankrupt Treasury, Mr. President, the report of the Board of Engineers for rivers and harbors on this project is susceptible of mathematical proof that ought to reach a conclusion the exact opposite of what it purports to recommend. Since $75,000,000 is still a large amount, I hope the Senate will follow me through this very simple analysis.

The Senate is familiar with the way the Board of Engineers for rivers and harbors measures the economic justification of a river and harbor project. It estimates what it considers to be the annual cost factor, which is not merely the cost of maintenance and operation, but the cost of amortization, capital investment, and so forth, allocated over the years. It sets up the figure of annual cost upon the one hand, and then estimates economic justification upon the other. The economic justification figure must exceed the annual cost figure in a substantial degree in order to warrant approval. That is the formula or rule, and that is the way it works.

What are these two figures in connection with the Tombigbee project? The annual cost figure is $3,500,000. The annual economic justification figure is $4,100,000. In other words, they staggered over the line of actual cost of $3,500,000 by a margin of only $600,000. The ratio between annual cost and annual benefits was a thin ratio of 1.16 to 1.

If all the justification thus pretended by the Board of Engineers were realized, still the project itself would not be justified on a benefit ratio of only 1.16 to 1, because that ratio possesses far less of an element of economic safety in justification than is usually permitted. But not even half the economic justification presented by the Board of Engineers for rivers and harbors in an attempt to build up this figure can be sustained; and I undertake to prove that assertion right now.

Let us see how the $4,100,000 of economic benefit is conveniently built up in connection with the report. Remember this is a navigation project. First, $600,000 is entered on the line in behalf of our old friend the national defense. I think this is the first time in the history of river and harbor projects that national defense has been claimed as an item of economic justification. I have been able to find no precedent for it; and the engineer officer who was before our committee could give me no precedent. It is an utterly novel method of padding economic justification. It is purely hypothetical at best. It has absolutely no place in the type of calculation which the Board of Engineers for Rivers and Harbors are in the habit of making when they measure the economic justification of river and harbor projects. So there is $600,000 of padding to start with.

Then they put in $100,000 for "recreational value." Mr. President, I have no doubt that in the two-hundred-and-ninety-odd miles of canal somewhere, somehow, at some time some recreational value may be involved; but recreational value is not an economic benefit in respect to navigation under the practice of the rivers and harbors enginers in figuring economic justification.

They then lug in another extraneous item—$275,000 for "enhancement of land values in tributary areas." That is a new idea in respect to economic justification for river and harbor projects. I have no doubt that the expenditure of $75,000,000, filtered down through the two States, would result in an enhancement of land values in tributary areas, and the enhancement of many other tributary values of one sort and another; but what has that to do with an assessment of navigation advantages? When before did the Board of Engineers for Rivers and Harbors ever inject this sort of an item into its calculations in arriving at a total to justify a river and harbor project?

These three items total $975,000. They have absolutely no relation to transportation. Take the $975,000 away from the $4,100,000 of claimed annual benefits, and we are left with $3,125,000 of alleged annual benefits, or $375,000 under the deadline of economic justification fixed by the engineers themselves. We are already under the deadline by the simple process of eliminating factors which have no relationship to transportation, and which ordinarily are never used by the Board of Engineers for Rivers and Harbors in figuring economic justification. If we eliminate those factors, we cease to have justification on the basis of the engineers' own report.

But, Mr. President, we have only started to debunk this project. We now come to transportation. In figuring transportation benefits, $1,000,000 of benefits are assessed to traffic which is to be diverted from the Mississippi River. In other words, $1,000,000 worth of traffic which is now on the Mississippi is to be transferred to the Tombigbee. That $1,000,000 worth of traffic has been counted once to justify a Mississippi development. It is now to be transferred to the Tombigbee, and again counted to justify a Tombigbee project. In other words, we are building one waterway to compete with another, and we are certanly doing it at a time when we can ill afford any extravagance of this or any other nature. Even the Chief of Engineers, Mr. President, the witness whom my distinguished friend from Texas [Mr. CONNALLY] is so anxious to follow, lifts a cynical eyebrow at this point.

I read from the report of Major General Schley on this project, the thing upon which reliance must be had in asking for the project at all. This is the Chief of Engineers speaking:

> The estimate of saving of $1,000,000 to upbound traffic on the Mississippi River results from a thorough study, and I do not doubt that such a saving would result—

But listen to this from the Chief of Engineers:

> but I doubt the wisdom of dependence upon diversion of any considerable part of the Mississippi River traffic to justify this new project, even though the credit is confined to the additional saving in transportation costs.

"I doubt the wisdom" of this $1,000,000 item, says the Chief of Engineers himself. Yet, Mr. President, when we take that $1,000,000 out of the economic justification we have left, we are now down to $2,125,000 economic justification against an annual cost of $3,125,000; and we have only started.

Let us see what happens next. Let us look at the conjured benefits by way of lowered transportation costs. Fifty-two percent of the alleged savings in transportation costs is allocated to savings in the cost of transportation of gasoline.

Mr. President, even prior to the filing of this report by the Chief of Engineers a year ago, the railroads in this area had petitioned the Interstate Commerce Commission for the privilege of reducing their rates on transportation of gasoline. I will not say that they may not have been inspired to do so by the prospective contemplation of water competition. Their own statement is, very frankly, that they were inspired to do so by the existing water competition on the Mississippi River. At any rate, the railroads asked the Interstate Commerce Commission to permit them to reduce their freight rates to a point which would fully equalize all the additional saving which is figured in the economic justification of this project.

What happened? The Commission entered an order permitting a heavy reduction in railroad rates on these particular commodities, the reduced rates to become effective May 13, 1940. This is what happened as a result:

> The Army engineers, using some basis which is not clearly disclosed in their report, estimated that the Tombigbee waterway would result in a saving of $2.14 per ton on petroleum products moving between the New Orleans-Baton Rouge district and the Tennessee River points.

Remember that figure. They estimated a saving of $2.14 a ton as a result of the Tombigbee project. Now listen:

> The average reductions in the rail rates which have been authorized by the Commission and which will take effect May 13, will amount to $3.06 per ton.

In other words, all the advantage which was allocated to a saving in gasoline transportation, another million dollars, is already entirely offset and more by savings in rail transportation rates on the same commodities into the same areas.

Mr. President, that does not leave very much economic justification. The $4,100,000 has gradually dissipated itself until there is only $1,000,000 left. I do not know what would

happen if we undertook to put a microscope upon the final million; I spare myself that painful operation; I am willing to let the million stand; but how can an economic justification of $1,000,000 a year warrant an authorization for a $75,000,000 project which requires an economic benefit of three and a half million dollars a year in order to pass muster under the rule and the report of the Board of Engineers themselves?

Now, let us turn to another authority. Let us turn to the National Resources Committee. The National Resources Committee on April 7, 1939, had something to say about this subject. Secretary of the Interior Ickes, the chairman of the board, is reporting to the Secretary of War upon this project. He tells the Secretary of War about the comments of the water resources committee of the National Resources Committee. I read from the official report:

The report of the Chief of Engineers addressed to the chairman of the House Committee on Rivers and Harbors, February 27, 1939, concerning the proposed waterway connecting the Tombigbee and Tennessee Rivers, does not specifically recommend the construction of the waterway.

That is what I said, and here it is verified and proved by an official verdict of an important arm of the Government. Continuing the quotation:

It confirms the estimate by the special board—

And so forth. Now listen:

In the opinion of the water resources committee, the benefits ascribed to national defense, land value, and recreation are speculative and should be given careful scrutiny as to the effect that their acceptance may have upon the formation of national policy.

The National Resources Committee does not swallow this report of the Board of Rivers and Harbors Engineers; it does not follow these fantastic factors that are padded into the calculations to justify the enterprise; not at all; the National Resources Committee says, "You had better look this thing over again."

Then the National Resources Committee makes a very important comment dealing with the fact that the chief claimed economic benefit was to be in a saving in the transportation of gasoline, as the Senate will remember. Now listen to the National Resources Committee:

A further basic issue of policy is raised by the relation of the proposed water-transportation facilities in this project to the most effective coordinated system of water, railway, highway, and pipeline facilities to serve the transportation needs of the region.

The report of the special board states in paragraph 35 that "the principal railroads serving the Southeastern States furnish adequate facilities either through or into the territory adjacent to the proposed waterway." A major economic justification claimed for the project is its prospective effect on rail rates. The report indicates that 25 percent of the estimated tonnage and 52 percent of the estimated savings are applicable to petroleum products moving chiefly from the Gulf to Tennessee River points. In view of this large percentage of saving attributable to petroleum products—

Now listen: this is the important part—

In view of this large percentage of saving attributable to petroleum products the possible transportation of these commodities by pipe line in the future should be given consideration.

In other words, even though this particular element of claimed economic benefit had not already gone out the window as the result of the order of the I. C. C. in respect to competing rail rates, it would be an utterly unreliable crutch, in view of the fact that the accepted modern technique in the transportation of gasoline is by pipe line.

Then the National Resources Committee concludes as follows:

These and similar problems should be considered more fully—

More fully—

if a sound conclusion is to be reached concerning the justification for the project in relation to transportation needs and facilities of all types in the region.

It is recommended that in addition to the current review by the Tennessee Valley Authority these transportation problems be investigated by the Interstate Commerce Commission with a view to advising the President and the Congress on them.

Mr. President, there is the indictment of the National Resources Committee, over the signature of Secretary Ickes, addressed to the Secretary of War.

Now, let us turn to another authority—the Tennessee Valley Authority. I certainly am not entitled to be considered a spokesman for the T. V. A.; I freely concede that; but the T. V. A. happens to appear in this record, and when I survey a record I like to survey all the record. So the T. V. A., on April 4, 1939, withholding approval of this project, gave this warning:

The diversion of water from the Tennessee River will cause a reduction in the power which can be generated at Pickwick and Gilbertsville Dams. The estimates given in the report indicate a maximum diversion of 400 cubic feet per second from Pickwick Reservoir. This would have a value for power generation of about $100,000 annually.

So, Mr. President, if that estimate be correct, we have a further charge against this project—a charge of diversion of value from another Federal undertaking which we find in competition not only with transportation on the Mississippi but in competition with the use of water in this particular sector of the T. V. A. development.

This was back in April 1939. I wanted to be sure that there was no supplemental information which might have changed the picture, so I telegraphed the T. V. A. yesterday for a final answer. From Gordon E. Clapp, its general manager, I received the following telegram this morning:

KNOXVILLE, TENN., *April 23, 1940.*

Senator A. H. VANDENBERG,
United States Senate, Washington, D. C.:

Retel April 22: The Authority has had no occasion to restudy the Tombigbee project. Our estimate of power loss account diversion of water from Tennessee River to supply lockage and leakage for Tombigbee project therefore remains as stated in letter to Secretary of War dated April 4, 1939.

TENNESSEE VALLEY AUTHORITY,
GORDON E. CLAPP, *General Manager.*

And, as stated in that letter, it is a diversion of water to a power value of $100,000 a year.

Mr. President, I frankly confess that in presenting this to me, rather amazing case up to this point, I have ignored the greatest of all the arguments that were presented to the Commerce Committee in behalf of this enterprise. In complete fairness, I do not want to overlook it. It may be called the iodine argument. Among the witnesses appearing before the Commerce Committee in behalf of this undertaking was one of my very dear friends in the House of Representatives, the very distinguished Representative from Mississippi [Mr. RANKIN], who honors me with his presence at the moment. I read from Representative RANKIN's testimony on page 74:

Congressman RANKIN. I would say this, Senator—I am sorry that the Senator from Michigan isn't here—I am going to say to you that one of the greatest troubles in this country today, and especially along the Great Lakes, along this area here [indicating] is that a lot of the people have thyroid trouble because there is no iodine in the soil. The freight rates are so high that you can't ship Florida fruit there, and that is the only way I know of to prevent it.

* * * * * * *

Senator BAILEY. How do you relate that to the Tombigbee River project?

Congressman RANKIN. I was merely pointing that we could ship these fruits north, even if they had to give a special reduced rate to get them there.

In other words, Representative RANKIN was appealing to me, I am sorry to say, in my absence, that if I would only support the Tombigbee project we would not have any more thyroid trouble in the region around the Great Lakes.

He was interrupted at that point by the Senator from North Carolina [Mr. BAILEY], who said, "Well"—and then there is a blank in the printed record, but I happen to have a newspaper report of what actually occurred, and the Senator from North Carolina said:

Well, you know, John, you don't give a damn how many of those Yankee Republicans die.

[Laughter.]

Mr. President, whether it is the iodine element or any other, I fail to find a scintilla of justification for the Senate, upon its responsibility to the taxpayers of the United States, to inject into this bill a $75,000,000 project authorization for which there is not, and cannot be, an economic justification

which warrants it. Even if we had a flush Treasury, this project would not be justified on its own showing. With a bankrupt Treasury, plus a surplus of transportation, and bankrupt railroads everywhere, there is no possible color of justification.

Therefore I have risen to speak against the amendment. I hope it will be defeated. I submit it as a typical example of the reason why this bill, as a whole, should not pass the Senate at this precaricus time.

Mr. MALONEY. Mr. President, I had expected to discuss in some detail the particular amendment which has been under discussion by the Senator from Michigan. Because he has covered the subject so thoroughly and ably, I shall not do much more than associate myself with his remarks.

I do, however, wish to make at least one observation, hoping that it may make some impression upon the Members of the Senate, and particularly by those whose States might be favorably affected by projects in this bill.

I was at least partially responsible for the recommittal of the former bill because it was on my motion that the very large river and harbor bill to which the Senator from Michigan referred was recommitted to the Commerce Committee, and I was among the four Members who voted against a favorable report of the bill now before the Senate. Because there are in the pending bill several projects of considerable importance within my own State, I should like to say that I had been hopeful that we could pass a river and harbor bill this year, so I also made a motion in the committee to report the House bill in the form in which it had come to the Senate. If my memory correctly serves me, the bill, as it came from the House, carried in the neighborhood of $80,000,000. So, Mr. President, because I am concerned with economy—although it is difficult to make that argument when one votes for large appropriations for national defense and insists upon sufficient appropriations for the relief of those in need—I say that I think we might properly economize in a bill of this sort.

I agree with the Senator from Michigan that there are in this bill some projects which ought to advance. Some of them are of great importance and are partially completed. So when I vote against this bill, as I shall if this particular project remains in it, I find myself in the position of voting against at least half a dozen authorized, approved, and, in my opinion, worth-while and needed projects in my State. I also know—and I hope he will not be offended as I refer to it here—that at least one other member of my party, the only other member of my party who voted against the bill in committee, probably finds himself in a position comparable to mine, and will, if he votes against the bill—as I think he will—be voting against a project almost in his own front yard, with which he is very greatly concerned.

There has been, for a long time, a way around such a difficulty as that in which we find ourselves this afternoon. Early in January, on the second day of this session, as a result of experiences I had had in the Commerce Committee with such proposals as that which we are now discussing, I submitted a resolution which would have made it impossible for the Tombigbee project, and other like projects, to be in a river and harbor bill this afternoon. For the RECORD, and as a reminder to Senators, I am going to read that resolution, which was submitted on January 4:

Resolved, That hereafter the Committee on Commerce shall not report any bill relating to works of improvement of rivers, harbors, and other waterways, or relating to flood-control projects, containing any amendment which authorizes the prosecution of any such work or project the total cost of which will exceed $5,000,000; and if a bill is reported to the Senate containing any such amendment, a point of order may be made against the bill, and if the point of order is sustained, the bill shall be recommitted to the Committee on Commerce.

Mr. President, let me say again that the purpose of that resolution was to avoid a situation such as this; to protect the smaller and very necessary projects; not to deny a consideration of the larger projects but to insist that they stand upon their own feet and that they be considered alone, and in order that no such project as Tombigbee should be permitted to smother smaller and worth-while and deserving projects.

This resolution was referred to the Committee on Rules. The Committee on Rules, out of courtesy to the Committee on Commerce, referred the resolution there for an opinion, and it was defeated, as I remember, by a tie vote.

I am not going to detain the Senate longer. I am very hopeful that this particular amendment may be defeated, and that I may have a chance and other Senators opposing this amendment may have a chance to vote for a river and harbor bill.

Mr. AUSTIN. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BROWN in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	La Follette	Schwartz
Ashurst	Davis	Lee	Schwellenbach
Austin	Donahey	Lodge	Sheppard
Bailey	Ellender	Lucas	Shipstead
Bankhead	Frazier	Lundeen	Slattery
Barbour	George	McKellar	Smathers
Barkley	Gerry	McNary	Smith
Bilbo	Gibson	Maloney	Stewart
Bone	Gillette	Mead	Taft
Bridges	Glass	Miller	Thomas, Idaho
Brown	Green	Minton	Thomas, Okla.
Bulow	Guffey	Murray	Thomas, Utah
Burke	Gurney	Neely	Townsend
Byrd	Hale	Norris	Truman
Byrnes	Harrison	Nye	Tydings
Capper	Hatch	O'Mahoney	Vandenberg
Caraway	Hayden	Overton	Van Nuys
Chandler	Herring	Pepper	Wagner
Chavez	Hughes	Pittman	Walsh
Clark, Idaho	Johnson, Calif.	Reed	White
Clark, Mo.	Johnson, Colo.	Reynolds	Wiley
Connally	King	Russell	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. REED. Mr. President, I rise to support the position taken by the distinguished senior Senator from Michigan [Mr. VANDENBERG] in opposition to the fantastic project covered by the pending amendment. Except for the fact, as stated by the distinguished Senator from North Carolina [Mr. BAILEY], the chairman of the Committee on Commerce, that the elements of flood control and power development had been taken out, leaving the bill to deal alone with navigation, which is transportation, I would have had more hesitation in speaking upon the subject. I think I know a little about transportation, particularly economic transportation.

It has been stated here that the Army engineers' report set out that 52 percent of the savings in transportation costs would be effected on petroleum products. I wish to read from the testimony of the traffic manager of the Standard Oil Co. of Kentucky, which company does business in the particular section affected, testimony under oath before the Interstate Commerce Commission on February 20, 1939, as to how the so-called saving is disposed of. I shall read only a few paragraphs, in order to save the time of the Senate, and then I shall ask permission to insert that part of the testimony dealing with this question.

Mr. Arthur M. Stephens, general traffic manager of the Standard Oil Co. of Kentucky, appearing before the Interstate Commerce Commission on February 20, 1939, and dealing with this very question, stated:

As to our inland waterways terminals, we usually amortize them within 2 or 3 years. In other words, the money we make on our water terminals we put in our pocket. We don't pass it on to the consumer. No other oil company does, that I know of.

Further on Mr. Stephens said:

We have found that none of the other companies are passing any of this money on to the consuming public.

Finally he was asked this question:

What would you say the probability was in the event that rail rates were reduced? Would that be passed on to the public?

This was the reply of Mr. Stephens, who is an expert traffic man, speaking for one of the great oil companies of the country; and I am especially glad that my distinguished friend the senior Senator from Minnesota [Mr. SHIPSTEAD] is pres-

ent, because he has emphasized this question over and over again:

Our market is determined on the rail rates. That is the only basis we use.

And finally:

The public is not getting any benefit of those rates.

Referring to the water rates—

I don't think there is one company that does it.

Mr. President, I ask unanimous consent that a more complete statement of what Mr. Stephens testified under oath be included in the RECORD at this point.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[Interstate Commerce Commission, Fourth Section Application 17413. Gasoline and kerosene to Alabama, rate-structure investigation. Petroleum and petroleum products. Hotel Peabody, Memphis, Tenn., February 20, 1939]

Arthur M. Stephens, general traffic manager, 430 Bloom Street, Louisville, Ky., appearing for Standard Oil Co. of Kentucky.

Page 246:

As to our inland waterways terminals, we usually amortize them within 2 or 3 years. In other words, the money (247) we make on our water terminals we put in our pocket. We don't pass it on to the consumer. No other oil company does, that I know of, except where there is price competition, and naturally, in that condition, we have a depreciation set up that may last for 10 years, but in the meantime we have fully amortized the investment shown in our accounting procedure, and the economy that we realize is credited to the P. & L. account for margin.

Page 264:

Q. (By Mr. Beck). Mr. Stephens, with regard to the possibility of imposition of tolls on these rivers, has that received full consideration of your company in dealing with these matters? That is, do you view things like that for any particular time in the future?

A. Oh, yes. We exercise our judgment and foresight in the consideration of all these matters. We have found (265) that none of the other companies are passing any of this money on to the consuming public.

Now, as one instance in mind. I have before me at the present time a statement of the market price delivered to points in northern Georgia, to which you move gas out of Gunersville, for instance, at Dalton, when you first began operation, the market price at Dalton was 18 cents, that is the posted market on May 8, 1938. In December 1938 it was 17.5, reflecting a reduction in the refined market at Shreveport, and the Gulf coast, and it represents a one-half-cent reduction entirely in the tank price, so far as dollars are concerned. In other words, Mr. Beck, we have not seen any passage of this savings to the consuming public. We have examined the markets at Dalton, Fort Payne, Cedar Bluff, etc., and we have not found that any of that has been passed on to the consumer.

Q. And there are other cases, though, where you could find just the opposite conditions?

A. No. I have not. I have tried to, but I cannot.

Q. It may be that your company is not operating in that territory?

A. We are observing the posted price that your company or some of others are making. We don't know anything about it, but the posted price remains.

Q. I can agree with you that the transportation charge does not necessarily determine the price, and I don't see that it is going to be persuasive of anything in this case.

A. Well, I hope not.

Mr. BECK. That is all.

Q. (By Mr. Hausman). Mr. Stephens, your comment as to the barge operations of the Gulf Co., when you pointed out that the savings was not passed on to the public, would you say—what would you say the probability was in the event that rail rates were reduced? Would that be passed on to the public?

A. Well, our market is determined on the rail rates. That is the only basis we use.

Q. And that will be passed on to the public?

A. Yes, it will.

Mr. BRENT. From 47 cents to 21 cents?

The WITNESS. Of course, the general direction or the price of gallonage would be probably to 15 cents from 18 cents, but we are meeting a lot of competition from waterway operators, and we may be forced to go to water terminals ourselves, against certain competition that may develop later on. I will state in that connection that I think the records will show this for the Kentucky company.

Q. Was any modification of the price made at Paducah and Louisville when you started barging from Baton Rouge?

A. No; and I am going to tell you that we put the money in our pocket like everybody else did.

I might state, Mr. Hausman, we built a terminal at Vicksburg, Miss., that cost us about $200,000, and the differences between the Baton Rouge rates to all of the stations supplied out of Vicksburg, and the economy has been $500,000. Today, that terminal is still carried on our books as capital investment, although it has been amortized 2 years ago. It is carried on our books and depreciated 10 percent a year, and we put the money in our pocket. We get this gallonage up to Louisville, Ky., and it is distributed from there under the basis of water rates to Kentucky, except where we have to make them to meet some other water competition. The public is not getting the benefit of those rates. I don't think that there is one company that does it.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. SHIPSTEAD. I have no doubt that what the representative of the Standard Oil Co. said was true. He was speaking of cargo and private carriers owned by the large corporations. I think it can be shown that refers also to coal on the Great Lakes hauled by cargo and contract carriers, and this practice is aggravated by the Coal Commission Act.

Mr. REED. And it applies to steel, if I may interrupt the distinguished Senator.

Mr. SHIPSTEAD. And also to steel. I believe, however, that the Senator from Michigan showed that because there was threat of water competition the railroads had cut the rate on gasoline, and that, of course, would reduce the price to the public. On the other hand, this is the situation as to water carriers: Only 4 percent has so far been carried by common carrier, and 96 percent is carried and controlled by private and contract carriers, by the large monopolistic corporations, who, of course, take advantage of that.

The tragedy is that under the Wheeler-Lea bill we are to regulate only common carriers by water for the benefit of the railroads. We are not going to touch, under that bill, the great monopolistic cargo and contract carriers, which carry 96 percent of the traffic, and which do not extend the benefits to the public. The only way the public can get benefits of water transportation is by the encouragement of common carriage, or we will have to regulate and fix the rate of the cargo and contract carriers, in order to give the public the benefit of the money expended upon these waterways.

If we are going to regulate only for the benefit of the railroads, the 4-percent carriage by common carriers, the chances are it will mean that the little common-carriage companies will have to sell their barges and other equipment to the private, monopolistic corporations, and then there will be no benefit to the public from water transportation. I submit that to the Senator from Kansas.

Mr. REED. Mr. President, last year when the Senator from Minnesota was discussing the question of fixing a delivered price, and considering the element of whether the rail rate or the water rate entered into the delivered price, both the distinguished Senator from Montana [Mr. WHEELER] and I told him we thought the proper place to raise that question was before the Federal Trade Commission, and that if he desired to introduce a bill to that effect, he would have the support of both of us. I think the Senator's figures as to the percentage are a little bit out of line; but that, after all, is not very important.

I am sorry that the distinguished Senator from North Carolina [Mr. BAILEY], the chairman of the Commerce Committee, is not in the Senate Chamber at the moment. Whenever an Army engineer, individually or by committee, makes a report as to economic benefits, he must, with fair accuracy, estimate the tonnage that will be handled on the proposed project. I have before me, Mr. President, a statement which was made in a proceeding now pending before the Bituminous Coal Division of the Interior Department. I do not see present my good friend, the Senator from Pennsylvania [Mr. GUFFEY], but it is better known as the Guffey Coal Commission. This engineer's name is Haywood R. Faison. He is principal engineer with the War Department, and chief of the section of special studies for the Board of Engineers for Rivers and Harbors. He was called as a witness by the consumers counsel. Mr. Faison was asked this question:

You are quite familiar with a number of projects that have been completed. Can you tell whether any of them, to your knowledge, have ever carried the tonnage which was named as prospective when the project was undertaken.

And this engineer—and this is the most recent statement I have been able to get from an authoritative source—this engineer said:

Very few, if any. I have two in mind. Right now the Intercoastal west of New Orleans carries more than was estimated, considerably, and the Monongahela carries more than was estimated. Those are the only two I have in mind now that have ever even approached very closely the estimated tonnage.

I wish the Senator from North Carolina were present. I like to have confidence in the Army engineers. I used to have confidence in their judgment, and in their reports, but I have seen so many things of this kind, based upon reports of Army engineers, which, on their face, to any understanding and earnest man could not possibly be correct, that I regret to say I have lost my confidence in reports of the Army engineers upon projects of this kind, and I regret even more to say that I have lost confidence in General Schley, because he approves them, when his own information and his own records should tell him better.

Mr. President, I shall give a few illustrations, and only a few, because I do not want to detain the Senate, of a comparison between the Army engineers' tonnage estimates and the tonnage actually developed.

The first illustration I shall give is the Tennessee River, and that is also involved in the present case. The source is House Document No. 320, Seventy-first Congress, second session—1930—that is 10 years ago. On pages 496 and 497 is a prediction made by the district engineer that 7,682,000 tons of commerce would use the river when improved, and that by the time the improvement was completed at the estimated date of 1940, which is this year, the traffic would be double that figure. That would make over 15,000,000 tons. This part of the river covers the stretch from Knoxville, Tenn., to Paducah, Ky.

As of June 30, 1939, six dams were completed, and three were under construction, leaving one additional dam to be constructed. The engineers have not given us any estimate of how nearly completed the project is, but it is pretty nearly complete, except for one dam. The traffic on this river, from Knoxville to Paducah, for the calendar year 1938, was 1,063,814 tons. That is one-seventh of the original estimate, and one-fifteenth of what in 1930 the Army engineers estimated would be handled on that river by this year.

I shall give a further illustration. The source of this is House Document No. 238, Seventy-third Congress, second session, 1933. This relates to the Missouri River, which washes the shores and forms one of the boundaries of my own State. On page 211 of that report is a statement that in 1928 the potential water tonnage on this stretch of the Missouri was estimated at 3,729,437, and that in 1929 the engineers made a survey showing that if a 9-foot instead of a 6-foot channel was provided, the potential tonnage would be 5,389,975.

As of June 30, 1939, a little less than a year ago, the project of the 6-foot channel was 89 percent completed, and barges have been operating for some years. The last figures available are those for the calendar year 1938. I would use the figures for 1939 if I had them, but it is always about 10 months after the close of the year before the Army engineers' reports are available. The tonnage for the calendar year 1938 was 497,901. That is less than 25 percent of the tonnage estimated by the Army engineers, upon which this body made an authorization and an appropriation.

We can take the Allegheny River as another illustration. The source is House Document 356, Seventy-first Congress, second session. It was estimated by the United States Army engineers that from Pittsburgh to East Brady, Pa., on the Allegheny River, there would be carried 5,980,000 tons. As of June 30, 1939, that project was 98 percent complete. The tonnage for the calendar year 1938 was 2,353,782. That is about 40 percent of what the engineers had estimated back in 1930 as a basis for authorization and for subsequent appropriation.

I agree with the Senator from Colorado [Mr. ADAMS] and the Senator from Michigan [Mr. VANDENBERG], from my short experience in the Senate, that when an authorization is made Congress has started on the way to making an appropriation, and then we are urged to make the appropriation because the authorization has been made.

I can cite another illustration on the upper Mississippi River. The source is House Document 290, Seventy-first Congress, second session, 1930. The special engineering board predicted that from Minneapolis to the mouth of the Missouri River—that is what is known as the upper Mississippi—there would be traffic of 9,000,000 tons. As of June 30, 1939, the project was 84 percent complete. The tonnage for the calendar year was 2,598,988. That is about one-third of what the Army engineers estimated it would be.

Mr. President, I ask permission to insert in the RECORD at this point several similar illustrations which I do not want to take the time of the Senate to state.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

ACTUAL VERSUS ESTIMATED TONNAGE ON CERTAIN RIVERS

TENNESSEE RIVER

Source: House Document No. 328, Seventy-first Congress, second session (1930).

On pages 496 and 497 is a prediction by the district engineer (United States) that 7,682,000 tons of commerce would use the river when improved, and that by the time the improvement was completed (at an estimated date of 1940) the traffic would be double that figure. (This covers stretch, Knoxville, Tenn., to Paducah, Ky.) This prediction was made in January 1930.

As of June 30, 1939, six dams were completed; three were under construction, leaving one additional dam to be constructed. The engineers' report did not give an estimate of the percentage of completion, but the project must have been well on the way to completion.

The traffic on this river, Knoxville to Paducah, for the calendar year 1938, was 1,063,814 tons.

MISSOURI RIVER

Source: House Document 238, Seventy-third Congress, second session, dated September 1933.

Mouth to Kansas City.

On page 211 of report is statement that in 1928 the Department of Commerce estimated the potential water tonnage on this stretch of the Missouri as 3,729,437 tons. (This was on assumption of 6-foot channel.) Also that in 1929 the United States engineers made a survey showing that if 9-foot channel was available the potential tonnage would be 5,389,975 tons.

As of June 30, 1939, the existing project, which contemplates a 6-foot depth, was 89 percent complete.

The tonnage, for the calendar year 1938, was 497,901 tons.

ALLEGHENY RIVER

Source: House Document No. 356, Seventy-first Congress, second session, 1930.

Pittsburgh to East Brady, Pa. United States Engineers predicted traffic at 5,980,000 tons.

As of June 30, 1939, the existing project was 98 percent complete.

The tonnage, for the calendar year 1938, was 2,353,782 tons.

MISSISSIPPI RIVER (UPPER)

Source: House Document No. 290, Seventy-first Congress, second session, 1930.

Minneapolis to mouth of Missouri River. Special engineering board predicted traffic of 9,000,000 tons.

As of June 30, 1939, the existing project was 84 percent complete.

The tonnage, for the calendar year 1938, was 2,598,988 tons.

ILLINOIS WATERWAY

Source: House Document No. 184, Seventy-third Congress, second session, 1934.

Chicago to Mississippi River at Grafton, Ill. United States Engineers predicted traffic at 8,330,000 tons.

As of June 30, 1939, the existing project was 79 percent complete.

The tonnage, for the calendar year 1938, was 4,446,493 tons.

Mr. REED. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a story sent out from Washington by the Associated Press, dealing with the report of the foremost transportation authority in the United States, Joseph B. Eastman, Chairman of the Interstate Commerce Commission. Mr. Eastman has recently completed the studies he began as Coordinator of Transportation. His report is in four volumes. I ask permission to have inserted in the RECORD at this point the Associated Press story dealing with the summary of those four volumes.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRANSPORTATION SURPLUS FROM FEDERAL AID—GOVERNMENT MOST DISTURBING ELEMENT, EASTMAN CHARGES

WASHINGTON, April 14.—Joseph B. Eastman, Chairman of the Interstate Commerce Commission, contended today that public aids to transportation, totaling many billions of dollars, had resulted in a surplus of facilities and had proven in many instances of "little public benefit."

His comment was contained in a four-volume report on public aids to rail, water, highway, and air carriers. The study was begun several years ago, when Eastman was Federal Coordinator of Railroads.

Eastman said these aids "have set up repercussions felt in many parts of the transportation structure and created a demand for further public aids to offset the effects of those already given."

MORE GRIEF WOULD FOLLOW

It appeared likely, the I. C. C. Chairman added, that future assistance would perpetuate the "conditions of uneconomic competition which such aids have created." For that reason he advocated "deliberate and calculated" planning to measure future transportation needs.

"Planning in this sense has been of limited extent, partly by reason of the age of certain facilities, the pressures which have produced others, and of rapid technological changes in some cases.

"The Government itself has contributed perhaps the most disturbing of the unplanned elements."

"Regulations," he asserted, "can do much toward bringing about the objectives envisioned by planners; on the other hand, it can frustrate planning objectives."

LISTS CONTRIBUTIONS

Total principal public aids to various forms of transportation he listed as follows:

Motor vehicle, about $31,000,000,000 for highways and streets from 1921 to 1937.

Waterway improvements and related aid, $2,917,000,000 to June 30, 1936, for river and harbor improvements and maintenance, flood control, and other nonnavigation purposes.

Railroads, $1,443,000,000 through 1935, divided as follows: $1,282,000,000 "to secure the construction" of the roads, and $161,000,000 from the World War to 1936.

Air transportation, $64,654,000 public aid to scheduled air carriers in air mail subsidies; $55,777,000 for airways, airway services and airports; and $56,500,000 for aids to nonscheduled users of airways and airports.

Mr. REED. Mr. President, I wish to quote from the statement of Mr. Eastman, who is a transportation authority. No Member of this body will dispute that statement. I shall read only a part of his statement, because I wish to put the salient points into the RECORD. Later, I shall ask permission to insert Mr. Eastman's entire statement in the RECORD.

Mr. Eastman recently said, in a decision dealing with freight rates upon petroleum products—the principal item involved in the project now under consideration.

These waterways are now costing and will continue to cost the taxpayers of this country very substantial amounts annually for interest on the investment and for maintenance, inasmuch as no charge is made against the users of the waterways. If the railroad rates are reduced, the traffic will not move by the waterways, and the taxpayers' money will have been and will be spent for the purpose, so far as this traffic is concerned—

He was speaking of traffic which might move over this project if authorized and finally completed.

The taxpayers' money will have been and will be spent for the purpose, so far as this traffic is concerned, of giving the Standard Oil and other big oil companies the benefit of cuts in railroad rates. It is possible, of course, that they may pass some of this benefit on to the consumers, but the circumstantial evidence is against this possibility. The oil companies have apparently used every resource at their command to get these rates down.

Mr. Eastman further stated:

If this were a unique or unusual situation, it would not be so disturbing, but it bids fair to become the rule rather than the exception, so far as our inland waterways are concerned. The fact is that shippers have no particular interest in water transportation in and of itself. Other things being anywhere near equal, they mostly prefer rail transportation.

The Chairman of the Commission was speaking primarily of the inland waterways.

Low rates are what they want, and if new waterways will give them such rates by rail, they will be entirely satisfied, regardless of whether a pound of traffic moves over the waterways. I cannot see, however, how the taxpayers can be satisfied with such a result. It would be more economical for the Government not to construct and maintain the waterways but instead to use an equivalent amount of money as a subsidy to the railroads in exchange for lower rates.

As I stated, Mr. Eastman's report dealt with a case involving petroleum products moving into this particular territory.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a copy of Mr. Eastman's statement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CHAIRMAN EASTMAN'S STATEMENT CONCERNING WATERWAYS

The following is quoted from the dissenting opinion of Chairman Eastman in *Petroleum Products to Tennessee River Points* (235 I. C. C. 115), decided October 30, 1939:

"These waterways are now costing, and will continue to cost, the taxpayers of this country very substantial amounts annually for interest on the investment and for maintenance, inasmuch as no charge is made against the users of the waterways. If the railroad rates are reduced, the traffic will not move by the waterways, and the taxpayers' money will have been and will be spent for the purpose, so far as this traffic is concerned, of giving the Standard Oil and other big oil companies the benefit of cuts in railroad rates. It is possible, of course, that they may pass some of this benefit on to the consumers, but the circumstantial evidence is against this possibility. The oil companies have apparently used every resource at their command to get these rates down, and they would hardly have done that merely in an altruistic effort to benefit consumers. After it is all over, the oil companies will have their reduced rates, the taxpayers will continue to pay interest and maintenance on account of the waterways, and the railroads will have a new hole in their revenues which they must fill up at the expense of some other traffic if it is not to impair their ability to serve the public.

"If this were a unique or unusual situation, it would not be so disturbing, but it bids fair to become the rule rather than the exception, so far as our inland waterways are concerned. The fact is that shippers have no particular interest in water transportation in and of itself. Other things being anywhere near equal, they mostly prefer rail transportation. Low rates are what they want, and if new waterways will give them such rates by rail, they will be entirely satisfied, regardless of whether a pound of traffic moves over the waterways. I cannot see, however, how the taxpayers can be satisfied with such a result. It would be more economical for the Government not to construct and maintain the waterways, but, instead, to use an equivalent amount of money as a subsidy to the railroads in exchange for lower rates."

Mr. REED. Mr. President, four kinds of waterways are available for transportation purposes. First, there are the oceans, which we must use. Then there are the Great Lakes, which constitute a great national economic water highway. Transportation on the Great Lakes is the cheapest transportation known, particularly in connection with bulk commodities such as coal, steel, limestone, and grain.

Then there are waterway improvements along the coast. They must be made. We must have harbors. I have no particular quarrel with such projects. I have no quarrel with any inland waterway if it can be economically justified. However, from the standpoint of transportation, the Tombigbee project is absolutely the most fantastic and uneconomical project I have ever heard discussed on the floor of the Senate.

The Senator from North Carolina has stated that the bill was purposely limited to navigation so as to eliminate the other features. I see some Senators from farm States present in the Chamber. I have heard much discussion about the farmers receiving great benefits from so-called cheap transportation. It is cheap only to the extent that the taxpayers pay a subsidy out of the Treasury.

Let me give the figures on farm products moving by the inland waterways. Of the total tonnage moved on the inland waterways in 1937, 4.6 percent was farm products. Cotton represented three-tenths of 1 percent; flour and meal four-tenths of 1 percent; grains, such as wheat, corn, and so forth, represented 2.5 percent; hay and feed, one-tenth of 1 percent; rice, two-tenths of 1 percent; sugar, seven-tenths of 1 percent; and sirup and molasses, four-tenths of 1 percent.

Mr. President, this statement shows also the figures for 1938. They are similar figures. I do not wish to take the time of the Senate to read them. I ask unanimous consent

to have printed in the RECORD at this point in my remarks a statement showing the figures for 1937 and 1938.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

There is considerable interest as to the amount of tonnage moving by waterway that consists of agricultural products. Averages of this type can be derived only by making a special tabulation, from annual reports of the Chief of Engineers, for the several rivers, and then adding the figures together. This results in some duplication, due to the fact that some tonnage moves over more than one river, whereas the totals given above are adjusted to eliminate all known duplications.

With this qualification in mind, the following percentages are submitted, showing for the calendar years 1937 and 1938 the proportions of the total inland waterway tonnage represented by the various types of agricultural commodity or products moved. The proportions are as follows:

Commodity	1937	1938
	Percent	*Percent*
Cotton, raw and linters	0.3	0.2
Flour and meal	.4	.7
Grains (wheat, corn, etc.)	2.5	8.7
Hay and feed	.1	.1
Rice	.2	.1
Sugar	.7	.9
Sirup and molasses	.4	.2
Total	4.6	10.9

Mr. REED. Mr. President, it may be said that the traffic on the inland waterways is increasing. I think it would be difficult to justify that assertion. I have before me a statement showing the tonnage figures for the Federal Barge Line, which is the largest of the inland-waterway carriers. In 1937 the Federal Barge Line handled 2,109,854 tons; in 1938 it handled 2,767,210 tons; but in 1939 the tonnage dropped to 2,178,698 tons.

Mr. President, this statement is broken down by principal commodities. I ask unanimous consent to have the statement inserted in the RECORD at this point in my remarks without taking the time of the Senate to read it.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The trend from 1937 to 1939 in the movement of certain specific products is of interest. The following statement applies to Federal Barge Line tonnage in 1937, 1938, and 1939:

Federal Barge Line tonnage

	1937	1938	1939
Wheat	71,110	186,177	161,678
Corn	59,940	630,423	310,439
Bituminous coal	65,373	173,082	156,137
Coke	36,798	57,969	59,743
Sulfur	165,738	74,779	123,091
Sugar (beet or cane)	399,835	319,247	222,186
Pig iron	98,775	96,335	46,198
Beverages	106,743	113,900	89,440
Total	1,004,312	1,651,912	1,168,922

Mr. REED. Mr. President, I agree with what the Senator from Minnesota [Mr. SHIPSTEAD] has said. The people who receive the benefits from inland-waterway improvements are not the grain farmers. They are not the consumers. They are the great corporations, which are sufficiently large to own their own commodities and move those commodities in their own boats. For example, in 1938 coal and coke constituted 49.7 percent of the tonnage moved on all the important inland waterways of the United States with the exception of the Great Lakes. Petroleum and its products represented 13.8 percent. Sand, gravel, and stone, much of which was used in the construction of the immediate projects, represented 17.8 percent. This statement is broken down by commodities, and the percentages are stated. I ask unanimous consent to have the statement printed in the RECORD at this point in my remarks in order to save time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Principal commodities carried in commerce on important inland waterways of the United States, calendar year 1938

Principal commodities	Number of tons (2,000 pounds)	Percent of total tonnage
Coal and coke	29,754,928	49.7
Petroleum and its products	8,270,730	13.8
Sand, gravel, and stone	10,683,255	17.8
Lumber, logs, etc	398,535	.7
Iron and steel and their products	2,433,666	4.1
Vegetable-food products	4,235,299	7.1
Cement	291,454	.5
Pyrites (cinders)	252,860	.4
All other commodities	3,585,744	5.9
Total tonnage	59,906,471	100.0

Ohio River and Tributaries: Ohio River, Allegheny River, Monongahela River, Big Sandy River—Tug and Levisa Forks, Cumberland River (above Nashville), Cumberland River (below Nashville), Kanawha River.

Mississippi River and Tributaries: Missouri River (lower), Mississippi River (middle), Mississippi River (upper), Illinois and Mississippi Canal, Illinois Waterway, Chesapeake and Delaware Canal, New York State Barge Canal.

All of the information has been compiled from the annual reports of the Chief of Engineers, United States Army, except certain data for the New York State Barge Canal which was secured from the annual reports of the Superintendent of Public Works, State of New York.

Mr. REED. Mr. President, the Senator from Michigan made such a complete case that he left very little further to be said. All that I have tried to do is to supply some details strictly from a transportation standpoint.

There is no possible justification for spending $75,000,000, with annual carrying charges of $3,500,000, to dig a canal between the Tennessee River and the headwaters of the Tombigbee. As the Senator from Michigan has said, it would be necessary to broaden and dredge the Tombigbee, and, as I recall, he said the total distance of the river improvements would be about 280 miles. I state that figure from my recollection of his remarks. There is no justification for such an expenditure; there is no need for it. The traffic that would move upon that waterway, if it were improved, would not pay in public benefit 10 percent of the carrying charges on the cost of the improvement. From an engineering standpoint it is possible to take a steam shovel and dig a ditch at any place, and to make a canal of such a ditch if the water can be gotten into it, but what we would have after we had gotten it would be another thing. No project coming before the Senate in my service here has had so little merit as this one, and none has represented a greater waste of public money, at a time when we ought to be conserving money in every reasonable direction. Millions are still unemployed; a great many of our people are still in want and are underprivileged. The expenditure of $75,000,000 on an absolutely indefensible project, as the Senator from North Carolina described it, for navigation, which means for transportation purposes ought not to be authorized by this body.

I hope the amendment of the committee will be rejected.

TWO HUNDRED AND THIRTY-SIXTH ANNIVERSARY OF FIRST REGULARLY ISSUED AMERICAN NEWSPAPER

Mr. WILEY. Mr. President, I do not rise at this time to speak on the amendment which has been discussed by the Senator from Michigan, though I wish to compliment him on his unanswerable argument and to say that I agree with him. I am not in favor of building any more ditches. We have enough ditches as it is. Proposals are already pending for another ditch in Florida to cost $175,000,000 and for another ditch in Panama to cost $300,000,000. We have a big ditch in the United States Treasury, and the farmers of the West have been in a ditch for some time; they are not getting cost of production for their products. However, I rose to speak for a few minutes on a subject of a historical nature.

Mr. President, 236 years ago today the first issue of the first regularly issued American newspaper was published.

In the early colonial days of New England there were many broadsides published to correct false reports. Some of these broadsides were very similar to what we know as a newspaper today. They were concerned with some domestic news of the Colonies, and were printed to sell as news sheets, but

they had no regular publication dates, and, consequently, cannot be regarded as real newspapers.

One of the very earliest of these broadsides was The Present State of New-English Affairs, which was published in 1689. It was published and printed by a man named Samuel Green. There must have been a great many news handbills circulating at that time, because by 1689 the Massachusetts authorities adopted a resolution reading in part, "Whereas many papers have been lately printed and dispersed, tending to the disturbance of the peace," and providing that any persons guilty of printing or even concealing "such like papers" shall be "accounted enemies" of the government and "be proceeded against as such with the uttermost severity." I mention this in passing because today we take freedom of the press for granted and do not realize that it came only after a hard-fought battle.

On September 25, 1690, a man named Benjamin Harris brought out in Boston a publication called Publick Occurences. The publication did not have the sanction of the authorities and, consequently, it was suppressed by the Governor and the council. It is, Mr. President, very significant that in this country in 1690 a newspaper was suppressed.

In the same resolution which suppressed this publication there was a provision forbidding anyone in the future to set forth anything in print without a license. That was a drastic action, and a decade and a half elapsed before there was another attempt to give Boston a newspaper.

Of course, there were other sources of news. The New England clergy often related items of news. The bellman making his rounds sometimes called out matters of public interest. Then, of course, there were many so-called news letters. Probably the outstanding one in American history was written by John Campbell, the postmaster at Boston. His letters were written by hand, but finally the demand became so great that he was forced to use a printing press. The first printed news-letter appeared on Monday, April 24, 1704, and was called The Boston News-Letter.

Mr. President, I mention this first newspaper day because I believe it is desirable that today we reaffirm our faith in the newspapers of America. Our press today, in a world of censorship, enjoys an almost unlimited freedom. In all justice it should be stated that, with very few exceptions, that freedom of the American press has never been abused.

Today, when the great freedoms are dying in other lands, the continued existence of freedom in this country is a great challenge to use that freedom for constructive purposes. Beyond the reportorial obligation of the newspaper, every American newspaper today is a leader of public opinion. In winnowing and sifting the news of the day, it lives up to its obligation to present only the truth. By using discretion in placing its emphasis on foreign news today, our newspapers have performed a great service in preserving mental balance in America.

Mr. President, I believe that the greatest safeguard against dictatorial governments is a conscientious, intelligent, constructive, unshackled free press.

RIVER AND HARBOR AUTHORIZATIONS, 1941

The Senate resumed the consideration of the bill H. R. 6264, an act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. BILBO obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Barbour	Brown	Capper
Ashurst	Barkley	Bulow	Caraway
Austin	Bilbo	Burke	Chandler
Bailey	Bone	Byrd	Chavez
Bankhead	Bridges	Byrnes	Clark, Idaho
Clark, Mo.	Hatch	Minton	Smathers
Connally	Hayden	Murray	Smith
Danaher	Herring	Neely	Stewart
Davis	Hughes	Norris	Taft
Donahey	Johnson, Calif.	Nye	Thomas, Idaho
Ellender	Johnson, Colo.	O'Mahoney	Thomas, Okla.
Frazier	King	Overton	Thomas, Utah
George	La Follette	Pepper	Townsend
Gerry	Lee	Pittman	Truman
Gibson	Lodge	Reed	Tydings
Gillette	Lucas	Reynolds	Vandenberg
Glass	Lundeen	Russell	Van Nuys
Green	McKellar	Schwartz	Wagner
Guffey	McNary	Schwellenbach	Walsh
Gurney	Maloney	Sheppard	White
Hale	Mead	Shipstead	Wiley
Harrison	Miller	Slattery	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. BILBO. I shall be glad to yield.

Mr. DAVIS. Because of an important engagement which will call me from the Senate Chamber for the remainder of the afternoon, I desire at this time briefly to record my position upon the Tombigbee project.

Believing as I do that the authorization of the project at this time is most unwarranted in view of the fiscal conditions of the country, if I should be fortunate enough to return in time for the vote, I shall vote against the committee amendment.

Mr. BILBO. Mr. President, knowing the legislative history of the distinguished Senator from Michigan [Mr. VANDENBERG], I was rather amused at his attempt to convince the Senate and the country that we should practice economy by defeating the bill now before the Senate. It is a matter of record that he is very enthusiastically supporting the St. Lawrence inland waterway project, which at the beginning involves an expenditure of $270,000,000; but that, incidentally, is in juxtaposition to the State he represents on the floor of the Senate, and may account for his liberality when it comes to the St. Lawrence inland waterway project.

This bill is an attempt on the part of the Commerce Committee to project the navigation program over a period of 7 years. It involves the expenditure of $331,000,000, which is about $47,000,000 a year for the next 7 years. I am not one of those who belong to the economy bloc. However, I do not think I am a spendthrift in voting the people's tax money; but I refuse to be alarmed about the enormity of our national debt. Last year I think the most reliable reports show that this country enjoyed a net income of over $71,000,000,000. After deducting the amount of the present national indebtedness and the sums which will come back to the Government in the way of liquidating programs which we have inaugurated, our national debt is not so alarming as some of our colleagues would make us believe, especially when they are trying to defeat some measure which provides for a small expenditure of the people's tax money.

In round numbers, the national debt of Great Britain is about $800 per capita. The national debt of France, another Republic, is about $600 per capita. The national debt of the United States is somewhat over $200 per capita. So, after all, we are not in such bad shape, especially when we appreciate the fact that we live in possibly the richest country on earth. Therefore, I am not disturbed by the economy argument of my friend from Michigan. Neither do I think other Senators are disturbed, because even in this session, when there has been a cry for economy, they do not hesitate to vote a billion dollars for national defense through the Army and Navy. They can do that without winking or batting an eye.

The particular project to which I shall address myself on this occasion involves the expenditure of only $66,000,000, which is not even sufficient to build a first-class battleship. It costs about $80,000,000 to build a first-class battleship, which will possibly become obsolete in about 8 or 10 years; but in this instance we propose to spend, over a period of 7 or 8 years, only $66,000,000 to build a project which is of

as much value for national defense as is a battleship, or even more.

I am afraid some of my friends who are opposed to this measure have not attempted to analyze it from a national-defense standpoint. There may come a time—I am not prophesying it, and I may not believe it, but it is possible—if the present war in Europe should go "haywire" so far as the Allies are concerned, and if about three dictators should get control of Europe and Asia and should decide to invade the Western Hemisphere, when the seacoast lines of this country would be in serious danger of destruction, because if all the war mechanisms of the countries of Europe and of Asia were combined there would be a considerable outfit to invade one of the countries of the Western Hemisphere. In that event the coast lines of our own beloved country, the United States, would be in a hazardous condition, and great damage could be done to them, and we should be forced to depend for our national defense on whatever transportation facilities we might have in the inland portion of the United States. The project I am advocating, the Tennessee-Tombigbee Canal, is merely the completion of a scheme of inland defense which was worked out by the Army engineers, who represent the War Department.

Let us forget about how much money is to be made out of it, whether it is self-liquidating or not, but put it on the same basis on which an authorization for a battleship is put. It is for national defense; and the one branch, which I indicate on the map prepared by the Department, shows that, by the construction of this canal from the Pickwick Dam to Demopolis, there will be completed an inland water route running from Mobile Bay all the way to the Ohio, and then on up the Ohio River. The next step will be to complete the Lake Erie-Ohio canal, connecting the Ohio River with Lake Erie. Then there will be a complete circuit of water transportation, the cheapest transportation in the world, which will reach the Great Lakes; and then, when the Senator from Michigan [Mr. VANDENBERG] finishes the St. Lawrence inland waterway from the Great Lakes to the Atlantic Ocean, it will be possible to reach the Atlantic Ocean by way of this route. Not only that, but through the Erie Canal it will be possible to reach the city of New York on the inside, and there will be opened up a vision of transportation by water which will cover the great Mississippi Valley along with the eastern section of our country.

The Senator from Michigan laid great stress on the fact that the Board of Army Engineers had to make four investigations and four reports on the Tennessee-Tombigbee project, and that there were three adverse reports before they finally approved the project. That is a matter of history, and we admit it. Some in this country have had a dream for a century of connecting the Tennessee and the Tombigbee Rivers. Some geologists claim and believe that the Tennessee and the Tombigbee at one time in the history of the earth were together; in other words, that the waters of the Tennessee Valley went toward the Gulf of Mexico by way of the Mobile River. But the dream of building this canal has been in the minds of people who have looked toward the development of our country, and especially the South, for 50 or 100 years. Surveys have been made from time to time at the request of those interested in the project, but until the building of the Pickwick Dam it was not feasible and was not practicable. But as soon as the Pickwick Dam was provided for and the waters of the Tennessee River were elevated to an adequate height, then the Board of Army Engineers, by their special board and after special investigation, said that the time had come when we could connect the Tennessee with the Tombigbee, and thus afford an outlet to the Gulf of Mexico.

It is not necessary to go into detail as to the items involved in the construction of the canal, but I ask that as a part of my remarks a brief résumé of the facts involved in the project be inserted in the RECORD at this point.

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

WATERWAY CONNECTING THE TOMBIGBEE AND TENNESSEE RIVERS

(H. Doc. 269, 76th Cong.)

Location: The Tennessee River is formed near Knoxville, Tenn., and flows 650 miles to enter the Ohio River at Paducah, 46 miles above the Mississippi River. The Tombigbee River rises in northeastern Mississippi about 20 miles from the Tennessee River and flows 500 miles to join the Alabama River and form the Mobile River 45 miles above Mobile Bay at the city of Mobile, 144 miles by water from the mouth of the Mississippi River.

Authority: Rivers and Harbors Committee resolution adopted February 27, 1934.

Existing project: Mobile-Tombigbee-Warrior Rivers: Channel 9 feet deep by 200 feet wide where practicable from Mobile to mile 457 on Sipsey Fork, mile 454 on Mulberry Fork, and mile 430 on Locust Fork, obtained by locks and dams and dredging. Tombigbee River above Demopolis: Channel 6 feet deep at low water, 146 miles to Columbus, by snagging, revetment, and bar improvement; and high-water channel, 134 miles above Columbus, 4 feet deep during 4 months. Tennessee River: Under improvement by T. V. A.

Plan of improvement: The construction of a waterway to connect the Tennessee and Tombigbee Rivers, by way of the East Fork of the Tombigbee River, Mackeys Creek, and Yellow Creek so as to provide a channel of not less than 9 feet in depth and a minimum bottom width of 170 feet in river and canal sections and 115 feet in the divide cut, with locks approximately 75 by 450 feet, inside dimensions.

Estimated first cost: $66,000,000.

Local cooperation: To make necessary alterations to highways, including expense of bridges and approaches; to make required alterations in sewer, water supply, and drainage works; to assume operation and maintenance of reconstructed railroad and utility crossings; and to provide adequate new terminals and facilities.

Annual maintenance charges to United States: $500,000.

Benefits: The benefits are classified as (1) savings to public in transportation charges, (2) value as a facility for national defense, (3) recreational value, (4) enhancement of land values in tributary area.

Remarks: The waterway would afford an additional avenue of transportation into the Tennessee Valley.

Mr. BILBO. Mr. President, as to whether this project has received the full and enthusiastic and hearty support of the necessary agencies of the Government, I wish to call attention to the fact that the project has been approved by President Roosevelt. He approved it on April 4, 1939, in his memorandum to the Secretary of War, when he said:

I approve this survey report for a waterway connecting the Tombigbee and Tennessee Rivers.

So it was first endorsed by the President of the United States. Second, the Board of Army Engineers approved the project. Third, the Chief of Engineers himself endorsed it. Fourth, the National Resources Committee endorsed the project. Fifth, the Rivers and Harbors Congress twice endorsed the construction of the Tennessee-Tombigbee Canal, and made it a part of their permanent program of inland-waterway improvement in the United States.

Mr. President, I wish to put into the RECORD the exact words of General Schley in his report on this project. He said:

After full consideration of the report secured from the Special Board, the Board of Engineers for Rivers and Harbors recommends that the United States undertake the construction of a waterway to connect the Tennessee and Tombigbee Rivers, by way of the East Fork of the Tombigbee River, Mackeys Creek, and Yellow Creek, so as to provide a channel of not less than 9 feet in depth and a minimum bottom width of 170 feet in river and canal sections and 115 feet in the divide cut, with locks approximately 75 by 450 feet clear inside dimensions, substantially in accordance with the general plan presented in the report of the Special Board, at an estimated first cost to the United States of about $66,000,000 and an estimated annual cost of $500,000 for maintenance and operation, subject to the condition that local interests give assurances satisfactory to the Secretary of War that they will—

* * * * * * *

The Special Board finds that the savings in transportation costs which will probably accrue to shippers over the waterway will amount to about $2,168,000 per annum. It believes that barge tonnage destined to Ohio River and upper Mississippi River points from New Orleans can be moved over the proposed waterway instead of up the improved Mississippi River at an annual saving in cost to barge-line operators of $1,000,000. The Board of Engineers for Rivers and Harbors concurs generally as to these estimates of transportation savings. The estimate of $2,168,000 savings has been

arrived at by the collection of full data, by thorough analysis thereof, and by sound conclusions. I concur in the view that it is conservative rather than liberal.

Yet we heard our distinguished colleague from Michigan laboring hard to create the impression that there lingered in the mind of General Schley some doubt about the feasibility and the economic justification of this project. The general said:

The estimate of saving of $1,000,000 to up-bound traffic on the Mississippi River results from a thorough study and I do not doubt that such a saving would result.

He says it is very conservative, not wild; and not fantastic, as the Senator from Kansas [Mr. REED] stated.

I have no doubt that benefits of value to national defense, from enhancement of land values, and from increased use of recreational areas will be produced. Furthermore, provision of a direct water route to the Gulf of Mexico from the Tennessee Valley may hasten the development in that valley resulting from the navigation project and electric-power system now being constructed there by the Federal Government. The large amount of construction involved in this connecting waterway to the Gulf would provide substantial direct employment over a period of 8 years and large orders to cement and steel mills and to the lumber industry.

In other words, the cost of the construction of this project will be neglible when we realize that this work, proceeding over a period of 8 years, will take from the relief rolls in the section of the country affected between eight and ten thousand laborers, and when we figure that the people being diverted to the construction of this project will mean that the W. P. A. appropriations will be reduced to a minimum. That is worth considering.

In a few days we will be voting for an appropriation of a billion dollars for W. P. A., or perhaps a billion and a half. I should be willing to vote for a billion and a half dollars. I tried to get an extra $150,000,000 last year, because I realized what was going to happen this spring when about 700,000 relief workers throughout the country would be thrown out. In my State there are about seven or eight thousand marked for the slaughter, and I did not want that to happen. In a few days we will be voting for an appropriation of a billion or a billion and a half dollars for relief. We would be assisting to keep relief workers on the rolls by agreeing to the amendment which the committee has reported.

I wish to say in passing that sometimes I go to older Senators and say, "Can we not do this or do that to this bill?" They reply, "Oh, no; I make it a rule to stand by the judgment of the committee." I am anxious to see what some of the Senators who are in the habit of standing by committees will do in view of the fact that the Commerce Committee has thoroughly investigated the proposal now before us and has submitted this amendment as a part and parcel of the pending bill.

In this connection I wish to call attention to the observation made by my friend the Senator from Michigan. I unhesitatingly say that I am very fond of the Senator from Michigan, and if we must have a Republican President, he is my first choice. I understand another one of my good friends has also been disturbed over the fact that it will take $100,000 in value of water from the Pickwick Dam and from the lower stretches of the Tennessee River—that is, from Pickwick Landing to Gilbertsville Dam—to supply the locks of the Tombigbee Canal project.

In other words, the Senator from Michigan tries to leave the impression in the minds of Senators and of the country that the building of this canal will in some way disturb the splendid work the T. V. A. is doing.

It is true that when the T. V. A. made its investigation, which was of a cursory character—they admit in the report that it was not a full investigation—they admitted that about $100,000 a year ought to be charged up to the expense of operating the Tennessee-Tombigbee project, but at that time they did not know that the Tennessee project would require only sufficient water to operate the first lock and dam in the project. Since then the Board of Army Engineers have investigated and made an estimate, and I put it in the record as a fact that the Army engineers say that if as many ships should pass through the Tennessee-Tombigbee Canal as go through the Panama Canal every 24 hours, the water necessary to operate the locks and dams in the Tennessee-Tombigbee Canal project would result in lowering the Pickwick Dam only one-fifteenth of 1 inch daily. In other words, that would be about the width of my pencil. While that is being done, Senators must remember that the water is still flowing from the rivulets, streams, and springs above the Pickwick Dam and filling the dam.

So the argument that in any way the T. V. A. and its splendid program would be interrupted, or that there would be taken away from the Tennessee River below the Pickwick Dam sufficient water to interfere with its use as a navigable stream down to the mouth of the river where it enters the Ohio at Paducah, is the merest rot. There is nothing to it. It is an argument which has been made by that selfish interest which is attempting to defeat this project and has been trying to defeat it for, lo these many months.

I was in Mississippi last week and had a meeting with the railroad boys. I refer to the boys who represent the railroad labor organizations in the State. They said this is all tommyrot about the railroad organizations being against the building of the Tennessee-Tombigbee project. They said the opposition is coming from a few officials, not only in the South but in the East and in the North, because they are all interlocked, and there is behind all this, and involved in it, a greater problem, which I shall not mention at this time, which is inspiring the so-called railroad opposition. In other words, some of the boys are being used. They are being used and do not know that they are being used.

I have been the consistent friend of the railroad laboring men through my entire political career, and I am still their friend. I think I know where to go when I want to get the truth about their real attitude and where their interest is involved. As a matter of fact, the building of this canal would do more for the railroads of this important territory than anything we could do. It would increase their business, because in the building of this canal we would develop parts of Mississippi and Alabama, which is a great storehouse of raw materials which industry will need in days to come. In other words, we would industrialize this section of the South by building the canal, because we have there a great storehouse of lime rock, which means cement; we have asphalt, which means the paving of roads; we have sands; we have clays of all kinds which would bring about the establishment of industries for the use of the special clays found in this section of the States of Alabama and Tennessee; we have lumber. There are great timber resources in this section. The industrial development of this section of Alabama and Mississippi would mean added business for the railroads. It would mean more employees for the railroads in this particular section.

It would also mean that this great section, both in the States of Tennessee and Alabama and Mississippi, would enjoy a competitive rate with the railroads. That does not mean that the railroads would be damaged. It does not mean that they would be bankrupted. Such competition usually results in doubling the business. That is what would happen in this case. The railroads would do more business, even if they should have to charge a lower rate because of water competition.

Mr. President, for the life of me I cannot see how anyone who is interested in the orderly development of the resources of the great Mississippi and Tennessee Valleys, or who is interested in national defense, could consent to oppose a project of this kind, especially when, as I have just said, the cost would be reduced to practically nothing, when we figure the large number of people who would be employed in construction in the next 8 or 10 years and thus taken off the relief rolls.

Mr. President, everyone who lives in the Mississippi and Ohio River Valleys ought to be interested in this development, because with the completion of the project in shipping down the Ohio River from Pittsburgh the shipper would be 200 miles

nearer the markets of the Gulf of Mexico. Shipments from the upper stretches of the Mississippi, or from Chicago all the way down to the Gulf, could go via Paducah, and follow this water trail down the Tombigbee and the Warrior to Mobile Bay, and thus save 100 miles in transportation.

Then the fleets which carry traffic down the Ohio and Mississippi to New Orleans, to find access to the seaport on the Gulf of Mexico, on the return trip could save money by reason of not having to fight the currents going up the stream, and also because of the shorter distance in reaching their destination on the return trip to the port from which they started.

So, Mr. President, from every standpoint I do not see how anyone who has at heart the real interest of the Mississippi and the Tennessee Valleys, in which at least 30 States are involved, can give his consent to vote against this project.

I think one reason for the troubles the railroads have had is they have taken such a narrow view, such a selfish position, that they have almost killed the goose that lays the golden egg. They have interfered with their own progress and their own success by taking such a narrow position. Why should they fight this project? Why should they be fighting the construction of the Florida ship canal? Simply because they are afraid they will lose a little trade and have a little competition. If they want to do business, they should help develop the country, increase its industrialization, and develop its resources, which can be done if the rate structure is a proper one to encourage industry to invest in this territory which contains so much raw material.

I trust Senators will realize that the adoption of the committee amendment, under which there would be an expenditure of about $9,000,000 a year for the next 7 or 8 years in the completion of this project, would mean great prosperity and economic development to the States of Tennessee, Alabama, and Mississippi.

Tennessee would be the beneficiary of this project, because all the people who live above the Pickwick Dam, up to the Wilson Dam, the Wheeler Dam, and the Norris Dam, in the valley of the Tennessee and the T. V. A. territory, would be 600 miles nearer the seaport of Mobile. The building of the proposed canal would bring them 664 miles nearer the markets of the world than they now are by reason of being compelled to go down the Tennessee River into the Mississippi River and back to New Orleans. That whole section would be benefited.

The T. V. A. has embarked upon a program to develop this great section. It is more or less of an experiment. Let us do this one thing to give industry cheap hydroelectric power, so plentiful in this great valley. Give industry the opportunity to obtain freight rates which will bring about the development of which we dream for this great section. The project means much to my people. I am very anxious that Senators allow the amendment to stay in the bill.

Someone has said that the President would never sign the bill with this amendment in it. The President has endorsed the proposal; and I think if the amendment stays in the bill it will do more to induce the President to sign the bill than anything else we could do. I know his keen interest in this project. The proposed canal would aid the national defense, furnish recreation, and provide industrial development for a neglected part of the South, which some are pleased to call our economic problem No. 1.

ADMINISTRATIVE PROCEDURE

Mr. HATCH. Mr. President, I understand that earlier in the day the Senator from Indiana [Mr. MINTON] placed in the RECORD an editorial or article from a Washington newspaper concerning the Logan-Walter bill. I imagine that the article placed in the RECORD—and this is purely guesswork on my part—was an article written by Mr. Ernest K. Lindley, which appeared in the Washington Post of this morning.

I am very glad the Senator from Indiana placed that article in the RECORD. Mr. Lindley is a very earnest, fair writer, and also a man of outstanding ability. It so happens that I disagree with Mr. Lindley on this question. I have read the article, which I presume is the one which was placed in the RECORD by the Senator from Indiana. Mr. Lindley himself points out in the article the necessity for legislation along the lines of the Logan-Walter bill.

In order that both sides of the controversy may appear in the RECORD, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial appearing in the Washington Daily News of April 22, 1940, entitled "Bureaucracy and the Courts."

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and the editorial will be printed in the Appendix.

Mr. HATCH. Mr. President, Mr. Lindley refers in his article to Gen. Hugh S. Johnson. For that reason I ask that there also be printed in the Appendix of the RECORD an article from the same issue of the Washington Daily News, by General Johnson, entitled "One Man's Opinion," which deals with the Logan-Walter bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the article will be printed in the Appendix.

Mr. HATCH subsequently said: Mr. President, earlier in the day I referred to an article which I thought the Senator from Indiana [Mr. MINTON] had placed in the RECORD. I stated at the time that I was only guessing, because I did not have accurate information. I have been informed that the Senator from Indiana did not ask for the insertion of the article to which I referred. It was my mistake. In order that the article by Mr. Lindley, to which I referred, may be included in the RECORD, I ask unanimous consent that it be printed in the Appendix.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the article will be printed in the Appendix.

RIVER AND HARBOR AUTHORIZATIONS, 1941

The Senate resumed the consideration of the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. SHEPPARD. Mr. President, I desire to speak briefly in reference to the pending measure.

This project, connecting the Tennessee by way of the Tombigbee and Mobile Rivers with the Gulf of Mexico and the world's ocean lanes, establishes a vital link in the waterway system of the United States.

This project will shorten the water distance from all points on the Ohio River to the Gulf of Mexico by 200 miles and from points on the Ohio River as far as Pittsburgh to Mobile by 370 miles.

It will shorten the water distance from all points on the upper Mississippi River and from Chicago to the Gulf by 108 miles. It will shorten the water distance from Knoxville and western Tennessee to Mobile and the Gulf by 600 miles. It will give a slack-water route for ascending traffic from New Orleans to Cairo, a distance at present of 900 miles. At present ascending traffic is forced to fight a most difficult current.

The proposed improvement will permit transportation in slack water up the Tombigbee until it reaches the Tennessee, whence it will go downstream on the Tennessee and the Ohio to Cairo.

This project also affords an additional means of interchange of commerce between the territory of the Gulf Intracoastal Waterway along the Gulf coast from Florida to Texas, the territory of the Tombigbee waterway system, and the territory of the Tennessee, Ohio, and Mississippi waterway systems.

In the territory immediately tributary to the Tombigbee and Tennessee waterway systems is a population of nearly 3,000,000 persons. The total land area affected by these two waterway systems comprises about 57,000 square miles. This land area is predominantly agricultural, the principal crop being cotton. In 1924 and 1929 the average production of cotton in this area consisted of about 900,000 bales; of corn, about 52,000,000 bushels; of tobacco, about 21,000,000 pounds; of wheat, about

a million bushels; of white potatoes, about 2,730,000 bushels; of oats, 282,000 bushels; of hay, about 924,000 tons; of sweetpotatoes, about four and a half million bushels; of peanuts, about 850,000 pounds; of cottonseed, about 500,000 tons; and of wool, about 470,000 pounds. The area consumed about 415,000 tons of commercial fertilizer in these years. In this area are vast commercial timber resources. The minerals in this area include extensive deposits of coal, iron ore, limestone, phosphate rock, marble and other building stone, copper ore, zinc ore, ceramic clays, asphaltic limestone, bauxite, slate, barite, sand, gravel, tripoli, and fuller's earth.

Industry in the Tennessee portion of this area is so diversified as to include mining, manufacture of textiles, copper, zinc, aluminum, fertilizer materials, cement, lime, iron and steel articles, clay products, lumber, and the production of marble and other building stone, industries now in an early stage, but destined for a tremendous enlargement. In the Tombigbee section of this area the principal industry is the manufacture of lumber, although there are other important industries, such as the manufacture of textiles, dairy products, brick, and the production of sand and gravel.

The millions of tons of ceramic clays available in this area, discovered during the past 5 years, should make us independent of the tremendous importation of foreign pottery and china, and give our own pottery industries a new opportunity in our own markets. This area contains hundreds of millions of tons of rock asphalt necessary in the building of our streets and roads, but which cannot reach the peak of usefulness because of the lack of cheap transportation.

From the standpoint of national defense the improvement would afford an outlet for coal, iron, timber, grain, cotton, and other raw materials, and give ingress and egress to our great nitrate supply by a route which would be protected from the sea and which would be several hundred miles nearer the Gulf than the present long, tortuous route down the Tennessee River to the Ohio River, thence down the Ohio to the Mississippi, and thence down the Mississippi to its mouth.

The project is economically sound. It will pay for itself in 30 years, even if the million-dollar saving in connection with Mississippi traffic should be excluded in accordance with General Schley's suggestion. It will contribute to our program of national defense, and it will effect great savings in transportation costs by reducing transportation distances.

Never has any area so thoroughly exemplified the need for coordinated highway, railway, and waterway transportation as has the area under consideration. Although this area is interlaced with highways and railways in all directions, it is still so far from the industrial, commercial, agricultural, and other development and enrichment of which it is capable—a development which the addition of water transport will bring about—as to demonstrate beyond question the need of the proposed improvement.

Mr. HARRISON. Mr. President, first I want to express my appreciation for the remarks of the Senator from Texas [Mr. SHEPPARD], whose service in this body and membership on the Commerce Committee have extended over many years, and is outstanding. It seems to me that the fairness of his talk and the fine analysis he has made of the project should appeal to all Senators.

Some years ago I had occasion to visit the area in which the Tombigbee project would be constructed. I remember that several of the leading citizens of one of the counties in which the project is to be located took me out early one morning so I could view the possibilities first-hand. Later I attended the hearings before the committees which gave consideration to this project. From the beginning this project has appealed to me, and its merit has been pronounced.

Mr. President, if the Senate should eliminate this project, such action would practically mean the end of the development of water transportation in this country. I am not unaware that there are those who would like to terminate the policy of improving our rivers. On the other hand, many countries have made great progress in the improvement of their waterways, adding to their fine systems of transportation.

As I listen to the speeches on the subject I recall that many years ago the House had before it a proposal directed toward the determination of some site in the United States where nitrates for use in time of war and for agricultural purposes in peacetime could be made.

They finally selected Muscle Shoals, which they agreed was the most ideal place in the United States for the manufacture of nitrates. Experimentation is now going forward there in connection with the generation of power produced at the dam.

I am not a member of the Committee on Military Affairs, and I know little about military preparedness, but I sat in a conference the other night, and from what I heard there I was convinced that one of the things we will need, if we should ever be swept into war, is nitrates for powder purposes. I see before me the distinguished Senator who is chairman of the subcommittee in charge of the military appropriation bills. He heard the same statements, and I am sure he was impressed, as were all who were present, with the fact that the time may come—God knows I hope it will not—when Muscle Shoals could be utilized to make nitrates for powder purposes. The canal now being considered would in such event be of great value because of its national-defense aspects.

I am sure the Senator's references to the natural resources of this section, the benefits which would accrue from the completion of this project, and the recommendations in its behalf should appeal to the Senate. If the motion to strike it out prevails, we might as well make up our minds that future appropriations will not be made to improve this country's great waterways.

Mr. VANDENBERG. Mr. President, before asking for a quorum, I ask for an order for the yeas and nays on this amendment.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. HARRISON. The Senator from Texas has just suggested to me that this is a committee amendment. I understood the Senator from Michigan to make a motion to strike it out.

Mr. VANDENBERG. No; I made no motion. The vote is on the committee amendment, and on that I ask for the yeas and nays.

Mr. HARRISON. I hope the committee amendment will prevail.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee on page 9, after line 23, on which the yeas and nays are requested.

The yeas and nays were ordered.

Mr. VANDENBERG. Now I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark, Mo.	Lee	Russell
Austin	Danaher	Lodge	Schwellenbach
Bailey	Donahey	Lucas	Sheppard
Bankhead	Ellender	Lundeen	Shipstead
Barbour	Frazier	McKellar	Slattery
Barkley	George	McNary	Smathers
Bilbo	Gerry	Maloney	Smith
Bone	Glass	Mead	Stewart
Bridges	Green	Miller	Taft
Brown	Gurney	Minton	Thomas, Idaho
Bulow	Hale	Neely	Thomas, Okla.
Burke	Harrison	Norris	Thomas, Utah
Byrd	Hatch	Nye	Townsend
Byrnes	Hayden	O'Mahoney	Truman
Capper	Hughes	Overton	Vandenberg
Caraway	Johnson, Calif.	Pepper	Van Nuys
Chandler	Johnson, Colo.	Pittman	White
Chavez	King	Reed	Wiley
Clark, Idaho	La Follette	Reynolds	

The PRESIDING OFFICER. Seventy-five Senators have answered to their names. A quorum is present. The question is on the committee amendment on page 9, after line 23, on which the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). On this question I have a pair with the Senator from Vermont [Mr. GIBSON]. Not knowing how he would vote if present, I withhold my vote.

Mr. OVERTON (when his name was called). On this question I have a pair with the senior Senator from Maryland [Mr. TYDINGS]. If the Senator from Maryland were present he would vote "nay." If I were at liberty to vote, I should vote "yea." I withhold my vote.

Mr. REED (when his name was called). I have a general pair with the junior Senator from Alabama [Mr. HILL]. I transfer that pair to the Senator from Pennsylvania [Mr. DAVIS], who, if present, would vote "nay." Being at liberty to vote, I vote "nay."

The roll call was concluded.

Mr. BANKHEAD. My colleague [Mr. HILL] is necessarily absent. If present, he would vote "yea."

Mr. AUSTIN. I announce the pair on this question of the Senator from Oregon [Mr. HOLMAN], who, if present, would vote "yea," with the Senator from California [Mr. DOWNEY], who, if present, would vote "nay."

The Senator from New Hampshire [Mr. TOBEY], who would vote "nay" if present, is necessarily absent.

My colleague [Mr. GIBSON] is unavoidably absent.

Mr. MINTON. I announce that the Senator from Florida [Mr. ANDREWS], the Senator from West Virginia [Mr. HOLT], the Senator from Nevada [Mr. MCCARRAN], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are detained from the Senate on public business.

The Senator from Arizona [Mr. ASHURST], the Senator from Iowa [Mr. GILLETTE], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Montana [Mr. MURRAY] are detained in various Government departments.

The Senator from California [Mr. DOWNEY] is conducting hearings in New York for the Committee on Banking and Currency, and is, therefore, necessarily absent.

The Senator from Texas [Mr. CONNALLY], the Senator from Iowa [Mr. HERRING], the Senator from Wyoming [Mr. SCHWARTZ], and the Senator from New York [Mr. WAGNER] are attending committee meetings and are unable to be present.

The Senator from Massachusetts [Mr. WALSH] is absent on official business. I am advised that if present and voting he would vote "nay."

The result was announced—yeas 17, nays 56, as follows:

YEAS—17

Bankhead	Hayden	Norris	Thomas, Okla.
Bilbo	Hughes	Pepper	Thomas, Utah
Bone	Lee	Pittman	
Caraway	McNary	Reynolds	
Harrison	Miller	Sheppard	

NAYS—56

Adams	Clark, Mo.	King	Schwellenbach
Austin	Danaher	La Follette	Shipstead
Bailey	Donahey	Lodge	Slattery
Barbour	Ellender	Lucas	Smathers
Bridges	Frazier	Lundeen	Smith
Brown	George	McKellar	Stewart
Bulow	Gerry	Maloney	Taft
Burke	Glass	Mead	Thomas, Idaho
Byrd	Green	Minton	Townsend
Byrnes	Gurney	Neely	Truman
Capper	Hale	Nye	Vandenberg
Chandler	Hatch	O'Mahoney	Van Nuys
Chavez	Johnson, Calif.	Reed	White
Clark, Idaho	Johnson, Colo.	Russell	Wiley

NOT VOTING—23

Andrews	Gibson	Holt	Tobey
Ashurst	Gillette	McCarran	Tydings
Barkley	Guffey	Murray	Wagner
Connally	Herring	Overton	Walsh
Davis	Hill	Radcliffe	Wheeler
Downey	Holman	Schwartz	

So the amendment of the committee was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment of the Committee on Commerce was, on page 10, after line 3, to insert:

Bayou La Batre, Ala.; House Document No. 281, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 10, line 8, after the name "House", to strike out "Document No. 258" and insert "Documents Nos. 258 and 326", so as to read:

Biloxi Harbor, Miss.; House Documents Nos. 258 and 326; Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 10, after line 19, to strike out:

Buffalo Bayou and its tributaries, Texas; the project set forth in House Document No. 456, Seventy-fifth Congress, and authorized by Public, No. 685, Seventy-fifth Congress, is hereby modified in accordance with the provisions of section 2 of Public, No. 761, Seventy-fifth Congress, and all requirements of local cooperation inconsistent with said section 2 are hereby eliminated.

The amendment was agreed to.

The next amendment was, on page 11, after line 2, to strike out:

Guadalupe River, Tex.; House Document No. 247, Seventy-sixth Congress: *Provided*, That whenever any power project, not under Federal license, is benefited by the Canyon Reservoir project, the Federal Power Commission, after notice to the owner or owners of such unlicensed project and after opportunity for hearing, shall determine and fix a reasonable and equitable annual charge to be paid to the United States on account of such benefits by said owner or owners or other recipients of such benefits.

The amendment was agreed to.

The next amendment was, on page 11, after line 11, to insert:

Chocolate Bayou, Bastrop Bayou, and Oyster Creek, Tex., House Document No. 337, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 11, after line 14, to insert:

Lavaca and Navidad Rivers, Tex.; House Document No. 314, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 11, after line 16, to insert:

Channel from the Louisiana and Texas intracoastal waterway to Barroom Bay, Tex.; House Document No. 428, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 11, after line 19, to insert:

Brazos Island Harbor, Tex.; House Document No. 335, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, at the top of page 12, to insert:

Mississippi River between Missouri River and Minneapolis: The construction of lock and dam No. 26 at Alton, Ill., is hereby declared to be in accord with the project authorized by the River and Harbor Act of August 30, 1935.

The amendment was agreed to.

The next amendment was, on page 12, line 6, after the word "and," to strike out "Minneapolis, Minn.; House Documents Nos. 103 and 137" and insert "Minneapolis; House Documents Nos. 103 and 547"; so as to read:

Mississippi River between Missouri River and Minneapolis; House Documents Nos. 103 and 547, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 12, after line 9, to insert:

Mississippi River between Missouri River and Minneapolis: The existing project is hereby modified to provide for remedial works in accordance with the recommendation of the district engineer in the report submitted in House Document No. 137, Seventy-sixth Congress, and for such remedial works or land acquisitions in any levee or drainage district, with respect to which payments, remedial works, or land acquisitions were recommended in Rivers and Harbors Committee Document No. 34, Seventy-fifth Congress, and authorized by the act of August 26, 1937, as the Chief of Engineers deems advisable, in addition to or in lieu of the payments, remedial works, or land acquisitions so recommended and authorized.

The amendment was agreed to.

The next amendment was, on page 13, after line 15, to insert:

Grand Haven Harbor and Grand River, Mich.; House Document No. 661, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 13, after line 19, to insert:

Sandusky Harbor, Ohio; House Document No. 328, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 14, after line 2, to insert:

Cape Vincent Harbor, N. Y.; House Document No. 363, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 14, after line 6, to insert:

Coquille River, Oreg.; House Document No. 672, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 14, after line 8, to insert:

Umpqua River and Harbor, Oreg.; House Document No. 86, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 14, after line 10, to insert:

Salmon River, Oreg.; House Document No. 551, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 14, after line 12, to insert:

Baker Bay, Columbia River, Wash.; House Document No. 443, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 14, after line 14, to insert:

Willamette River, Oreg.; the construction of the new Willamette Falls lock and navigation works in accordance with the plan submitted in House Document No. 544, Seventy-fifth Congress.

The amendment was agreed to.

The next amendment was, on page 14, after line 18, to insert:

Columbia River at Bonneville, Oreg.: The Secretary of War is authorized to acquire lands and provide facilities to replace Indian fishing grounds submerged or destroyed as a result of the construction of Bonneville Dam: *Provided*, That not to exceed $50,000 may be expended for this purpose from funds heretofore or hereafter appropriated: *Provided further*, That such lands and facilities shall be transferred to the Secretary of the Interior for the use and benefit of the Indians.

The amendment was agreed to.

The next amendment was, on page 15, after line 8, to insert:

Columbia River, Oreg. and Wash.; the construction of the Umatilla Dam; House Document No. 704, Seventy-fifth Congress.

Mr. CLARK of Missouri. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chandler	Hayden	Neely
Austin	Chavez	Hughes	Norris
Bailey	Clark, Idaho	Johnson, Calif.	Nye
Bankhead	Clark, Mo.	Johnson, Colo.	O'Mahoney
Barbour	Danaher	King	Overton
Barkley	Donahey	La Follette	Pepper
Bilbo	Ellender	Lee	Pittman
Bone	Frazier	Lodge	Reed
Bridges	George	Lucas	Reynolds
Brown	Gerry	Lundeen	Russell
Bulow	Glass	McKellar	Schwartz
Burke	Green	McNary	Schwellenbach
Byrd	Gurney	Maloney	Sheppard
Byrnes	Hale	Mead	Shipstead
Capper	Harrison	Miller	Slattery
Caraway	Hatch	Minton	Smathers
Smith	Thomas, Idaho	Townsend	Van Nuys
Stewart	Thomas, Okla.	Truman	White
Taft	Thomas, Utah	Vandenberg	Wiley

The PRESIDING OFFICER. Seventy-six Senators having answered to their names, a quorum is present.

Mr. CLARK of Missouri. Mr. President, when the bill was under consideration in the Committee on Commerce I had an experience which it never occurred to me I would have in the Senate of the United States. I have been an advocate of waterway development all my life. I am still an advocate of waterway development all over the United States. I would much prefer to take some of the available funds—if there are any available funds during a state of national financial emergency such as exists today—and spend them on waterway development and flood-control development, even on power development, than to spend them on the program for national defense being put through the Congress which I regard as extravagant. But we confront today a situation in which this body represents only one-third of the legislative power. The House of Representatives represents one-third, the Senate of the United States represents another third, and the President, through his veto power, represents another third.

The Committee on Commerce was notified officially by the President of the United States, not through a message to Congress, because that was not the way we sought, but nevertheless officially, that he did not wish to have a river and harbor bill passed at this session of the Congress. I think any Member of the Senate who has served with me for any length of time will agree that I have never been intimidated by a recommendation from the President of the United States on a question of principle, and I have never been afraid to vote for a bill which I thought was right because of the fear of a Presidential veto. On the other hand, taking into consideration the legislative situation, we had a bill before us which had been passed by the House of Representatives, and which had come to us, involving some eighty-odd million dollars, which had been loaded down by the Senate Committee on Commerce with over $200,000,000 more, to such an extent that at the request of the Committee on Commerce itself it was recommitted to the committee. Then we had this communication, through the authorized representatives of the committee itself, from the President of the United States, who advised us of his wish that we not pass any river and harbor bill at all.

Mr. President, I think we should pass a river and harbor bill at the present session of the Congress. Personally I thought we might very well have diverted the authorization for another useless battleship—as I see it, because daily experience is proving that battleships are more or less useless—to some constructive work. But since the Congress has deliberately adopted the policy of carrying forward a tremendous program for national defense, I cannot find it in my heart to vote for a bill authorizing an appropriation so large that the President of the United States cannot only veto it but will have the opinion of the country in the United States back of him in vetoing it.

It is for this reason, irrespective of the merits of the Tombigbee proposal, that I would have voted against that. It was by reason of the inclusion of this other very large item, as well as the Tombigbee item, that I voted in the Committee on Commerce against reporting the bill. I felt that if we reported a bill based on the House bill, with everything except strictly navigation projects eliminated, with certain additions made necessary by a consideration of the time element, we could go to the country, even if the President vetoed the bill, without any successful charge that we had violated the economy tenets which we have all so loudly professed.

I also felt that if we added some very large controversial projects—and there were only two, the Tombigbee and the Umatilla Dam—the President would not only veto the bill, but he would have the support of the entire country in vetoing the bill, and when he did that, he would set back for years the cause of waterway development in this country, to which I am very much devoted.

Therefore, Mr. President, as reluctantly as I ever cast a vote in my life, I voted against the inclusion of these two projects in the report of the Committee on Commerce, and I voted against reporting the bill after they were included.

I think the Senate has to look at the situation now in exactly the same way in which the Committee on Commerce had to look at it when the bill was before the committee. We can say that the items included in the bill as it passed the House are necessary projects, and, while I admit freely that they perhaps are not more necessary than other projects, at least they are smaller in amount. They have been agreed to by one branch of the National Legislature. On the other hand, if we start in to add such projects as the Tombigbee, with $66,000,000, and the Umatilla project, I think with $21,000,000, no matter how meritorious—and I am not now discussing the necessity or the merits of the pending amendment—we will have a bill authorizing something over $200,000,000, to be added on top of the terrific load of appropriations we have already made, and the President may not only veto the bill, according to the information which came to the committee officially from the President, but he will be justified by the country in doing it.

If I had had my way, I would have much preferred to give precedence to river and harbor appropriations, to flood-control appropriations, to agricultural appropriations, than to appropriations for the topheavy and unwieldy and unreasonable national-defense program which has been proposed. But I cast a vote in this body, as many another Senator did, in behalf of increased appropriations for agriculture, which I believe to be absolutely necessary, on the theory that we would take them out of the naval and Army expansion program, but we found that we did not have the votes in the Senate to do that, and we have not the votes in the House to do it.

This may be said to be an authorization, but we know that an authorization, as the Senator from Michigan so aptly said this afternoon, is simply the key which unlocks the appropriation door. I do not believe the Senate can pass this bill if there are included these two large items added by the Senate to the House bill, the Tombigbee and the Umatilla Dam projects, without the certainty of a Presidential veto which will be sustained and justified by the country.

Mr. President, for these reasons I shall vote against the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment. [Putting the question.] The "noes" seem to have it. The "noes" have it, and the amendment is rejected.

Mr. McNARY. Mr. President, I wanted to ask for the yeas and nays, but the decision was made so hurriedly that I did not have an opportunity. I wanted to discuss the matter before a vote was taken. I ask unanimous consent that the vote by which the amendment was rejected be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered, and the question is on agreeing to the amendment.

Mr. McNARY. Mr. President, I think the Members of the Senate are laboring under a misapprehension concerning the magnitude of the appropriation involved in the pending bill and also in the particular amendment now under consideration. It is true that the able Senator from Missouri opposed the amendment when it was before the Committee on Commerce. It does involve an authorization of $22,700,000. It is not an authorization for a power project. It is peculiarly and singularly a navigation project.

I think it may well be emphasized that the pending bill does not provide a program for 1 year, but provides a 7-year plan. It involves an authorization of $33,000,000 a year only, over a period of 7 years, making a total of $231,000,000.

In the number of years I have been in the Senate and a member of the Committee on Commerce I do not recall any authorization bill that was for a lesser amount than that involved in the pending bill.

It is inconceivable to me that anyone would support great military or naval bills, such as the one we had before us a few days ago, which carried nearly a billion dollars, and not be willing to vote to appropriate a few million dollars to make it possible for great naval vessels, as well as vessels of commerce, to enter our ports.

Mr. President, there is no factor in national defense more important than river and harbor navigation and improvement. I cannot see what use we can have for cruisers and battleships—by the way, 10 are authorized—unless we have harbors as places of safety for our battleships and for our cruisers, as well as for smaller craft.

I cannot understand the philosophy which would approve an appropriation of practically $1,000,000,000 for naval vessels and reject an expenditure of $33,000,000 to provide a rest, a haven, and a home for those ships. This is the smallest authorization bill that has been presented in many years for the improvement of our great harbors. When we take the total authorization of $231,000,000 and divide it by seven, we have exactly $33,000,000, which is all that can be expended in any one year, because a proposal to appropriate any sum in excess of that would, under the rules of the Senate, be subject to a point of order.

Mr. President, I supported the amendment of the able Senator from Mississippi [Mr. BILBO] providing for the development of the Tombigbee, because I thought the project would be beneficial and helpful to the South. It carried an authorization of $66,000,000. The amendment I now advocate, which was adopted by the Commerce Committee, authorizes the sum of $22,700,000, which I think probably is next to the largest authorization item in the bill.

This project has had the careful study of the local engineer, the district engineer, and the division engineer for a period of a good many years. It came before the Board of Engineers of the Army and was approved without a dissenting voice. It came before the Chief of Engineers and was approved by him. It was also approved by the National Resources Board. It came before the Senate Commerce Committee and was adopted by it. I must now tell the whole story. It came before the House last year, and on a tellers' vote was defeated by three or four votes. It was defeated because it was misconceived as a power project. At that time a survey had been made which declared it to be a power project costing $177,000,000, a very large sum. In view of the Grand Coulee project and the Bonneville project, I thought it was not wise to start another power development in the Northwest. Therefore I suggested to one of the Representatives from that great section of the country that a new survey be made and obtained from the Commerce Committee a resolution asking the Board of Engineers to make a new survey. The survey was made, and out of that came this proposition for navigation development, at the cost of $22,700,000.

Mr. President, I would not ask for this item if I did not think the project would be of great value to that section of the country, where is located so much Government-owned property, upon which no taxes are paid, which is wholly untaxable, and which does not support the surrounding communities.

The Columbia River has been developed largely—probably more generously than any other river in America—at the cost of the ports along the river. It has a 35-foot channel at Portland, Oreg. Since the development of the Bonneville Dam it will have a channel depth of 27 feet, which will take care of the coastwise vessels. There navigation practically ends, because of the Umatilla project, a stretch in this great river of about 14 miles, where the water flows so swiftly that it is infeasible to navigate the stream.

The Board of Engineers of the Army, and those who surveyed the project, and the people of that great section, know that if the Umatilla dam is constructed it will quiet the waters in that pool, indeed, it will submerge the pool, and the river will be navigable up to Lewiston, Idaho, a distance of 500 miles from the sea. That is the farthest hinterland distance of any navigable river save the Mississippi. That will give to the farmers having bulk production, such as wool in the bale and in the grease, wheat, livestock, and minerals, access to the deep water, where the heavy products may be taken to the

markets of the world by tramp vessels. It will save the farmers, the producers in eastern Oregon, and Washington, and Idaho, and parts of Montana and Wyoming, vast sums in freight rates.

It is true, Mr. President, that transcontinental lines skirt that section in part, and enter other parts, so that the freight in question has transportation available by reason of these transcontinental railway lines. I have not received one letter from a single railroad company or from an employee of a railroad company opposing this project because of a fear that it will take freight from the railroads or will create unemployment. Quite to the contrary, in all the years I have advocated this project, I had not yet heard of any opposition until opposition appeared on the floor of the Senate today, and I am sure that opposition was due to the lack of knowledge of the merits of this great project.

The bulk trade, Mr. President, will go down the river. The railroads realize that on this short haul there is no profit in this trade. The finished products will bring profit to the railroads, and it is that trade which they covet. The project has the great and singular virtue of giving a larger income to the people who live in that section, some of which is arid or semiarid, by affording means of navigation.

Another and impelling reason for the development of the project in question is the construction of the new Grand Coulee project in Washington. That project is conceived largely for the purpose of irrigating land—1,250,000 acres of land will be irrigable under it. The only possible, feasible, or practical outlet for the freight arising from the development of that land is down the Columbia River. The only way the settlers there, who must acquire public domain from the Federal Government, can dispose of their products is by having easy access to the markets of the world through cheap transportation. The Grand Coulee project is a Government venture; 1,250,000 acres of land owned by the Government are to be watered by the Government by means of power practically owned by the Government. Opening the river to navigation would make it possible for these settlers to return to the Government the amount of money invested in the property. It is my deliberate judgment, if the Government will put up $23,700,000 for the construction of this dam, that the money will be wholly recovered by the Treasury of the United States from the settlers by reason of the lower freight rates which will be made available to them.

Mr. President, I do not wish to urge this matter upon the Senate too stoutly. I know that Senators look at such matters as this from different viewpoints, but I feel that the statement made by the Senator from Missouri [Mr. CLARK] was due to a misconception concerning the very great importance that should be attached to this development.

I hope that in these few words I have made clear the value this project will have to that great section of the country—the great Northwest. I repeat, more than one-half of the area of land in that section of the country is owned by the Federal Government.

This project will make possible the operation of vessels carrying freight on the Columbia River from Lewiston, Idaho, to the Pacific Ocean, and then to the markets of the world.

I appeal to the Members of the Senate to give it fair and sympathetic consideration.

Mr. CLARK of Missouri. Mr. President, I want to say only a word. It has been said several times on the floor today, as though it were an innovation, that these authorizations are to be spent over a period of several years. That is no innovation at all. That is the system under which we have always proceeded. We have a large backlog now of authorizations for river and harbor projects. In the appropriation bill to be considered this year, for river and harbor projects, the navigation projects included in this bill amount to only $68,009,110—that is, according to the Senate bill—which simply means that after authorizations are made, necessarily they may be strung out over a period of years.

The point I make is simply that we should pass a bill which will not too greatly increase the authorizations, and which will be signed by the President.

It is no innovation that the appropriations may be spread over a period of years, because that has been the ordinary practice. We already have hundreds of millions of dollars authorized which have not been expended. Congress appropriates this year only $68,000,000.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BARKLEY. Purely for information, I have been told that the authorizations heretofore made for river and harbor work, for which no appropriations have been made, amount to several hundred million dollars. I have also been told that about $200,000,000 of the previous authorizations will probably never be appropriated for, because the projects are not now deemed worthy. Does the Senator know how far back any authorization has been made which has not yet received an appropriation?

Mr. CLARK of Missouri. I am unable to inform the Senator from Kentucky as to that. The Senator from North Carolina [Mr. BAILEY] has some information, which I did not have the opportunity to digest, furnished him by the Chief of Engineers; but I do know, as does every other Senator who has ever paid any attention to the subject, that there is a large backlog of authorizations. Inasmuch as the authorizations may move forward at any time, it is my understanding that it is the position of the President of the United States that he does not want the total of authorizations increased too much at any one time.

Mr. BARKLEY. Of course, if it be true that there are authorizations heretofore made which have gone along over a period of years, and for which nobody now seriously considers making an appropriation, it seems to me there ought to be some way to clear the authorized projects off the docket, so that they would not be used as a total for which appropriations might be made in the future. If there is any way to "deauthorize" such projects—if that word may be used—and if they are never to be constructed, it seems to me it is a mistake to carry them from year to year.

Mr. CLARK of Missouri. Undoubtedly some of them have been taken care of in other ways—by P. W. A. authorizations, W. P. A. authorizations, or in some other way. I obtained a rough set of figures from the Senator from Kentucky himself. He gave the figure of $600,000,000.

Mr. BARKLEY. I stated to the Senator that that figure is not authentic.

Mr. CLARK of Missouri. I understand.

Mr. BARKLEY. That is the information which has been given to me.

Mr. CLARK of Missouri. I asked the Senator from North Carolina [Mr. BAILEY] about it. He has a set of figures made up on a different basis, showing the backlog at the present moment to be about $159,000,000.

Mr. BAILEY. Mr. President——

Mr. CLARK of Missouri. I am glad to yield to the Senator from North Carolina to state the situation.

Mr. BAILEY. I am in sympathy with the suggestion of the senior Senator from Kentucky that we might go back over a long period of years, ascertain the authorizations which have been made prior to a certain date, and have them stricken out.

The fact of the matter is that authorizations reaching back for 30 or 40 years have been made on condition that local contributions be made. When local contributions have not been paid in, the work has not been done. Those authorizations are largely dead. Inasmuch as there has been considerable discussion as to the amount of authorizations outstanding, I asked the engineers of the War Department yesterday to give me the data; and I shall read them, according to their memorandum.

When the appropriation bill is enacted—

That is, the War Department civil-functions bill, which has passed the Senate—

there will be available approximately $135,500,000 authorization for future appropriations to complete work on active authorized river and harbor projects.

That is the figure. Some of the newspapers have stated the figure to be $600,000,000.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. BARKLEY. What is meant by "active"? Does that mean projects with respect to which construction has begun?

Mr. BAILEY. No; that means projects which have not been abandoned, projects which are under consideration.

This is the important matter:

This authority—

That is, the $135,500,000—

is less than has existed for many years, and the present bill will restore a reasonable backlog for the operations of the Department.

They must have some picture of the future. They must make their studies. So, instead of lifting the amount above normal, the effect of this bill would be to lift it approximately to normal.

Mr. CLARK of Missouri. Mr. President——

Mr. BAILEY. One further word.

Since the Tombigbee project has been rejected, the bill as it now stands is reduced by $67,000,000. According to my estimate, the figure is now about $150,000,000. That would give us $135,500,000 plus $150,000,000, or $285,500,000. That is well below the normal backlog of river and harbor appropriations authorized for study and preparation by the War Department. Spreading that amount over a 7-year period, it does not call for any great sum by way of annual appropriations.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, on page 15, after line 8.

Mr. McNARY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SHEPPARD. Mr. President, as chairman of the Subcommittee on Rivers and Harbors of the Commerce Committee, I wish to say that the subcommittee very carefully examined the project to which the Senator from Oregon [Mr. McNARY] has referred; and I feel that I speak the sentiment of all the membership of the subcommittee when I say that I hope this amendment will be retained in the bill.

Mr. ADAMS. Mr. President, the statement of the Senator from North Carolina that the authorization covers a period of 7 years is, of course, accurate. That is the intention of the Senator from North Carolina. However, after the bill shall have been passed, it will be out of the hands of the Senator from North Carolina, and there would be nothing whatever to prevent the Appropriations Committees of both Houses, into whose hands the matter would come, from appropriating the full amount of the authorization. They would not be limited by the statement that the program contemplated is a 7-year program.

Mr. BAILEY. Mr. President, I am well aware of that fact. I state my attitude. The Senate may state its attitude. I have much confidence in the Committee on Appropriations. I think we have reason to have even more confidence in the Committee on Appropriations because the Senator from Colorado is such an active member of it. I will trust him, and I think he will trust me; and we can all trust the Senate.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. BARKLEY. As I understand the bill, it provides that no river and harbor authorization bill shall be brought in for 7 years.

Mr. BAILEY. I should not say that, but I shall certainly not ask for one.

Mr. BARKLEY. I am wondering if that is the intention. I assume that it is. I assume that the committee contemplates that if the program is a 7-year program it will not be added to or subtracted from during the 7 years. But how can we bind any future Congress?

Mr. BAILEY. We cannot bind anybody. However, any Senator can bind himself.

Mr. BARKLEY. If future Congresses should undertake to add to the appropriation or appropriate for another 7-year period or increase the 7-year program, they would be perfectly free to do so.

Mr. BAILEY. Yes. We can do nothing about future Congresses.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. CLARK of Missouri. Do I correctly understand that the Senator is binding himself as to his future action in the Congress, regardless of whatever necessity may develop; that so far as his vote is concerned there will not be another river and harbor bill for 7 years, either increasing or diminishing the program?

Mr. BAILEY. Mr. President, I am perfectly willing to be bound to a sensible program.

Mr. CLARK of Missouri. I am not willing to be bound.

Mr. BAILEY. I did not suggest that the Senator was. However, by courtesy, the chairman of the Committee on Commerce sits with the Committee on Appropriations when river and harbor appropriations are being considered. I take it I shall be chairman of the Commerce Committee for 2 years and 8 months longer, if I live. I shall certainly keep my word to keep this whole matter within the bounds of the program. I shall not ask the Committee on Appropriations to go beyond the figures I have given. I think we must follow some such plan. I do not undertake to bind the Senate, the Senate Committee on Commerce, or the House of Representatives. However, as chairman of the Commerce Committee, I engage to go along with the constructive program which I have put forward. It is the only program which I could support as consistent with my views as to economy, and the necessity for reducing public expenditures.

Mr. CLARK of Missouri. Mr. President, I should like to say one further word. I do not wish to occupy the attention of the Senate too long; but, as a member of the Commerce Committee, let me say that this is the first time I have ever heard the suggestion made that this bill is to be a binding program for 7 years upon the expenditures of the United States Government with regard to river and harbor improvements. If I believe such a thing as that, I should oppose the bill on entirely different grounds. I do not believe the present Congress can bind any future Congress, or that any Member of Congress has a right to bind himself as to what the necessities of a river and harbor program may be in the next 7 years.

I do not understand that the Commerce Committee ever voted on that question. I do not understand that that question is at all involved in the passage of the bill. Next year, next month, or 2 years from now it may be necessary to change this program. I do not understand that by including items in the bill or excluding items from the bill we are enacting into law a policy with regard to river and harbor improvements for the next 7 years. As a member of the Commerce Committee I wish to repudiate as strongly as I can any suggestion that that idea was ever advanced in the Commerce Committee, because, so far as I know, it was not.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. VANDENBERG. I invite the Senator's attention to the fact that half of the bill consists of surveys contemplating additional appropriations.

Mr. CLARK of Missouri. I thank the Senator for his suggestion.

Mr. SCHWELLENBACH. Mr. President, I wish to discuss the pending amendment. It is now 5 o'clock. Is it the desire of the majority leader that we continue further at this time?

Mr. BARKLEY. Mr. President, I had hoped that we might dispose of the pending amendment and the bill today. If we can remain in session a little later than usual, I think we can do so. What has the Senator from North Carolina [Mr. BAILEY] to say about it?

Mr. BAILEY. Mr. President, we have a reasonable opportunity to finish today, and I shall be very glad to do it. If the Senate is willing to wait a while, I hope we may get through. After this vote is taken, I know of nothing further

that is controversial, unless something should arise that we have not considered.

Mr. NORRIS. Mr. President——

Mr. SCHWELLENBACH. I yield to the Senator from Nebraska.

Mr. NORRIS. I desire not to be misunderstood. I do not know whether or not it will bring on any controversial discussion, but I have an amendment which at the proper time I desire to offer to the bill. I do not care to discuss it unless the Senator from North Carolina should indicate that he is opposed to it. I am inclined to think he will favor it.

Mr. BAILEY. Mr. President, I have seen the amendment, and I have stated to the Senator from Texas that, so far as I was concerned, I would accept it.

Mr. NORRIS. Then there will be no discussion.

Mr. BAILEY. I hope we can go on and finish the bill tonight; but if we cannot, we can take it up again tomorrow.

Mr. SCHWELLENBACH. Mr. President, I desire very briefly to discuss the pending amendment. It provides for the construction of a project on the Columbia River between the States of Oregon and Washington. I think the Members of the Senate should appreciate the fact that it is a part of the development of the Columbia River. The Government has undertaken the task of developing that river, not to as great an extent as the Government has undertaken down on the Tennessee River, but, nevertheless, this dam is simply a part of the entire program. The money has been appropriated for the construction of a power dam at Bonneville. The money has been appropriated for the construction of a power and reclamation dam at Grand Coulee. As the Senator from Oregon [Mr. McNARY] pointed out, if we are to make full use of the money which has been appropriated for the construction of those two projects, in which the Government has an investment many times greater than the amount proposed to be authorized in this project, it is essential that this project be carried forward.

We in the Northwest have a difficult problem in the distribution of our products because of the fact that we are so far away from the markets. We have not an immediate primary market; and to the producers of agricultural products in that section of the country the cost of shipment of agricultural products from the point of production to the ports either on Puget Sound or at the mouth of the Columbia River is a very important element in the cost of distribution. The saving that could be made by the farmers of eastern Washington and of Idaho and of eastern Oregon through the use of the facilities of the Columbia River would make the difference between their securing cost of production for their products or securing less than the cost of production. That saving would make the difference between success and failure so far as a large part of the development of the reclamation project at Grand Coulee is concerned.

This is not some project which is separate and apart from what the Congress has considered prior to this time. It is a very necessary and a very integral part of the development of the Columbia River. It was approved at the end of the Seventy-fifth Congress. It comes before the Senate now as a part of this bill. I do not care to enter into the argument as to whether or not the Commerce Committee can bind Congress or can even bind itself for the next 7 years; but the fact that the chairman of the Commerce Committee presents this program as a 7-year program is at least proof that, so far as he is concerned and so far as other Members of the Senate who agree with that theory are concerned, there will be during the next 7 years a very definite effort to prevent further authorization of projects of this kind.

If the Umatilla Dam project is delayed for a period of 7 years, it will mean that the amount of money which the Government has invested both at Bonneville and at Grand Coulee will be endangered to that extent; and I present it to the Members of the Senate, not as a separate and distinct project but simply as a part of the development of the Columbia River.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee on page 15, after line 8, on which the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). On this question I have a pair with the Senator from Vermont [Mr. GIBSON]. Not knowing how he would vote, I withhold my vote.

The PRESIDING OFFICER (when Mr. CHANDLER'S name was called). The present occupant of the chair has a pair with the Senator from Pennsylvania [Mr. DAVIS]. Not knowing how the Senator from Pennsylvania would vote, the present occupant of the chair withholds his note.

The roll call was concluded.

Mr. THOMAS of Utah (after having voted in the affirmative). On this question I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES], who is absent. I therefore withdraw my vote.

Mr. MINTON. I announce that the Senator from Florida [Mr. ANDREWS], the Senator from West Virginia [Mr. HOLT], the Senator from Nevada [Mr. MCCARRAN], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are detained from the Senate on public business.

The Senator from Arizona [Mr. ASHURST], the Senator from Iowa [Mr. GILLETTE], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Montana [Mr. MURRAY] are detained in various Government departments.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Iowa [Mr. HERRING], the Senator from Louisiana [Mr. OVERTON], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are attending committee meetings and are unable to be present.

The Senator from California [Mr. DOWNEY] is conducting hearings in New York for the Committee on Banking and Currency, and is therefore necessarily absent.

The Senator from Massachusetts [Mr. WALSH] is absent on official business. I am advised that if present and voting he would vote "nay."

The Senator from Alabama [Mr. HILL], who is detained on public business, has a general pair with the Senator from New Hampshire [Mr. TOBEY].

The Senator from Louisiana [Mr. OVERTON] has a pair with the Senator from Maryland [Mr. TYDINGS].

Mr. AUSTIN. I announce the pair on this question of the Senator from Oregon [Mr. HOLMAN], who would vote "yea," with the Senator from Massachusetts [Mr. WALSH], who would vote "nay."

The Senator from New Hampshire [Mr. TOBEY], the Senator from Vermont [Mr. GIBSON], the Senator from Pennsylvania [Mr. DAVIS], and the Senator from Oregon [Mr. HOLMAN] are necessarily absent.

The result was announced—yeas 33, nays 36, as follows:

YEAS—33

Austin	George	Lundeen	Schwartz
Bailey	Hale	McNary	Schwellenbach
Bankhead	Harrison	Miller	Sheppard
Bilbo	Hayden	Norris	Shipstead
Bone	Hughes	Nye	Thomas, Idaho
Byrnes	Johnson, Calif.	Pepper	Townsend
Caraway	La Follette	Pittman	
Clark, Idaho	Lee	Reynolds	
Frazier	Lodge	Russell	

NAYS—36

Adams	Danaher	King	Slattery
Barbour	Donahey	Lucas	Smathers
Brown	Ellender	McKellar	Smith
Bulow	Gerry	Maloney	Stewart
Burke	Glass	Mead	Taft
Byrd	Green	Minton	Truman
Capper	Gurney	Neely	Vandenberg
Clark, Mo.	Hatch	O'Mahoney	Van Nuys
Connally	Johnson, Colo.	Reed	Wiley

NOT VOTING—27

Andrews	Downey	Holt	Tobey
Ashurst	Gibson	McCarran	Tydings
Barkley	Gillette	Murray	Wagner
Bridges	Guffey	Overton	Walsh
Chandler	Herring	Radcliffe	Wheeler
Chavez	Hill	Thomas, Okla.	White
Davis	Holman	Thomas, Utah	

So the amendment of the committee was rejected.

Mr. LEE. Mr. President, I intend to vote against the pending bill, because I believe there is more involved in it than meets the eye. I believe we are setting a very dangerous precedent when we start separating navigation, flood control, and power projects, or undertaking to do so. I feel that it is not a good policy to eliminate projects, as we have done this afternoon, merely on the basis of their cost rather than their worthiness, and merely to cut down the amount in the hope of passing the bill, which will set a precedent of passing a measure providing for projects for navigation purposes, without any consideration of flood control at all. If we do that, I dare say it will be difficult if not impossible to pass a power-project bill in the future. If we separate flood control and navigation from power, we set a precedent which, in my opinion, will end Government erection of power projects in this country. I feel that it is the Fuller brush salesman's foot in the door, when we set the precedent of trying to say in a bill, "These projects are navigation projects only."

When we build a dam and impound water, are we able to determine here that such dam is for navigation alone? If we help navigation, do we not help control floods? If we build a dam which impounds sufficient water to produce power, should we say by an act of legislation that it is for navigation only? I do not believe so. I believe that we are making a mistake in undertaking to divide projects into flood control, navigation, and power projects.

In the Committee on Commerce we do not have a subcommittee to deal with power projects alone, we do not have a subcommittee to deal with navigation projects alone. We do have subcommittees dealing with flood control and rivers and harbors. In the House there is a division. In the first bill we considered, the Senate Committee on Commerce included flood-control projects, power projects, and navigation projects in the one bill. The committee asked the subcommittee considering the matter to bring in a bill containing navigation projects only, which the committee undertook to do, and that is the bill now before the Senate.

Today, without rhyme or reason as to the worthiness of the projects, we eliminated those which cost most, and adopted others which very likely are no more worthy than the ones we have eliminated, and it might be possible there are many included which are not so worthy as some we have eliminated today. In my opinion, we have no basis for passing legislation setting the precedent of dividing power from navigation and dividing flood control from navigation. It is all one comprehensive program under which the Government undertakes to correct flood conditions, to prevent floods, to make streams navigable, and as a byproduct of that to produce power for the benefit of the people.

I fear the consequences of this policy. Therefore, I shall vote against the bill.

Mr. BARKLEY. Mr. President, it is obvious we cannot conclude consideration of the bill tonight, and I think we might as well suspend at this time.

AMENDMENT OF NATONAL DEFENSE ACT

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 3840) to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. THOMAS of Utah. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. THOMAS of Utah, Mr. MINTON, and Mr. GURNEY conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CHANDLER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers for appointment and promotion in the Navy.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the following treaties and conventions and submitted reports thereon:

Executive B (76th Cong., 3d sess.) a supplementary extradition treaty between the United States of America and the Republic of Ecuador, signed at Quito on September 22, 1939 (Ex. Rept. No. 1);

Executive C (76th Cong., 3d sess.), a conciliation treaty between the United States of America and the Republic of Liberia, signed at Monrovia on August 21, 1939 (Ex. Rept. No. 2);

Executive D (76th Cong., 3d sess.), a supplementary extradition convention between the United States of America and the United Mexican States, signed at Mexico City on August 16, 1939 (Ex. Rept. No. 3);

Executive E (76th Cong., 3d sess.), a supplementary extradition treaty between the United States of America and Switzerland, signed at Bern on January 31, 1940 (Ex. Rept. No. 4);

Executive F (76th Cong., 3d sess.), a supplementary extradition convention between the United States of America and the Republic of Guatemala, signed at Guatemala City on February 20, 1940, enlarging and amending the extradition treaty of February 27, 1903, between the two countries (Ex. Rept. No. 5); and

Executive G (76th Cong., 3d sess.), a treaty between the United States of America and the Union of South Africa, signed at Washington, April 2, 1940, amending in their application to the Union of South Africa certain provisions of the treaty for the advancement of peace between the United States of America and Great Britain, signed at Washington, September 15, 1914 (Ex. Rept. No. 6).

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

THE JUDICIARY

The legislative clerk read the nomination of Guy K. Bard to be United States district judge for the Eastern District of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES HOUSING AUTHORITY

The legislative clerk read the nomination of Leon H. Keyserling to be deputy administrator.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters which had been favorably reported.

The PRESIDING OFFICER. Without objection, the nominations which have been favorably reported are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask that the Army nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed.

That concludes the Executive Calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 25, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 24, 1940

COLLECTOR OF CUSTOMS

A. Miles Pratt, of New Orleans, La., to be collector of customs for Customs Collection District No. 20, with headquarters at New Orleans, La. Reappointment.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named doctors to be assistant surgeons in the United States Public Health Service, to take effect from date of oath:

Glen E. Ogden	James A. Smith
George F. Ellinger	James L. Southworth
Ralph W. McComas	Curtis G. Southard
David B. Wilson	Harry A. Tanton
Bryan A. Dawber	John A. Brasfield
John F. Oesterle	Daniel J. Daley
Howard V. Turner	William J. Brown
Kenneth F. Hausfeld	Joe M. Chisolm

COAST GUARD OF THE UNITED STATES

Rear Admiral Russell R. Waesche, of Maryland, to be Commandant, with the rank of rear admiral, in the Coast Guard of the United States, for a term of 4 years. Reappointment.

The following-named officers in the Coast Guard of the United States, to take effect from date of oath:

TO BE CHIEF BOATSWAINS

Alfred B. Muse
Charles L. Lewis
Thomas B. Christiansen

TO BE CHIEF MACHINISTS

Harold Wylie	George C. Boniface
Harry Stevens	Francis T. Douglass
Everett C. Hilton	

APPOINTMENTS IN THE REGULAR ARMY

TO BE MAJOR GENERALS

Brig. Gen. Campbell Blackshear Hodges, United States Army, from September 1, 1940, vice Maj. Gen. David L. Stone, United States Army, to be retired August 31, 1940.

Brig. Gen. Lesey James McNair, United States Army, from December 1, 1940, vice Maj. Gen. Walter C. Sweeney, United States Army, to be retired November 30, 1940.

TO BE BRIGADIER GENERALS

Col. Courtney Hicks Hodges, Infantry, from April 1, 1940, vice Brig. Gen. Charles F. Humphrey, Jr., United States Army, retired March 31, 1940.

Col. Jacob Loucks Devers, Field Artillery, from May 1, 1940, vice Brig. Gen. Duncan K. Major, Jr., United States Army, to be retired April 30, 1940.

Col. Charles Lewis Scott, Cavalry, from May 1, 1940, vice Brig. Gen. George P. Tyner, United States Army, to be retired April 30, 1940.

Col. John Nesmith Greely, Field Artillery, from June 1, 1940, vice Brig. Gen. Lorenzo D. Gasser, United States Army, to be retired May 31, 1940.

Col. Thomas Alexander Terry, Coast Artillery Corps, from September 1, 1940, vice Brig. Gen. Robert O. Van Horn, United States Army, to be retired August 31, 1940.

Col. Simon Bolivar Buckner, Jr., Infantry, from September 1, 1940, vice Brig. Gen. Asa L. Singleton, United States Army, to be retired August 31, 1940.

Col. Charles Hartwell Bonesteel, Infantry, vice Brig. Gen. Campbell B. Hodges, United States Army, nominated for appointment as major general.

Col. John Hutchison Hester, Infantry, from November 1, 1940, vice Brig. Gen. Dana T. Merrill, United States Army, to be retired October 31, 1940.

Col. Edward Postell King, Jr., Field Artillery, vice Brig. Gen. Lesley J. McNair, United States Army, nominated for appointment as major general.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ORDNANCE DEPARTMENT

First Lt. Miles Birkett Chatfield, Field Artillery, with rank from June 12, 1937, effective June 12, 1940.

TO COAST ARTILLERY CORPS

Second Lt. Frank William Andrews, Infantry, with rank from June 12, 1937.

Second Lt. Raymond Clayton Cheal, Infantry, with rank from June 12, 1937.

TO AIR CORPS

First Lt. Paul Lawrence Barton, Infantry, with rank from June 12, 1937, effective May 11, 1940.

Second Lt. James Young Parker, Field Artillery, with rank from June 12, 1937, effective May 11, 1940.

PROMOTIONS IN THE REGULAR ARMY

MEDICAL CORPS

To be colonels

Lt. Col. Charles Lewis Gandy, Medical Corps, from May 6, 1940.

Lt. Col. William Washington Vaughan, Medical Corps, from May 9, 1940.

Lt. Col. John Berwick Anderson, Medical Corps, from May 10, 1940.

Lt. Col. Walter Paul Davenport, Medical Corps, from May 12, 1940.

Lt. Col. Austin James Canning, Medical Corps, from May 15, 1940.

Lt. Col. Lanphear Wesley Webb, Jr., Medical Corps, from May 16, 1940.

Lt. Col. Wilson Carlisle von Kessler, Medical Corps, from May 18, 1940.

Lt. Col. William Guy Guthrie, Medical Corps, from May 21, 1940.

To be major

Capt. Alfred Alexandre de Lorimier, Medical Corps, from May 29, 1940.

To be captains

First Lt. Robert Paul Hughes, Medical Corps, from May 10, 1940.

First Lt. Earl Cranston Lowry, Medical Corps, from May 17, 1940.

DENTAL CORPS

To be colonels

Lt. Col. Leigh Cole Fairbank (brigadier general, assistant to the Surgeon General), Dental Corps, from May 11, 1940.

Lt. Col. Terry P. Bull, Dental Corps, from May 15, 1940.

To be captains

First Lt. William Preston Barnes, Jr., Dental Corps, from May 14, 1940.

First Lt. Donald Malcolm O'Hara, Dental Corps, from May 14, 1940.

VETERINARY CORPS

To be lieutenant colonel

Maj. Frank Marion Lee, Veterinary Corps, from May 16, 1940.

PROMOTIONS IN THE NAVY

MARINE CORPS

Maj. George T. Hall to be a lieutenant colonel in the Marine Corps from the 1st day of April 1940.

Maj. Howard N. Stent to be a lieutenant colonel in the Marine Corps from the 1st day of April 1940.

Capt. Perry K. Smith to be a major in the Marine Corps from the 14th day of August 1939.

Capt. Walter I. Jordan to be a major in the Marine Corps from the 1st day of November 1939.

Quartermaster Clerk Andy C. Ramsey to be a chief quartermaster clerk in the Marine Corps, to rank with but after second lieutenant, from the 6th day of April 1940.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 24, 1940

UNITED STATES DISTRICT JUDGE

Guy K. Bard to be United States district judge for the eastern district of Pennsylvania.

UNITED STATES HOUSING AUTHORITY

Leon H. Keyserling to be Deputy Administrator of the United States Housing Authority.

APPOINTMENTS IN THE REGULAR ARMY

AIR CORPS

To be second lieutenants

William Alexander Cocke, Jr.
Richard Churchill Hutchinson
Peter Joseph Prossen
Frank Peter Bostrom
Herbert Otto Wangeman
Richmond Archibald Livingstone
Sylvan Davis Hand
Jack Southmayd Marks
Robert Copeland Paul
John Louis DuFrane, Jr.
Donald Earl Meade
James Franklin Whisenand
Paul Lehmann Glenn Moore
Don Allen Pomeroy, Jr.
Abraham Donley Olson
Donald MacKay Keiser
William Joseph Alvin Bowen
Walter Winfred Cross
Frank Burkley Harding
Roland John Barnick
Lovell Swain Stuber
Thomas Harber Holbrook
Kenneth Wayne Sprankle
Clarence Bernard Hammerle, Jr.
John William Weltman
Milton Elmo Thompson
Ted Bernard Fisch
Robert John Koster
Marcus Alfred Mullen
Donald Martin Alexander
James Daniel Mayden
Anthony Vincent Grossetta
John Henry Carter
Thaddeus Lewis Woltanski
William Robert Purinton
Duane Haren Skiles
Albert Arnold Cory
Brunow William Feiling
Glen Webster Martin
Richard Francis Ezzard
Charles Edward Gregory
Paul John Yurkanis
Charles Marion Eisenhart
Theodore Ross Clinkscales
Frank Elgin Bomar
Warren Sanford Wheeler
Bertram Claude Martin
Gilbert Louis Meyers
Keith Wesley Dech
Chester Charles Busch
John Campbell Wilkins
Earl Brown Cook
Charles Paul Sheffield
Samuel Heins Marett
William McMillan Knowles
Frank Lowry Dunn
Robert Jerome Hughey
George Joseph Ola
Everett Wilson Stewart
Glen Miller Alder
Frank Robbins Pancake
William Wallace Momyer
Raymond Steele Morse
Martin Perdue Crabtree
Keith Streeter Wilson
Milford Felix Itz
William Nelson Boaz, Jr.
Joseph James Preston
John Gilliland Simpson
Thomas Marion Todd
John Randolph Maney
Jerome Tarter
Charles Dewey Slocumb, Jr.
James Ernest Haile, Jr.
Ralph LeRoy Merritt, Jr.
Francis Bernard Carlson
Adriel Newton Williams
Fred Wright McNelly
Paul Constantine Schauer
Francis Frey Seeburger, 4th
Harold Thaddeus Babb
George Echelbary Cranston
Harold Frederick Wilson

VETERINARY CORPS

David Samuel Hasson to be a first lieutenant.

POSTMASTERS

ALASKA

Otto H. Kulper, Cordova.
Emil O. Bergman, Fort Yukon.
May V. Kennedy, Palmer.

CALIFORNIA

James S. L. Royle, Fresno.
J. Vedro Stanton, Redding.

COLORADO

Christella N. Funk, Calhan.
Will Van Engen, Crawford.
Martin J. Dugan, Fleming.
James M. Faricy, Florence.
Roscoe D. Mutz, Fowler.
George W. Snider, Granby.
Clyde D. Moslander, Grand Junction.
Wright O. Ball, Meeker.
Dacie S. Johnson, Mount Harris.
Anna L. Grabow, Ouray.
Cyril Edward Taylor, Spivak.

CONNECTICUT

Harry C. Polhill, Bristol.
Walter P. Moran, Norwich.
Frank Buonocore, Torrington.

IDAHO

Frank S. Wimer, Cottonwood.
Herbert L. Spencer, Paris.

ILLINOIS

Donald W. Helme, Crete.
Daniel L. Cobb, Highland Park.
Howard J. Price, Hinckley.
Frederick M. Rawlings, Hinsdale.
Etta Lutz, Mendota.
Angus D. Irey, Monmouth.
Dwight S. Sharer, Mount Morris.
Earl M. Thomas, Rochester.
John R. Montgomery, Sandwich.
Clarence N. Ginther, West Salem.

KANSAS

Anna Gradie DeBolt, Altoona.
Charles T. Hill, Arkansas City.
Earl Hoefgen, Burden.
Leif R. Nelson, Chanute.
Virgil F. Young, Clearwater.
Clarence A. Kirkpatrick, Council Grove.
Otho E. McMullen, Courtland.
William P. Yearout, Emporia.
Jack Butcher, Garnett.
Kenneth Grove, Greeley.
Frank Barker, Greensburg.
Albert T. Campbell, Marion.
Thomas J. Cummings, Ottawa.
Rudolph J. Sharshel, Parsons.
Paul J. Voran, Pretty Prairie.
Jeannette Byrnes, St. Marys.
Anna L. Hicks, Sharon Springs.
Fred Moffitt, Tampa.
Jay T. Hill, Wamego.
Thomas E. Van Meter, Winfield.
Francis M. Stocker, Yates Center.

NEW YORK

Edward T. Morrissey, Baldwin.
Will J. Davy, Bergen.
Jay C. Fox, Brocton.
George F. Green, De Kalb Junction.
Henry Karchmer, Kiamesha Lake.
Lawrence J. Stankard, Lawrence.
John P. Samascott, Loudonville.
Charles R. S. Mastin, Lyons Falls.
Joseph A. Lynch, New City.
George R. Prescott, Perry.
George P. Dickinson, Schaghticoke.
Sarah Marie Odell, Shrub Oak.
Henry H. Fisher, Spencer.

Alfred S. Westlake, Sunmount.
Mabel G. Baldwin, Waverly.
Truman E. Brown, Wells.
Carl N. Marshall, Wellsville.

NORTH CAROLINA

Edna E. Maurer, Aberdeen.
Francis L. Andrews, Jr., Bethel.
Patrick H. McDonald, Carthage.
Brevard E. Harris, Concord.
Edgar S. Woodley, Creswell.
Grady L. Friday, Dallas.
Basil G. Farmer, Elm City.
Benjamin O. Turnage, Farmville.
Robert B. Mewborn, Grifton.
Claude W. Eason, Lowgap.
John P. LeGrand, Mocksville.
Howard W. Moody, Murphy.
Samuel D. Mauney, Newton.
Fred M. Bradley, Old Fort.
Perla H. Brey, Roper.
Kate Reagan, Weaverville.
Arthur T. Newsome, Winton.

OHIO

Howard M. Stanley, Albany.
John B. Kochheiser, Bellville.
John Galida, Campbell.
Glenn R. Evans, Chesterland.
Frank W. Taylor, Clarksburg.
Charles M. Casenhiser, Clinton.
August Fellerath, Gypsum.
Florence Wilcox, Hilliards.
Peter F. Hammond, Lancaster.
Edgar C. Merkle, Mogadore.
Cecil W. Briggs, New Holland.
William F. Engle, New Paris.
James L. Crawford, Orient.
Hiram L. Basinger, Pandora.
Minerva D. Case, Powell.
Nathan H. Ladd, Put in Bay.
Carl H. Caris, Ravenna.
Louis E. Harman, Russellville.
Ray M. Cartwright, Sardinia.
Charles U. Read, Upper Sandusky.
Julius A. Stark, Wooster.

OKLAHOMA

Roy J. McCormick, Alva.
Lester M. Norris, Cache.
Ruth S. Howe, Helena.
Mike Craig, McCurtain.
Ora E. Spaulding, Ralston.
Charles Walter Johnston, Seminole.

PENNSYLVANIA

John C. Colahan, Ashland.

SOUTH CAROLINA

Oleda H. Garrett, North Charleston.

UTAH

Melvin Lind, Midvale.

WASHINGTON

Vernon R. Nixon, Bellevue.
Albert L. Hopkins, Gig Harbor.
Edgar L. Laden, Lakebay.
Willard A. Grube, Oroville.
Jennie A. Smith, Peshastin.
Mabel B. Johnson, Quilcene.
Thomas Woodward, Roslyn.
Joseph A. Wolf, Roy.
Hazel H. Howe, Tenino.
Rose M. Illy, Uniontown.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 24, 1940

The House met at 11:45 o'clock a. m. and was called to order by the Speaker pro tempore, Mr. RAYBURN.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, who art in heaven, hallowed be Thy name. Thy kingdom come, Thy will be done on earth, as it is in heaven. Give us this day our daily bread. And forgive us our trespasses, as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil: For Thine is the kingdom, and the power, and the glory, forever and ever. Amen.

The reading of the Journal of the proceedings of yesterday was dispensed with, and the Journal was approved.

RECESS

The SPEAKER pro tempore (Mr. RAYBURN). Pursuant to House Resolution 437, the Chair declares the House to be in recess for the purpose of holding memorial services as arranged by the Committee on Memorials.

Accordingly the House stood in recess to meet at the call of the Speaker pro tempore.

MEMORIAL SERVICE PROGRAM

APRIL 24, 1940

Prelude, sacred selections (11:15 to 11:45)
United States Marine Band Orchestra
Presiding Officer.... The Speaker of the House of Representatives
Invocation..... The Chaplain, Dr. James Shera Montgomery
Scripture reading and prayer..... The Chaplain
There Is No Death (Geoffrey O'Hara)..... Thomas L. Thomas
Roll of deceased Members
The Clerk of the House of Representatives
Devotional silence
The Living God (Geoffrey O'Hara)..... Bill Perry
Address..... Hon. Harry P. Beam
Representative from the State of Illinois
Then Shall the Righteous Shine Forth (Felix Mendelssohn)
Bill Perry
Address..... Hon. Roy O. Woodruff
Representative from the State of Michigan
The Old Rugged Cross (Bennard)..... Thomas L. Thomas
Taps..... Winfred Kemp
Benediction..... The Chaplain

MEMORIAL SERVICE

The SPEAKER pro tempore of the House of Representatives (Mr. RAYBURN) presided.

The Chaplain, Dr. Montgomery:

Almighty God unto whom all hearts are open, all desires known, and from whom no secrets are hid, cleanse the thoughts of our hearts by the inspiration of Thy Holy Spirit, that we may perfectly love Thee, and worthily magnify Thy hold name—Through Jesus Christ our Lord. Amen.

The eternal God is Thy refuge and underneath are the everlasting arms.

Our help is in the name of the Lord, who made heaven and earth.

Jesus said, I am the resurrection and the life; He that believeth in Me, though he were dead, yet shall he live and whosoever believeth in Me shall never die.

The righteous live forever and the care of them is with the Most High: With His right hand shall He cover them and with His arm shall He shield them.

For we know that if our earthly house of this tabernacle were dissolved, we have a building of God, an house not made with hands, eternal in the heavens.

Lord, Thou hast been our dwelling place in all generations, before the mountains were brought forth or ever Thou hast formed the earth and the world, even from everlasting to everlasting Thou art God. For a thousand years in Thy sight are as yesterday when they are past, and as a watch in the night. Thou carriest them away as with a flood; They are as a sleep; In the morning they are like grass which groweth up; In the evening it is cut down and withereth. So

teach us to number our days that we may apply our hearts unto wisdom. Let Thy work appear unto Thy servants, and Thy glory unto their children. And let the beauty of the Lord our God be upon us and establish the works of our hands upon us; Yea, the works of our hands establish Thou it.

Let not your heart be troubled; believe in God, believe also in Me. In my Father's house are many mansions; if it were not so, I would have told you, for I go to prepare a place for you. And if I go and prepare a place for you, I will come again and receive you unto Myself, that where I am there ye may be also. And whither I go ye know. Thomas saith unto Him, Lord, we know not whither Thou goest; and how can we know the way. Jesus saith unto him, I am the Way, the Truth, and the Life.

Serene, I fold my hands and wait,
Nor care for wind, or tide, or sea.
I rave no more 'gainst time or fate,
For, lo! my own shall come to me.

I stay my haste, I make delays,
For what avails this eager pace?
I stand amid the eternal ways
And what is mine shall know my face.

Asleep, awake, by night or day,
The friends I seek are seeking me;
No wind can drive my bark astray,
Nor change the tide of destiny.

What matter if I stand alone?
I wait with joy the future years.
My heart shall reap where it hath sown,
And garner up its fruit of tears.

The stars come nightly to the sky,
The tidal wave unto the sea;
Nor time, nor space, nor deep, nor high,
Can keep my own away from me.

Oh, Thou in whose presence our souls take delight, on whom in affliction we call, Thou wert our fathers' God. In the darkness Thou gavest them light, in danger, succor, and in uncertainty, guidance. The light of Thy word was their inspiration, "Be strong and of good courage; be not afraid, neither be thou dismayed, for the Lord thy God is with thee whithersoever thou goest." O let us hear the carol in the clouds, view the rock amid the waves, and see the star in the valley. Lead us, oh, Christ, in the toilsome way of Gethsemane and Calvary, and in all our needs give us strength and grace. Bless Thou the memory of those who have wrought well and passed on. Unto all hearts that are bowed down today, minister unto them the comfort and the consolations of Thy richest blessings.

We are reminded, dear Lord, that our days are swiftly passing by. Yesterday we were not, tomorow we shall be gone. O how changing are the fortunes of life—laughter and tears, melody and lamentation. Mid the fleeing shadows, O may the good angels sing the song of hope in every breast. In our dear Redeemer's name. Amen.

Mr. Thomas L. Thomas sang There Is No Death, by Geoffrey O'Hara.

ROLL OF DECEASED MEMBERS

Mr. Roger M. Calloway, reading clerk of the House, read the following roll:

MARVEL MILLS LOGAN, a Senator from the State of Kentucky: Lawyer; educator; county attorney, Edmonson County, 1902–03; Attorney General of Kentucky, 1916–17; Judge, Kentucky Court of Appeals, 1926–31; Chief Justice, 1931; chairman Democratic State Convention, 1916; elected to the United States Senate in 1930, and again in 1936. Died October 3, 1939.

WILLIAM EDGAR BORAH, a Senator from the State of Idaho: Lawyer; distinguished orator; member of the Republican National Committee, 1908–12; delegate, Republican National Convention, 1912; elected to the United States Senate in 1907, and served 32 years and 10 months; was chairman of the Senate Committees on Foreign Relations, and Education and Labor; dean of the Senate from 1933 until the day of his death, January 19, 1940.

BERT LORD, Thirty-fourth Congressional District of New York: Merchant; member New York Assembly, 1915–22, 1924–29; motor vehicle commissioner for the State of New York, 1921–23; State Senator, 1929–35; Member of the Seventy-fourth, Seventy-fifth, and Seventy-sixth Congresses. Died May 24, 1939.

EMMETT MARSHALL OWEN, Fourth Congressional District of Georgia: Lawyer; member, Georgia Legislature, 1902–06; solicitor, City Court of Zebulon, 1908–12; Solicitor General, Flint Judicial Circuit, 1913–23; Solicitor General, Griffin Judicial circuit, 1923–33; Member of the Seventy-third and each succeeding Congress. Died June 21, 1939.

HARRY WILBUR GRISWOLD, Third Congressional District of Wisconsin: Farmer; educator; member, State Board of Vocational Education, 1930–36; served in the State Senate from 1932 to 1936; Member of the Seventy-sixth Congress. Died July 4, 1939.

SAMUEL DAVIS MCREYNOLDS, Third Congressional District of Tennessee: Lawyer; Judge of the Sixth Judicial Circuit of the State of Tennessee, 1903–22; Member of the Sixty-eighth and each succeeding Congress; American delegate to the International Monetary and Economic Conference, in London, 1933; chairman, Committee on Foreign Affairs. Died July 11, 1939.

THOMAS MARION EATON, Eighteenth Congressional District of California: Businessman; educator; served in the United States Navy during the World War; member, City Council, Long Beach, Calif., 1934–36; mayor of Long Beach, 1936–38; Member of the Seventy-sixth Congress. Died September 16, 1939.

THOMAS SANDERS MCMILLAN, First Congressional District of South Carolina: Farmer; educator; member, South Carolina House of Representatives, 1916–24; speaker, 1923–24; Member of the Sixty-ninth and each succeeding Congress; member of the Committee on Appropriations. Died September 29, 1939.

CHESTER CASTLE BOLTON, Twenty-second Congressional District of Ohio: Businessman; captain, United States Army Reserve Corps, serving successively with the War Industries Board, aide to the Assistant Secretary of War, and on the General Staff of the War Department; lieutenant colonel, Assistant Chief of Staff of the One Hundred and First Division; member of the Ohio Senate, 1923–28; Member of the Seventy-first and each succeeding Congress. Died October 29, 1939.

JAMES WILLIS TAYLOR, Second Congressional District of Tennessee: Lawyer; postmaster, La Follette, Tenn., 1904–09; mayor of La Follette, 1910–13; insurance commissioner, State of Tennessee, 1913–14; chairman, Republican State Executive Committee, 1917–18; Member of the Sixty-sixth and each succeeding Congress; ranking minority member of the Committee on Immigration and Naturalization. Died November 14, 1939.

CARL EDGAR MAPES, Fifth Congressional District of Michigan: Lawyer; member, Michigan House of Representatives, 1905–07; member, State Senate, 1909–13; elected to the Sixty-third and each succeeding Congress; ranking minority member of the Committees on Rules and on Interstate and Foreign Commerce. Died December 12, 1939.

WILLIAM IRVING SIROVICH, Fourteenth Congressional District of New York: Physician and surgeon; fellow, American College of Surgeons, 1924; awarded the Distinguished Service Medal, Columbia University Alumni Association, 1932; Member of the Seventieth and each succeeding Congress; chairman of the Committee on Patents. Died December 17, 1939.

JOHN ANDREW MARTIN, Third Congressional District of Colorado: Lawyer, editor; soldier; member, Colorado Assembly, 1901–02; Pueblo city attorney, 1905–07; Member of the Sixty-first and Sixty-second Congresses, retiring voluntarily; during the World War served as a major, Fortieth Division; Member of the Seventy-third and each succeeding Congress. Died December 23, 1939.

WILLIAM ALBERT ASHBROOK, Seventeenth Congressional District of Ohio: Editor; banker; farmer; publisher of the Johnstown Independent since 1885; postmaster, Johnstown, 1893–97; member, Ohio House of Representatives, 1904–05; Member of the Sixtieth through the Sixty-sixth Congresses, also the Seventy-fourth and each succeeding Congress. Died January 1, 1940.

GEORGE HENRY HEINKE, First Congressional District of Nebraska: Lawyer; graduate, University of Nebraska, 1908; county attorney, Otoe County, 1919–23, 1927–35; Member of the Seventy-sixth Congress; served on the Committees on Election of the President, Vice President, and Representatives in Congress; Labor; and the Territories. Died January 2, 1940.

WALLACE EDGAR PIERCE, Thirty-first Congressional District of New York: Lawyer; member, New York Bar Association; member, New York Assembly, 1917–19; chairman, Clinton County Republican Committee; member, New York State Republican Committee; elected to the Seventy-sixth Congress; served on the Committee on the Judiciary. Died January 3, 1940.

EDWARD WALTER CURLEY, Twenty-second Congressional District of New York: Builder and contractor; member of the Board of Aldermen, New York City, 1916–35; chairman or ranking member of all major committees of the board; elected to the Seventy-fourth and each succeeding Congress; member of the Committees on Labor, Civil Service, Election of the President, Vice President, and Representatives in Congress; and Invalid Pensions. Died January 6, 1940.

CASSIUS CLAY DOWELL, Sixth Congressional District of Iowa: Lawyer; member, Iowa House of Representatives, 1894–98; member, State senate, 1902–12; Member of the Sixty-fourth through the Seventy-third, Seventy-fifth and Seventy-sixth Congresses; ranking minority member of the Committee on the Territories. Died February 4, 1940.

CLYDE HAROLD SMITH, Second Congressional District of Maine: Educator; member, State house of representatives, 1899–1903, 1919–23; State senator, 1923–29; chairman, State Highway Commission, 1928–32; member, Governor's Council, Fourth District, 1933–37; elected to the Seventy-fifth and the Seventy-sixth Congresses. Died April 8, 1940.

SANTIAGO IGLESIAS, a Resident Commissioner from the Territory of Puerto Rico: Labor organizer; editor; founder of the Free Federation of Workingmen in Puerto Rico, 1898; member, Puerto

Rican senate, 1917–32; edited the Porvenir Social, 1898–1900, Union Obera, 1903–06 and Justicia, 1914–25; Resident Commissioner from 1932 until his death December 5, 1939.

Mrs. NORTON, a Representative from the State of New Jersey, standing in front of the Speaker's rostrum, placed a memorial rose in a vase as the name of each deceased Member was read by the Clerk.

Then followed 1 minute of devotional silence.

Mr. Bill Perry sang The Living God, by Geoffrey O'Hara.

Hon. HARRY P. BEAM, a Representative from the State of Illinois, delivered the following address:

ADDRESS BY HON. HARRY P. BEAM

Mr. BEAM. Mr. Speaker, today we assemble in solemn conclave to pay honor and tribute to our dead. No question of state or parliamentary controversy can disturb the tranquility of the occasion as we recall with fond and happy recollection the close and intimate association we enjoyed in the crucible of public service with our departed colleagues, who now rest forever in the calm and peaceful bosom of eternity.

Of all the events in life, death, with its mysterious realism, is the most startling and dramatic. No one can stand in its awful presence and not be moved to a deeper and more abiding solicitude for the rights of our fellow man; nor can one encounter its grim realities without becoming more tolerant, more sympathetic, more understanding of the frailties of human nature and without a deeper conscientious realization of our own imperfection and mortality.

How fleeting is time and how transitory and temporal is the applause of the people or the honors and dignities conferred upon man in the short span of human life. And what a stern realization of that fact have we before us today, as we listen in vain for voices we knew so well to respond to the roll call who but a short yesterday were active participators in the deliberations of our body and wielded vast and far-reaching influence in the formation of the legislative program of the Nation.

Away. We know that tears are vain,
That Death nor heeds nor hears distress:
Will this unteach us to complain?
Or make one mourner weep the less?
And thou, who tellst me to forget,
Thy looks are wan, thine eyes are wet.

Our colleagues whose untimely passing we commemorate today were privileged to serve their country during some of the most crucial and fateful years in the history of the Republic.

During their official service as Members of the Congress of the United States they viewed with alarm and deep concern the grave uncertainty and distress which engulfed the citizenship of our land. During those early days of the depression they observed their fellow citizens in mass formation storm the very doors of the Nation's Captol, demanding food and shelter for themselves and for their families. They witnessed the bankruptcy of agriculture, the prostration of business, the failure of thousands of banking institutions throughout the land, the foreclosure of countless homes and farms, the sorry and desperate plight of the wage earner and the farmer, and the prevailing fear and trepidation which seemed to strike at the very heart and sinews of our American national life.

Our departed colleagues, with undismayed courage and a high conception of American statesmanship faced their grave responsibility and contributed generously and unreservedly of their sagacious counsel, and their profound knowledge and wisdom, in devising ways and means to remedy these oppressing conditions and to relieve the circumstances which were well-nigh overwhelming the moral courage and grim fortitude of our people.

They were active participators in the great emergency program to revive agriculture, to furnish governmental aid, and financial assistance to business and industry, and to restore confidence and security in our banking system. They actively assisted in the enactment of laws to alleviate the suffering of our citizens and were contributors to all social legislation for the welfare of the poor and underprivileged of our land.

Our departed colleagues were privileged to serve in the Congress of the United States during the rise of the "dictators" and witnessed the tremendous growth of the nefarious doctrines of communism and nazi-ism, and saw them become the dominant policy and religion, so to speak, of countless numbers of heretofore God-fearing men and women of great nations of the world.

They observed in their lifetime the war clouds again hover over the nations of Europe, threatening to engulf the entire world once more in conflagration. They witnessed the march of the highly mechanized and modernized armies of the dictators against countries ill-equipped for war, and by fire and sword saw them conquer and destroy nations, subject their citizens to a lifetime of sorrow and misery, and bury forever the last vistage of hope for liberty and freedom for untold millions of human beings.

Robert Ingersoll, appearing before the tomb of Napoleon, expressed himself in the following words:

I would rather have been a French peasant and worn wooden shoes. I would rather have lived in a hut with a vine growing over the door, and the grapes growing purple in the amorous kisses of the autumn sun. I would rather have been that poor peasant, with my loving wife by my side, knitting as the day died out of the sky, with my children upon my knees and their arms about me. I would rather have been that man, and gone down to the tongueless silence of the dreamless dust, than to have been that imperial impersonation of force and murder, known as Napoleon the Great.

I pause and wonder, my fellow colleagues, when at some time in the future, when these dictators who have caused the pangs of war to again cloud the happiness and peace of the world are summoned to embark on that fateful voyage, from which no traveler returneth, what complacency of thought, what peace of mind and heart can be theirs. When the very shrouds which enwrap their cold and lifeless clay shall be drenched with the blood and tears of countless numbers of human beings, decreed by them to a vale of misery, suffering, famine, pestilence, and death.

The garlands wither on your brow;
Then boast no more your mighty deeds;
Upon death's purple altar now
See where the victor—victim bleeds;
Your heads must come
To the cold tomb;
Only the actions of the just
Smell sweet, and blossom in their dust.

What a sad commentary of fate that in this age of enlightenment, of intellectual development, of cultural advancement, and of great scientific discoveries—all for the happiness and betterment of mankind—that the people of the world should again be plunged into the horrors and terrors of war, with all the resulting suffering and misery therein entailed.

From the sad plight and appalling despair of these unfortunate nations, let us resolve that, from the hallowed ashes of our departed colleagues, never again shall we vote to plunge America into a foreign holocaust of war, or ever again consecrate any foreign soil with the lifeblood of our American youth, to save or preserve the integrity of any foreign monarchy, dynasty, or power.

America will fight only for America, and to keep inviolate our priceless heritage of liberty and freedom, and the preservation of our democratic form of government.

These were the ideals, my fellow citizens, our departed colleagues cherished and sustained in their lifetime, and for the love of which they nobly laid down their lives. As distinguished Members of Congress, they served their country loyally and well, and carved their names high in the annals of American statesmanship. They enjoyed the love and affection of their fellow citizens, and the respect and esteem of their fellow Members of Congress. They have left to their loved ones, and to the Nation, a noble heritage of honor and glory upon the altar of public service.

This is the last time the names of our departed colleagues will ever be officially called from the floor of the Congress of the United States. No more shall we disturb the tranquillity of their slumber; no more shall we derange the peace

and calm of their repose; but, with the hallowed love and enduring affection of the Congress of the United States, and the entire Nation, we reconsecrate their tombs with the fervent hopes and prayers of all America that from their noble and revered spirits we may rededicate our efforts to keep aglow the torch of liberty and freedom they so valiantly and patriotically carried in the service of their country, and which they now pass on to us, unsullied and undefiled.

Their love of country, their ardor and devotion to their Nation's welfare, their nobility of character have forever enshrined their memory in a diadem of perpetual light, which will glow, with ever-increasing splendor, in the hearts of their fellow countrymen, long after monuments of granite and stone have crumbled into dust and decay; and so, with all our heartfelt affection, compassion, and reverence, we fondly say, "Farewell, our beloved colleagues; farewell forever":

Our hearts, our hopes, are all with thee;
Our hearts, our hopes, our prayers, our tears,
Our faith triumphant, o'er our fears,
Are all with thee, are all with thee.

Mr. Bill Perry sang Then Shall the Righteous Shine Forth (Felix Mendelssohn).

Hon. ROY O. WOODRUFF, a Representative from the State of Michigan, delivered the following address:

ADDRESS BY HON. ROY O. WOODRUFF, OF MICHIGAN

Mr. WOODRUFF of Michigan. Mr. Speaker, again there has come that day which we dedicate to our colleagues who have crossed over to that mystic realm from which no traveler returns.

Our hearts, of course, are full of thoughts which cannot be expressed in words, and of feelings which we do not even wish to voice here.

The passing of a colleague brings to each and every one of us not only grief at the severing of associations but a somber pondering on the meaning of this enigma of human existence. The mortal sense of life would make of man little more than the grass of the fields, flourishing for a brief season, and then withering away. Compared to eternity the human span is but a twinkling. We are apt to forget that billions of individuals have come and gone; millions who are now living will, in no great stretch of time, join the silent majority.

One may well wonder sometimes whether we take ourselves too seriously on this tiny grain of sand whirling through space in the company of millions of other planets, making up the galaxies of the universe. When we stop to realize by what a narrow margin we cling to that which we call life, we wonder not that some of our colleagues have gone from us, but that more have not gone.

And yet, Mr. Speaker, there is more to life than death. It is inconceivable in logic that those who have toiled here with us, that those who gave of their best to the cause of government, that those who lived and studied and worked and planned for the welfare of their country, their fellow men, and their more immediate loved ones should cease to be when the shadow of death descended over them.

There is no possible human logic to justify any conclusion that death ends the activity of those we have known and loved. An all-powerful, all-wise, all-loving ever-present Creative Intelligence would fulfill no purpose in creating human identities to be born to work, and strive, and laugh, and cry for a brief, fevered instant on this earth, only to pass out and to return to a state of nonbeing. That would be like a child building up a mound of sand but to sweep it away the next instant.

Every tenet of religious faith, every tenet of philosophy, every tenet of logic, every tenet of human hope bids us to be of good cheer because our colleagues, having passed beyond our ken, are not forever blotted out but live on and work on.

None can explain the mystery of death. We can hope. None can reason how or why our colleagues should have been called, except that that is the way of the flesh. But there is vast consolation, Mr. Speaker, in the hope and the faith that our colleagues, somewhere, in some happier realm, labor on, rising ever upward in their striving to attain truth.

So, instead of grieving, I think we can find it in our hearts today to be grateful to infinite love that we were permitted to know our colleagues, to be associated with them, to work with them, and to cherish their memories as we hope those left behind when we go will cherish memories of us.

That great philosopher, that kindly gentleman, that able Justice of the Supreme Court, the late Oliver Wendell Holmes, once put into words the hope and the faith that I would voice to you here today. Said he:

I was walking homeward on Pennsylvania Avenue near the Treasury, and as I looked beyond Sherman's statue to the west the sky was aflame with scarlet and crimson from the setting sun. But, like the note of downfall in Wagner's opera, below the skyline there came from little globes the pallid discord of electric lights, and I thought to myself the Gotterdammerung will end, and from those globes clustered like evil eggs will come the new masters of the sky. It is like the time in which we live. But, then, I remembered the faith that I partly have expressed, faith in a universe not measured by our fears, a universe that has thought, and more than thought, inside of it, and as I gazed, after the sunset, and above the electric lights, there shone the stars.

And something else that great jurist said I want to repeat to you. It was this:

I think it not improbable that man, like the grub that prepares a chamber for the winged thing it has never seen but is to be—that man may have cosmic destinies that he does not understand. And so beyond the vision of battling races and an impoverished earth I catch a dreaming glimpse of peace.

Who is to say that out of the depth of his wisdom, gained from his lifelong study of profound truths, Oliver Wendell Holmes may not have been right—that man may have cosmic destinies he does not understand. And so beyond the vision of battling races and an impoverished earth we may catch a dreaming glimpse of peace.

It is this beautiful star of human hope, shining above the pallid glare of earth's electric lights, in the blue sky of a universe in which there is thought, and more than thought, that carries us through the storms and the stresses and the sorrows and the sicknesses, and enables us to bear the thought of the parting at death.

It seems to be, Mr. Speaker, the common fate of kings and beggars, of just and unjust, of saint and sinner, that each of us shall sometime embark upon that journey from earth to the far yonder shores of an unknown eternity.

If we believe that death is the end of those personalities whom we have known and loved as our colleagues, then, indeed, is death a truly dreadful event. If, however, we are to believe that those who have preceded us on that mystical journey, clinging to the hand of the Saviour, consciously trusting in the infinite love of the Creator, are going on to other tasks—higher tasks, mayhap—then death is not the end, but the beginning of life.

So, then, as our hearts today are sad, as our thoughts are somber, as we find in our breasts an aching longing for the touch of hands that have vanished and the sound of voices now stilled, it is rather because of our own loneliness that we grieve, the loss of championship and association that we miss, than for any fear or any belief that our departed and beloved colleagues have been blotted out, or condemned to some oblivion.

Why, Mr. Speaker, what would be the purpose of life, what would be the use of this human struggle, what would be the use of our efforts, what purpose would we serve by our tears or our smiles, if the grave were the end of it all? Ah, no, life is eternal. We must progress onward and upward until we become more aware of that image and likeness in which we are created.

And, so, Mr. Speaker, let us be firm in the hope; let us find comfort in the thought, that our dear departed colleagues have moved further along toward their comsic destinies which they may not understand, and, as Holmes so beautifully said, beyond the vision of battling races and an impoverished earth, that they have realized that peace of which we here may catch but a dreaming glimpse.

Mr. Thomas L. Thomas sang The Old Rugged Cross, by Bennard.

Mr. Winfred Kemp, principal musician, United States Marine Band Orchestra, sounded taps.

The Chaplain, Rev. James Shera Montgomery, D. D., pronounced the benediction:

The Lord bless you and keep you; the Lord make His face to shine upon you and be gracious unto you; the Lord lift up His countenance upon you and give you peace, both now and evermore. Amen.

AFTER RECESS

At the conclusion of the recess the Speaker pro tempore called the House to order, and then, pursuant to House Resolution 437, as a further mark of respect to the memory of the deceased, declared the House adjourned.

ADJOURNMENT

Accordingly (at 1 o'clock and 4 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, April 25, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds Thursday, April 25, 1940, at 10 a. m., for the consideration of House Joint Resolution 487. Important. The hearings will be held in room 1501, New House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings on the following bill on Tuesday, April 30, 1940:

H. R. 8855, to admit the American-owned steamship *Port Saunders* and steamship *Hawk* to American registry and to permit their use in coastwise and fisheries trade. Hearing will be held at 10 a. m.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARRINGTON:

H. R. 9524. A bill to authorize the construction of additional bank-protection works on the Missouri River above Sioux City, Iowa; to the Committee on Rivers and Harbors.

By Mr. KENNEDY of Maryland:

H. R. 9525. A bill to provide for the reorganization of the government of the District of Columbia; to the Committee on the District of Columbia.

By Mr. STEAGALL:

H. J. Res. 522. Joint resolution to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. LEA:

H. Con. Res. 60. Concurrent resolution disapproving the Reorganization Plan No. IV; to the Select Committee on Government Organization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. CULLEN introduced a bill (H. R. 9526) for the relief of Palmarino Cuciniello, which was referred to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7653. By Mr. MARTIN J. KENNEDY: Petition of the Merchants' Association of New York, New York City, concerning the Smith bill (H. R. 8813); to the Committee on Labor.

7654. Also, petition of the Air Line Pilots' Association, Chicago, Ill., expressing opposition to the proposal to abolish the new Civil Aeronautics Authority and the Air Safety Board, and place the entire air regulatory and independent air accident investigation performed by the two bodies back under the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

7655. Also, petition of the United Shoeworkers of America, Local No. 129, New York City, expressing opposition to any amendments to the National Labor Relations Act; to the Committee on Labor.

7656. Also, petition of the Macon Chamber of Commerce, Macon, Ga., expressing approval of Senate bill 3347 and House bill 8260, which provide research appropriations to State colleges for experimental stations; to the Committee on Interstate and Foreign Commerce.

7657. By Mr. KEOGH: Petition of the United Electrical, Radio and Machine Workers of America, New York City, opposing all amendments to the National Labor Relations Act; to the Committee on Labor.

7658. Also, petition of the International Molders Union, Local No. 96, Brooklyn, N. Y., favoring the passage of the Magnuson bills (H. R. 5875, 5876, and 8279); to the Committee on Naval Affairs.

7659. Also, petition of the International Association of Machinists, Washington, D. C., opposing the Barden amendments to the National Labor Relations Act and all other amendments; to the Committee on Labor.

7660. Also, petition of the International Longshoremen's and Warehousemen's Union, opposing the Norton bill (H. R. 9195) and the Smith bill (H. R. 8813); to the Committee on Labor.

7661. Also, petition of the Packing House Workers Organizing Committee, Chicago, Ill., opposing all amendments to the National Labor Relations Act; to the Committee on Labor.

7662. Also, petition of the United Rubber Workers of America, Akron, Ohio, opposing all amendments to the National Labor Relations Act; to the Committee on Labor.

7663. Also, petition of the United Paper Workers' Local Industrial Union, No. 292, New York City, opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7664. Also, petition of the Beauty Culturists' Union, Local 11, New York City, opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7665. Also, petition of the National Lumber Manufacturers Association, Washington, D. C., concerning amendments to the National Labor Relations Act; to the Committee on Labor.

7666. Also, petition of the Cigar Manufacturers Association of America, Inc., New York City, concerning the Clark and Barden bill (S. 3735); to the Committee on the Judiciary.

7667. Also, petition of the American Graphite Co., Ticonderoga, N. Y., concerning Senate bill 246 and House Joint Resolution 509; to the Committee on Merchant Marine and Fisheries.

7668. By Mr. PFEIFER: Petition of the International Molders' Union, Local No. 96, Brooklyn, N. Y., urging support of House bills 5875, 5876, and 8279; to the Committee on Naval Affairs.

7669. Also, petition of William Feinberg, secretary, Local 802, American Federation of Musicians, New York City, urging support for increased appropriations for the Music Project; to the Committee on Appropriations.

7670. Also, petition of the National Association for the Advancement of the Colored People, New York City, urging consideration of Senate bill 591, to provide funds for the continuation of the work of the United States Housing Authority; to the Committee on Banking and Currency.

7671. By the SPEAKER: Petition of the Hotel and Restaurant Employees' International Alliance and Bartenders' International League of America, Local No. 840, Bloomington, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7672. Also, petition of the Board of Aldermen of the City of Chelsea, City Hall, Chelsea, Mass., petitioning consideration of their resolution with reference to a bill for Work Projects Administration appropriation; to the Committee on Appropriations.

7673. Also, petition of Federal Labor Union, No. 21578, Elwood, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7674. Also, petition of the Boilermakers' Local No. 364, Frankfort, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7675. Also, petition of the International Hod Carriers' Building and Common Laborers' Union of America, Local No. 561, petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7676. Also, petition of the Cement Finishers' Local, No. 566, Evansville, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7677. Also, petition of the Lathers' Local, No. 44, Evansville, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority Program; to the Committee on Banking and Currency.

7678. Also, petition of Local 352, United Brotherhood of Carpenters and Joiners of America, Anderson, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7679. Also, petition of the International Workers' Order, Branch 3558, Johnstown, Pa., petitioning consideration of their resolution with reference to antialien bill; to the Committee on Immigration and Naturalization.

SENATE

THURSDAY, APRIL 25, 1940

(Legislative day of Wednesday, April 24, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Lord our God, our eternal light, our refuge in all generations: We thank Thee for the revelation of Thy power so unimaginably great, greater than our failure or our sin, but, most of all, we bless Thee for the love which all our folly cannot tire, the love that ne'er despairs of us, that thinketh on us only for our good. If it be that any of us have grown weary with the heat and burden of the day, be Thou our strength and comfort now and lead us where the quiet waters flow, that our souls may be refreshed ere we enter upon the duties of another day.

Shed light upon the problems that perplex our minds; breathe on us Thy gracious power, O Spirit of the living God; come to us as a rushing, mighty wind, scattering the mists of doubt, sweeping aside the fears that have held us in captivity, searching deep within us, that, to the very core of self, we may be clean. And as we long for fellowship with Thee, give us a new gentleness and grace, that in the Master's spirit we may long for fellowship with all mankind, by which alone the habitations of violence may be destroyed and all human misery melt away before the rising of the Sun of Righteousness. We ask it in His name and for His sake. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Wednesday, April 24, 1940, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Barbour	Bulow	Chandler
Ashurst	Barkley	Burke	Chavez
Austin	Bilbo	Byrd	Clark, Idaho
Bailey	Bone	Byrnes	Clark, Mo.
Bankhead	Brown	Caraway	Connally
Danaher	Hayden	Minton	Shipstead
Davis	Herring	Murray	Slattery
Donahey	Hughes	Neely	Smathers
Ellender	Johnson, Calif.	Norris	Smith
Frazier	Johnson, Colo.	Nye	Stewart
George	King	O'Mahoney	Thomas, Idaho
Gerry	La Follette	Overton	Thomas, Okla.
Gillette	Lodge	Pepper	Thomas, Utah
Glass	Lucas	Pittman	Townsend
Green	Lundeen	Reed	Truman
Guffey	McKellar	Reynolds	Van Nuys
Gurney	McNary	Russell	Wagner
Hale	Maloney	Schwartz	Walsh
Harrison	Mead	Schwellenbach	White
Hatch	Miller	Sheppard	Wiley

Mr. MINTON. I announce that the Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. HILL], the Senator from West Virginia [Mr. HOLT], the Senator from Oklahoma [Mr. LEE], the Senator from Nevada [Mr. MCCARRAN], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are detained from the Senate on public business.

The Senator from California [Mr. DOWNEY] is conducting hearings in New York for the Committee on Banking and Currency, and is, therefore, necessarily absent.

Mr. AUSTIN. I announce that the Senator from Michigan [Mr. VANDENBERG], the Senator from Ohio [Mr. TAFT], the Senator from Vermont [Mr. GIBSON], the senior Senator from New Hampshire [Mr. BRIDGES], the Senator from Oregon [Mr. HOLMAN], the junior Senator from New Hampshire [Mr. TOBEY], and the Senator from Kansas [Mr. CAPPER] are necessarily absent.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

PERSONAL EXPLANATION

Mr. PITTMAN. Mr. President, on yesterday evening an article appeared in the Washington (D. C.) Times-Herald under the byline of Mr. William K. Hutchinson. The headlines of the article are:

Allies must take Norway soon to win war—PITTMAN sees Hitler victory if he can't be driven out in 30 days.

Again the same article contains this statement:

PITTMAN was asked whether he found his views were shared by other administration authorities on international affairs. He said: "Yes; most of our statesmen view the situation as I do. We are not going into this war. Our people, our Congress, and our President are determined to take no part in it."

Here is the first statement in the article, a statement which was telegraphed not only throughout this country but throughout Europe—

The Allies must drive the German Army out of Norway within 30 days or face the inevitable loss of their war with Hitler. Senator KEY PITTMAN, chairman of the Senate Foreign Relations Committee, declared today.

So as to be short in the matter, I will state that that is absolutely false. In the first place, I made no statement to Mr. Hutchinson on yesterday or any other day. Mr. Hutchinson met me as I came out of the Senate dining room yesterday, said he understood I had made a speech in Nevada on foreign matters, and asked me if he could have a copy of the speech. I told him I had only one copy, but he might go to my office and read it. I came on the floor of the Senate, and, after about an hour, went down to my office. Mr. Hutchinson was sitting in the main office with my secretaries. I asked him if he had the speech, and he said "Yes"; it was in front of him. He asked me if he could paraphrase it. I said, "You can paraphrase anything you want to, but do not put it in quotation marks." That was all the conversation I had with him.

To show the duplicity of this writer, he says, in one part of the article:

Of the Allied hopes of victory, PITTMAN said:

This is in quotation marks:

"Unless the Allies can chase the German Army out of Norway, it will be almost impossible for them to win the war. And they must do it within 30 days."

There is not a word of that character in the speech, and the speech is all he had to go by. But to show how he exposes

himself, a little later on in the article he paraphrases two or three paragraphs, and this is his paraphrase:

> Such an eventuality would almost destroy the prestige of Britain and France. It probably would force all the Balkan states into submission to Hitler.
>
> However, I do not believe that Germany will be able to hold Norway.
>
> I am satisfied that Mr. Winston Churchill (chief British war lord) fully realizes the necessity of driving the German forces out of Norway. And I believe the Allies can and will do that within 30 days. If I am right, then Sweden is saved, and Hitler will be greatly weakened in prestige at home and abroad.

That is a paraphrase of two paragraphs in the speech. It is almost identical with what I said. At the time he wrote the first paragraph I have read he had the speech before him, including these two paragraphs, which absolutely disprove the statement made in the first part of the article.

Furthermore, in his anxiety to have headlines, whether the headlines be true or not, he wanted to ring in the administration on this matter. As a matter of fact, at one place in the speech I made this statement:

> While most of our statesmen undoubtedly view the situation in Europe as I do, nevertheless our people and our Congress, and our President, are determined to take no part in that war.

He takes a part of that sentence, and this is the way he uses it:

> PITTMAN was asked whether he found his views were shared by other administration authorities on international affairs. He said: "Yes; most of our statesmen view the situation as I do."

He put quotation marks around that sentence. He knew the word "Yes" did not belong there. He took only a part of the sentence which is correct:

> Most of our statesmen view the situation as I do.

That in itself is a paraphrase; but he adds the word "Yes" to it. The idea of the word "Yes" being in a speech in any such connection—and all he had before him was the speech.

It was a subterfuge, a cunning thing, to put the word "Yes" in there with the rest of the sentence from my speech, so as to give affirmation to his assertion that there were others in the administration who had the same view.

Mr. President, I would not pay much attention to a matter of this kind except that the maliciousness of it is apparent. I have known Mr. Hutchinson for 28 years. I considered him a reputable newspaperman. I felt perfectly safe in handing to him a written speech; and when he said he might want to paraphrase it, I took the precaution to say, "I do not want you to put your paraphrase in quotation marks." He has done that, nevertheless. But when we have in this country a writer who can write under his own name, who has reached the point where he is the manager, I understand, of the International News Service, what he says is supposed to be given some credence. The first statement he wrote, however, is not sustained by a word in my speech. It is not sustained by the very language of the speech which he paraphrased.

Think of such a statement as this:

> The Allies must drive the German Army out of Norway within 30 days or face the inevitable loss of their war with Hitler, Senator KEY PITTMAN, chairman of the powerful Senate Foreign Relations Committee, declared today.

That statement has been telegraphed all over the world. Last night I heard a foreign commentator quote it, and continue with considerable criticism of me. I do not feel that Members of this body should acquiesce in any such misrepresentation of fact. I very much regret that I have to criticize a reporter who has been in the Senate Press Gallery for so many years. I think, though, it is a reflection upon the Senate Press Gallery just as much as upon the United States Senate. The whole article demonstrates a deliberate intention to falsify the record. There is nothing else to it.

I shall put this entire article in the RECORD at the end of my remarks. All it is necessary to do is to read it, and it will be seen that the writer contradicts himself straight through. He could not stand for that falsehood at the start without putting in a part of the speech, the part of the speech which he paraphrased; and even the part of the speech which he paraphrased absolutely contradicts the opening of his article. Instead of saying that the Allies had to chase the Germans out of Norway within 30 days, what I said was that I believed the Allies would do it within 30 days.

This article was evidently written with the intention of giving encouragement to Hitler. Let me read a few lines from my speech to see whether I had any intention of giving encouragement to Hitler. This is the speech that the writer of the article had before him and which he partially paraphrased:

> Now, let us remember that there is no danger to the United States while the European war is in progress. When the war ends, if it be through a victory by Hitler, or by the totalitarian powers, then there will arise immediately a threat to the peace and safety of the United States through South America, Central America, and Mexico. The same threat would not exist if Great Britain and France are the victors. Great Britain has vast colonies and cares little for more possessions. It is to her interest to maintain the independence of neutrals so that she may have free trade and commerce with them. It is by reason of this British policy that the British Navy, since 1812, has not been a threat to the United States. Having no cause to fear the British Navy, the duty has not been imposed upon us of maintaining a dominant Navy. While most of our statesmen undoubtedly view the situation in Europe as I do, nevertheless our people and our Congress, and our President, are determined to take no part in that war. It would be less burdensome and less dangerous to provide a Navy that could protect the American hemisphere against any attack than it would be to maintain a constant protectorate over Great Britain and France. To do that would permanently involve us in the turmoils of Europe.

On yesterday afternoon, fortunately, I asked the Senate to publish this speech in full in the RECORD, and in doing so I made this statement:

> Some excerpts from that address have been published. I fear that a wrong construction will be placed upon the entire address unless its full text appears. Therefore, so that there may be no misunderstanding, I ask unanimous consent that the address, in full, may be published in the RECORD at this point, as a part of my remarks.

I think it is fortunate that I made that request, considering the fact that this article was published yesterday and was telegraphed all over the world. If anyone can find anywhere in the speech anything which justifies the statements made in that article, I have not been able to find it. Remember, that speech is all the writer of the article had before him. There was no interview—not the slightest. Some of his force asked for an interview on the speech the day before, and I told them the address spoke for itself; they could copy what they wanted from the address.

I hope some publicity will be given to this denial. I doubt it, however. I have never known a libel to be adequately answered. Last night, as I have said, commentators from abroad ridiculed me because it was alleged that I had stated that the Allies would lose the war unless the Germans were chased out of Norway within 30 days. There is nothing in the speech which justifies any such assertion as that. There is nothing in the speech which justifies this alleged quotation:

> Unless the Allies can chase the German army out of Norway it will be almost impossible for them to win this war. And they must do it within 30 days.

That statement is placed in quotation marks. No such statement was ever made by me anywhere, at any time. What I did say is in the speech which is printed in yesterday's RECORD; and even in paraphrasing some of the speech the writer of the article places in the paraphrase the statement with regard to "30 days." I said I believed the Allies would drive the Germans out of Norway within 30 days; but he takes the "30 days" and jumbles up the whole matter for the purpose of telling the world, and particularly Germany, that I have given it as my opinion that unless the Germans are driven out of Norway within 30 days, Hitler will have won the war.

That statement is not only absurd, but it is vicious. There is no justification on earth for it. Then think of placing the word "yes" in one of my sentences, so as to make it appear that I said that the administration authorities on international affairs were in accord with my view. There is not a suggestion of that kind in the speech. It is merely a little

trick of making a declaration and starting one of my sentences with the word "Yes."

I realize that there is nothing else I can do about the matter. I simply have to suffer from the libel. No answer can be made effective, but at least the Senate will understand from reading my speech and reading the article that the statement in the article is a deliberate deception. It is an outrageous deception, not only a deception on the people of this country, but a deception on the world, to make any such announcement.

Mr. LUCAS. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Illinois?

Mr. PITTMAN. I yield.

Mr. LUCAS. I should like to have the Senator express himself, if he will, on what he considers the real motive back of this distortion of a statement involving a very grave situation.

Mr. PITTMAN. I would have to guess at it. I have been told that Mr. Hutchinson is one of the old-line reporters who seeks headlines—that he wants something startling. I do not know in regard to that. It is very hard to tell why he did this. I do not know what his personal motives were. I know that it is obvious from his article that he knew he was speaking a falsehood when he made the statement that I said that the Allies would lose the war if they did not drive the Germans out of Norway in 30 days. I know that to be a fact.

I think it is the most despicable piece of news writing I have witnessed since I have been in the Senate. It may be because Mr. Hutchinson was in the newspaper business before I came into the Senate, I do not know; but it is certainly an outrage. And I have no remedy. I am not seeking any remedy further than to correct these falsehoods. That is all I can do. I can correct them so far as the Senate is concerned, and possibly some of the foreign missions in Washington may have an opportunity to see this statement. It may put them on guard. I regret that I have to criticise Mr. Hutchinson. I have been friendly with him. I had absolute confidence in him. I cannot have confidence in him any more, because I know that he knew the statements he was giving out were false.

I think that in the 28 years I have been in the Senate this is one of the few times I have been misrepresented in the press. I believe we have in the Senate press gallery one of the ablest and one of the most loyal groups of reporters to be found anywhere in the country. I talk very freely to the members of the press gallery who call on me, and in their stories of the thousands of different statements I have made at their request, I have yet to see one statement that was false.

Mr. President, I ask leave to publish Mr. Hutchinson's whole article at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald of April 24, 1940]

"ALLIES MUST TAKE NORWAY SOON TO WIN WAR"—PITTMAN SEES HITLER VICTORY IF HE CAN'T BE DRIVEN OUT IN 30 DAYS

(By William K. Hutchison)

The Allies must drive the German Army out of Norway within 30 days or face the inevitable loss of their war with Hitler, Senator KEY PITTMAN, chairman of the powerful Senate Foreign Relations Committee, declared today.

Pittman, in an interview, said that though he spoke as a "non-military expert," his opinion was shared by a majority of administration authorities.

FEARS NAZI EXPANSION

PITTMAN expressed the deepest conviction that the United States would not be drawn into the second World War. If it ends, however, in a German victory, he believes the United States may be confronted with Nazi threats to the security of Central and South America.

"But," he declared, "you may tell the mothers and fathers of our country that they need not worry about their sons—the United States will stay out of this war."

Of the allied hopes of victory, PITTMAN said:

"Unless the Allies can chase the German Army out of Norway, it will be almost impossible for them to win this war. And they must do it within 30 days."

HITLER OUTWITS ALLIES

Asked what he thought of Hitler's maneuvers since Munich, PITTMAN replied:

"It appears to me Hitler has outgeneraled the British and French. Of course, the war is in its infancy and conditions may change rapidly."

PITTMAN declared Hitler had dealt great blows to British and French prestige by his conquests of Austria, Czechoslovakia, and Poland. He added:

"Now the German armed forces have invaded Norway, lying entirely on the sea and quickly accessible to the fleets of Britain and France. If the Germans consummate their conquest of Norway, Sweden will be next inevitably.

BALKANS LIKELY NEXT

"Such an eventuality would almost destroy the prestige of Britain and France. It probably would force all the Balkan states into submission to Hitler.

"However, I do not believe that Germany will be able to hold Norway.

"I am satisfied that Mr. Winston Churchill (chief British war lord) fully realizes the necessity of driving the German forces out of Norway. And I believe the Allies can and will do that within 30 days. If I am right, then Sweden is saved and Hitler will be greatly weakened in prestige at home and abroad."

PITTMAN was asked whether he found his views were shared by other administration authorities on international affairs. He said:

"Yes; most of our statesmen view the situation as I do. We are not going into this war. Our people, our Congress, and our President are determined to take no part in it."

ADMISSION TO ST. ELIZABETHS HOSPITAL OF VIRGIN ISLANDS' RESIDENTS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation relating to the admission to St. Elizabeths Hospital of persons resident or domiciled in the Virgin Islands of the United States, which, with the accompanying paper, was referred to the Committee on Territories and Insular Affairs.

MARCH REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a report from the Chairman of the Reconstruction Finance Corporation, transmitted pursuant to law, relative to the activities and expenditures of the Corporation for the month of March 1940, including a statement of loan and other authorizations made during the month, etc., which was referred to the Committee on Banking and Currency.

PETITIONS

The VICE PRESIDENT laid before the Senate a resolution of the Forty-ninth Continental Congress, National Society of the Daughters of the American Revolution, favoring the enactment of legislation to strengthen the armed forces and the national defense of the United States in the interest of peace, which was referred to the Committee on Military Affairs.

He also laid before he Senate a petition of sundry citizens of New York City, N. Y., praying for the enactment of the so-called Wagner-Van Nuys-Capper antilynching bill, which was ordered to lie on the table.

Mr. WALSH presented a resolution adopted by the National Society of the Daughters of the American Revolution, favoring the enactment of legislation to strengthen the national defense in the interest of peace, which was referred to the Committee on Military Affairs.

DISASTER IN BOROUGH OF SHENANDOAH, PA.—PETITION FOR FEDERAL ASSISTANCE

Mr. DAVIS. Mr. President, on March 4, 1940, an earth subsidence devastated one-fourth the total area of the borough of Shenandoah, Pa. I am informed that 641 private, industrial, and public buildings were damaged at a loss of several million dollars. Senior and junior high-school buildings, housing 1,350 pupils, were closed, placing 85 percent of the total school population on part-time education. These pupils are losing more than 20 percent in time alone, and are deprived of educational facilities such as gymnasium, health rooms, adequate toilet facilities, auditorium, assembly rooms, science class rooms, and other conveniences necessary for the maintenance of a minimum program of education.

Streets and highways, sewers, and water and gas mains have been damaged or destroyed, creating serious health

hazards. The present situation is a menace to the life and health and safety of thousands of people in the affected area. These damages have cost a tremendous loss in wages and have seriously affected the real estate values in the community. The subsidence is continuing and the area is expanding. The problem presented is more than of a temporary nature.

Mr. President, at the proper time I will offer an amendment asking that $2,000,000 of the current W. P. A. appropriation be earmarked for use in Shenandoah in the reconstruction of damaged areas of this community and to provide safeguards against further losses which may be caused by continued subsidence. It is believed that the subsidence which recently took place in the borough of Shenandoah was caused by the failure of the pillars directly beneath the recently affected area in the Mammoth Seam. As the situation now stands, the rock structure underlying the affected area, between the surface and the Mammoth Seam, is not self-supporting. It is resting on loose material and what pillars may still be in place. Mining, as carried on beneath and surrounding the borough of Shenandoah, is quite similar to mining as carried on elsewhere in the anthracite region under like conditions.

A remedy against further disaster may be found, at least to a large extent, in hydraulic flushing. When it is carefully done with good filling material, the total subsidence may not be more than 5 to 10 percent of the thickness of the seam mined. Hand packing and hydraulic flushing of mines has been carried on beneath many thickly populated communities in the anthracite region of Pennsylvania. The allocation of Federal funds for this and other constructive purposes will provide needed employment and serve the distressed citizens of this community to recover their morale and work spirit which have been so sadly disturbed because of the recent disaster.

Mr. President, I have received a petition for Federal assistance transmitted with a letter from John J. Miller, president of the Shenandoah Disaster Relief League, which has been signed by many thousand citizens of that community. I ask unanimous consent that this petition be now received and referred to the Committee on Appropriations. I also request that the letter from the president of the Shenandoah Disaster Relief League be printed as a part of my remarks.

The VICE PRESIDENT. Without objection, the petition will be received and referred as requested by the Senator from Pennsylvania, and the letter referred to by him will be printed in the RECORD.

The letter is as follows:

SHENANDOAH DISASTER RELIEF LEAGUE,
Shenandoah, Pa., April 22, 1940.

Hon. JAMES J. DAVIS,
United States Senate, Washington, D. C.

DEAR SENATOR DAVIS: We respectfully direct to your attention the attached petition of the citizens of the borough of Shenandoah, Pa.

The plight of the citizens of this entire community is indeed immediately serious, and grave apprehension is felt for their safety and health in the continued subsidence of the earth's surface within the borough.

You will note that the foreword of this petition gives a brief word description of the effects of the disaster. In order that you might become more fully acquainted with the extent of the suffering brought about by this disaster, we earnestly ask that the reports which have been submitted in connection herewith be read.

This organization, acting for the citizens of the borough, has applied for Federal aid under the terms of the Emergency and Disaster Act.

The signers of this petition, as residents of this borough, appeal to your great humanitarian spirit to assist them in their hour of need, and they earnestly solicit the prestige of your high office in a complete effort of cooperation in their appeal for Federal aid.

Respectfully yours,

SHENANDOAH DISASTER RELIEF LEAGUE,
JOHN J. MILLER, *President.*
A. A. FLECK, *Secretary.*

REPORTS OF COMMITTEES

Mr. MALONEY, from the Committee on Banking and Currency, to which was referred the bill (H. R. 7806) to authorize the striking of an appropriate medal in commemoration of the three hundredth anniversary of the establishment of Greenwich, Conn., as a town, reported it without amendment and submitted a report (No. 1505) thereon.

Mr. SHIPSTEAD, from the Committee on Indian Affairs, to which was referred the bill (H. R. 7833) to set aside certain lands for the Minnesota Chippewa Tribe in the State of Minnesota, and for other purposes, reported it without amendment and submitted a report (No. 1506) thereon.

Mr. BROWN, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3107. A bill for the relief of Perkins Gins, formerly Perkins Oil Co., of Memphis, Tenn. (Rept. No. 1507);

S. 3789. A bill for the relief of the Eberhart Steel Products Co., Inc. (Rept. No. 1508); and

H. R. 4031. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim or claims of the Recording and Computing Machines Co., of Dayton, Ohio (Rept. No. 1509).

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 3763) for the relief of Capt. David H. Passell and First Lt. Paul E. LaMaster, reported it without amendment and submitted a report (No. 1510) thereon.

Mr. SCHWARTZ, from the Committee on Claims, to which was referred the bill (S. 3218) for the relief of Schroeder Employees' Thrift Club, reported it without amendment and submitted a report (No. 1511) thereon.

He also, from the same committee, to which was referred the bill (S. 3590) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Bolinross Chemical Co., Inc., reported it with amendments and submitted a report (No. 1512) thereon.

Mr. ELLENDER, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

H. R. 1435. A bill for the relief of A. S. Tait (Rept. No. 1513); and

H. R. 6552. A bill for the relief of Mrs. Gottlieb Metzger (Rept. No. 1514).

Mr. ELLENDER also, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 1843. A bill for the relief of the estate of K. J. Foss (Rept. No. 1515);

H. R. 5459. A bill for the relief of George F. Lewis, administrator of the estate of Margaret R. Lewis (Rept. No. 1516); and

H. R. 7072. A bill for the relief of Esther Ross (Rept. No. 1517).

Mr. ELLENDER also, from the Committee on Claims, to which was referred the bill (H. R. 6334) for the relief of Pearl Waldrep Stubbs and George Waldrep, reported it with amendments and submitted a report (No. 1518) thereon.

Mr. HUGHES, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3443. A bill for the relief of William A. Wheeler (Rept. No. 1519);

S. 3487. A bill for the relief of the heirs of Lt. William Lee Clemmer, Coast Guard (Rept. No. 1520); and

S. 3706. A bill for the relief of Alfred G. Balls (Rept. No. 1521).

Mr. CHAVEZ, from the Committee on Indian Affairs, to which was referred the bill (S. 3794) for the relief of certain Navajo Indians, and for other purposes, reported it without amendment and submitted a report (No. 1522) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 372) to relinquish concurrent jurisdiction to the State of Kansas to prosecute Indians or others for offenses committed on Indian reservations, reported it with amendments and submitted a report (No. 1523) thereon.

He also, from the same committee, to which was referred the bill (H. R. 8499) relating to adoption of minors by Indians, reported it with an amendment and submitted a report (No. 1525) thereon.

He also, from the same committee, to which was referred the resolution (S. Res. 217) further continuing the authority for a general survey of the condition of Indians in the United

States (submitted by Mr. THOMAS of Oklahoma on January 16, 1940), reported it without amendment and submitted a report (No. 1524) thereon.

He also (for Mr. WHEELER), from the same committee, to which was referred the bill (S. 3101) for the relief of certain purchasers of, and entrymen upon, opened lands of certain Indian reservations, reported it with an amendment and submitted a report (No. 1526) thereon.

He also (for Mr. WHEELER), from the same committee, to which was referred the bill (H. R. 5477) for the benefit of the Indians of the Crow Reservation, Mont., and for other purposes, reported it without amendment and submitted a report (No. 1527) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MINTON:

S. 3853. A bill relating to the certification of persons on eligible registers established by the Civil Service Commission; to the Committee on Civil Service.

By Mr. LUCAS:

S. 3854. A bill providing for the extension of nonquota status to Frederick Beck; to the Committee on Foreign Relations.

By Mr. BAILEY:

S. 3855. A bill to amend title X of the Social Security Act, as amended, to provide for additional aid to the blind; to the Committee on Finance.

By Mr. CLARK of Missouri:

S. 3856. A bill for the relief of Pasquale Miceli; to the Committee on Military Affairs.

By Mr. REYNOLDS:

S. 3857. A bill for the relief of R. & W. Motor Lines, Inc.; to the Committee on Claims.

By Mr. MEAD:

S. 3858. A bill to provide for a 5-day week for Federal employees; and

S. 3859. A bill permitting the establishment of 5-day workweeks for any part or for the whole year in the Federal departments of the Federal service; to the Committee on Civil Service.

By Mr. SHIPSTEAD:

S. 3860. A bill to provide for the construction, extension, and improvement of public-school buildings, Independent School District No. 29, Mahnomen County, Minn.; to the Committee on Indian Affairs.

By Mr. CLARK of Missouri (for himself and Mr. NYE):

S. 3861. A bill to prohibit officers of the Army, Navy, and Marine Corps from making public statements or publishing articles relating to international affairs without express authority; to the Committee on Military Affairs.

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT—ADDITIONAL CONFEREE

On motion of Mr. SMITH and by unanimous consent, it was

Ordered, That Mr. FRAZIER be appointed an additional conferee on the part of the Senate at the conference with the House of Representatives on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3800) to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended.

GOVERNMENT FINANCING

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a communication from the President of the United States in response to Senate Resolution 243.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, April 18, 1940.

The PRESIDENT OF THE SENATE.

SIR: In my Budget message of January 3, 1940, I indicated that on the basis of preliminary studies it would prove feasible to reduce the surplus funds of some of the Government credit agencies by an estimated aggregate figure of $700,000,000. When these agencies were organized the Federal Government invested substantial amounts in their capital structure. The Budget proposal would return a portion of this investment to the Treasury.

The Senate has recently passed Resolution 243, requesting further information regarding this proposed reduction. It was my intention at the time of submitting my Budget message to make these reductions after July 1, 1940. While I have made no final determination as to precise figures, I am pleased to submit the following figures representing proposals which have been suggested:

Treasury investment in saving and loan associations	$35,000,000
Federal intermediate credit banks	40,000,000
Banks for cooperatives	60,000,000
Production credit corporations	15,000,000
Federal land banks	200,000,000
Public Works Administration	50,000,000
Reconstruction Finance Corporation	300,000,000
Total	700,000,000

The amounts are tentative and are not to be taken as final. I am now having the proposals carefully reviewed and may recommend legislation to Congress. For example, the capital stock of the Federal Farm Mortgage Corporation might be reduced by $100,000,000, in which case the reduction of the capital structure of the Federal land banks might be $100,000,000. The Reconstruction Finance Corporation could be permitted to purchase the stock of the Federal home-loan banks, now held by the Treasury, amounting to $125,000,000, in which case the return of capital funds from that Corporation might be $175,000,000. Legislation to accomplish a similar purpose may be requested in the case of other corporations. Moreover, there are certain bills now pending in Congress pertaining to credit agencies which, if enacted, would affect the final determination as to the distribution between agencies.

I wish to assure you that whatever adjustments are made will leave these agencies with adequate operating capital.

Sincerely,

FRANKLIN D. ROOSEVELT.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker pro tempore had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 2635. An act to amend the Federal Crop Insurance Act;

S. 2661. An act to provide for rearrangement of the location of the several boards of local inspectors;

H. R. 7246. An act for the relief of Madeline Vera Buchholz;

H. R. 7406. An act granting the consent of Congress to the General State Authority, Commonwealth of Pennsylvania, and/or the Pennsylvania Bridge and Tunnel Commission, either singly or jointly, to construct, maintain, and operate a toll bridge across the Susquehanna River at or near the city of Middletown, Pa.;

H. R. 7407. An act granting the consent of Congress to the General State Authority, Commonwealth of Pennsylvania, and/or the Pennsylvania Bridge and Tunnel Commission, either singly or jointly, to construct, maintain, and operate a toll bridge across the Susquehanna River at or near the city of Millersburg, Pa.;

H. R. 7655. An act to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.;

H. R. 7660. An act to amend section 35B of the United States Criminal Code to prohibit purchase or receipt in pledge of clothing and other supplies issued to veterans maintained in Veterans' Administration facilities;

H. R. 7663. An act providing for sick leave for substitute postal employees;

H. R. 7814. An act for the relief of Gerald Henry Simpson;

H. R. 8320. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River near Jefferson Barracks, Mo.;

H. R. 8397. An act to extend the times for commencing and completing the construction of a bridge or bridges across the St. Louis River at or near the city of Duluth, Minn., and the city of Superior, Wis., and to amend the act of August 7, 1939, and for other purposes;

H. R. 8398. An act amending acts extending the franking privilege to widows of ex-Presidents of the United States;

H. R. 8467. An act authorizing the Superior Oil Co., a California corporation, to construct, maintain, and operate a free highway bridge or causeway and approaches thereto across the old channel of the Wabash River from Cut-Off Island, Posey County, Ind., to White County, Ill.;

H. R. 8471. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River, at or near Wyalusing, between Terry and Wyalusing Townships, in the county of Bradford and in the Commonwealth of Pennsylvania;

H. R. 8495. An act to extend the times for commencing and completing the construction of a bridge or bridges across the Mississippi River at or near the cities of Dubuque, Iowa, and East Dubuque, Ill., and to amend the act of July 18, 1939, and for other purposes;

H. R. 8500. An act authorizing the Secretary of War to execute an easement deed to the State of New Mexico for the use and occupation of lands and water areas at Conchas Dam and Reservoir project, New Mexico;

H. R. 8508. An act to amend the Subsistence Expense Act of 1926, as amended by the act of June 30, 1932 (ch. 314, sec. 209, 47 Stat. 405);

H. R. 8530. An act for the relief of Esther Cottingham Grab;

H. R. 8583. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Little Falls, Minn.;

H. R. 8650. An act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Great Pee Dee River at or near Cashua Ferry, S. C.;

H. R. 8772. An act to amend the act of August 23, 1912 (37 Stat. 414; U. S. C., title 31, sec. 679);

H. R. 9047. An act to provide for the transfer of United States prisoners in certain cases; and

H. J. Res. 275. Joint resolution to authorize the President to present the Distinguished Flying Cross to Frank W. Seifert and Lt. V. Hine, deceased.

THE FARM-LABOR PROBLEM—STATEMENT BY SENATOR LA FOLLETTE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD a statement issued by him regarding additional hearings to be held by the subcommittee of the Senate Committee on Education and Labor on the farm-labor problem, which appears in the Appendix.]

ADDRESS BY SENATOR PEPPER UPON THE PRESENTATION OF THE LOUIS D. BRANDEIS MEDAL, AND SECRETARY ICKES' REPLY

[Mr. MEAD asked and obtained leave to have printed in the RECORD the address of Senator PEPPER upon the presentation of the Louis D. Brandeis Medal to Secretary Ickes through the Jewish Forum, at the Biltmore Hotel, New York, Sunday, April 14, 1940, with the reply of Secretary Ickes in accepting the medal, which appears in the Appendix.]

WHEELER, LIBERAL CHAMPION—ARTICLE BY RAYMOND P. BRANDT

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an article from the Sunday Star of April 21, 1940, under the headline: Wheeler, Liberal Champion, which appears in the Appendix.]

ADDRESS BY POSTMASTER GENERAL FARLEY AT KANSAS CITY, MO.

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address delivered by Hon. James A. Farley, Postmaster General, at a luncheon of the Seventh Division, Railway Mail Service, at Kansas City, Mo., on April 3, 1940, which appears in the Appendix.]

THE ROOSEVELT ADMINISTRATION

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article dealing with the Roosevelt administration, entitled "Old Stuff," written by Arthur W. Watwood, and published in the Dallas News, Dallas, S. Dak., April 11, 1940, which appears in the Appendix.]

THE AMERICAN ATTITUDE TOWARD THE EUROPEAN WAR—ADDRESS BY RT. REV. WILLIAM LAWRENCE, D. D.

[Mr. LODGE asked and obtained leave to have printed in the RECORD an address by the Right Reverend William Lawrence, D. D., to the one hundred and fifty-fifth annual convention of the diocese of Massachusetts on April 10, 1940, regarding the American attitude toward the European war, which appears in the Appendix.]

EMBELLISHMENT OF PUBLIC BUILDINGS

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD a letter from Gilmore D. Clarke, Chairman of the Commission of Fine Arts, regarding the embellishment of public buildings, which appears in the Appendix.]

SALE OF AIRPLANES TO GREAT BRITAIN AND FRANCE

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article from the Washington Times-Herald of April 24, 1940, relative to the sale of airplanes to Great Britain and France, which appears in the Appendix.]

THE FEDERAL BUREAU OF INVESTIGATION

Mr. WILEY. Mr. President, several days ago I received a letter from the director of the Milwaukee police-training school. Apparently the letter was inspired by recent newspaper articles and editorials attempting to discredit the Director of the F. B. I. in the eyes of the American people. The letter is a vigorous defense, both of Mr. Hoover and the F. B. I. In view of the tremendous public interest in the F. B. I. at this time, I ask unanimous consent to insert in the RECORD as a part of my remarks the letter from Capt. Hubert E. Dax, director of the Milwaukee police-training school.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

HUBERT E. DAX, ATTORNEY AT LAW,
Milwaukee, Wis., April 17, 1940.

Hon. ALEXANDER WILEY,
United States Senator, Chippewa Falls, Wis.

DEAR SIR: From the newspaper articles and editorials printed within the last few months, it is apparent that for some time a well-organized and vigorously conducted campaign has been under way to discredit Mr. J. Edgar Hoover, of the F. B. I., in the eyes of the American people.

This campaign is vicious and unjust because of the fact that Mr. J. Edgar Hoover has done more for law enforcement by personal performance, by example, education, administration, and commission than any one man in this or any other country. His work has done something to improve every police department in the land.

He has reduced kidnaping and bank robbery to a minimum. Criminals fear him and his well-trained men. The accomplishments of the F. B. I. would require pages to enumerate.

To do anything which might discourage Mr. J. Edgar Hoover and his men would be criminal in itself. Think what the psychological effect upon every law-enforcement agency in the country would be if the top enforcement agency should crumble and fall under this unjust campaign.

Knowing that you are a man of judgment, that you have the interests of your people at heart, and that you want honest and just law enforcement, I appeal to you to do everything in your power to curb this malicious movement on the part of criminal and subversive elements.

Yours very truly,

(Capt.) HUBERT E. DAX,
Director, Milwaukee Police Training School.

Mr. WILEY. Mr. President, I also ask that there be inserted at this point in my remarks a letter from the chief of police of Milwaukee, dated April 22, 1940.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF POLICE,
Milwaukee, Wis., April 22, 1940.

Hon. ALEXANDER WILEY,
United States Senator from Wisconsin,
Senate Office Building, Washington, D. C.

DEAR SIR: During the past several months I have noted with some concern a number of attacks upon the Federal Bureau of Investigation in criticism of that Bureau's activities under the direction of Mr. J. Edgar Hoover, its Director.

To me and to the many thousands of other heads of law enforcement agencies who have had an opportunity to enjoy the cooperation of the Federal Bureau of Investigation and who have learned

to respect and appreciate its commendable objectives, these attacks are in no way justified and appear to be nothing more than an effort to discredit the Bureau and its Director.

The Federal Bureau of Investigation has done more to bring about cooperation between and to unify and coordinate the efforts of all law enforcement agencies in the country than any other single instrumentality. The F. B. I. at Washington is the Nation's treasure-house of information relating to crime and criminals upon which all peace officers may freely draw and to which all may contribute. It encourages the widest intercourse between itself and the country's thousands of law enforcement agencies and the benefits accruing to our citizens as a whole as a result of this free exchange of thought and information is immeasurable.

We want you to know that in our opinion the Federal Bureau of Investigation, under the able direction of Mr. J. Edgar Hoover, is without question the highest type of law-enforcement agency in existence today. We are in entire accord with its high purposes and objectives. So strongly are we convinced of the irreproachable motives of the F. B. I. and of the utter sincerity of its Director that we regard its enemies as enemies of our country and of its upright and law-abiding citizens.

Now as never before America needs a strong, highly organized Federal law-enforcement agency such as we have in the F. B. I. Attacks directed against that organization savor of ingratitude and envy. May we assure you that the F. B. I. as now constituted will continue to have our highest regard and fullest cooperation.

Very truly yours,

JOS. KLUCHESKY,
Chief of Police.

Mr. WILEY. Mr. President, I may add that the State of Wisconsin has always pioneered in every forward-looking police training and safety program. Wisconsin was the first State to have certain of its officials meet with representatives of the Federal Bureau of Investigation and to join forces in the first State-wide police training program in the United States. That training program was approved on January 4 of this year, and I ask that the Department of Justice memorandum on this matter be inserted in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,
January 4, 1940.

Wisconsin police officials, after conferring with representatives of the Federal Bureau of Investigation at Milwaukee, approved the Nation's first State-wide police-training program, it was announced here today.

More than 1,300 police officers attended the first series of sessions, which were held in 17 schools. The sessions opened on September 11, 1939, at Ashland, Wis., and concluded at West Allis, Wis., on December 22, 1939.

The completion of the initial series distinguished Wisconsin as the first State in the country to provide instruction on a State-wide basis to all law-enforcement officers, J. Edgar Hoover, Director of the Federal Bureau of Investigation, pointed out today.

The first schools, for which all instructors were furnished by the Federal Bureau of Investigation from its official staff, were so successful that the conference in Milwaukee approved a proposal for the establishment of a permanent program of training.

This action followed formal approval of the original 17 zone schools by all of the official law enforcement associations of Wisconsin which include the Wisconsin Chiefs of Police Association, the Wisconsin Sheriffs' Association, and the Wisconsin Police Protective Association.

The conference held yesterday was composed of Chief of Police Joseph Kluchesky, Milwaukee, president of the Wisconsin Chiefs of Police Association, representatives of the Federal Bureau of Investigation designated by Director J. Edgar Hoover, and members of the police training committee of the Wisconsin Chiefs of Police Association.

Chiefs of Police Walter English, of Wausau; Glenn Zimmerman, of Plymouth; and Alfred Quest, of Watertown, composed the training committee.

The conference pointed out that, although a maximum of 1,050 police officers was expected to attend the first courses, more than 1,500 had been enrolled.

Despite the fact that many of the officers scheduled to attend school on particular dates were required to handle emergencies and respond for appearances in court, the average daily attendance at the schools was in excess of 1,300.

These officers reported from their local communities to the zone centers at Appleton, Oakland, Eau Claire, Fond du Lac, Green Bay, Janesville, Kenosha, La Crosse, Madison, Oshkosh, Racine, Sheboygan, Stevens Point, Superior, Watertown, Wausau, and West Allis.

Attendance at the schools was made up of representatives from police departments, sheriffs' offices, county highway police, State highway patrol, State motor-vehicle inspection, district attorneys' offices, coroners' offices, constables, and other law-enforcement agencies.

The Milwaukee conference approved the establishment of a permanent program of training at each of the zone centers at which the first schools were held.

The new series will begin on February 5, 1940, and continue until June 1, 1940.

Continuation of the series is contemplated for an indefinite period, with the prospect that the third group of schools will open in September.

A 17-week course of instruction in advanced law-enforcement procedures will be covered.

During the intensive 2-week full-time courses offered originally the groundwork was laid in outstanding fields of law-enforcement practices, including the technique and mechanics of arrest; firearms usages; raids and road blocking; fingerprint identification; the handling of crime scenes; the collection, preservation, and identification of evidence; descriptions; interviews; report writing; and public relations.

Consultant service in the preparation of the curricula was rendered by the Federal Bureau of Investigation.

The new schools will concentrate upon a detailed study of two of the original subjects.

It was agreed by the conference that details concerning the subject matter would not be disclosed.

Strict regulation of attendance at the schools will also be required in order to protect the confidential character of law-enforcement techniques.

With approval of the general plan for a permanent system of instruction, Chief Kluchesky announced the formation of a permanent advisory board to the police training committee of the Wisconsin Chiefs of Police Association.

The advisory board will consist of the president of the association, members of the police training committee, and the special agent in charge of the Milwaukee division of the Federal Bureau of Investigation.

Mr. WILEY. Mr. President, for some time it has been evident that some kind of "left-wing attack" is being made on the F. B. I. I do not mean to imply that congressional criticism of the F. B. I. emanates from left-wing sources. In fact, the congressional interest in the matter originates from a very commendable concern with the preservation of American civil rights. I believe, however, that the bulk of the current criticism of the F. B. I. is in reality part of a tangled webt of intrigue seeking to discredit both the Director of the F. B. I. and the Bureau itself.

I shall not discuss the hue and cry which has been raised about wire tapping by the Bureau, because I believe the issue involved is well known to every Member of Congress. Here again we are concerned with the question of a possible abuse of personal and private rights. It is not my purpose to discuss the pros and cons of that question at this time. I believe, however, that it is desirable for us briefly to consider the question of public rights which is involved in the present barrage attack on the F. B. I. from left-wing quarters.

I do not wish to be an alarmist, nor do I wish to be placed in the same class with that group of fertile and imaginative minds which see foreign plots everywhere about us. On the other hand, I believe that the example of Norway indicates clearly that in any Government there is a definite menace from alien termites boring from within, and such termites are even more dangerous than those in foreign lands.

There are today a great many people who are not influenced by jittery war headlines, yet who believe it entirely possible for agents of foreign governments to be engaged in espionage in connection with the large amount of war contracts placed here by the Allies. Naturally, this would result in a certain amount of skirmishing between the F. B. I. and foreign agents who would find it distinctly to their advantage to discredit the Bureau.

There is another phase to this "smearing" campaign. The F. B. I. has been actively concerned with the investigation of Communist activity. That investigation has in recent months been more effective than ever before. The arrest of certain persons in Detroit for securing enlistments for the Spanish loyalists is an example of one investigation which has resulted in a verbal bombardment of the Bureau.

Mr. President, I do not want an Ogpu in this country. I do not believe in an American Gestapo. I realize that a Federal bureau set up as an investigational agency of the Government might conceivably, under an autocratic and dictatorial administration, invade private rights and trample rough-shod on our traditional sacrosanct American civil liberties. But, Mr. President, such an abuse of power appears unlikely at this time. Despite all efforts to besmirch the character of the F. B. I. Director on the basis of his record, I, for one, am willing to believe that his character and known integrity would prevent any misuse of his powers.

This does not mean that I subscribe to a blind, unreasoning trust in the F. B. I. On the contrary, I believe that we must exert an unceasing vigilance to see that there is no unwarranted growth in its power. However, I believe that the possible menace inherent in a Federal Bureau of Investigation lies not in the Bureau itself, but in the suspicious activities of any left-wing groups who would seek to discredit the Bureau, so that they themselves may control it and then undermine its vigilant enforcement of Federal statutes.

Mr. President, during the past 12 years, in more than 52,000 cases, convictions have been obtained on the basis of evidence which the F. B. I. secured. In all those 52,000 cases no conviction has ever been reversed in a court of appeals because of any alleged third-degree tactics or violated civil liberties. As a matter of fact, the record of the F. B. I. in this respect has been so splendid that on April 4 of this month here in Washington at a meeting of the Federal district attorneys from the entire Nation, a resolution was unanimously adopted commending the F. B. I. for its effectiveness in preserving the constitutional rights and civil liberties of persons who have arrested by the F. B. I.

Mr. President, there were days—dark days—when the grimy hand of gangsterdom reached into every nursery in the land. The menace of those days has almost been forgotten. That it is only now a grim memory is a testimonial to the effectiveness of the F. B. I. But there are other thugs—thugs who may have a place in the international underworld of espionage or propaganda. There are Communists and other alien forces which, operating under the constitutional protection of American civil rights, may capitalize on apathy and venality to expand their activities and their membership.

On April 18, in a speech delivered before the Daughters of the American Revolution meeting at Constitution Hall in Washington, Director Hoover in his closing remarks gave the answer to any charges hurled at an investigation of subversive activities. He said:

> And I hope that today you will pledge yourselves with me to a solemn rededication of citizenship. That you will give more of your efforts, more of your being, and of your hearts to the task of teaching and emulating Americanism. That you will strive ceaselessly to focus the spotlight of truth upon the "ism" scum which seeks to undermine the foundations of our Nation. By doing so you will illuminate the world with the brilliance of American democracy and demonstrate the sacred character of honest, decent, human elements which, God willing, our Stars and Stripes may forever symbolize.

Mr. President, I believe we are all in accord with these sentiments. I believe the statement of Mr. Hoover will do much to "clear the air" of the accusations directed against the F. B. I. Similarly, I believe the charges made against the F. B. I. served a constructive purpose also, because it is only by a continual examination of Federal agencies that we can prevent them from cracking a bureaucratic whip over American rights.

I believe that the F. B. I. has not abused its power, and I believe that in these chaotic days it is particularly vital that we reaffirm our confidence in this important agency of the Government. An investigational bureau thus reassured by demonstration of congressional confidence can continue to ferret out the truth. A continued sifting and winnowing of alien activities in this country should result not in a heavy-handed crushing of civil rights, but in a renewed vigilance in defending the cherished American doctrines.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article published in the Christian Science Monitor of Monday, April 22, 1940, entitled "This Changing World." The article deals with the Trojan horse in foreign countries.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of April 22, 1940]

THIS CHANGING WORLD—THE TROJAN HORSE—LESSON FROM NORWAY TAKEN TO HEART BY NEUTRALS IN PATH OF AGGRESSORS—NETHERLANDS IN A STAGE OF SIEGE

(By H. B. Elliston)

Something out of Greek mythology has lately come into the news as the chief danger to the continued independence of those neutral countries in Europe which are unfortunate enough to lie in the path of the aggressor powers. That something is the Trojan horse. You may recall the animal from school days—how the Greeks, after laying siege to Troy for 10 years, at last reduced Troy with it. And it was made of wood, too. What happened was this: The Greeks simply retired from the Trojan walls as if they had tired of war making. But outside the gates they left a huge wooden horse, and the Trojans, celebrating their release from siege, hauled the beast inside. They didn't know that before retiring the Greeks had secreted half a dozen of their warriors inside the horse's tummy. These came out when Troy went to bed, opened the gates, and let in the Greek Army. Troy was sacked before it woke up.

Norway almost became a modern Troy and might have shared Troy's fate but for the wide-awakeness of one or two of the officers in the shore batteries in the Oslofjord. It was a narrow squeak. The Trojan horse had already been secreted inside the city in the shape of traitorous Norwegians and German "refugees." The experience has come as a tip to other governments, and in Yugoslavia, in Holland, in Switzerland, in Belgium, in Sweden, the hunt is on for like quadrupeds within their midst.

The only country where I made any inquiries about a Trojan horse was Holland. It so happened that the Dutch, with their admirable regard for free institutions, have been less disposed than any other people to clamp restrictions either on their own people or on incoming foreigners. The Netherlands was the only country I visited where no visa was required. At the frontier the Dutch bade me welcome without more than a perfunctory examination of my baggage. They made me fill out no forms concerning the money I carried.

It looked as if the Dutch in their situation on the very balcony of war-torn Europe were taking chances. And arrived in the country I quickly found that Dutch hospitality had been abused by the concentration within the Netherlands of hundreds of spies and undesirable aliens. At The Hague one hotel was so crowded with them that it was called spy hotel.

Need I say that most of this fraternity were German? Some of them, indeed, had diplomatic status from Berlin, though you couldn't find their names on the diplomatic list. I talked with the general at the head of the Dutch Intelligence Service about the crowded appearance of the German Legation. How many officials were there? According to the list, was the reply, there were only 25, but the Dutch knew there were no fewer than 130 directly attached to the legation. But the general didn't seem unduly worried that they might be the Trojan horse in the event of invasion. The modern Trojan horse, of course, generally hides Trojans in its bosom, not Greeks. I mean the gate openers are natives, not foreigners—members of what is sometimes called the fifth column, or friends of the enemy. We in America are apt to forget this fact in the hue and cry against undesirable aliens.

What, then, of the Dutch Quislings? Yes, they have a Nazi party, and it is under a man who feels he's got the makings of a fuehrer, his name being Anton Mussert. The only warrant for the title that I could discover was a wispy lock of hair which he cultivated assiduously. He's neither a good organizer nor a good rabble rouser. And the party meetings always have a habit of ending in rows when the eternal issue was brought up between union with Germany and an indigenous movement. Mr. Mussert, a former hydraulic engineer, has a following of about 10,000 members, and there are four members of the party in the Netherlands Parliament.

The modern Trojan horse, of course, is not satisfied with getting inside a country. The enemy seeks to plant it inside the army. There had been some suspicion before I got to Holland that a number of officers in the army were Nazi, if not Mussert sympathizers. It was rumored that in the big scare last November 11, 150 officers had been arrested.

My Netherlands friend felt that there was no longer any such danger. He told me that the army was so solidly anti-Nazi that "everybody from the rank of sergeant down" was a kind of intelligence service. On an average he got a letter a day from men in the ranks reporting something that to them looked like pro-Germanism in a higher-up. The officer told me that the complaint generally was traceable to an innocent remark that had been misconstrued.

Now the Dutch are taking extraordinary precautions against any gate-opening by the inhabitants of the Dutch Trojan horse. They are looking the gift horse in the mouth, as it were. Specifically, the entire country has been put in a state of siege.

Only a grave emergency could have persuaded the great Queen of the Netherlands to take such a step. With reluctance, I know, she gave the orders. For she has hitherto clung to the hope that the Netherlands might keep a civilian flag flying inside the country, even though of necessity the frontier Provinces had to be put in a state of siege. While I was in the Netherlands she changed the army command on this very issue.

The sturdy Netherlanders, unless my observation was at fault, will know how to deal with those who come out of any Trojan horse, as well as with any invaders, if the one ever comes out or the other comes in. Norway has served a purpose in Holland as elsewhere as the voice of Cassandra, which ancient Troy ignored.

Mr. WILEY. Mr. President, we do not want any American Hitler or Stalin in American industry, American labor, or American politics. We do not want any "fifth column" in America. If I had my way, in these perilous times I would double the appropriation for the F. B. I.

In this land of ours there are many persons who call themselves Americans who have gone wrong in recent years because of material inequalities. They have been listening to the lilting voices of those who want us to go the way of Europe. As a result there have grown up in this country certain organizations whose taproots cross the Atlantic and reach down into the heart of foreign capitals.

Because of the demagogic doctrines which are preached in our land, the clergy and the learned men in our universities have today a priceless opportunity to display farseeing vision by leading American youth away from radical organizations and into sound American activities.

Under the policies that have always obtained in America we have proceeded on the theory that years would bring light, and those who had gone astray would see the light and return to the fold. Under ordinary circumstances I still believe that is a correct theory. But, Mr. President, we do not live in ordinary times. We live in a period in the world's history when foreign nations send to other countries men who come in ostensibly to enjoy the hospitality of their hosts, but when they enter the house they take it over. I, for one, am ready to say to any foreigner who comes to this country: "You are here as the guest of this Nation; obey the rules of the house and you can remain here."

And to American citizens who have joined up with un-American organizations I am ready to say: "Cease having intercourse with those who would despoil America. Give up your membership. Give the Government the benefit of information you now have. Your obligation to America is the greatest obligation in life. Prove faithful to it."

Every country in Europe now knows what the "fifth column" is. Every country in Europe now, since Norway has been martyred, has taken steps against spies and termites. You, Mr. President, and I can do very little personally, but the F. B. I. can guard our treasures; it can guard the portals to America. It can protect our rights not only against the foreigner whose presence in our midst would abuse our hospitality but against those Americans who have been inoculated by the fever of hate and deception and class warfare brought into being by the dictators of Europe.

Mr. NORRIS. Mr. President, lest my silence now be misconstrued later, when I expect to address the Senate on the subject, I wish to say only that I have listened with much interest to the address of the Senator from Wisconsin. I do not find fault with the abstract propositions which are laid down by him or which are laid down by Mr. Hoover. I am the last one in the world who would be inclined to try to interfere with the good work of any organization. I have read speeches and have listened to speeches over the radio by Mr. Hoover which I commended. I think on one occasion I wrote him a letter in commendation of a speech of his to which I had listened.

The Senator from Wisconsin has referred to the Detroit arrests. While I would not put a thing in the way of an honest, fair, and competent investigation of anything that pointed to an act disloyal to my country, I do insist that those who have authority to investigate crimes and violations of law should not themselves violate the very law which it is their duty to uphold. I shall not go into the question now, because one case is now pending and being tried, and I do not want anything I say to have even an indirect effect upon that case. I should not have referred to it had not the attention of the Senate and of the country been called to the actions of the F. B. I. in words of praise and exaltation. In doing so the Senator has referred to the Detroit cases.

After I had read some of the newspaper accounts of the Detroit cases I wrote to the Attorney General a letter in regard to them which was given to the press. I received from the Attorney General a reply which he has given to the press, in which he agreed with what I had said, and said he would investigate those cases, although in my letter to him, to which I refer, I called his attention to them merely as an example of what seemed to me to be going on, and what seemed to me to be wrong.

The Attorney General has appointed an assistant to investigate those cases. His report has not yet been submitted; or, at least, it has not been made public. I have had no access to it. When it is made public, I shall comment in the Senate upon what I believe is a just criticism of the F. B. I.

Mr. President, the fact that a man has been a good soldier is no defense if afterward he violates the law. The fact that a man has run many criminals to earth, and has done a magnificent work, is no defense to him if he in turn violates the law. I am not content to leave the matter now, because, following my correspondence with the Attorney General, which was given to the public with my consent—I am not finding fault with that—some newspapermen, one of whom was referred to by the Senator from Nevada [Mr. PITTMAN] in his able address to the Senate today, have charged me—perhaps indirectly, but in language which no one can misunderstand—with being a part of a conspiracy to "smear Hoover," something of which I am as innocent as an unborn child.

Mr. President, I want to help the F. B. I.; but I do not want that organization, in making arrests, to violate the liberties of American citizens which are protected under the Constitution of the United States and by our courts, including the court of last resort. I want them protected. In making arrests or investigations, no bureau or organization—political, governmental, or religious—is justified under any circumstances in doing some of the things which I think have been done by the F. B. I. in violation of the sacred rights which ought to be preserved to every American citizen.

When the report to the Attorney General is made, I expect to take up the Detroit cases and perhaps some other cases. I say the few words I am now uttering only because I fear that my silence might be misconstrued by the Senate.

Mr. WILEY. Mr. President, I have listened with much pleasure to the generalities of the distinguished Senator from Nebraska. I am sure nothing I said was directed to him personally. I know of one occasion when a fiddler played the fiddle while Rome burned. Let us not fiddle in America while our land is in danger. I know there are other occasions when we make mountains out of molehills, and as a result we do not see the real problem in front of us.

Violations of personal rights may occur at times, and I stand with the Senator from Nebraska in saying that there should be no violation of any personal rights by any agency of government or any individual in the Government. However, the point I was making was that in other lands the house is set on fire by insidious forces—yea, by treasonable forces. In this country we have an agency which can cope with such treasonable forces; so, instead of permitting criticism and damnation to destroy the efficiency of that agency. I thought it was time to give credit where credit is due.

Mr. Hoover and his agency have stamped out racketeers. They have stamped out kidnaping in this country. Mr. Hoover and his agency can stop the inflow of the "fifth column" into this country; and it is to such an agency that we should give credit. The cost to the Government is as nothing compared to the constructive results.

Mr. NORRIS. Mr. President, the Senator refers to making a mountain out of a molehill. He has constructed a mountain out of a molehill, and, standing on the top of that mountain, he waves the American flag and says that if a man has hunted down a criminal anything else he may do is insignificant and unimportant.

I want to help, if I can, any organization which will run down criminals and ferret out crime; but I want to stop the same organization if it undertakes to violate the rights guaranteed to us under the Constitution of the United States. That is all I want to do. I do not want to smear anybody; but I will not stand idly by and have the charge made that, because I want to defend the civil rights of American citizens, I am trying to smear somebody.

It is said in defense of Mr. Hoover that he has done some great and good work, which I frankly admit and have never denied. However, if he is trespassing, if he is going

wrong, I want to stop him in his tracks and help him to go right, which I hope he will do.

Mr. President, I realize that if our civil rights are trampled underfoot, our Government must go the way of other governments which have been lost to some kind of secret organization having a different motive from what we expect—a different motive from the F. B. I.

I admit the greatness of the F. B. I. We are giving them $10,000,000. However, they are still bound to respect my rights, your rights, and the rights of the poor, wherever they may be. The F. B. I. is not called upon to strip men and women or to search them when they are charged with some minor offense, handcuff them, parade them through the streets, and subject them to the third degree. That sort of thing cannot go on in any free government without eventually bringing ruin. It will bring ruin to us, as it has to many others, and as it is doing now.

What I have said cannot be construed to intimate that I do not want crime punished and evildoers arrested; but we have a Constitution and laws; we are trying to preserve certain rights; and we must be fair to our enemies as well as to ourselves. Our courts must try our enemies as fairly as they try our friends. If I am a private citizen and an enemy and am charged with crime, I am entitled, under the Constitution of the United States, to as fair a trial as the Senator who sits at my right would be if he had committed a crime. That is all I am asking for; that is all I want; that is what we must have if our Government shall continue to live, and we will have it.

History is strewn with the remnants of governments that have undertaken to violate that rule. Our Government, with its civil rights, particularly the fourth amendment to the Constitution, was set up by our forefathers in order that we should not fall by the wayside, as others have done.

I have no fault to find with what the Senator has said. He has read from Mr. Hoover's speech. I have read the whole speech, and I thought it was a good one. I am not finding fault with it; but I am finding fault with the suggestion or insinuation that any man, whether he be of high or low degree, who even criticizes anything the F. B. I. may do must be "smeared" as a man who is against his country, who believes in communism or Hitlerism. We can purge them; we can have our people respect the laws if we obey them ourselves and insist that those whose duty it is to enforce the laws shall likewise obey them.

Communism comes when we fertilize the soil of America with such ideas as that we have a right to trample underfoot the rights of the common, ordinary citizen. No matter what he may be charged with, under our law he is entitled to be tried as a man and be treated in the same way as the most respectable citizen in the community would be treated. That is all I want.

Mr. WILEY. Mr. President, I do not desire to continue this debate interminably. I merely wish to say, so that the matter may be settled, that I can agree with everything the distinguished Senator from Nebraska has said. We probably both have indulged in generalities and platitudes. We probably have in a way pulled the flag up and unfurled it to the breeze. I agree with him that civil rights, under our Constitution, should be protected; but I am not willing to let it be inferred, until it is proved, that Mr. Hoover and his fine organization have done anything to impair civil rights. Rather, the history of his organization is that it has made the civil rights we possess more secure in America than they were before his organization came into being; that it has made life safer; that it has made it better for us. If he or his agency of the Government has violated the law, he is amenable to it. But let us remember that we are not living in ordinary times.

I wish to say to the distinguished Senator that I did not attribute any "smearing" to him; I am sorry I irritated the Senator; I said nothing of that kind. I said certain newspapers had published certain articles of that kind, but specifically exempted congressional criticism from my comments. So we can agree and go along and root up any treasonable action of any kind, whether it be within or without our country.

Mr. PEPPER. Mr. President, in view of the fact that the subject of the Federal Bureau of Investigation has been briefly discussed here on the floor of the Senate, I should like to make a short statement. I wanted to say that I learned, to my consternation, from a friendly Senator that since I made some remarks on the floor of the Senate on this subject, expressing my general sentiments on the subject, the report had been circulated by somebody that my toes had been stepped on by the F. B. I. because my brother had been arrested for the operation of a gambling house in Miami, Fla. Having but two brothers, one of them being in New York and the other with my mother and father in Tallahassee, Fla., I naturally had not been aware that any such rumor had been insidiously circulated among Senators and around Washington. I am glad the Senator was good enough to tell me that it had been circulated, so at least I could denounce that statement as false.

It does happen that a man named Frank Pepper, who is not in any way related to me, has an interest in the Royal Palm Club, which is a night club operated just behind Bay Front Park in Miami, Fla., and which, so far as I know, has been respectably conducted. Whatever may be its virtues or its shortcomings, they are not in any way related to me or to any person who is related to me.

Mr. President, when I rose on the floor of the Senate and made some comment upon the activities of the Federal Bureau of Investigation, I made those remarks, in the first place, as a friend of this administration, and, in the second place, as a friend of honorable and effective law enforcement in America. My father has been a sheriff; he has been a police chief and police officer for many years, and my sympathies go strongly out to those men who are trying to enforce the laws of our country and to protect citizens in the enjoyment of their property and their personal rights. But I know that there is a strong tendency in any centralized police agency, in its zeal and in its enthusiasm, to exceed the discretion which, perhaps, it should always exercise.

I read upon the front page of the newspapers of my State declarations that were issued by the Chief of the Federal Bureau of Investigation, at least he was quoted as having issued them, denouncing official corruption in Florida. I knew that, like all other States, Florida has perhaps had some officers who were not what they should have been, but I also knew, from personal knowledge, that all official life in my State was not corrupt, and it was not fair to make such a charge and issue a generalization of that character. A little later I read a statement by another Federal agency to the effect that Georgia was brimming over with corruption; but again there was no distinction between somebody who might have done wrong and all the officials of that great State who have led honorable lives and who were rendering creditable public service.

It was against that kind of generalization that I protested; it was against the growing tendency on the part of this organization to take upon its own shoulders, of its own initiative, the investigation and, it may be, the suppression of matters that are outside the legitimate scope of Federal investigation and even of Federal prosecution that I protested. What may be the sentiment of the people of South Carolina relative to local matters is a South Carolina police problem, and the same statement applies to every other State in the Union.

I know, Mr. President, as you know, enough about human nature to understand that if a man is given a trained personnel, unlimited authority, and unlimited funds, he would not be human if he did not tend to extend his activities into realms which are questionable so far as Federal jurisdiction is concerned. Of course, the Federal Government, with unlimited personnel and funds and with its own court procedure, can enforce the laws of this country better than can the local agencies; but I was not aware of the fact that the American people were willing to turn over all law enforcement even to a good Federal agency.

So what I said sprang from a conscientious conviction which I entertained. I have nobody to protect in my State or anywhere else. So far as I am aware I have no relatives who have been affected by the F. B. I. I have been a booster for the F. I. B. I appreciate the fact that in the past Mr. Hoover has invited me to make speeches at the Bureau. I accepted on at least one occasion and spoke last year at one of the police schools which have been conducted here in Washington and which constitute a splendid activity. I do not have any quarrel with any Federal agency, but I do tell my fellow citizens and I venture to say to my fellow Senators that that agency had better be under the eye of the American Government or it will get out of hand. I know without some restraint that it is too much to believe that any man of Mr. Hoover's skill, knowledge, great ability, and zeal is not likely to transcend the legitimate activities of a Federal agency, and as his friend and admirer I merely want the sign of caution held up to him before resentment comes about and reaction arises which will undermine the good, the just, and the desirable work which his agency has performed and was designed to carry on.

Mr. ASHURST. Mr. President, the speeches just delivered in the Senate regarding the F. B. I. are timely and pertinent; and it would not appear to be odd that I should agree with all that has been said.

Charging the able senior Senator from Nebraska [Mr. NORRIS] with attempting to smear somebody is about like charging Abe Lincoln with engaging in a similar endeavor.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. ASHURST. Certainly.

Mr. NORRIS. When Abraham Lincoln lived he was charged with that and everything else imaginable in the category of crime and ridicule.

Mr. ASHURST. No one believed it.

Mr. NORRIS. They do not now; they know better now; but many believed it then.

Mr. ASHURST. If the Senator will pardon me, no one believed it then.

Mr. President, it is not my function, certainly not my duty, to make any elaborate defense of the F. B. I. or of the Department of Justice. Some 1,600 men make up the personnel of the F. B. I. It would be impossible to imagine that out of 1,600 men there could be no weak member, no rotten bough. The greatest Wisdom, the greatest Mind, the greatest Good on earth, in choosing a cabinet found that he had a denying Peter, a doubting Thomas, and a bribe-taking Judas. Finite man will labor in vain to select men in large numbers without finding some weak one. Therefore, I do not doubt that out of 1,600 men there may be, and doubtless is, some unworthy man.

I speak now as a whole regarding the work of the F. B. I. I shall not even refer to the Detroit cases, because it is my habit never to discuss a matter pending in the courts. It was wise on the part of the speakers who preceded me not to descend into the details of those cases. It is proper in such circumstances to stand in awe of justice and let justice speak.

The members of the F. B. I.—that is, the Federal Bureau of Investigation—are trained men. In my service as a Senator I have made but one recommendation to the F. B. I. I did recommend that a young gentleman be appointed. He was given an examination and could not pass. I requested a reexamination. Still he did not pass. So far from feeling any resentment against Mr. Hoover, I admire him rather for the strong and sterling way in which he disregarded what might be called a political endorsement.

The F. B. I. requires men of unusual types, sagacious, prudent; they must know when to speak and when to withhold speech. They must know what a criminal would do in certain circumstances. They must even know who would be likely to commit a crime of a particular nature. They must be trained to know what a suspected person will do in certain circumstances. In order to be a successful member of the force of the F. B. I. one must understand physics—that is, natural philosophy—one must understand psychology—that is, the science of human emotions—to an almost perfect degree.

The persons against whom the F. B. I. agents are operating constitute some of the boldest, most desperate, most cruel and inveterate criminals ever known. Such criminally disposed or antisocial persons desire sensations, wines, high-powered cars, bright lights, ease, comfort, luxury, but lack the ability to earn these things. Therefore, they seek to take them by indirection and in violation of the law.

As to communism, I suppose one has a right, under our Constitution, to preach communism. Communism cannot prevail, because it is contrary to the inborn, ineradicable sentiments of the human heart. Deep in the human instincts and enshrined in the hearts of all humans are three things that may not be repealed by any government or any law:

Something to possess. That desire cannot be repealed. Therefore communism will fail because it cannot wipe out the desire to possess something tangible; some property.

Something in which to believe.

Someone for whom to care.

These three things are invincible and communism will attempt in vain to repeal them. They are part of human life and human destiny.

The Senator from Wisconsin [Mr. WILEY] opened the debate. I listened to him with care, as I listened, of course, with care to what was said by the Senator from Nebraska [Mr. NORRIS] and by the Senator from Florida [Mr. PEPPER]. I agree with them that a man charged with murder or any other crime should be tried strictly according to law. The only hope we have of maintaining this Government is to assure the accused person, no matter how lowly, how poor, how despised such person may be, that he will be tried by the same system of government, the same law, the same rule of evidence, and possibly by the same judge and the same system of jury selection under which the wealthiest, most eminent, most learned citizen would be tried.

Mr. President, more than a hundred years ago—yes; longer ago than that—an eminent orator—I leave it to some surer scholar to discover who it was—said:

> If all the men who have fallen under American justice and have suffered the death penalty in America could be resurrected at the foot of the gallows and, after their resurrection, were to form a government, they would form a government of the same kind as the one under whose justice they fell.

There is no doubt about that, because it is the fairest system ever devised by man. Therefore, of course, it behooves us all to see to it that the civil liberty of citizens shall not be swept away, and that the lowliest and poorest citizen, the most meager in funds, shall be tried by the same law as the most opulent citizen.

It is a singular circumstance which, if it were not so poignant in its tragedy, would be ironical to the point of humor that when a cold-blooded, desperate, cruel, and inveterate gangster is arrested after spending a lifetime inveighing against the Constitution of the United States, after spending much of his ill-gotten gains in an attempt to subvert our system of government, the first thing that gangser does when brought into court is to appeal to this very Constitution for the preservation of his own liberty and for a fair trial. Sirs, the document he tried to destroy, the system against which he inveighed, and against which he bored from within, is the system to which in his day of trial and trouble he appeals for his freedom and his acquittal, if he is to have such. That statement shows the strength, the power, the beneficence, and the justice of the American system of government under our Constitution.

As to Mr. Hoover, let me say that he is a young man. So far as I know, he is a good man. He is not a great man, for no man is ever great until he has had much sorrow, humiliation, and disappointment. No man will be great, or can expect to be great, until he has had full measure of those chastening and refining influences. But measuring Mr. Hoover by his accomplishments—of course, he is not without error—measuring him by what has been done, the record seems good.

When Mr. Cummings was appointed Attorney General in 1933, I happen to know that tremendous pressure was brought to bear upon him to try to induce him not to retain Mr. Hoover as the Chief of the F. B. I. Mr. Cummings made an investigation, which lasted nearly a year, and at the conclusion of the investigation made by Mr. Cummings he determined—and I think wisely determined—to retain Mr. Hoover.

When Mr. Murphy succeeded Mr. Cummings, the same pressure was not brought to bear on Attorney General Murphy to release and discharge Mr. Hoover, but there was some opinion that it should be done. Attorney General Murphy retained Mr. Hoover as Chief of the F. B. I.

When Mr. Jackson succeeded Mr. Murphy as Attorney General—I do not now speak with authenticity or with any real degree of accuracy—he considered the question, and after his investigation he also retained Mr. Hoover as the Director of the F. B. I.

It would be childlike in simplicity to pretend that in such a wide field, a field so pregnant with possibilities for mistakes, no mistake has been made. Whenever you find a public man who has made no mistakes, you will find one who has been asleep. I say to my fellow Senators, when they go out into the field to begin their campaigns for reelection, they will be charged with having made mistakes. Admit it, certainly, for it shows that you are active; you are trying to do something. Those in the graveyard and those who are asleep probably make no mistakes. I have no doubt Mr. Hoover has made mistakes. I hope he has not made as many as I have made; but it should not frighten one to be accused of having made a mistake.

Mr. President, again referring to the men required in the F. B. I., some Senators may have a phonographic brain. I congratulate them if they have. It is not, however, conclusive evidence of mental strength to have a phonographic brain, one which can reproduce like a phonograph. While it happens to be no sure evidence of mental strength, the F. B. I. man must have it.

How many Senators have a photographic eye? I congratulate such as have. With the photographic eye, what you see in a flash is engraved on your mind forever. If you have such an eye, you are a remarkable man. The F. B. I. man must have both a photographic and a phonographic brain.

The F. B. I. man must be cool. He must be so deliberate and so cool that he even appears to be like a gangster in temperament. Gangsters are the coolest of all men. There is no excitement about them. The first thing they learn about gangster warfare is to keep cool. A false move and the game is over.

Mr. President, these men in the F. B. I., moreover, must be above reproach. They must have no social ambition; they must have no political ambition, and, above all, they must have no financial ambition. It is not easy to find men, certainly regiments of men, who can meet such a test, and that is the test they must meet, otherwise the inexorable law of efficiency soon will exclude them from their positions in the F. B. I.

As for Mr. Hoover, I have never had sip or sup with him. We are not social, fraternal, political companions or comrades, and when I speak of him, as I have done before, I do it because I believe I would exhibit a sort of cowardice, I would certainly exhibit a sort of timidity, if I did not lay before the Senate and the country these observations concerning impressions of the F. B. I. which have come to me down through the years.

I could tire the Senate by a long and detailed account of hundreds of cases which have been solved by the F. B. I., cases so startling in their nature, so remarkable, that one might imagine that the F. B. I. men themselves were endowed with some sort of telepathic sense, so remarkable and so startling have been their achievements.

Having said this much, I yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the President of the United States having returned to the House of Representatives, in which it originated, the bill (H. R. 289) for the relief of officers and soldiers of the Volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899, with his objections thereto, the House proceeded, in pursuance of the Constitution, to reconsider the same; and

Resolved, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

RIVER AND HARBOR AUTHORIZATIONS, 1941

The Senate resumed the consideration of the bill (H. R. 6264) an act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The PRESIDING OFFICER (Mr. ADAMS in the chair). The clerk will state the next amendment of the committee.

The next amendment was, on page 15, after line 11, to insert:

Bay Center Channel, Willapa Harbor, Wash.; House Document No. 481, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 15, after line 17, to insert:

Petersburg Harbor, Alaska; House Document No. 670, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 15, after line 19, to insert:

Port Alexander, Alaska; House Document No. 578, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 15, after line 21, to insert:

Wrangell Harbor, Alaska; House Document No. 284, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 16, after line 2, to insert:

Craig Harbor, Alaska; House Document No. 553, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 16, after line 4, to insert:

Sitka Harbor, Alaska; House Document No. 331, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 16, after line 6, to insert:

Elfin Cove, Alaska; House Document No. 579, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 16, after line 8, to insert:

Kodiak Harbor, Alaska; House Document No. 332, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 16, after line 10, to insert:

Keehi Lagoon, Oahu, T. H.; House Document No. 329, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 16, after line 12, to insert:

Fajardo Harbor, P. R.; House Document No. 280, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 16, after line 14, to insert:

San Juan Harbor, P. R.; House Document No. 364, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 16, after line 16, to strike out:

That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $120,000, to be immediately available as an emergency fund to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for repairing damage to and checking erosion on the Bayocean Peninsula, in Oregon, caused by a storm in January 1939, in order to provide adequate protection to property on such peninsula and in Tillamook, Oreg.

The amendment was agreed to.

The next amendment was, at the top of page 17, to strike out:

SEC. 2. Sacramento River flood control, California: The item for this project in the River and Harbor Act of August 26, 1937, is hereby amended by adding thereto a proviso reading as follows: "*Provided*, That there is also hereby authorized an additional contribution by the Federal Government of not to exceed $1,600,000 for completion of the project previously adopted."

The amendment was agreed to.

The next amendment was, on page 17, after line 7, to strike out:

SEC. 3. The second proviso in section 2 of the act of August 26, 1937 (50 Stat. 844, 850), authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, is hereby amended to read as follows: "*Provided further*, That the entire Central Valley project, California, heretofore authorized and established under the provisions of the Emergency Relief Appropriation Act of 1935 (49 Stat. 115) and the First Deficiency Appropriation Act, fiscal year 1936 (49 Stat. 1622), is hereby reauthorized and declared to be for the purposes of improving navigation, regulating the flow of the San Joaquin River and the Sacramento River, controlling floods, providing for storage and for the delivery of the stored waters thereof, for construction under the provisions of the Federal reclamation laws of such distribution systems as the Secretary of the Interior deems necessary in connection with lands for which said stored waters are to be delivered, for the reclamation of arid and semiarid lands and lands of Indian reservations, and other beneficial uses, and for the generation and sale of electric energy as a means of financially aiding and assisting such undertakings, and in order to permit the full utilization of the works constructed to accomplish the aforesaid purposes."

The amendment was agreed to.

The next amendment was, on page 18, line 6, to change the section number from 4 to 2, and on the same page, line 21, after the word "funds", to strike out "allotted to the adjoining waterways" and insert "appropriated for the maintenance and improvement of rivers and harbors", so as to make the section read:

SEC. 2. That the paragraph in section 1 of the River and Harbor Act, approved July 25, 1912, authorizing the removal of temporary obstructions from tributaries of waterways under Federal improvement (37 Stat. L. 722), as amended in section 3 of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved July 3, 1930, is hereby amended to read as follows:

"The Chief of Engineers, in his discretion, and after approval by the Secretary of War, is hereby authorized to make preliminary examinations and minor surveys preliminary thereto and to remove snags and other temporary or readily removable obstructions from tributaries of waterways already under Federal improvement or in general use by navigation, to be paid from funds appropriated for the maintenance and improvement of rivers and harbors: *Provided*, That the cost of such work in any single year shall not exceed $3,000 per tributary."

The amendment was agreed to.

The next amendment was, at the top of page 19, to insert:

SEC. 3. The project for the Denison Reservoir on Red River in Texas and Oklahoma, authorized by the Flood Control Act approved June 28, 1938, is hereby declared to be for the purpose of improving navigation, regulating the flow of the Red River, controlling floods, and for other beneficial uses.

The amendment was agreed to.

The next amendment was, on page 19, line 7, to change the section number from 5 to 4.

The amendment was agreed to.

The next amendment was, on page 21, line 12, after the word "this", to strike out "act" and insert "section", and in line 15, after the word "this", to strike out "act" and insert "section", so as to read:

Said Chicago Park District shall signify its acceptance of this act by written notice to the Secretary of War within 60 days after the passage of this act, and this section shall become effective immediately upon its acceptance by said Chicago Park District. In the event of nonacceptance within 60 days this section shall become null and void.

The amendment was agreed to.

The next amendment was, on page 21, line 16, to change the section number from "6" to "5"; in line 20, after the word "purposes", to strike out the semicolon and "and examinations and surveys heretofore or hereafter authorized shall include all related conservation subjects, such as abatement of pollution, recreation, the development of hydroelectric power, and wildlife conservation"; and on page 22, line 10, after the words "by law", to insert a colon and "*And provided further*, That this section shall not be construed to interfere with the performance of any duties vested in the Federal Power Commission under existing law", so as to read:

SEC. 5. The Secretary of War is hereby authorized and directed to cause preliminary examinations and surveys to be made at the following-named localities, the cost thereof to be paid from appropriations heretofore or hereafter made for such purposes: *Provided*, That no preliminary examination, survey, project, or estimate for new works other than those designated in this or some prior act or joint resolution shall be made: *Provided further*, That after the regular or formal reports made as required by law on any examination, survey, project, or work under way or proposed are submitted no supplemental or additional report or estimate shall be made unless authorized by law: *Provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this act until the project for the proposed work shall have been adopted by law: *And provided further*, That this section shall not be construed to interfere with the performance of any duties vested in the Federal Power Commission under existing law.

The amendment was agreed to.

The next amendment was, on page 22, after line 15, to insert:

Bunganuc Creek, Maquoite Bay, Maine.

The amendment was agreed to.

The next amendment was, on page 22, after line 16, to insert:

Cathance River, Maine.

The amendment was agreed to.

The next amendment was, on page 22, after line 17, to insert:

Winterport Harbor, Maine.

The amendment was agreed to.

The next amendment was, on page 22, after line 18, to insert:

Cundy's Harbor, Maine.

The amendment was agreed to.

The next amendment was, on page 22, after line 19, to insert:

Portland, Maine, to Boston, Mass., a continuous waterway inland where practicable.

The amendment was agreed to.

The next amendment was, on page 22, after line 21, to insert:

Wood Island Harbor and the pool at Biddeford, Maine.

The amendment was agreed to.

The next amendment was, on page 23, after line 1, to insert:

Norwalk Harbor, Conn.

The amendment was agreed to.

The next amendment was, on page 23, after line 4, to insert:

Saw Mill River, N. Y.

The amendment was agreed to.

The next amendment was, on page 23, after line 5, to insert:

Bronx River, N. Y.

The amendment was agreed to.

The next amendment was, on page 23, after line 6, to insert:

Hutchinson River, N. Y.

The amendment was agreed to.

The next amendment was, on page 23, after line 10, to insert:

Hackensack River, N. J.

The amendment was agreed to.

The next amendment was, on page 23, after line 11, to insert:

Salem River, Salem County, N. J.

The amendment was agreed to.

The next amendment was, on page 23, after line 13, to insert:

Toms River, N. J., from the bridges at Toms River to a connection with the Intracoastal Waterway.

The amendment was agreed to.

The next amendment was, on page 23, after line 15, to insert:

Channel from Charleston, Northeast River, Md., to Havre de Grace.

The amendment was agreed to.

The next amendment was, on page 23, after line 17, to insert:

Honga River and Tar Bay, including channel into and harbor in Back Creek, Hooper Island, Md.

The amendment was agreed to.

The next amendment was, on page 23, after line 19, to insert:

Nanticoke River, Del.

The amendment was agreed to.

The next amendment was, on page 23, after line 20, to insert:

Broad Creek, Del.

The amendment was agreed to.

The next amendment was, on page 23, after line 21, to insert:

Channel from Ocean City to Chincoteague Bay and Harbor at Public Landing, Worcester County, Md.

The amendment was agreed to.

The next amendment was, on page 23, after line 23, to insert:

Broadkill River, Del.

The amendment was agreed to.

The next amendment was, at the top of page 24, to insert:

Waterway from Indian River Inlet to Rehoboth Bay, Del.

The amendment was agreed to.

The next amendment was, on page 24, after line 4, to insert:

Taylors Landing, Worcester County, Md.

The amendment was agreed to.

The next amendment was, on page 24, after line 5, to insert:

Potomac River at and near Washington, D. C.

The amendment was agreed to.

The next amendment was, on page 24, after line 7, to insert:

Potomac and Anacostia Rivers and adjacent waters in and near the District of Columbia, with a view to attaining a comprehensive and coordinated improvement and development of such waters and their shores. In determining the recommendations to be made with respect to such improvement and development, consultations shall be had with, and consideration given to the recommendations of, the National Capital Park and Planning Commission and the Commissioners of the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 24, after line 16, to insert:

Potomac and Anacostia Rivers at and near Washington, D. C., with a view to providing a municipal sailing base.

The amendment was agreed to.

The next amendment was, on page 24, after line 19, to insert:

Potomac River and tributaries at and below Washington, D. C., with a view to elimination of the water chestnut.

The amendment was agreed to.

The next amendment was, on page 24, after line 22, to insert:

St. Patricks Creek, Md.

The amendment was agreed to.

The next amendment was, on page 24, after line 23, to insert:

Big Kingston Creek, St. Marys County, Md.

The amendment was agreed to.

The next amendment was, on page 24, after line 24, to insert:

Farnham Creek, Richmond County, Va.

The amendment was agreed to.

The next amendment was, on page 24, after line 25, to insert:

Southwest side of Rappahannock River, in vicinity of Bowlers Wharf, Essex County, Va., to secure harbor of refuge and connecting channels.

The amendment was agreed to.

The next amendment was, on page 25, after line 5, to insert:

Maramusco Creek, lower Somerset County, Md.

The amendment was agreed to.

The next amendment was, on page 25, after line 6, to insert:

Chester River Channel, Md.

The amendment was agreed to.

The next amendment was, on page 25, after line 7, to insert:

Parkers Creek, Calvert County, Md.

The amendment was agreed to.

The next amendment was, on page 25, after line 15, to insert:

Channel from the Thoroughfare to Albemarle Sound, N. C., either by way of lower Cashie River, Middle River, and Bachelors Bay or by any other route.

The amendment was agreed to.

The next amendment was, on page 25, after line 21, to insert:

Boque Inlet, N. C.

The amendment was agreed to.

The next amendment was, on page 25, after line 22, to insert:

Little Pee Dee River from junction of the Lumber River to the Great Pee Dee River with a view toward removing logs, debris, etc.

The amendment was agreed to.

The next amendment was, at the top of page 26, to insert:

Edisto River and tributaries, S. C.

The amendment was agreed to.

The next amendment was, on page 26, after line 2, to insert:

Murrell Inlet, S. C.

The amendment was agreed to.

The next amendment was, on page 26, after line 6, to insert:

Intracoastal Waterway from Jacksonville, Fla., to Miami, Fla., including all appropriate side channels and spur channels with a view to increasing the navigable capacity and commercial utility of the existing project.

The amendment was agreed to.

The next amendment was, on page 26, after line 10, to insert:

Intracoastal Waterway from Jacksonville, Fla., to Miami, Fla., with a view to determining whether the existing project should be modified in any way at the present time, including rectification of

alinement, increase in width or depth, either or both, and provision of appropriate side channels and spur channels leading to the various communities on or near the banks of said waterway—all with a view to increasing the navigable capacity and commercial utility of the existing project.

The amendment was agreed to.

The next amendment was, on page 26, after line 19, to insert:

Side channel from the Intracoastal Waterway to, and turning basin at, Flagler Beach, Fla.

The amendment was agreed to.

The next amendment was, on page 27, after line 1, to insert:

Intracoastal Waterway from Jacksonville, Fla., to Miami, Fla., with a view to providing an auxiliary side channel from the Intracoastal Waterway near Titusville through, and easterly of, Merritt Island via Banana Creek and River, to, or near, Eau Gallie, Fla.

The amendment was agreed to.

The next amendment was, on page 27, after line 11, to insert:

Waterway from packing house and railroad terminal at Belle Glade, Fla., to Lake Okeechobee and to the Intracoastal Waterway through the Hillsboro and West Palm Beach Canals.

The amendment was agreed to.

The next amendment was, on page 27, after line 18, to insert:

Kissimmee River, Fla.

The amendment was agreed to.

The next amendment was, at the top of page 28, to insert:

Channel, turning basin, and improvements at Horseshoe, Dixie County, Fla.

The amendment was agreed to.

The next amendment was, on page 28, after line 2, to insert:

Canal from St. Marks to Tallahassee, Fla.

The amendment was agreed to.

The next amendment was, on page 28, after line 3, to insert:

Waterway from the Intracoastal Waterway south across Santa Rosa Island, Fla., to a point at or near Deer Point Light.

The amendment was agreed to.

The next amendment was, on page 28, after line 8, to insert:

Intracoastal Waterway from the St. Marks River to the Anclote River, Fla.

The amendment was agreed to.

The next amendment was, on page 28, after line 10, to insert:

Chassahowitzka River, Fla.

The amendment was agreed to.

The next amendment was, on page 28, after line 11, to insert:

Santa Fe River, Fla., from Federal Highway No. 41, High Springs, to the Suwannee River.

The amendment was agreed to.

The next amendment was, on page 28, after line 17, to insert:

Channel from bridge at Bradenton, Fla., to deep water in Gulf of Mexico (Tampa Bay).

The amendment was agreed to.

The next amendment was, on page 28, after line 19, to insert:

Channel from Tampa Bay to Safety Harbor, Fla.

The amendment was agreed to.

The next amendment was, on page 28, after line 20, to insert:

Channel from Old Tampa Bay to Oldsmar, Fla.

The amendment was agreed to.

The next amendment was, on page 28, after line 21, to insert:

St. Petersburg (Fla.) Harbor, to provide for a channel up to the depth of 30 feet from the main Tampa Bay ship channel past the port of St. Petersburg in front of the recreation pier.

The amendment was agreed to.

The next amendment was, on page 29, line 1, after the name "Lake", to strike out "Apopka to Lake", and in line 2, after the name "Eustis", to insert "to Lake Griffin, and thence from Lake Griffin to Silver Springs Run", so as to read:

Oklawaha River, Fla., from Lake Eustis to Lake Griffin, and thence from Lake Griffin to Silver Springs Run.

The amendment was agreed to.

The next amendment was, on page 29, after line 3, to insert:

Oklawaha River, Fla., from Lake Apopka through Lake Dora to Lake Eustis and adjoining waterways.

The amendment was agreed to.

The next amendment was, on page 29, after line 6, to insert:

Entrance to Perdido Bay, Ala. and Fla., from the Gulf of Mexico to deep water in Perdido Bay, via the most practicable route.

The amendment was agreed to.

The next amendment was, on page 29, after line 11, to insert:

Big Sand Creek, Miss., with a view to determining the advisability of undertaking measures for the prevention of bank caving in the vicinity of North Carrollton, Miss.

The amendment was agreed to.

The next amendment was, on page 29, after line 17, to insert:

Grand Bayou Pass, La., from the Gulf of Mexico to Buras and Empire.

The amendment was agreed to.

The next amendment was, on page 29, after line 19, to insert:

Bayou Schofield, La., from the Gulf of Mexico to Buras and Empire.

The amendment was agreed to.

The next amendment was, on page 29, after line 21, to insert:

Bayou Lafourche, La., from the Gulf of Mexico to Leeville or to Golden Meadow.

The amendment was agreed to.

The next amendment was, at the top of page 30, to insert:

Vermilion Bay and Bayous, Petit Anse, Carlin, and Tigre, from the Gulf of Mexico to Erath and to Jefferson Island, La.

The amendment was agreed to.

The next amendment was, on page 30, after line 3, to insert:

Mermentau River, La., from the Gulf of Mexico to Grand Chenier.

The amendment was agreed to.

The next amendment was, on page 30, after line 5, to insert:

Bell City Drainage Canal, La.

The amendment was agreed to.

The next amendment was, on page 30, after line 6, to insert:

Pine Island Bayou, Tex.

The amendment was agreed to.

The next amendment was, on page 30, after line 7, to insert:

Cedar Bayou Pass, Corpus Christi Pass, and Pass at Murdocks Landing, Tex.

The amendment was agreed to.

The next amendment was, on page 30, line 20, after the name "North Dakota", to strike out the comma and "with a view to improvement for navigation, flood control, power development, irrigation, conservation of water, and increase of low water flows for domestic and sanitary purposes"; so as to read:

Red River of the North Drainage Basin, Minn., S. Dak., and N. Dak.

The amendment was agreed to.

The next amendment was, on page 30, line 24, after the name "South Dakota", to strike out "with a view to improvement to make power available to develop deposits of

manganese and other strategic minerals, and for pumping and other uses", so as to read:

Missouri River in South Dakota.

The amendment was agreed to.

The next amendment was, on page 31, after line 3, to insert:

Tofte Harbor, Minn.

The amendment was agreed to.

The next amendment was, on page 31, after line 4, to insert:

Algoma Harbor, Mich.

The amendment was agreed to.

The next amendment was, on page 31, after line 11, to insert:

Harbor at Ballast Island, Ohio.

The amendment was agreed to.

The next amendment was, on page 31, after line 12, to insert:

Rocky River, Ohio.

The amendment was agreed to.

The next amendment was on page 31, after line 13, to insert:

At, or near, North East, Pa., with a view to constructing a harbor of refuge.

The amendment was agreed to.

The next amendment was, on page 31, after line 15, to insert:

Harbor in Hamburg Township, N. Y.

The amendment was agreed to.

The next amendment was, on page 31, after line 18, to insert:

Port Bay, N. Y.

The amendment was agreed to.

The next amendment was, on page 31, after line 22, to insert:

Mohawk River, N. Y.

The amendment was agreed to.

The next amendment was, on page 32, after line 3, to insert:

Nelscott, Oreg., with a view to protection of the beach.

The amendment was agreed to.

The next amendment was, on page 32, after line 4, to insert:

Channel at Charleston, South Slough, Oreg.

The amendment was agreed to.

The next amendment was, on page 32, after line 7, to insert:

Friday Harbor, Wash.

The amendment was agreed to.

The next amendment was, on page 32, after line 8, to insert:

Sitka Harbor, Alaska.

The amendment was agreed to.

The next amendment was, on page 32, line 11, after the word "air", to strike out the comma and "and flood control, both tidal and run-off", so as to read:

Gastineau Channel, Alaska, with a view to its improvement for navigation, both water and air.

The amendment was agreed to.

The next amendment was, on page 32, after line 12, to insert:

Kodiak Harbor, Alaska.

The amendment was agreed to.

The next amendment was, on page 32, after line 14, to insert:

Skagway Harbor, Alaska.

The amendment was agreed to.

The next amendment was, on page 32, after line 18, to insert:

SEC. 6. Amounts hereafter collected from private parties or other agencies for any services rendered; for the use of any facility or property; for the sale of any property or for the exchange value of any property traded in on new property, when the cost of such services, facilities, and property is borne by funds appropriated for the maintenance or improvement of rivers and harbors, or flood-control work, excluding any amounts received for the sale or rental of land with or without buildings thereon, shall be deposited in the Treasury to the credit of the appropriation to which the cost of such services, facilities, or property has been charged.

The amendment was agreed to.

The next amendment was, on page 33, after line 5, to insert:

SEC. 7. The Chief of Engineers is authorized, with the approval of the Secretary of War, in the prosecution of river and harbor, flood control, or other civil works under his supervision, to provide such facilities as are determined by him to be necessary for the health or welfare of the employees engaged in the prosecution of the work, on projects located at isolated points where such facilities are not otherwise available, and to pay for the same from funds allotted or appropriated for the projects. Payments heretofore made for such facilities on projects of the character specified in this section are approved.

The amendment was agreed to.

The next amendment was, on page 33, after line 16, to insert:

SEC. 8. That the times for commencing and completing the construction of a dam and dike for preventing the flow of tidal waters into North Slough in Coos County, Oreg., in township 24 south, range 13 west, Willamette meridian, authorized to be constructed by the State of Oregon, acting through its highway department, the North Slough Drainage District, and the North Slough Diking District by an act of Congress approved August 26, 1937, is extended 1 and 3 years, respectively, from August 26, 1939. The right to alter, amend, or repeal this section is hereby expressly reserved.

The amendment was agreed to.

The next amendment was, on page 34, after line 2, to insert:

SEC. 9. The sum of $231,090,950 is hereby authorized to be appropriated for carrying out the improvements herein, over the 7-year period beginning July 1, 1941.

The amendment was agreed to.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). That completes the amendments of the committee. The bill is open to further amendment.

Mr. WALSH. Mr. President, I send an amendment to the desk and ask for its consideration. It is an amendment requested by the War Department.

Mr. BAILEY. Mr. President, I have seen the amendment and I have no objection to it. It is consistent with the bill, and is approved by the engineers.

Before the amendment is acted on, however, I should like to call attention to the fact that in section 9 an appropriation of $231,090,950 is authorized. That is not necessary now, because two projects, amounting to a little more than $90,000,000, have been eliminated from the bill. Therefore, I think we should change the authorization to read "not exceeding $150,000,000."

Mr. McNARY. Mr. President, let us have the amendment reported before discussion is had on it.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Massachusetts.

The CHIEF CLERK. It is proposed on page 22, between lines 24 and 25, to insert the following:

Channel to Hog Island, Hingham Bay, Mass.

Mr. WALSH. Mr. President, this is requested by the Secretary of War for the purpose of widening a channel. It involves the question of national defense.

Mr. KING. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. KING. What is the estimated cost?

Mr. WALSH. The amendment merely asks for a survey. No cost is involved.

Mr. KING. What will the project cost if approved as a result of the survey?

Mr. WALSH. No one will know until the survey is made.

Mr. KING. Is it what might be denominated a great project, running into the millions?

Mr. WALSH. I understand it is not. It is proposed to widen the channel so that 50-foot boats can enter the channel and go to Hog Island, where there is a fort of the United States Army.

Mr. KING. We are making such huge appropriations on the theory of national defense that I suppose any suggestion for national defense will meet with hearty approval. While I do not know anything about this particular matter, it seems to me that if we could have some projects which are not alleged to be for national defense acted on, it would be well.

Mr. WALSH. Mr. President, let me say that the improvement covered by the amendment is proposed by the Secretary of War in the interest of national defense.

Mr. McNARY. Mr. President, I understand that the amendment provides for a preliminary survey involving engineering and economic problems?

Mr. WALSH. That is all.

Mr. McNARY. And in nature it is in conformance with the other surveys proposed to be made?

Mr. WALSH. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WALSH].

The amendment was agreed to.

Mr. NORRIS. Mr. President, I send forward an amendment, which I understand has been submitted to the Senator from North Carolina [Mr. BAILEY], and which he has approved.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. On page 2, after line 6, it is proposed to insert the following:

Provided, That penstocks or other similar facilities adopted to possible future use in the development of hydroelectric power shall be installed in any dam herein authorized when approved by the Secretary of War upon the recommendation of the Chief of Engineers and of the Federal Power Commission, and such recommendation shall be based upon consideration of the proper utilization and conservation in the public interest of the resources of the region.

The PRESIDING OFFICER. Is there objection to the amendment offered by the Senator from Nebraska? The Chair hears none, and the amendment is agreed to.

Mr. JOHNSON of California. I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 14, between lines 6 and 7, it is proposed to insert the following:

Noyo Harbor, Calif.; House Document No. 682, Seventy-sixth Congress;

Crescent City Harbor; House Document No. 688, Seventy-sixth Congress;

Mr. KING. Mr. President, may I ask the Senator from California to explain the amendment?

Mr. JOHNSON of California. There are two harbors in the State of California which are necessary to provide shipping facilities for commodities produced in that region. The expenditures that have been made are not elaborate. They were made in accordance with the plans of the War Department, which had full charge of the matter.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California.

The amendment was agreed to.

Mr. BAILEY. Mr. President, certain Senators have asked me to submit amendments proposed by them. None of them call for large authorizations. The first amendment I send forward deals with Salem Harbor, Mass.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, between lines 14 and 15, it is proposed to insert the following:

Salem Harbor, Mass.; House Document No. 701, Seventy-sixth Congress.

Mr. WALSH. I ask that the amendment be agreed to.

The amendment was agreed to.

Mr. BAILEY. The next amendment which I offer deals with Jamaica Bay, N. Y. I offer it at the request of the Senator from New York [Mr. MEAD]. If he is present, he can explain it himself.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. CLARK of Missouri. Do these amendments provide for surveys or authorizations?

Mr. BAILEY. Authorizations?

Mr. CLARK of Missouri. Does the Senator from North Carolina know how much the amendment in question involves?

Mr. BAILEY. No. The Senator from New York. [Mr MEAD] is present, and I shall ask him to explain the amendment. The amendment simply refers to the House document.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, between lines 16 and 17, it is proposed to insert the following:

Jamaica Bay, N. Y.; House Document No. 700, Seventy-sixth Congress.

Mr. MEAD. Mr. President, the amendment which, I understand, has been presented by the chairman of the committee, has been approved by the Board of Army Engineers and by the War Department. I have a copy of the approval of the Board of Army Engineers, and I also have a report of the War Department.

This is an improvement which contemplates the community and the area known as Jamaica Bay. It is on the south shore of Long Island, 17 miles southeast of the Battery in the city of New York. It is approximately 8 miles long, 4 miles wide, and is entered from the ocean through Rockaway Inlet.

The authorization is subject to the condition that funds may be applied whenever and to such extent as the city of New York shall construct or provide for construction of terminals, with facilities suitable to channels of that depth.

Commercial and industrial facilities planned for the bay area by the city of New York about the time the project was adopted have been only partially constructed, and the project is only 36 percent completed.

Local interests now request an improved channel from Rockaway Inlet extending along the south shore through Beach and Grass Hassock Channels to the head of the bay, thence by way of Grassy Bay on the north shore to a point near Canarsie.

Mr. President, the city of New York is pledged to complete its part of the work. The industrial and the local interests require this added facility. The War Department under the circumstances has agreed to approve the authorization. It is essentially necessary for the increased marine activity of the Greater City of New York.

As I said at the beginning of my remarks, the project has been investigated by the Board of Army Engineers and meets with their approval. It also has the approval of the War Department, and is one of those projects that has received no opposition, and is in the same category with every other project contained in the bill.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. CLARK of Missouri. How much money is involved in this project?

Mr. MEAD. There is an estimated additional cost of $270,000 for new work and maintenance. The report covering that is signed by Brig. Gen. Thomas M. Robins, and I imagine that is probably the outside cost of the new work.

Mr. CLARK of Missouri. Mr. President, if the Senator will permit me, I will say that the whole controversy we went through yesterday was as to the ultimate cost of the bill. We struck out two big projects yesterday on the ground that they increased the bill to too high a figure. If we are going to put in 40 or 50 or 60 little projects which in total make the same amount we have hitherto stricken out, the arguments which actuated us in our action yesterday disappear.

Mr. President, I have no desire to oppose the amendment of the Senator from New York. However, yesterday we struck out the meritorious amendment advocated by the Senator from Oregon [Mr. McNARY], providing for some $20,000,000. If now we add by small amendments a half a million dollars here, a million dollars there, and a million and a half some other place, the whole argument for leaving out the Columbia River project, as we did yesterday, disappears.

As I said, I do not wish particularly to oppose the amendment offered by the Senator from New York. It provides for only $270,000. That is a little more than a quarter of a million dollars. But if we are going to build up the bill by little chicken-feed items to the sum total of the bill as it was before we struck out the large items referred to, we may as well go back and put in the Tombigbee and the Columbia River projects.

Mr. MEAD. Mr. President, this improvement is merely a harbor improvement, a channel dredging project. The facility is already here, but it is not in shape to be useful under existing conditions. Industry is expanding the demands for greater areas for shipping. If we added a hundred amendments such as this, if we added 500 amendments such as this, we would not approach the amount involved in the project which the Senator mentions. The amendment offered by me involves no power; it involves no flood control. It is purely a channel-dredging proposition.

Mr. CLARK of Missouri. Mr. President, let me say to the Senator from New York that I am not concerned about whether it involves flood control, power, or anything else. My reason for voting against the Tombigbee and the Columbia River projects yesterday was that I thought we had made the bill too big. As I said, I am not going to oppose the Senator's amendment, but I give notice that I shall vote against future amendments of the same sort. If we are going to put back by chicken-feed amendments as much money as we struck out of the bill yesterday we might as well put back the two large projects which we struck out.

Mr. McNARY. Mr. President, the able Senator from New York says his project does not involve power, reclamation, or flood control, but that it involves navigation. I had a similar project yesterday, on which a favorable report had been made. That amendment went through the same course as the Senator's amendment. What is the difference between the two in principle?

Mr. MEAD. I mentioned power and flood control only because those two items were mentioned by the opponents of several amendments which were considered yesterday.

Mr. McNARY. I am not talking about that. I was interested in a project which was considered yesterday which involved pure navigation. The Senator, economically minded, voted against it. He now comes forward with a proposal coming from the same source, and with no more merit to it than the one in which I was interested. I should like to know the reason for the difference in his attitude yesterday and today. Are we becoming so provincial that we think only about our own little sections?

Mr. MEAD. I make the point that yesterday, when the amendment to which the Senate refers was under consideration, the questions of navigation and power were discussed and were used by opponents of the amendment as reasons why it should not be included in the bill. It was stated by the proponents of the bill, and by the Senator's colleagues, that the bill ought to be confined to the ordinary river and harbor work and should not include new projects, projects involving flood control or projects involving power production, but only projects for the improvement, maintenance, and operation of going river and harbor improvements.

This is a minor river and harbor project. It is already in existence and is used. This amendment would merely improve it and extend existing facilities. It is not in the same category with the Tombigbee project or the project mentioned by the Senator from Oregon. They were new projects which would have required new outlays and new maintenance charges, while this is part of a going project. It is merely the extension of an existing facility which is already in use.

Mr. McNARY. The Senator is very much mistaken. The project in which I was interested yesterday provided for the completion of navigation on the second largest stream in America, on which work has been done for 90 years. I was trying to reach the poor farmers in the hinterland. That project is much older than the project mentioned by the Senator. It came from the same sources and had the same careful work upon the part of the engineers and the committee. It came here as a navigation project, but it was out in Oregon. I want to know what makes the difference. Is the Senator voting for his project because it is in New York and against mine because it is in Oregon? Both projects are similar, except that the project in which I am interested is in Oregon.

Mr. MEAD. I voted for projects similar to the one under consideration in the Senator's section of the country and in other sections of the country; but there was a difference, and there still remains a difference——

Mr. McNARY. What is the difference?

Mr. MEAD. There is a difference between the Senator's project and projects in the category of the one now under consideration. That difference was brought out in the committee. It was explained when the project in Georgia was brought up. In my estimation the project in Georgia and the project to which the Senator refers were exactly alike. The project in Georgia was denied admission into the bill because it involved not only navigation but power. In my judgment, if the committee were to accept the Senator's proposal, it should accept the project which was proposed by the Senators from Georgia. In my estimation their project and the Senator's project were exactly alike. Both projects involved navigation and both involved power. If they were approved by the committee, and if they were brought out with a chance of being passed by the House and Senate, I should be very glad to vote for them. I believe they ought to stand by themselves as projects involving more than ordinary channel dredging. Under those circumstances I favor them.

Mr. McNARY. Mr. President, the Senator is again mistaken. The project against which he voted yesterday was purely a navigation project, as is his project. It has no power at all in it. His illustrations are far-fetched and irrelevant. The two projects stand on exactly the same basis.

Mr. President, I shall not oppose the Senator's project. I merely wish to draw the moral that when two projects are brought forward, and one happens to be located in Oregon, it is too bad. If a project is located in New York, it is a wonderful, feasible project. I shall accept the feasibility of the Senator's project, and shall not oppose it.

Mr. MEAD. I thank the able Senator from Oregon.

Mr. McNARY. I think the moral is one which we ought to keep in mind. This is a great country, consisting of 48 States; and the far West ought to receive—it does not always receive—the same cordial, generous treatment accorded projects in the East, particularly in New York.

I shall support the Senator's project.

Mr. MEAD. I thank the able Senator from Oregon; and I shall support every project in the bill similar to the project I am now suggesting.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. ADAMS. Was the project which the Senator has in mind submitted to the committee?

Mr. MEAD. It was submitted to the committee before it was approved by the War Department. It was then approved by the Board of Engineers, and by them sent to the committee. It is now receiving the same treatment which every other project in the same category receives—that is, inclusion in the bill.

Mr. ADAMS. The Senator is a member of the committee.

Mr. MEAD. I am.

Mr. ADAMS. The amendment does not come from the committee, with the approval of the committee.

Mr. MEAD. The amendment is reported by the chairman of the committee.

Mr. ADAMS. At the request of the Senator from New York.

Mr. MEAD. Such amendments are offered at the request of Senators who have projects in the same category—that is, projects approved by the Board of Engineers for Rivers and Harbors, and by the War Department. They make up the category of projects included in the bill.

Mr. ADAMS. I thought the committee did that.

Mr. MEAD. The custom of the committee is to accept projects in that particular category.

Mr. ADAMS. Regardless of the aggregate amount?

Mr. MEAD. No. Considerable judgment is exercised, as the Senator noticed yesterday.

Mr. BAILEY. Mr. President, for the information of the Senator from Colorado I will say that always after a bill is prepared by the committee there is a lapse of time. In the present instance there was a lapse of 4 or 5 weeks. Surveys were in process, and reports came from the engineers and were made public documents. On the basis of those reports, according to the custom which I think has always obtained, Senators offer amendments. Those amendments stand on their own merits. They have not been before the committee. I think the pending amendment is fully in accord with the bill, and I am for it; but that is a matter for the Senate. The practice now being followed is precisely the practice which has always been followed since I have been a Member of the Senate. I cannot speak with authority of the time prior to 1930.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. BAILEY] on behalf of the Senator from New York [Mr. MEAD].

Mr. GEORGE. Mr. President, before a vote is taken on this amendment I wish to make a few observations which I think are pertinent.

I have no quarrel with the Committee on Commerce for its decision to separate the items into navigation and flood control or multiple-use projects; but I think the Senate ought to take a realistic view of what is going on and what has happened in the past few years.

Until a comparatively recent date no one heard anything about the Federal Government going into the development of power projects. Now, when any worthy navigation project is submitted, someone in the departments makes the suggestion—if it is not made in Congress—to add power to the project. The result is that if one is really trying to further a navigation project which calls for the construction of a reservoir, under the rule we are now following he is confronted with the necessity of eliminating power altogether or never getting his bill through the Senate.

Mr. President, I call attention to the fact that before the committee, and included in the original bill before it was cut up into three or four parts, was a project known as the Clark Hill project on the Savannah River, one of the largest rivers in this country flowing into the Atlantic Ocean. I call attention to the fact that that river is now navigable for a distance of 220 miles. It has deep water—30.26 feet—for a distance of some 22 miles from the Atlantic. I call attention to the fact that the failure to provide navigation upon that river is stagnating the growth of eastern Georgia and of western South Carolina. Those of us who originally favored this project favored it for navigation purposes. Incident to navigation, of course, was a degree of flood control for the city of Augusta and for the lands down the river between the city of Augusta and the city of Savannah, a distance of 222 miles.

Through the open river work going on from the time since the first steamboat sailed the Atlantic out of the port of Savannah, in the lower stretches of the Savannah especially, the Government has been spending money to make it navigable. Years ago we succeeded in obtaining an appropriation from Congress for the construction of a dam and lock 13 miles below the city of Augusta, which we thought would provide year-round navigation upon the river as far north as Augusta. It turned out that it did not do so. Instead of a 6-foot channel we now have approximately 3.8 or 4 feet of water in low-water periods. How can we remedy that situation? By building a reservoir on the Savannah River somewhere north of the city of Augusta. That is what we propose to do.

When a reservoir is built, of course, we have vast potential power possibilities; but we cannot utilize this potential power in a navigation bill under the rule adopted by the committee. Yesterday I prepared an amendment proposing to sacrifice every kilowatt of power in the project to which I have referred, proposing to make of it strictly a navigation project. I voted with the Senator from Oregon yesterday, but we lost that vote. I have hesitated to offer the amendment in a form to provide purely for a navigation project, because it would run up the cost of the pending bill. I do not know precisely how much, but it would run it up possibly as much as $17,000,000 or $18,000,000. However, by the addition of a relatively small amount of money to the appropriation, an addition recommended by the Board of Army Engineers, by the Power Commission, by the National Resources Committee and by another agency, to wit, a special commission appointed by the President of the United States, a vast amount of power could be produced which would make this a self-sustaining project. However, navigation on the Savannah River is so vital that those of us interested in this particular project are willing to sacrifice the power, let it go, and simply ask the Senate to provide navigation on the Savannah River.

The Board of Army Engineers estimates that more than a million tons of freight will move on this river by the construction of this reservoir which would give a continuous flow of water in the Savannah River sufficient to carry on commerce. More than 100,000 tons per annum are moving up and down the river, with virtually no water in its upper reaches. It is one of the largest rivers that enter the Atlantic Ocean; it flows through an area that is a heavy buyer of petroleum products, one of the heaviest buyers of commercial fertilizer in the United States, an area which has large timber resources, and vast kaolin and other clay deposits which could readily, promptly, and quickly move if there were sufficient water in the river.

How can we get the water? We can get the water by building a reservoir or, if you please, by putting another dam in the river, which would make it possible to generate power.

It would seem indefensible not to utilize the power. We were willing and anxious to use the power; we went to every known agency of the Government having to do with the question, and every one of them recommended it. We want to use it yet; but if the bill is to be stripped down to plain navigation projects, and only to navigation projects, it will not be possible to provide for the utilization of the power. If the Columbia River project had been adopted yesterday by the Senate we had contemplated offering the amendment purely for navigation purposes, eliminating all cost for the power. But what is the situation with which we are confronted this morning?

The Senator from Oregon and the Senator from Missouri very well said that the projects now being placed in the bill are only minor projects. That is the only special virtue they have. They do not call for quite so much money individually but, in the aggregate, their cost may foot up as high as the cost of the Columbia River or the Savannah River project. They may be most meritorious; undoubtedly they are; but if the line is to be drawn, first, because there is the possibility of power which legitimately and of necessity should be developed and for which there is an absolute outlet and a demand in the area, with the assurance of the Power Commission that purchasers stand ready to take over the power; and, second, we are to lose the project even if we should eliminate the cost of developing power because the cost of the bill will run too high. I do not see how I can refrain from offering the amendment and letting the Senate do as it wishes about it,

because, in principle, there is not a particle of difference between a large meritorious project and many small projects, equaling the cost of the large project.

Actually, of course, the amount of money may be a little large; but, Mr. President, the South and the two States touched by this river are daily losing industries of magnitude. Why? Because industries desire to locate on navigable streams. They may not use river transportation; for the most part they would use it only for certain kinds of traffic; but they want to be on navigable streams. The city of Augusta, Ga., and the city of Columbia, S. C., and various other communities up and down that river are losing industries.

Other sections of the country have had their rivers developed to a very high degree and are constantly improving their harbors and their river navigation.

A little while ago some people were talking about the South being economic problem No. 1 of this Nation. It is that, and it always will be if we cannot have proper development there.

I am not complaining of the development that has been made elsewhere; I am not complaining of the great power projects that have been built in the Northwest or in other sections of the country; not at all; but here is a section which, as we are constantly reminded, presents the Nation's economic problem No. 1, and industries will not locate there because they want to be on navigable streams. We cannot have navigable streams because, forsooth, it would cost a little more money than a large number of various other kinds of projects of the same general character, the total cost of which, added up, perhaps, is more than the cost of this particular project and of the Columbia River project combined.

Mr. President, it is true, as has been said, that the other House has two committees in connection with waterway developments. I was very much impressed by the statement of the distinguished chairman of the committee yesterday. The House has a Committee on Rivers and Harbors and also a Committee on Flood Control. Each committee, of course, insists upon handling the projects which fall within its jurisdiction. It therefore seemed wise to restrict this bill. But, Mr. President, the Savannah River project will not be strictly a power project; it will still have a very large interest, as found by the Board of Army Engineers, chargeable to navigation. It is practicable and seemingly very proper to include provision for power where, of necessity, in a low-lying, level region such as Georgia and South Carolina and the Southeastern States generally, in order to impound the water, reservoirs must be constructed to assure a year-round flow so as to make a river navigable. Unless we can provide for such a development, I do not know how we are going to get any relief down there, and we will always be the No. 1 economic problem.

Mr. President, I do not know how many small navigation projects may be included in the bill, but before its passage I expect, after eliminating all power from it, to offer the amendment providing for the Clark Hill project, and let the Senate pass upon it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. BAILEY] on behalf of the Senator from New York [Mr. MEAD].

Mr. NORRIS. Mr. President, before the vote is taken I wish to make an inquiry of the Senator from Georgia. I could not hear his last sentence. What was the amendment the Senator said he would offer?

Mr. GEORGE. I said I proposed to offer the amendment, after eliminating power development, so as to make it strictly a navigation project. I will say to the Senator from Nebraska I would rather not do that, but I recognize the situation which now exists.

Mr. NORRIS. Mr. President, I might as well now as at any other time say what seems to me ought to be said, and I am reminded of it by listening to the Senator from Georgia. I am not satisfied that it is advisable to separate the projects and place them in different bills. I realize the position taken by the committee, and I realize the strength of the argument presented by the chairman of the committee. It is true, as he says, that the House has two committees, one on flood control and one on rivers and harbors. While I frankly admit that many projects are 100-percent navigation projects, and many projects are 100-percent flood-control projects, still many projects are part flood control and part navigation. I do not see how we can logically divide flood-control projects and separate them from navigation projects. That seems to me to be an impossibility.

A multipurpose dam is absolutely demanded in some cases. That is admitted by everybody. There is no denial of it. On all flood-control projects, so far as I can see, there must always be a high dam. Flood-control projects hold back the water near the source, if possible, and prevent damage farther down the tributary, or farther down the main stream where a good many tributaries come in and in the aggregate create a large amount of damage and destruction of life and property. If the floods from the Rocky Mountains and the floods from the Allegheny Mountains happen to come at such a time that they meet at the Mississippi River, then we have the maximum amount of damage that can occur from floods. It may be that they will happen at different times, and in that event there is perhaps no damage from floods which, if put together, would do a great deal of damage.

That is the same principle, if we follow it down, which applies to the tributaries on each side of the Mississippi River. If we can retain the floodwaters of the Ohio and the Cumberland and the Tennessee on the east, and the rivers that come through Arkansas and Missouri and farther down on the west, and hold those floodwaters behind huge dams, they will be under the control of man. Instead of doing damage, they can be used so that they will become the servant of man and bring about a great deal of profit and happiness to the American people, because the water will be let out when it is needed to make the streams navigable. The water will be let out in one stream at a time. It will never be let out so that the water from several streams will congregate together and create a flood.

If a high dam is built to hold back floodwaters, it follows as night follows day, in almost every case—not in every one, but in almost every case—that the falling water will make it possible to produce electric power. Electric power is subsidiary, it is secondary, to flood control. I have always conceded that. The primary object is control of floods; but if, while controlling floods we can at the same time produce electricity, we are unmindful of our duty if we do not do so. If by the expenditure of a little more money we can produce a huge amount of electricity, it is perfectly foolish to fail to do so. If we separate these measures, however, we shall never be able to do anything of that kind.

I listened yesterday to the discussion of this phase of the subject by the Senator from Oklahoma [Mr. LEE], and I wish Senators would read what the Senator from Oklahoma said. It seems to me that what he said was perfectly logical. It cannot be disputed. It is as logical as to say that 1 and 1 make 2. We may pass a law saying that 1 and 1 make 3, but they will make 2 just the same. There are some things that we cannot change. Neither we nor the best engineers in the Army or out of the Army can hold back floods on the level prairie by building a dam out on the prairie. That cannot be done. God created the places where reservoirs can be built large enough to hold floodwaters. If He did not create such places, then the floodwaters cannot be held. It is then beyond the control of man to build a dam and have a large reservoir of storage water held back, first, to prevent too much water from coming down and, second, ready to let out when the stream is in need of water.

Therefore it seems to me that when we start to improve a river for navigation, unless it has been thoroughly surveyed and understood, it is foolish to say, in the present stage of civilization, that we shall have no flood control on that river, and—as will follow—no power. We can improve almost every river in the United States by low dams, and make them navigable

during portions of the year at least; but we cannot control floods by dams of that kind.

The Ohio River is an illustration of what I have stated. It is improved by dams so as to make it navigable from Pittsburgh to its mouth. That is an undertaking which was commenced many years ago, when the late Representative Burton was in the House, and was chairman of the Committee on Rivers and Harbors. It was my good fortune to serve in the House while he was there. Of all the acquaintances of my life, he was one of the men whom I regarded most highly. I thought he was one of the greatest statesmen of his time. He was an expert on river and harbor improvements, among many other things, and the Ohio River was his particular pet; and during his service in the House he succeeded in having the Ohio made navigable from Pittsburgh to its mouth.

That was many years ago, Mr. President. At that time no engineer thought of preventing floods by building high dams on the rivers and their tributaries near the source. The only way in which we then handled floods was by building huge levees. As the bottom of the river became higher, we built the levees higher; and the higher we built the levees, if a break came, the greater was the damage.

Mr. Burton afterward served a full term in the Senate, and part of another term. If he were here now, in the light of the wisdom that civilization has gained since the day he led those fights in the House and had the Ohio River made navigable, I think he himself would see that after all, while the plan he then advocated was the best thing the world knew at that time, it is out of date now. Instead of making the river navigable by low dams, if it were made navigable by high dams and the holding back of millions of acre-feet of water, that condition would be so far superior to the present navigation of the Ohio River that the two things could not be spoken of in the same breath. It is the most modern way. It is now admitted by the best engineers in the world that what the present civilized age needs in the improvement of rivers is multipurpose dams. That means dams that will be useful for flood control, that will be useful for navigation, and that will, if they can be so located, produce electric power; and that is what we ought to have.

It seems to me—I hope I am wrong about it, but it seems to me—that it is a mistake to deal with navigation and flood control in two separate legislative acts. In the case of many of the dams, we cannot say that they are more beneficial as navigation dams than as flood-control dams. The very dam about which the Senator from Georgia [Mr. GEORGE] has so eloquently told us will hold back large bodies of water. If the water is not held back, at times of low water the stream will become unnavigable when it would be navigable if the stored waters were available to be let out at such times.

That is true when a series of low dams is built. That is what the Power Trust advocated for years: "Do not build anything but low dams." If low dams are built, however, in the first place it becomes impossible to control floods, because that cannot be done with low dams. In the next place, low dams will not be as good as high dams, because some of the rivers, most of the rivers, are too low for navigation in the dry season. That is true even of the Mississippi. In the wet season there is too much water unless it is held back; and that is true of almost every stream, with very few exceptions.

So, when low dams are built, if the water in the river gets low, and there is no more water to come from the source, navigation fails. That is not true with high dams. Ships will go more rapidly, there will not be as many dams. The great lakes which will be created will enable vessels to proceed with greater speed. There will not be so many locks on the stream. So now, in this day of civilization, it is admitted by practically all of the experts that the best way to control floods is by building dams as near the sources of the streams as possible at places where God has made reservoirs which will hold large quantities of water.

Mr. President, I was in the Senate when we began to change from the old system to the new. I saw the change come about. I remember the great Pathfinder Dam on the Platte River in Wyoming. I tried to provide by an amendment that one-half of the cost of that great dam should be paid out of the Federal Treasury, on the ground that it was a flood-control dam, on the ground that every gallon of water it held back saved settlements along the Mississippi, saved New Orleans, saved people along the entire route of the Mississippi River from what might otherwise have been great damage. I contended that the proper way to control floods was to build hundreds of other such dams, and that in the aggregate we would make our streams steady, practically the same in high water as in low water, and in the end we would have the best system of navigation to be found anywhere in the civilized world. At the same time, by the self-same act, we would save our people from millions of dollars of damage that would be caused every year by floods, and would save hundreds of lives that would be taken every year by floods.

The suggestion was denounced by some eminent engineers as a foolish theory. I remember that I was denounced for advocating it at the outset. It has now become the chief cornerstone of the temple, although the time was when it was rejected by all the able builders.

Mr. President, it seems to me the method proposed is the only way to control the floods which occur in the United States. We must control them no matter what the cost, no matter how long it takes. We have to control floods. When we have accomplished that, in addition to the things I have mentioned we will be conserving the soil of the United States. There are millions of tons of the best soil of the Mississippi Valley now out in the Gulf of Mexico and in the Atlantic Ocean. Every year on an average 400,000,000 tons of the most fertile soil in that great breadbasket passes out of the mouth of the Mississippi River into the Gulf of Mexico. A system of flood control will stop all that.

We will start with the high dams, with which we can hold back a large amount of water, like the dam, for instance, on the Missouri River, in Montana, which will hold back 20,000,000 acre-feet of water. We will extend that system to smaller dams as we pursue the subject further. Every stream flowing down a side hill will be controlled. There will be no end until we will have under control every flowing stream in the United States. It will cost hundreds of millions of dollars, it will take us a hundred years to complete the program, but when it is completed we will have a stable agriculture; we will have a soil which will remain on the land, to be cultivated by the farmer; we will have streams which will not vary between high and low water to any damaging degree. We will have produced an immense amount of electric power. We will have also a navigation system superior to any navigation system in the world. It is all ours, if we go about it in the right and proper way.

To accomplish this we should not differentiate in a bill like that now before us, and say that no amendments having for their object flood control, will be permitted on the bill; that everything in it must relate to navigation. Yet there is not one dam in one hundred built to control large floods which does not have a great value for navigation purposes. The two are intermingled. We cannot differentiate them. We might as well try to put together a scrambled egg as to try to take a dam and say how much is for flood control and how much is for navigation, and when a navigation amendment will cease to have to do with navigation and be mixed up with flood control. The two are naturally mixed up; they cannot be separated.

That is one reason why I am fearful of this bill, and I am fearful of the next bill, which will follow, which is to be called a flood-control bill, because there may be in some instances a dam built for flood control whose primary and greatest use will be for navigation. Such instances often occur. It is not possible to draw the line and say, "This is navigation and this is flood control."

Moreover, in the development of a stream for navigation it will sometimes be necessary to expend large amounts of money on a very short distance along the stream. There will be other segments where dams can be much farther apart. It is not possible to say, to begin with, that every 10

miles so much money shall be spent and no more, because there will be places where the amount appropriated will not be needed and other places where it will be needed. Everything must be taken into consideration and often navigation and flood control must be considered as one.

Speaking of flood control particularly, it is true almost without exception that flood-control works bring about improvement in navigation facilities. We might just as well as not call a flood-control bill a navigation bill. It would be proper thus to name it.

Mr. President, I regret that the committee have seen necessary to make this arbitrary division. I think it is illogical. I am afraid we are going to have trouble with it, and it makes me halt when it comes even to voting on the bill. I am afraid we would be establishing a precedent which would be damaging to the cause of conservation, the attempt to widen from year to year the possibility of the conservation of water, the soil, and all our natural resources.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. BAILEY] on behalf of the Senator from New York [Mr. MEAD]. (Putting the question:) The "ayes" appear to have it.

Mr. REED. I ask for a division.

Mr. McNARY. Just a moment, Mr. President. Is this the amendment offered by the able Senator from Georgia?

The PRESIDING OFFICER: It is the amendment offered by the Senator from North Carolina [Mr. BAILEY] on behalf of the Senator from New York [Mr. MEAD].

Mr. McNARY. I am not advised as to what the amendment is. I observed just a moment ago that an amendment went through yesterday which carried only thirty-four million and a half dollars, for improvement of the East River, N. Y. I did not hear any economy-minded Senator object to that. It was in the same class with others which were defeated, but only cost a little more money. I am curious to know what is the nature of the amendment which is being offered for New York.

Mr. BAILEY. Mr. President, the amendment was fully explained by the Senator from New York, who is present. I much prefer that he respond to the inquiry of the Senator from Oregon. It was explained in the absence of the Senator.

Mr. McKELLAR. What is the amendment?

Mr. BAILEY. The amendment has been fully explained.

Mr. McNARY. Oh, I thought that amendment had been acted on. I was quite anxious that the amendment be adopted, because it related to a locality where projects were located which met with our approval. I have no objection. I am very happy to agree with the Senator that the amendment should go into the bill.

The PRESIDING OFFICER. A division has been called for.

On a division the amendment was agreed to.

Mr. SHEPPARD. Mr. President, I offer an amendment which increases the cost of an existing project $10,000. The project will enable vessels coming into the port to reach the municipal docks recently built.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, between lines 17 and 18, it is proposed to insert the following:

Sabine-Neches waterway, Tex.; House Document No. 685, Seventy-sixth Congress;

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SHEPPARD. I offer an amendment for a survey.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 30, between lines 13 and 14, it is proposed to insert:

Waterway from Alvin, Tex., to Intracoastal Canal.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BAILEY. I offer an amendment on behalf of the Senator from Ohio [Mr. TAFT], who is necessarily absent from the Senate today, respecting Cleveland Harbor, Ohio. It would alter the existing project, according to House Document No. 84, but would not add anything to the total appropriation. I hope the amendment will be adopted.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 13, between lines 19 and 20, it is proposed to insert the following:

Cleveland Harbor, Ohio: The existing project set forth in House Document No. 84, Seventy-fourth Congress, and authorized by Public Law No. 392, Seventy-fifth Congress, is hereby modified to provide that cuts or partial cuts may be made before the related railroad bridges are modified or rebuilt when in the opinion of the Chief of Engineers such procedure will be advantageous to navigation.

Mr. McNARY. Mr. President, what is the amount involved in this item?

Mr. BAILEY. None at all. It does not add anything to the expense. It has to do with a harbor at Cleveland, Ohio.

Mr. McNARY. Is it one of those flood-control projects brought about by reason of the recent high water?

Mr. BAILEY. Not that I know of. I am persuaded, on the assurance of the engineers, that there is no flood control in these amendments or in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

The amendment was agreed to.

Mr. BAILEY. On behalf of the Senator from Maryland [Mr. TYDINGS], who is absent, I send forward an amendment which provides only for a survey in the ordinary course.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 23, between lines 17 and 18, it is proposed to insert the following:

Channel from Havre de Grace, Md., to Red Point, Md., via Stump Point and Carpenter Point.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland.

The amendment was agreed to.

Mr. BAILEY. Mr. President, the final amendment is recommended to me by the Board of Engineers. It deals with Seldovia Harbor, Alaska, and is described in House Document No. 702, Seventy-sixth Congress. It calls for $75,000. This harbor improvement is recommended as being valuable to our national defense.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 16, between lines 8 and 9, it is proposed to insert the following:

Seldovia Harbor, Alaska; House Document No. 702, Seventy-sixth Congress;

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DANAHER. Mr. President, I rose to ask for recognition, but the distinguished Senator from North Carolina has already taken care of the amendment in which I was interested.

Mr. MEAD. Mr. President, I have two additional amendments at the desk, which are in the same category as the amendment presented by the chairman of the committee.

The PRESIDING OFFICER. The clerk will state the first amendment offered by the Senator from New York.

The CHIEF CLERK. On page 13, between lines 23 and 24, it is proposed to insert the following:

Wilson Harbor, N. Y.; House Document No. 679, Seventy-sixth Congress.

Mr. McNARY. Mr. President, is this for a project or a survey?

Mr. MEAD. It is for a project.

Mr. McNARY. What is the amount involved?

Mr. MEAD. One hundred thirty-one thousand dollars, with a local contribution, and an annual maintenance charge of $2,000.

Mr. McNARY. Mr. President, I referred a little while ago to East River. A committee amendment dealt with East River. It called for an appropriation of $34,500,000. The amendment was adopted without any objection being made or voice raised in protest against it. Why was not the amendment now before us offered as a committee amendment?

Mr. MEAD. This amendment is in the same category as the amendments presented by the chairman of the committee. That is, it was approved by the Board of Army Engineers and the War Department, and sent to the committee after the bill had been written. I am presenting the amendment for the Representative from that district, who has been following the matter for a number of years. The original authorization was sponsored by my predecessor, the late Senator Copeland.

Mr. McNARY. This is a navigation project?

Mr. MEAD. Purely navigation on Lake Ontario, where the facility now exists.

Mr. McNARY. It is the same sort of project with regard to navigation as the Umatilla project, which was acted upon yesterday?

Mr. MEAD. It is the same as the Umatilla project was written. It is exactly the same.

Mr. McNARY. I am for it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York [Mr. MEAD].

The amendment was agreed to.

Mr. MEAD. I offer another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, between lines 14 and 15, it is proposed to insert the following:

Larchmont Harbor, N. Y.; House Document No. 697, Seventy-sixth Congress.

Mr. McNARY. Mr. President, what is the amount involved in the last amendment?

Mr. MEAD. The estimated cost is $104,000, and the local contribution is $52,000.

Mr. McNARY. Does it provide for navigation?

Mr. MEAD. Purely.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. BYRD. I send forward an amendment providing for a survey and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 25, between lines 8 and 9, it is proposed to insert the following:

Bransons Cove, Lower Machodock River, Va.
Davis Creek, Mathews County, Va.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia.

The amendment was agreed to.

Mr. BYRD. I offer another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 5, between lines 16 and 17, it is proposed to insert the following:

Cranes Creek, Va.; House Document No. 687, Seventy-sixth Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BYRD. I offer another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 5, between lines 18 and 19, it is proposed to insert the following:

Totuskey, Va.; House Document No. 686, Seventy-sixth Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BYRD. I present one other amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 6, line 7, it is proposed to insert "s" after the word "Document", and in line 8, it is proposed to strike out "224" and insert in lieu thereof "224 and 683."

Mr. McNARY. Mr. President, will the Senator yield for an inquiry?

Mr. BYRD. I yield.

Mr. McNARY. What was the cost of the amendment offered by the Senator a moment ago?

Mr. BYRD. The cost of the first amendment was $7,500. The project is approved by the Army engineers in the report which has just come in.

The cost of the amendment providing for Totuskey Creek, Va., is $45,000.

The cost of the next amendment, which relates to Norfolk Harbor, and improvements which are necessary for the use of the Government largely, is $182,000.

Mr. McNARY. Are they all navigation projects?

Mr. BYRD. They are all navigation projects.

Mr. McNARY. And located in Virginia?

Mr. BYRD. Located in Virginia.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia.

The amendment was agreed to.

Mr. OVERTON. Mr. President, I send forward an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 29, after line 23, it is proposed to insert the following:

Bayou Lafourche, La., from Donaldsonville to the Intracoastal Waterway, via Bayou Boeuf, Assumption Parish.

Mr. McNARY. Mr. President, does the amendment provide for a preliminary survey?

Mr. OVERTON. The amendment provides for a preliminary survey, but calls for no money.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Mr. OVERTON. I offer another amendment providing for a preliminary survey, but involving no appropriation.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 30, line 3, after the word "Louisiana" it is proposed to insert a comma and the following:

Channels in Louisiana between the Gulf of Mexico and the Intracoastal Waterway.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Mr. BAILEY. Mr. President, we have adopted section 9, being a Senate amendment, fixing the sum authorized to be appropriated at $231,090,950. I ask unanimous consent that the Senate reconsider that vote in order that we may correct the sum. The sum now would not be in excess of $150,000,000, and if there is a reconsideration I shall ask that we strike out the "$231,090,950" and insert "not exceeding $150,000,000." The purpose is to correct the amount.

Mr. BONE. Mr. President, I inquire of the Senator from North Carolina as to what effect the additions that have been made just now would have upon that proposal, because even surveys cost money. I assume the Senator included them in the total amount.

Mr. BAILEY. The calculation indicates between $144,000,000 and $145,000,000, and as there is a reasonable doubt there, and a possibility of mistake, I was going to offer the amendment "not exceeding $150,000,000." I have the exact figure on my desk.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. PEPPER. Was the Senator correcting the total to take care of these new improvements?

Mr. BAILEY. Yes. That takes in all of them.

Mr. PEPPER. The reason I asked the question was that there is one more amendment in the same category affecting Florida.

Mr. BAILEY. All the amendments submitted by me have been taken into consideration in arriving at the sum of $150,000,000, and unless the Senator has a $5,000,000 project, or something like that——

Mr. PEPPER. If the amendment is the one the chairman had a moment ago, I have no objection, but it has not yet been acted on by the Senate.

The PRESIDING OFFICER. Without objection, the clerk will be authorized to correct the total as provided in the amendment offered by the Senator from North Carolina.

Mr. PEPPER. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Florida will be stated.

The CHIEF CLERK. On page 8, between lines 23 and 24, it is proposed to insert the following:

Waterway from Punta Rasa to Stuart and Fort Pierce, Fla.; House Document No. 696, Seventy-sixth Congress.

The amendment was agreed to.

Mr. SCHWARTZ. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Reynolds
Ashurst	Davis	La Follette	Russell
Austin	Donahey	Lodge	Schwartz
Bailey	Ellender	Lucas	Schwellenbach
Bankhead	Frazier	Lundeen	Sheppard
Barbour	George	McKellar	Shipstead
Barkley	Gerry	McNary	Slattery
Bilbo	Gillette	Maloney	Smathers
Bone	Glass	Mead	Smith
Brown	Green	Miller	Stewart
Bulow	Guffey	Minton	Thomas, Idaho
Burke	Gurney	Murray	Thomas, Okla.
Byrd	Hale	Neely	Thomas, Utah
Byrnes	Harrison	Norris	Townsend
Caraway	Hatch	Nye	Truman
Chandler	Hayden	O'Mahoney	Van Nuys
Chavez	Herring	Overton	Wagner
Clark, Idaho	Hughes	Pepper	Walsh
Clark, Mo.	Johnson, Calif.	Pittman	White
Connally	Johnson, Colo.	Reed	Wiley

The PRESIDING OFFICER. Eighty Senators have answered to their names. A quorum is present.

Mr. SCHWELLENBACH. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Washington will be stated.

The CHIEF CLERK. On page 15, between lines 15 and 16, it is proposed to insert the following:

Olympia Harbor, Wash.; House Document No. 699, Seventy-sixth Congress.

Mr. SCHWELLENBACH. I send to the desk a letter of explanation from the War Department, and ask that it be read by the clerk.

The PRESIDING OFFICER. Without objection, the letter will be read.

The Chief Clerk read as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington.

The CHAIRMAN, COMMITTEE ON RIVERS AND HARBORS,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: 1. The Committee on Rivers and Harbors of the House of Representatives, by resolution adopted April 4, 1939, requested the Board of Engineers for Rivers and Harbors to review the reports on Olympia Harbor, Wash., as contained in Rivers and Harbors Committee Document No. 75, Seventy-fourth Congress, second session, and previous reports, with a view to determining if it is advisable to modify the existing project in any way at this time. I enclose the report of the Board in response thereto.

2. After full consideration of the reports secured from the district and division engineers, the Board recommends modification of the existing project for Olympia Harbor, Wash., to provide entrance channel 500 feet wide to and including a turning basin 3,350 feet long and generally 960 feet wide, suitably flared at the entrance, substantially as shown on the accompanying map, all at a depth of 30 feet at mean lower low water, at an estimated first cost of $88,000, with no increase in the estimated annual cost of maintenance; subject to the provision that local interests furnish, free of cost to the United States, suitably bulkheaded areas for the retention of dredged materials when and as required.

3. After due consideration of these reports, I concur in the views and recommendations of the Board.

Very truly yours,

J. L. SCHLEY,
Major General, Chief of Engineers.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. SCHWELLENBACH].

The amendment was agreed to.

Mr. GEORGE. Mr. President, a few minutes ago, in the course of some remarks in the Senate, I said that I intended to offer an amendment providing for the Clark Hill Reservoir project, eliminating all the cost of installation and operation of power facilities. On consideration and after consultation with others who are equally interested in the project, it seems unwise to separate the power from the navigation features of the report made by the Board of Engineers. For that reason I shall not offer the amendment which I had intended to offer.

Mr. WALSH. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Massachusetts will be stated.

The CHIEF CLERK. On page 2, between lines 14 and 15, it is proposed to insert the following:

Newburyport Harbor, Mass.: House Document No. 703, Seventy-sixth Congress.

Mr. GEORGE. Mr. President, will the Senator state the cost of the project?

Mr. WALSH. It is intended to modify an existing project. The estimated cost of the entire project is $102,000. The cost of park improvements is $27,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WALSH].

The amendment was agreed to.

Mr. KING. Mr. President, I have examined the bill under consideration and have reached the conclusion that this is not a propitious time for the enactment of the so-called river and harbor bill. Large demands are made upon the Federal Treasury for appropriations to meet the imperative needs of the Government. Prudence and wisdom demand that economies should be effected wherever possible. That means that appropriations should not be made unless there are compelling reasons for the same. It is obvious that notwithstanding the very large revenues obtained by the Government there will be a deficit of several billions of dollars for the next fiscal year. Senators are familiar with the fact that we are approaching—if we have not reached—the authorized limit of bonded indebtedness. The administration, as I am advised, is endeavoring to keep within the $45,000,000,000 authorized bonded indebtedness. Certainly Congress should refuse to appropriate for projects which, though

worthy and meritorious, are not imperatively needed at the present time. There are so many pressing needs of the Government which call for large appropriations that, as I have indicated, projects, even though possessing merit, which are not imperatively needed during the coming year should not receive favorable consideration.

In the confused condition throughout the world we do not know what the future developments will be which may call for unusual and, perhaps, unexpected appropriations. Because of the disturbed world conditions, it is believed by many Americans that the question of national defense is of prime importance and that ample funds should be made available to meet any contingency or any danger that may arise. In this observation I do not mean that the United States will be involved in international conflicts; indeed, every reasonable effort should be made to avoid our country being drawn into any international controversy. However, in many parts of the world there are raging conflicts, and no one can foresee the area within which the fires will be confined. In view of the enormous demands which are being made upon the Treasury to meet the expenditures for the coming year, every possible effort should be made to introduce economies in all branches of the Government.

As I understand, there has been no request by the President of the United States for the passage of this or any river or harbor bill at this session of Congress. Indeed, my information is that the President has indicated opposition to this measure. In my opinion the position of the President is sound and should be approved by the Congress. Undoubtedly there are some items in the bill that have merit and which at a later date should receive favorable consideration, but, as I have indicated, there is no valid demand for their present consideration. Notwithstanding this fact the committee has reported a measure calling for more than $231,000,000, and since the bill has been reported this stupendous sum has been increased by the adoption of various amendments calling for further appropriations. In the light of the condition of the Treasury, and the large appropriations imperatively required, I cannot find justification for the enactment of this measure.

There have been many river and harbor bills since I have been in the Senate, and I confess that most of them carried, in my opinion, appropriations greatly in excess of any legitimate demand. We have appropriated, during the past 20 years hundreds of millions of dollars for so-called river and harbor bills, and in my opinion, from the records which I have examined, from the testimony adduced at the hearings, I have believed that a very considerable part of such appropriations were not justified.

Soon after coming to the Senate I undertook to acquaint myself with the provisions of river and harbor bills and with the appropriations which had been made from the days of Washington until that time for so-called river and harbor bills. A very able Senator from Iowa, Judge Kenyon, was courageously opposing many provisions in the river and harbor bills and demonstrating the unwisdom of such provisions. I undertook the task of examining every appropriation made for rivers and harbors from the days of Washington down to approximately 20 years ago. I read all the reports that had been submitted by the engineers and many of the hearings in support of the measures referred to. My recollection is that the appropriations for rivers and harbors, from the beginning of the Government down to the time when I made the examination, were over $1,000,000,000. Many of the projects in the measures referred to were unimportant and the money expended in their behalf brought no adequate returns. Many of the reports indicated that the projects dealt with little streams or bayous and swamps and unimportant and unnavigable streams.

I have examined the bill under consideration and find a large number of items for small and unimportant creeks and streams which cannot be regarded as aids to navigation.

The measure before us is similar to many of the bills which I examined during the past 20 years and deals with projects which are not of even local importance. These will not serve commercial purposes nor will they be competent to carry boats or to serve for the transportation of commodities.

Mr. President, I cannot help but believe that the measure before us possesses many of the infirmities and injustices found in former river and harbor bills. In view of all the facts I feel constrained to vote against the bill.

Mr. SCHWARTZ. Mr. President, it seems to me that as we proceed through this session, whatever subject comes up, meritorious as most of them may be, we keep on increasing the amount of the expenditure. At the same time somebody is holding back appropriations which will provide for relief, which will take care of the poor and hungry and the unemployed. When we get to that point, in all probability, we will look into the sack and say, "There is nothing left"; and that will be the reason why proper provision will not be made for those who most need it.

So far as I am concerned, I do not see any outstanding necessity for the passage of this bill at this session, proposing, as it does, to start a program 7 years ahead. I think we can well afford to let this measure go over until next year.

Mr. President, I ask for the yeas and nays on the passage of the bill.

Mr. REED. Mr. President, I wish to express hearty concurrence with the Senator from Utah [Mr. KING] and the Senator from Wyoming [Mr. SCHWARTZ]. In all this debate not a single word has been said about any immediate or urgent necessity for the expenditures called for by the pending measure.

I disagree entirely with the Senator from Nebraska [Mr. NORRIS] and his theory of dams that can be used both for flood control and navigation. If a dam is to be used for flood-control purposes, it should be empty; if it is to be used for navigation purposes, it should be more or less full.

I do not intend to discuss the merits of the bill, but I think it ought to fail. I believe there is no justification for this body voting an authorization for any such amount as is included in this bill, when there are so many other things for which money is urgently and desperately needed. Therefore, I hope the yeas and nays will be granted, and upon the roll call I expect to vote against the passage of the bill.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

Mr. BURKE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Lodge	Schwartz
Austin	Davis	Lundeen	Schwellenbach
Bailey	Donahey	McKellar	Sheppard
Bankhead	Ellender	McNary	Shipstead
Barbour	Frazier	Maloney	Slattery
Barkley	George	Mead	Smathers
Bone	Gerry	Minton	Smith
Brown	Glass	Murray	Thomas, Idaho
Bulow	Green	Neely	Thomas, Okla.
Burke	Guffey	Norris	Thomas, Utah
Byrd	Hale	Nye	Townsend
Byrnes	Hatch	O'Mahoney	Van Nuys
Caraway	Hayden	Overton	Wagner
Chandler	Hughes	Pepper	Walsh
Chavez	Johnson, Calif.	Pittman	White
Clark, Idaho	Johnson, Colo.	Reed	Wiley
Clark, Mo.	King	Reynolds	
Connally	La Follette	Russell	

The PRESIDING OFFICER. Seventy Senators having answered to their names, a quorum is present. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. McNARY. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. McNARY (when his name was called). On this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON], who is unavoidably absent. I am advised that if he were present he would vote as I am about to vote. Therefore I am at liberty to vote and vote "yea."

Mrs. CARAWAY (when Mr. MILLER's name was called). My colleague the Senator from Arkansas [Mr. MILLER] is detained at one of the departments on official business. He asked me to state that, if present, he would vote "yea."

Mr. McKELLAR (when Mr. STEWART's name was called). My colleague the Senator from Tennessee [Mr. STEWART] is necessarily absent on important business. I do not know how he would vote if he were present. He has a general pair with the Senator from Oregon [Mr. HOLMAN].

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I therefore withhold my vote.

The roll call was concluded.

Mr. AUSTIN. I announce the following pairs on this question:

The Senator from Kansas [Mr. CAPPER], who would vote "nay," with the Senator from Alabama [Mr. HILL], who would vote "yea";

The Senator from Michigan [Mr. VANDENBERG], who would vote "nay," with the Senator from Maryland [Mr. TYDINGS], who would vote "yea"; and

The Senator from Ohio [Mr. TAFT], who would vote "nay," with the Senator from Maryland [Mr. RADCLIFFE], who would vote "yea."

I am advised that the Senator from Oregon [Mr. HOLMAN], if present, would vote "yea."

All the Senators named and the senior Senator from New Hampshire [Mr. BRIDGES], the junior Senator from New Hampshire [Mr. TOBEY], and the Senator from Vermont [Mr. GIBSON] are necessarily absent.

Mr. MINTON. I announce that the Senator from Arizona [Mr. ASHURST], the Senator from Mississippi [Mr. BILBO], the Senators from Iowa [Mr. GILLETTE and Mr. HERRING], the Senator from Illinois [Mr. LUCAS], and the Senator from Missouri [Mr. TRUMAN] are detained in various Government departments.

The Senator from California [Mr. DOWNEY] is conducting hearings in New York for the Committee on Banking and Currency and is, therefore, necessarily absent.

The Senator from Oklahoma [Mr. LEE], the Senator from Nevada [Mr. McCARRAN], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], the Senator from West Virginia [Mr. HOLT], and the Senator from Montana [Mr. WHEELER] are detained on public business.

I am advised that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from Missouri [Mr. TRUMAN], the Senator from Iowa [Mr. HERRING], the Senator from Oklahoma [Mr. LEE], the Senator from Illinois [Mr. LUCAS], and the Senator from Nevada [Mr. McCARRAN] would vote "yea."

The Senator from Iowa [Mr. GILLETTE] is paired with the Senator from Vermont [Mr. GIBSON], and the Senator from Montana [Mr. WHEELER] is paired with the Senator from New Hampshire [Mr. TOBEY].

Mr. PEPPER. I announce that my colleague the Senator from Florida [Mr. ANDREWS] is detained in Florida. If he were present he would vote "yea."

Mr. BANKHEAD. My colleague the Senator from Alabama [Mr. HILL] is necessarily absent. As has been announced by the Senator from Vermont, he is paired with the Senator from Kansas [Mr. CAPPER] and would vote "yea" if present.

The result was announced—yeas 40, nays 29, as follows:

YEAS—40

Bailey	Davis	Maloney	Schwellenbach
Bankhead	Ellender	Mead	Sheppard
Barbour	George	Minton	Shipstead
Bone	Guffey	Neely	Slattery
Byrnes	Hale	Norris	Smathers
Caraway	Hayden	Overton	Smith
Chavez	Johnson, Calif.	Pepper	Townsend
Clark, Idaho	Lundeen	Pittman	Wagner
Clark, Mo.	McKellar	Reynolds	Walsh
Connally	McNary	Russell	White

NAYS—29

Adams	Danaher	Johnson, Colo.	Schwartz
Austin	Donahey	King	Thomas, Idaho
Barkley	Frazier	La Follette	Thomas, Okla.
Brown	Gerry	Lodge	Van Nuys
Bulow	Glass	Murray	Wiley
Burke	Green	Nye	
Byrd	Hatch	O'Mahoney	
Chandler	Hughes	Reed	

NOT VOTING—27

Andrews	Gillette	Lee	Thomas, Utah
Ashurst	Gurney	Lucas	Tobey
Bilbo	Harrison	McCarran	Truman
Bridges	Herring	Miller	Tydings
Capper	Hill	Radcliffe	Vandenberg
Downey	Holman	Stewart	Wheeler
Gibson	Holt	Taft	

So the bill (H. R. 6264) was passed.

Mr. BAILEY. I move that the Senate insist upon its amendments, ask for a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BAILEY, Mr. SHEPPARD, and Mr. McNARY conferees on the part of the Senate.

RELIEF OF VOLUNTEER OFFICERS AND SOLDIERS WITH PHILIPPINE SERVICE, SPANISH WAR—VETO MESSAGE

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair) laid before the Senate the following message from the President of the United States to the House of Representatives, which was read:

To the House of Representatives:

I am returning herewith, without my approval, H. R. 289, a bill for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899.

The provisions of this bill are almost identical with the provisions of H. R. 2024 of the Seventy-fifth Congress, which I returned to the Congress without my approval on September 22, 1935, and the provisions of H. R. 2904, from which I withheld my approval and indicated the reasons therefor in my memorandum of disapproval dated June 20, 1938. The principal reasons for withholding my approval from the two bills in question are set forth in my memorandum of June 20, 1938, in connection with H. R. 2904, as follows:

> The effect of this bill is that the beneficiaries thereof "shall be entitled to the travel pay and allowance for subsistence provided in sections 1289 and 1290, Revised Statutes, as then amended and in effect, as though discharged April 11, 1899, by reason of expiration of enlistment, and appointed or reenlisted April 12, 1899, without deduction of travel pay and subsistence paid such officers or soldiers on final muster out subsequent to April 11, 1899."
>
> I am advised by the Secretary of War that there were approximately 15,000 officers and soldiers of the volunteer forces of the United States in the Philippine Islands at the conclusion of peace with the Kingdom of Spain, who would become beneficiaries of this act.
>
> The Comptroller General in his report on February 23, 1935, advises that the enactment of this bill would authorize payment of travel pay at the rate of 1 day's pay and one ration for each 20 miles, inclusive of the distance by water from the Philippine Islands to San Francisco, approximately 8,000 miles, and that such payments for the water travel alone will exceed 1 year's pay plus 1 day's ration for each day of such period. It is estimated the cost of the legislation will approximate $7,000,000.
>
> Congress has heretofore recognized the service of these officers and men by the award of a special medal, and there was also an allowance by the act of Congress approved January 12, 1899, of 2 months' extra pay to all volunteers who served honestly and faithfully beyond the continental limits of the United States. I join most heartily in recognizing and appreciating the patriotic service of these men.
>
> However, approval of this bill would result in the payment of a gratuity to each of the officers and men concerned, in an amount exceeding his pay for a full year, plus the value of rations for the period involved in sea travel from the Philippines to the United States, a benefit utterly without warrant, since each individual concerned has already received transportation and subsistence at Government expense for the journey performed in addition to full pay for the entire time.
>
> I have recently signed an act restoring pensioners of the War with Spain and Philippine Insurrection to their full rate of pension. I feel that no breach of trust has been committed by the Government as regards the men who served their country in the

War with Spain and Philippine Insurrection, and from the facts in this case, general legislation upon this subject as provided in H. R. 2024 is not deemed advisable.

In view of the fact that the circumstances involved in this proposal are the same as they were when the previous bills were under consideration, I find no justification for changing my position with respect thereto.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 23, 1940.*

Mr. BARKLEY. Mr. President, I move that the message just received from the House of Representatives, with the accompanying House bill 289, respecting the passage of the bill over the veto of the President of the United States, be referred to the Committee on Claims.

The motion was agreed to.

DEPARTMENT OF LABOR-FEDERAL SECURITY APPROPRIATIONS

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 9007, making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

PROTECTION OF CERTAIN FOREIGN PROPERTY WITHIN THE UNITED STATES

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from New York.

Mr. WAGNER. I ask unanimous consent that the unfinished business be temporarily laid aside so that I may bring up a joint resolution of an emergency character, to which I feel very confident there will be no objection, and which will occasion no protracted debate.

Mr. McKELLAR. I have no objection if the measure will take only a short time.

Mr. WAGNER. I feel very sure that is the case.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. CONNALLY. Mr. President, reserving the right to object, what is the joint resolution?

Mr. McNARY. What is the joint resolution?

The PRESIDING OFFICER. The clerk will state the title of the joint resolution for the information of the Senate.

The CHIEF CLERK. Joint resolution (S. J. Res. 252) to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes.

Mr. McNARY. Mr. President, a statement of the nature of the joint resolution should be made. I am not conversant with it.

Mr. McKELLAR. I yield to the Senator from New York for that purpose.

Mr. WAGNER. Mr. President, I will briefly explain the joint resolution, if that is what the Senator wants.

Mr. McNARY. Yes; that is what I am requesting.

Mr. WAGNER. The Senate will remember that on April 10, 1940, the President issued an Executive order and the Secretary of the Treasury issued regulations, under authority of section 5 (b) of the Trading With the Enemy Act of 1917, as amended by the act of March 9, 1933. The Executive order imposed certain restrictions upon any transactions in foreign exchange; and upon the transfer of credits from one bank to another within the United States or from a bank of the United States to a foreign bank, and any transactions in evidences of indebtedness, or evidences of the ownership of property, in which a national of the Governments of Norway or Denmark, or the Governments of Norway or Denmark themselves, had any interest, by any person within the United States, or subject to the jurisdiction thereof.

The purpose of the joint resolution, of course, is very clear. We want to protect property within the jurisdiction of the United States which is owned by these governments or their nationals.

Shortly after the Executive order was issued, one of the large banking firms in New York raised the question whether, under the amendments of 1933 to the Trading With the Enemy Act, the President had power to issue an Executive order regulating transactions in evidences of indebtedness or evidences of the ownership of property; in other words, whether or not these regulations could be imposed upon transfers of stocks and bonds and other evidences of ownership.

The contention was that the power was limited to transactions in foreign exchange or the transfer of credit. There was no question that under the act of 1917 the broader power existed, from the wording of the act itself. Of course, that act operated only in wartime, not during peacetime emergency situations.

In 1933 Congress amended the act so as to make it applicable during peacetime emergencies, and to authorize the President to deal also with the hoarding of gold and the exportation of gold. In redrafting the act, the words "evidences of indebtedness" were omitted. It was clearly an inadvertence, because it was asserted here on the Senate floor, as well as in the House, that the amendment was not intended to weaken in any way the power of the President to deal with these matters, but rather to extend those powers to include the hoarding of gold and the exportation of gold.

Mr. McKELLAR. Was the report of the committee unanimous or substantially so?

Mr. WAGNER. The report of the committee was absolutely unanimous, and I am sure that the vote of the Senate will be unanimous.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. BARKLEY. It should also be stated—and I am sure the Senator omitted it by oversight—that the joint resolution is intended not only to protect the nationals of Norway and Denmark who have interest in stocks, securities, and other property in the United States, but it is also intended to protect American citizens in the event they have claims of any sort growing out of these transactions, and therefore we preserve the property not only for its owners but for the benefit of Americans who may have claims.

Mr. WAGNER. Yes; we are also protecting the banks which may be called upon to make transfers of securities.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. CONNALLY. I have not read the joint resolution, but it is not restricted to Denmark and Norway, is it?

Mr. WAGNER. I said that the Executive order was restricted to Norway and Denmark. The President may deal with any similar situation arising in any country.

Mr. CONNALLY. The measure is general in its character. If war should break out in South Africa, it would apply, would it not?

Mr. WAGNER. It would apply anywhere, in Sweden, or Holland, or any of the countries which may be invaded. Wherever the President would feel that the emergency justified this protection, he would be authorized to afford it.

I was referring to the Executive order issued by the President, which dealt only with Norway and Denmark, because they are the countries which have been invaded just recently.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. CLARK of Missouri. I do not desire to interrupt the trend of the Senator's thought, but the joint resolution would reenact the language heretofore used, "period of national emergency."

Mr. WAGNER. Yes.

Mr. CLARK of Missouri. Does the Senator know of any distinction in the law as it exists at present, or as he is about to have it reenacted, between a period of national emergency and a period of limited national emergency? I can perhaps make my question clear to the Senator by adding that the

expression has been used all over the country in the newspapers and magazines, and it has even been used by the President of the United States himself in a proclamation which he issued proclaiming a period of "limited national emergency." Does the Senator know of any such term in the law?

Mr. WAGNER. I do not. The authorization is to issue an Executive order if an emergency exists, and during the period of the emergency.

Mr. CLARK of Missouri. The Senator, I think, does not quite apprehend my question. It has been said that at the outbreak of the European war the President issued a proclamation of "limited national emergency." As I have said, the President used that phrase. The President's proclamation, which he issued on the outbreak of the war, was an unlimited proclamation of national emergency, was it not?

Mr. WAGNER. I assume it was.

Mr. CLARK of Missouri. If the Senator has taken the trouble to read the proclamation, he knows that it was a proclamation of an unlimited national emergency. So that the term which is so commonly used, or misused, as I have said, even by the President himself, that it is "a limited national emergency," is an error, is it not?

Mr. WAGNER. I do not care to pass upon that question. I do not think it is involved in this joint resolution.

Mr. CLARK of Missouri. I think it is very much involved, because the Senator is using exactly the same phrase in this joint resolution that is used in the President's proclamation, and which has been misused in the proclamation, "limited national emergency."

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. RUSSELL. The Senator referred to any proclamation the President might issue relating to credits or other evidences of indebtedness while nations were at war. I have seen the joint resolution only within the last 5 minutes, and read it very hurriedly, but it seems to me the President would have a right to issue a proclamation as to any foreign country where there was war, or likelihood of war.

Mr. WAGNER. I did not say it was limited to nations at war, because Denmark, so far as our formal recognition of the situation is concerned, is not at war. What I meant to say was that there must be a situation with reference to other countries which presented the kind of emergency in which we would be called upon to act.

Mr. RUSSELL. The President would have the same power with respect to Italy, Japan, Spain, or any other country.

Mr. WAGNER. I think so. We are not proposing to give him any power with reference to the nations referred to by the Senator which he has not had, in one case, since the World War, and in the other case, since 1933. We are not proposing to add in any way to the powers the President now has, and has had since these laws were enacted. This is merely a clarifying amendment. There would be no problem if it were not for the one technical question which has been raised, which neither the Attorney General nor the counsel for the Treasury Department, or others who have studied it, regard as having any foundation. The amendment is proposed in order to protect our bankers and other individuals who may be called upon either to transfer credits or transfer securities or other evidences of ownership. Under the Executive order, they are not permitted to make such transfers without a license.

I wish to emphasize the point that this does not absolutely prohibit the transfers, it merely provides that the Government may investigate to determine whether the transfer was made voluntarily or under duress, to be perfectly candid. If the transfer is voluntarily made, our Government, of course, will in no way interfere. But where the transfer is induced, as can be easily established, by duress, we have a right to protect the national of any country against that sort of an imposition, using a very mild term, with respect to securities and other evidences of ownership subject to our laws.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. CONNALLY. Is it not true that the purpose of the proposed legislation is to respect the fact that this property was sent to this country at a time when the countries concerned were in fact at peace, if not now at peace?

Mr. WAGNER. Yes.

Mr. CONNALLY. And is not this measure for the purpose of preventing change of title of the property here in the United States by conquest, or by any other forcible or violent means?

Mr. WAGNER. That is exactly the purpose.

Mr. CONNALLY. For instance, in Norway today the invaders, the newspapers say, are in charge of the city of Oslo, the capital, having taken over the local government, but it is entirely conceivable that under those circumstances banking institutions, or any individual, would be forced, through fear or otherwise, to issue an order transferring securities in the United States which those in control might wish to have transferred. Is not that true?

Mr. WAGNER. Yes. Suppose the Senator and I were citizens of one of those countries——

Mr. CONNALLY. I would rather not make a supposition of that kind. [Laughter.]

Mr. WAGNER. Let us say, anyone.

Mr. CONNALLY. I have enough troubles here without having any more over there.

Mr. WAGNER. I have, too. Suppose, for instance, some of the citizens of Denmark had very large fortunes here, in the form of securities or otherwise, and the present Government of Denmark, under pressure from the invaders, made a call on such citizens and said, "We would like to have these securities." Suppose such a citizen refused. The Senator and I know exactly what would happen. He would be absolutely helpless. Under the proposed law the United States Government would inquire into the reason for the transfer, the circumstances under which it was asked. If we found that it was the result of duress, we would refuse to grant a license. It is a protective measure.

Mr. CONNALLY. In reply to the suggestion of the Senator from Missouri [Mr. CLARK], I do not quite gather what he is aiming at when he talks about an emergency and a limited emergency. Of course, the powers of the Government of the United States under the Constitution are the same in time of war as in time of peace. They are no greater and no less. An emergency is some occurrence, either financial or physical, that is unusual, something which brings on a critical situation, something out of the ordinary. But even in that kind of a crisis or emergency, the Government cannot do anything except what is warranted by the Constitution.

Mr. WAGNER. Exactly.

Mr. CONNALLY. So I think that much of this talk poking fun at the emergency is beside the point. If there is an extreme drought, during which large portions of the country are parched and people are dying, that is an emergency, and we take action. In an emergency of that kind, we exercise functions which we would not think of exercising in ordinary times.

Mr. WAGNER. As a matter of fact, in 1933 Congress exercised that power by amending the Trading with the Enemy Act so that the President might deal with an emergency which we then recognized, an emergency taking the form of gold hoarding.

Mr. CONNALLY. A financial emergency.

Mr. WAGNER. It was a financial crisis, but it was an emergency. We recognized it as such, and conferred that power upon the President. Pursuant to that authority, he issued the Executive order about which we all know.

But the point I wanted to emphasize is that this is a clarifying amendment, to protect some of our bankers against what I regard as a very technical objection that was made; namely, that while the President had the power to deal with foreign-exchange transactions and the transfer of credit, he might not have the power to deal with "evidences of

ownership." I do not believe the point is well taken, but this resolution would remove any manner of doubt.

That was clearly set forth in the act of 1917, and in redrafting the section in 1933, I take it the draftsman felt that those words were sufficient to include evidences of indebtedness and evidences of ownership of property. There was no intention in 1933 to interfere in any way with the power the President already had, but simply to extend those powers to include emergency in time of peace, and dealing particularly with the monetary situation. In order to protect the bankers who have already acted, and who will be called upon to act, I think it will be wiser to clarify the law by including this amendment.

Mr. JOHNSON of California. Mr. President, I wish to inquire of the Senator how this matter comes to the Senate at this time. Was the joint resolution favorably reported by the committee?

Mr. WAGNER. Yes. The committee was in session all yesterday afternoon. Nearly every member of the committee who was present is present now. We all recognized the matter as presenting such an emergency that Congress ought to act at once. I may say to the Senator from California that the House committee recognized the existence of the emergency, and they also unanimously reported the joint resolution favorably to the House. I do not know whether the House passed the resolution today or not.

Mr. JOHNSON of California. The Committee on Banking and Currency was in session yesterday and today considering the joint resolution?

Mr. WAGNER. We were in session yesterday, and both parties were represented. Most, if not all, members of the committee were in attendance. The Secretary of the Treasury was heard upon the situation. The committee, not only without a dissenting vote, but with approval, reported the bill and asked me to attempt to bring it up today if I could, because we recognized the seriousness of the situation. I am sure the Senator does.

Mr. JOHNSON of California. I am not anxious to delay the Senator from New York at all, but I should like an opportunity to read the joint resolution. It has just come to the Senate.

Mr. WAGNER. I will tell the Senator what is proposed to be done by the joint resolution. The act of 1917 gave the President the power to restrict transactions in the war emergency situation, so that no transfers could be made by citizens of another country owning property here without a license from the Government. The purpose of that was to protect the property of innocent foreigners in this country from being—to use a very frank word—looted.

Mr. JOHNSON of California. How would it be looted in this country?

Mr. WAGNER. I gave an instance earlier in the day. Take the situation now existing. Let us say the Senator is a citizen of Denmark. The German Government has overrun that country, and now, as a realistic matter, while we have not recognized the existence of a state of war, the German Government is in complete control of the Danish Government and the Danish people. The Senator must have read of the amount of property which the German Government has already taken from thousands of Danish citizens, such as cows, dairy products, and the like.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. What is the parliamentary situation?

The PRESIDING OFFICER. Unanimous consent has been asked for the consideration of Senate Joint Resolution 252, which has not yet been read.

Mr. McNARY. Has any request been made for the regular order, so as to bring the unfinished business back before the Senate?

The PRESIDING OFFICER. No.

Mr. McNARY. It appears there is some controversy with respect to the joint resolution and some lack of knowledge of its provisions. I do not think there is any need to rush the measure through in this fashion. I shall therefore have to call for the regular order.

Mr. WAGNER. Mr. President, of course if the Senator insists, I am powerless. But in this tragic moment, when two democratic countries have been invaded unjustly, countries which wanted to live at peace with the world and to maintain their neutrality, I appeal to the Senator that he permit action to be taken on this matter. We have read that the citizens, and the governments themselves, are subject to the wishes of the invaders. What I am pleading for is that we do nothing to help the invaders to secure by duress the properties of the citizens and nationals of the invaded countries.

The Executive order issued by the President met with universal approval by the country. Editorials in newspapers all over the United States expressed their approval. Now there is an interim period, because of the construction which has been placed upon that order, during which it may very well be that the securities and belongings of some of the nationals of the invaded countries will be taken from them by duress.

I appeal to the Senate not to waste a moment's time at least to protect those securities of nationals of the invaded countries which may be in this country. I do not even know what may happen overnight, because word has undoubtedly reached there that we are proposing to amend the existing law. The transfers of credits and securities may be accomplished very quickly by cable or radio message. If the construction that has been placed upon the law by some bank in New York is correct, the transfer will have to be made to the invader, who will secure that property. That is why I do not think we ought to waste a moment's time, and I know the Senate does not desire to waste a moment, in an emergency matter of this kind.

Mr. BARKLEY. The joint resolution simply proposes to amend the law with respect to the transfer of property.

Mr. McNARY. That may be. I may be in sympathy with the proposal, and others may be in sympathy with it, but no one has had an opportunity to read the joint resolution.

Mr. BARKLEY. It was favorably reported by the committee today.

Mr. McNARY. Nothing has been said about it. I do not know whether it has even been placed on the calendar as yet.

Mr. BARKLEY. It is on the calendar.

Mr. McNARY. I do not think I should oppose the adoption of the joint resolution, but I think that at least we should have time to read it. We should not act upon it in so short a time.

Mr. JOHNSON of California. The Senator from Oregon is mistaken. There should not be any time allowed to read a joint resolution offered by the Senator from New York.

Mr. McNARY. I suggest that the Senate proceed with the regular order, and that Senators be given an opportunity to read the joint resolution. Is there a report on it?

Mr. WAGNER. Yes. Yesterday when I introduced the joint resolution I said it was a matter of great importance, and that I hoped to bring it up today. I thought that would be notice to Senators that it would be brought up. It is only a technical matter.

Mr. McNARY. The joint resolution was introduced yesterday, and reported today, and an attempt is now made by unanimous consent to have it acted upon, without giving an opportunity to Senators to read the joint resolution. I think a matter of a few hours' delay would not change the complexion of the situation.

Mr. WAGNER. The Senator means to delay action until sometime later during the day?

Mr. McNARY. That may be. I wish an opportunity to read the joint resolution. I am speaking not solely for myself. I hope to be entirely in sympathy with the proposal, but I think we ought to have a chance to read the joint resolution and the report. There is no use of reporting a measure unless Senators are given an opportunity to read the report.

Mr. BARKLEY. In line with the suggestion made by the Senator from Oregon, I suggest that the Senate proceed with

the measure under consideration, and in the meantime Senators can examine the joint resolution, and it may be that we can conclude action upon it this afternoon.

Mr. WAGNER. I will say to the Senator that I would not have made this fervent plea except that I was informed by the two Government departments involved that the measure was of an emergency character, in view of what was going on abroad at this moment, and what might well happen overnight with respect to other neutrals.

Mr. McNARY. I do not doubt that, but I do not believe the situation will greatly change if we delay action for a few hours.

Mr. AUSTIN. Mr. President, will the Senator withhold his request for a moment?

Mr. McNARY. I have nothing to withhold.

Mr. AUSTIN. The Senator asked for the regular order.

Mr. McNARY. Yes.

Mr. AUSTIN. I wish to present an interrogatory. If either the majority leader or the Senator in charge of this bill will point out new language in the bill it will help us a great deal. The report does not point that out.

Mr. BARKLEY. I can read it to the Senator. It is in three lines. It is an amendment of section 5 of the act of October 6, 1917, as amended.

Mr. WAGNER. The words "evidences of indebtedness and evidences of ownership of property" are added. These are substantially the words inadvertently dropped in the revision of 1933.

Mr. BARKLEY. This is the new language.

After the word "currency", it is proposed to insert—

and any transfer, withdrawal, or exportation of—

Mr. AUSTIN. Where is the Senator reading?

Mr. BARKLEY. I am reading from a memorandum. On page 2, line 4, after the word "currency", it is proposed to insert:

And any transfer, withdrawal, or exportation of or dealing in any property with which any foreign state, or a national, or political subdivision thereof, as defined by the President, has any interest.

Mr. AUSTIN. May I ask one further question? I observe that the paragraph begins with the words—

During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate. * * *

Mr. WAGNER. That is the present law, I may say to the Senator.

Mr. AUSTIN. I have the present law before me and I do not observe those words in it.

Mr. WAGNER. That language is in either that law or the law which was amended in 1917.

Mr. BARKLEY. That language will be found in section 2 of the Banking Act.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. DANAHER. Let me call the language to the attention of the Senator from Vermont. In volume 48, Statutes at Large, page 1, is found an act "to provide relief in the existing national emergency in banking, and for other purposes." Section 2 of the act amends the act of 1917; and therein appears the language which has now been altered, as the Senator from Kentucky has read.

Mr. AUSTIN. Does the language "during time of war or during any other period of national emergency" appear there?

Mr. DANAHER. It does. If it would be a convenience, I shall be glad to read it into the RECORD.

Mr. AUSTIN. I think it would be a good idea. Then we shall have the act before us.

Mr. DANAHER. In order that the RECORD may show exactly what the existing law is, let it appear that in volume 40, Statutes at Large, on page 415, in section 5, subsection (b), we find the act of 1917, which was amended by an act approved in 1933, appearing in 48 Statutes at Large, page 1, which provides:

SEC. 2. Subdivision (b) of section 5 of the act of October 6, 1917 (40 Stat. L. 411), as amended, is hereby amended to read as follows:

"(b) During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange, transfers of credit between or payments by banking institutions as defined by the President, and export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency, by any person within the United States or any place subject to the jurisdiction thereof; and the President may require any person engaged in any transaction referred to in this subdivision to furnish under oath complete information relative thereto, including the production of any books of account, contracts, letters, or other papers in connection therewith in the custody or control of such person, either before or after such transaction is completed.

I think the Senator from Kentucky, in response to a question from the Senator from Vermont, inadvertently used the word "property" with reference to the changes appearing on page 2, line 5, of the joint resolution. I am sure he did not mean "property"; for the language is, "any evidences of indebtedness or evidences of ownership of property." There is a distinction, in that the words "evidences of indebtedness" are definitely new.

In addition, Mr. President, I think the Senator from Vermont will find that there is new language on page 2, in lines 12 and 13, or thereabouts.

Mr. AUSTIN. Also in line 10.

Mr. WAGNER. Mr. President, I think the Senator will agree that at any time when I spoke with reference to this legislation I used the words "evidences of ownership."

Mr. DANAHER. I agree.

Mr. WAGNER. If the Senator from Vermont will compare the proposed amendment with the language of the 1917 act I think he will see that it is practically the same language which was omitted in the amendment of 1933. I am sure it was omitted by mere inadvertence, because at that time there was no intention in any way to limit the power of the President with reference to dealing in evidences of ownership of property.

Mr. AUSTIN. Mr. President, I am entirely satisfied with the explanation of the difference between the text of Senate Joint Resolution 252 and the original act in Fortieth Statutes, page 415.

The PRESIDING OFFICER. Is there objection to the present consideration of Senate Joint Resolution 252?

Mr. McNARY. Mr. President, a while ago I asked for the regular order.

The PRESIDING OFFICER. The regular order has been called for.

DEPARTMENT OF LABOR AND FEDERAL SECURITY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will proceed to state the amendments of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Department of Labor—office of the Secretary", on page 3, line 15, after the word "thereunder", to strike out "$1,544,000" and insert "$1,684,000", so as to read:

Traveling expenses: For all traveling expenses, except traveling expenses incident to the deportation of aliens, under the Department of Labor, including all bureaus and divisions thereunder, $1,684,000.

Mr. LODGE. Mr. President, I desire to make a report to the Senate on the present status of the enforcement of child-labor legislation. I know this is a matter which is of interest to Senators. The bill now before us carries an appropriation for the enforcement of the child-labor provisions of the wage

and hour law which Congress enacted in 1937, and which I am sure we all thought would put an end to child labor in the United States. I think we can all agree that that law at least marked a milestone in the long campaign which has been under way in the United States to abolish child labor.

The officials of the Labor Department who appeared before our subcommittee were asked to give information as to the number of violations of the child-labor provisions of the law which they had detected since the act went into effect. In order that the RECORD may be complete, I shall now read the list of States where violations of the child-labor law occurred, and the number of violations in each State, for the period beginning in November 1938 and ending December 31, 1939:

Alabama, 5; Arkansas, 50; Delaware, 29; Florida, 2; Georgia, 4; Illinois, 92; Indiana, 1; Kentucky, 11; Louisiana, 419; Maine, 3; Maryland, 27; Massachusetts, 6; Mississippi, 13; Missouri, 30; New Jersey, 26; New York, 21; North Carolina, 1; Pennsylvania, 2; Rhode Island, 1; Tennessee, 4; Texas, 31; Vermont, 2; Virginia, 77; West Virginia, 61.

There were 918 violations of the child-labor law since the Fair Standards Act went into effect. That means that no arrests whatever were made and no violations whatever were detected by the Department of Labor in the following States:

Arizona, California, Colorado, Connecticut, Idaho, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Utah, Washington, Wisconsin, and Wyoming.

In other words, in 24 of the States action has been taken to apprehend violators of the child-labor provisions of the law and in 24 other States absolutely no violations have been detected. One of the 24 States in which there has been no activity whatever is the only State in the Union which has no State child-labor law of its own.

It seemed to me, and I think it seemed to many other members of the subcommittee, that this was a very partial and leisurely enforcement of this great law. In order to make the record complete, I should like to read certain excerpts from the committee hearings. Miss McConnell, of the Children's Bureau, was testifying:

Senator LODGE. How much child labor do you think there is in this country today?

Miss MCCONNELL. That is very difficult to answer as to specific numbers.

* * * * * * *

Senator LODGE. It is a very important question, and if we cannot get an answer from you, I do not know where we can get it, and if we are going to appropriate funds to eliminate child labor we want to know how much of it there is.

* * * * * * *

Miss MCCONNELL. * * * I am sorry, Senator, that we do not have figures showing the total extent of child labor. I think you are quite right in saying that it would be very helpful to know the number of child workers in the country, but there is no means of arriving at a complete figure on that, except by the decennial census. We do, however, have certain trends which we get by reports from certain States and cities as to the number of employment permits issued for children going to work.

Senator LODGE. I want your best guess as to the amount of child labor in this country.

Miss MCCONNELL. There has been an estimate made recently which indicates that there are probably at least 50,000 children under 16 years gainfully employed in the United States.

Senator LODGE. In nonagricultural work?

Miss MCCONNELL. Yes.

Senator LODGE. That does not include agricultural?

Miss MCCONNELL. That does not include agricultural.

Senator LODGE. Fifty thousand. In the period from November 1, 1938, to January 1, 1940, you detected 900 violations?

Miss MCCONNELL. Yes; something over 900.

Senator LODGE. So if you go ahead and get rid of 900 violations a year, it will be some 60 years before you catch up with these instances of child-labor violations.

Miss MCCONNELL. Probably it will.

Mr. MCKELLAR. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. MCKELLAR. If the Senator will look on page 56 he will find there some information furnished by Miss McConnell. For instance, I quote the following:

According to the United States census of 1930 there were 485,847 children under 18 employed in mining, mechanical, and manufacturing occupations; 69,450 were under 16. There were, in addition, 263,018 employed in transportation, communication, and trade; 58,332 were under 16. Presumably most, if not all, of the children employed in mining, mechanical, and manufacturing occupations come under the child-labor provisions of the Federal act.

Unquestionably, according to the estimates Miss McConnell made, child labor has decreased enormously. The Department shows from the figures that there were 918 prosecutions for violations of the law. It seems to me that real progress is being made. We cannot know exactly the progress which has been made until we get the returns from the census of the present year. I think those returns will, undoubtedly, show a tremendous lessening in child labor. I earnestly hope they will. I am a strong advocate of the child-labor law, as is the Senator from Massachusetts, and I think that the officials of the Department are trying to enforce it.

Mr. LODGE. I thank the Senator for his statement. Of course, it is true that we have the figures for the last census, and we will have figures for the census of this year, but that does not, in the least, overcome the fact, as shown by this testimony, that the Department of Labor has not undertaken to do what the Wage and Hour Administrator did—make an over-all survey, determine where child labor was the greatest, in what State it was the most prevalent, and, then, plan a campaign so as to make its enforcement count the most.

If Senators will turn to page 84 of the hearings, when Colonel Fleming appeared before the committee in support of an appropriation for the Wage and Hour Administration, they will note that Colonel Fleming said that there were about 250,000 manufacturing units which come under the wage and hour law. I now read from his testimony:

Senator LODGE. How did you arrive at that figure?

Colonel FLEMING. Our economists made a study of the whole field, with such other facilities as we could get from the Bureau of Labor Statistics, the Interstate Commerce Commission, and all those, and arrived at the conclusion that there were that many.

Senator LODGE. That was practically the first thing you did, I suppose?

Colonel FLEMING. That is correct; yes.

* * * * * * *

Senator LODGE. In other words, Colonel, the very first thing you did was to find out how many units you had to concern yourselves with?

Colonel FLEMING. And employees also. We found that there were about 12,000,000 employees.

Senator LODGE. And you know, roughly, where they are, I suppose—in what States they are?

Colonel FLEMING. Yes; we do.

* * * * * * *

Senator LODGE. Then, knowing the extent of the problem and the location of the problem, it is possible for you to address yourselves scientifically and in a thorough manner to the problem?

Colonel FLEMING. That is the way we set up our regional offices and our branch offices.

Senator LODGE. In passing, let me say that I think it would be fine if the Child Labor Section would enforce the act in the same way.

That is an example of how to do it and how it has been done under the administration of Colonel Fleming. He has tried to get an over-all picture of the places where potential violations of the Wage-Hour Act would be the greatest; then he has been able to make all his force count. But, by their own admission, the child-labor section has gone into what they call spot enforcement; they spot child labor here and they spot it there but they leave out 24 States entirely, including the only State in the Union that does not have a State law of its own. Now I will proceed with the testimony:

Senator MCKELLAR. Do you have any investigators in your Bureau to find out whether or not children are employed in industry?

Miss MCCONNELL. Only as we have this small staff under the Fair Labor Standards Act.

Senator MCKELLAR. How many employees have you?

Miss MCCONNELL. At the present time we have 24 people on our staff who are investigators under the Federal act. I should like to point out that that means one-half person's time per State, which, after all, is a small staff when you concede that it includes not only the inspections, but also the work in the States in building up the programs of age certification.

Senator MCKELLAR. I am curious about another matter. When the National Child Labor Act went into effect, how many children were in employment, according to the estimates at that time?

Miss McCONNELL. When the Fair Labor Standards Act went into effect?

Senator McKELLAR. Yes. How much has child labor been reduced by the passage of that act?

Then the figures to which the Senator from Tennessee referred a moment ago were submitted in response to that question.

Then Dr. Martha M. Eliot, who, as I understand, is Assistant Chief of the Children's Bureau, made this statement:

Dr. ELIOT. Mr. Chairman, may I say that with the staff of the Children's Bureau which is now available it is utterly impossible for us to undertake to get that information. As Senator LODGE has brought out, it is highly desirable that we should have that information, and the Children's Bureau certainly would wish to have that information; but so far, with the funds at our disposal, it has not been possible for us to undertake a complete survey to give us the information.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. SCHWELLENBACH. The Senator, as I understood him, said that the Children's Bureau has 24 on its staff and he then referred to Colonel Fleming's staff. Does the Senator know how many Colonel Fleming has on his staff?

Mr. LODGE. He has a great many more, and, if the Senator will bear with me, he will see that the testimony will show that the child-labor section has not requested such a force as is necessary in order to give the law thorough enforcement. Apparently it has not wanted to develop the facts. Since I have been here, I have never known of an instance when an agency of Government really wanted an appropriation that it did not get it, and all it had to do was to ask. But in this case there has not been any determined effort made to get the necessary personnel in order to come to grips with this problem.

Mr. BYRNES. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Massachusetts yield to the Senator from South Carolina?

Mr. LODGE. I yield.

Mr. BYRNES. My understanding of the statement of Dr. Eliot is not in accord with the statement the Senator from Massachusetts just made. On page 66 Dr. Eliot said:

I think it should be stated, in view of what you have said, Senator, that we have requested larger sums of money than have been approved. As a matter of fact each year that has been true, because we clearly visualized the fact that this was a big job at the beginning. However, we do wish to do it well and develop procedures which are reasonable and practicable.

I think the Senator, to be fair to those in charge of the Children's Bureau, should say that not even in this bill have they been given the amount they asked for.

Mr. LODGE. The responsibility, of course, is not hard to place. The head of the Children's Bureau could not convince the Bureau of the Budget, could not convince the Department of Labor, and could not convince those who are in control of procedure in Congress that this was a worthwhile activity.

Mr. BYRNES. Mr. President, it is the responsibility of this body, including the Senator from Massachusetts, to provide the necessary appropriations. The Congress is responsible for appropriating the money. I did not follow the matter sufficiently close to know whether or not the committee should have recommended a larger sum, but I do not think that we can transfer our responsibility to the Bureau of the Budget or to the Labor Department. If we think the money should be appropriated, it is the duty of this body to appropriate the money. We can do it now. The Senator from Massachusetts can offer an amendment providing for the necessary sum.

Mr. LODGE. Yes; but, of course, when there is an attitude of mind that is lackadaisical and does not show any real desire to "come to grips" with the problem, it does not do much good to appropriate money. I would be willing to vote them the funds they need, but even if Congress gives a unit of government the funds it needs, if it does not have "fire in its eye," and a real desire to make a record, it is not going to accomplish very much.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. McKELLAR. The conclusion I reached from reading the testimony was that, inasmuch as the census is to be taken this year, by the time the next appropriation is framed we will know exactly how many children are employed illegally. When we get those figures, I will join the Senator and the Senate and the other House in appropriating whatever money may be necessary to stamp out, so far as we can, child labor in this Nation. I do not approve it; I think it ought to be eliminated; but I do not believe it can be done in this bill, because until we get a report from the census we have no chart or compass. Give us the census reports—and they will be here by the next appropriation bill—and we will certainly appropriate the necessary money to stamp out child labor.

Mr. LODGE. I thank the Senator for that statement, and I quite agree with him that there is really no helpful action that can be taken on this bill at this time; and I am not offering any amendment. I do want, however, to submit the present condition of this agency to the public and to the Senate, with the hope that there may be a little more activity there in the future.

I will conclude my readings from the committee record by reading this excerpt:

Senator LODGE. * * * Here we are, 2 years after this law has been passed, and we have no accurate figures on the extent of child labor; have we?

Dr. ELIOT. Not on the actual number.

Senator LODGE. We have no accurate figures on the States in which child labor is located, have we?

Dr. ELIOT. We know the States in which child labor is of the type that comes under this act—where it is largely located.

Senator LODGE. We do know that?

Dr. ELIOT. That material could be submitted for the record.

Senator LODGE. Can you give me the names of those States now?

Miss McCONNELL. Any State which has an establishment engaged in interstate commerce may have violations of the Child Labor Act.

* * * * * * *

I do not think that is what might be called an illuminating or a factual or a responsive answer.

Senator McCARRAN. It seems to me that if you are going to eradicate a disease you must know the location of the disease.

Senator McKELLAR. They have not that information now, and I am sorry they have not; but they will be greatly aided by the census, which will be ready in another year, I imagine, when you ladies come up here again.

Mr. President, I have taken the liberty of reading this much of the record because, like every other Senator, I have a keen interest in seeing this law enforced. I voted for it when it was before Congress. I hope Senators will not think me too personal if I state that when my grandfather was a Member of this body he introduced a bill in the Fifty-ninth Congress, in 1906, to prohibit the employment of children in the manufacture and production of articles intended for interstate commerce, and that in 1922 he introduced the child-labor amendment.

I have been particularly impressed by reading what was said on the numerous occasions on which President Roosevelt has seen fit to indicate his interest in the abolition of child labor. I should like to read a few excerpts from some of his speeches.

In his first annual message to Congress on January 3, 1934, President Roosevelt said:

We have made great strides toward the objectives of the National Industrial Recovery Act. * * * Child labor is abolished.

But the unnecessary expansion of industrial plants * * * child labor * * * these were consumed in the fires that they themselves kindled; we must make sure that as we reconstruct our life there can be no soil in which such weeds can grow again. (H. Doc. 109, 73d Cong., 2d sess.)

Radio address on progress of recovery program, June 28, 1934:

While almost everybody has recognized the tremendous strides in the elimination of child labor * * * we are still feeling our way in solving problems which relate to self-government in industry. (Washington Post, June 29, 1934.)

Address in Green Bay, Wis., August 8, 1934:

Confidence is returning * * * to the youngsters whose childhood has been saved to them by the abolition of child labor. (Washington Star, August 9, 1934, p. A–3.)

Annual message to Congress, January 4, 1935:

The ledger of the past year shows many more gains than losses. Let us not forget that, in addition to saving millions from utter destitution, child labor has been for the moment outlawed. (H. Doc. 1, 74th Cong., 1st sess.)

Message to Congress recommending a 2-year extension of the National Industrial Recovery Act, February 20, 1935:

In our progress under the act, the age-long curse of child labor has been lifted.

Child labor must not be allowed to return. (H. Doc. 105, 74th Cong., 1st sess.)

Address in Atlanta, Ga., November 29, 1935:

You and I have not forgotten the enthusiastic support that succeeded and still in part succeeds, in ending the labor of children in mills and factories. (Washington Post, November 30, 1935.)

Annual message to Congress, January 3, 1936:

In other words, let action be positive and not negative. The way is open in the Congress of the United States for an expression of opinion by yeas and nays. * * * Shall we say to the children who have worked all day in the factory, "Child labor is a local issue, and so are your starvation wages; something to be solved or left unsolved by the jurisdiction of 48 States"? (H. Doc. 382, 74th Cong., 2d sess.)

Address before Young Democratic Club of Maryland, at Fifth Regiment Armory, Baltimore, Md., April 13, 1936:

We in your Government are seeking to extend the school age in every State of the Union and to make it easier for boys and girls to stay in school. Work out for yourselves what would happen if all the boys and all the girls of 14 and 15 and 16 and 17 who are now working in industry found it possible to stay in school until they were at least 18 years old. How many jobs would that give to the young people of the Nation who have graduated from high school and from college? And how much better equipped would be these youngsters who are now at work if they could stay in school to the completion of their education? (Washington Star, April 14, 1936.)

Address at Charlotte, N. C., September 10, 1936:

Most thinking people believe that the National Recovery Act, during its short term of life, accomplished as much for the restoration of prosperity through the establishment of the minimum wage, the shortening of hours, and the elimination of child labor as any law put on the statute books of the Federal Government in the past century. (White House release, September 10, 1936.)

Presidential campaign address at Denver, Colo., October 12, 1936:

There were other great resources of this western country, the development of which we undertook as an important and necessary part of the rounded objective. Take beet sugar for an example.

And you, the raisers of sugar beets, I congratulate on a substantial reduction in the employment of hired children in the fields. In this word of thanks I know I am joined by the fathers and mothers of America. (White House release, October 12, 1936.)

Presidential campaign address at Academy of Music, Brooklyn, N. Y., October 30, 1936:

I want to tell you in terms of actual achievement what we in Washington have done—what we have done to restore prosperity—what we have done to end abuses.

We brought the businessmen of the Nation together to encourage them to increase wages, to shorten working hours, to abolish child labor. (White House release, October 30, 1936.)

Campaign address in Madison Square Garden, New York City, October 31, 1936:

The American people * * * sought peace within the Nation * * * the abolition of child labor.

Tonight I call the roll—the roll of honor of those who stood with us in 1932 and still stand with us today.

Written on it are the names of millions who never had a chance—men at starvation wages, women in sweatshops, children at looms. (White House release, October 31, 1936.)

Message to Congress recommending enactment of the sugar quota system March 1, 1937:

It is * * * highly desirable to continue the policy, which was inherent in the Jones-Costigan Act, of effectuating the principle that an industry which desires the protection afforded by a quota system or a tariff should be expected to guarantee that it will be a good employer. I recommend, therefore, that the prevention of child labor and the payment of wages of not less than minimum standards be included among the conditions for receiving a Federal payment. (White House release, March 1, 1937.)

Address at Democratic victory dinner at Washington, D. C., March 4, 1937:

The Railroad Retirement Act, the National Recovery Act, and the Guffey Coal Act were successively outlawed as the child-labor statute had been outlawed 20 years before.

Here are thousands upon thousands of children who should be at school, working in mines and mills—now. (White House release, March 4, 1937.)

Message to Congress recommending wage and hour legislation, May 24, 1937:

A self-supporting and self-respecting democracy can plead no justification for the existence of child labor.

All but the hopelessly reactionary will agree that to conserve our primary resources of manpower, government must have some control over maximum hours, minimum wages, the evil of child labor.

Nearly 20 years ago, in his dissenting opinion in Hammer against Dagenhart, Mr. Justice Holmes expressed his views as to the power of the Congress to prohibit the shipment in interstate or foreign commerce of the product of the labor of children in factories below what Congress then deemed to be civilized social standards. Surely the experience of the last 20 years has only served to reinforce the wisdom and the rightness of his views. And, surely if he was right about the power of the Congress over the work of children in factories, it is equally right that the Congress has the power over decent wages and hours in those same factories.

There should be no difficulty in ruling out the products of the labor of children from any fair market. (H. Doc. No. 255, 75th Cong., 1st sess.)

Address in Washington, D. C., on Constitution Day, September 17, 1937:

It has cost 20 years already—and no one knows how many more are to come—to obtain a constitutional interpretation that will let the Nation regulate the shipment in national commerce of goods sweated from the labor of little children. (White House release, September 17, 1937.)

Address in St. Paul, Minn., October 4, 1937:

As in the case of farm legislation, a wage and hour and child labor law will undoubtedly accomplish two great purposes; first, an increase in employment, and secondly, an increase in the total of the Nation's income. (White House release, October 4, 1937.)

Radio address from the White House, October 12, 1937:

The people of the United States * * * were checked in their efforts to secure reasonable minimum wages and maximum hours and the end of child labor. (White House release, October 12, 1937.)

Message to extra session of Congress, November 15, 1937:

The exploitation of child labor and the undercutting of wages and the stretching of the hours of the poorest-paid workers in periods of business recession have a serious effect on buying power.

It is high time that we had legislation relating to goods moving in or competing with interstate commerce which will accomplish two immediate purposes:

First. Banish child labor. (H. Doc. No. 370, 75th Cong., 2d sess.)

Annual message to Congress, January 3, 1938:

In the long run, the profits from child labor, low pay, and overwork inure not to the locality or region where they exist but to the absentee owners who have sent their capital into these exploited communities to gather larger profits for themselves. (H. Doc. No. 458, 75th Cong., 3d sess.)

Message to Congress, April 29, 1938:

The exploitation of child labor, the chiseling of workers' wages, the stretching of workers' hours, are not necessary, fair, or proper methods of competition. (White House release, April 29, 1938.)

Address at Arthurdale, W. Va., May 27, 1938:

We had heard of the ideals of ending child labor, of initiating a 5-day week, of shortening working hours, of putting a floor under wages, of clearing slums, of bringing electricity into homes, and of giving families the chance to build or buy a home on easy terms, of starting old-age pensions and unemployment insurance. But all these things were in the greater part a beautiful dream—a dream until government, 5 years ago, tired of waiting, stepped in and started to make the dreams come true. (White House release, May 27, 1938.)

Radio address from the White House, June 24, 1938:

After many requests on my part the [75th] Congress passed a Fair Labor Standards Act. That act—applying to products in interstate commerce—ends child labor. (White House release, June 24, 1938.)

Mr. President, I submit that the record of accomplishment thus far in the abolition of child labor is proof that the dream has not yet come true.

I have read these very eloquent excerpts from the addresses of the President so that we may be reminded of the struggle that was waged and of the ideals that inspired us, and so that we will not permit a contrast to exist between our glowing words on the one hand and these rather picayune deeds on the other.

The PRESIDING OFFICER. The question is on agreeing to the first amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 3, line 19, after the word "elsewhere", to strike out "$459,000" and insert "$434,000", so as to read:

Printing and binding: For printing and binding for the Department of Labor, including all its bureaus, offices, institutions, and services located in Washington, D. C., and elsewhere, $434,000.

Mr. HAYDEN. Mr. President, I offer an amendment to the committee amendment. I send the amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 3, line 19, after "$434,000", it is proposed to insert:

Provided, That notwithstanding any other provision of law, the publication entitled "Our Constitution and Government—Federal Textbook on Citizenship" may be sold by the Superintendent of Documents, Government Printing Office, in quantities of 10 or more copies at the rate of 25 cents per copy.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a letter which I received from the Commissioner of Immigration and Naturalization, and a statement of existing law.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matters referred to are as follows:

UNITED STATES DEPARTMENT OF LABOR,
IMMIGRATION AND NATURALIZATION SERVICE,
Washington, April 10, 1940.

Hon. CARL HAYDEN,
United States Senate, Washington, D. C.

MY DEAR SENATOR HAYDEN: I am sending you herewith one of the first copies to come from the Government Printing Office of our new textbook on citizenship, Our Constitution and Government. This is a project on which the Immigration Service has been working for the past year and a half. The new book is to take the place of a rather diffuse and unsatisfactory textbook which has been in use in our Naturalization Service for a number of years. Under the law, the Congress appropriates a certain fund every year for the printing of textbooks for free distribution among applicants for naturalization who are attending public school Americanization classes.

I am sending you this book for two reasons; in the first place, because you are such a good friend of the Immigration and Naturalization Service and I am sure that you will be interested; and in the second place, because our limited appropriation will only permit us to distribute from 50,000 to 60,000 copies of this book in the next fiscal year, and we will have approximately 200,000 petitioners for naturalization, most of whom will be attending Americanization classes and should have this book available. It has been my thought that the Joint Congressional Committee on Printing might consider the printing of this excellent manual as a congressional document.

The book is very well written and very up-to-date in its teaching method. We believe that it can be of inestimable value in helping candidates for naturalization to attain that attachment to the principles of the Constitution of the United States which is not only a statutory requirement for naturalization but is highly desirable for the welfare of this Nation.

With best regards,

Yours sincerely,

JAMES L. HOUGHTELING,
Commissioner.

[Title 42, sec. 72a, U. S. Code, 1934 ed.]

72a. Same; regulations; charges and fees. After June 30, 1932, the price at which additional copies of Government publications are offered for sale to the public by the Superintendent of Documents shall be based on the cost thereof, as determined by the Public Printer, plus 50 per centum: *Provided*, That a discount of not to exceed 25 per centum may be allowed to authorized book dealers and quantity purchasers, but such printing shall not interfere with the prompt execution of work for the Government. The surplus receipts from such sales shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts. The Superintendent of Documents shall prescribe the terms and conditions under which he may authorize the resale of Government publications by book dealers, and he may designate any Government officer his agent for the sale of Government publications under such regulations as shall be agreed upon by the Superintendent of Documents and the head of the respective department or establishment of the Government. The selling price of publications as provided for herein shall be in lieu of that prescribed in sections 72, 114, and 220 of this title (June 30, 1932, ch. 314 § 307, 47 Stat. 409).

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment of the Committee on Appropriations was, on page 4, line 20, after the name "District of Columbia", to strike out "$383,400" and insert "$352,380", so as to read:

Commissioners of conciliation: To enable the Secretary of Labor to exercise the authority vested in him by section 8 of the act creating the Department of Labor (5 U. S. C. 611) and to appoint commissioners of conciliation, telegraph and telephone service, supplies for field offices, newspapers, books of reference and periodicals; and not to exceed $71,000 for personal services in the District of Columbia, $352,380.

The amendment was agreed to.

The next mendment was, on page 6, line 8, after the word "services", to strike out "$319,800" and insert "$319,100", so as to read:

Division of Public Contracts, salaries and expenses: For personal services in the District of Columbia and elsewhere, in performing the duties imposed by the "Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936 (41 U. S. C. 38), and for other necessary expenses in the field, including contract stenographic reporting services, $319,100.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Labor Statistics", on page 6, line 16, after the word "Bureau", to strike out "$964,400" and insert "$962,580", so as to read:

Salaries and expenses: For personal services, including temporary statistical clerks, stenographers, and typists in the District of Columbia, and including also experts and temporary assistants for field service outside of the District of Columbia; purchase of periodicals, documents, envelopes, price quotations, and reports and materials for reports and bulletins of said Bureau, $962,580, of which amount not to exceed $860,000 may be expended for the salary of the Commissioner and other personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "Immigration and Naturalization Service", on page 7, line 9, after the word "duty", to strike out "$7,953,600" and insert "$7,979,110", so as to read:

Salaries, field service: For salaries of field personnel of the Immigration and Naturalization Service, including the personnel of the Immigration Border Patrol and the services of persons authorized by law to be detailed to the District of Columbia for duty, $7,979,110.

The amendment was agreed to.

The next amendment was, under the subhead "Wage and Hour Division", on page 14, line 9, after the word "rendered", to strike out "$8,830,000" and insert "$5,830,000", and in line 10, after the word "exceed", to strike out "$1,365,000" and insert "$1,468,300", so as to read:

Salaries: For all personal services for the Wage and Hour Division necessary in performing the duties imposed upon it by the Fair Labor Standards Act of 1938, including reimbursement to State, Federal, and local agencies and their employees for services rendered, $5,830,000, of which amount not to exceed $1,468,300 (exclusive of pay of members of industry committees) may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 14, line 25, after the word "rendered", to strike out "$275,000" and insert "$320,000", so as to read:

Miscellaneous expenses (other than salaries): For all authorized and necessary expenses, other than salaries, of the Wage and

Hour Division in performing the duties imposed upon it by the Fair Labor Standards Act of 1938, including contract stenographic reporting services, purchase (not to exceed $2,250), maintenance, repair, and operation outside the District of Columbia of motor-propelled passenger-carrying vehicles, lawbooks, books of reference, periodicals, manuscripts and special reports, newspapers and press clippings, supplies, office equipment, advertising, postage, telephone and telegraph service, reimbursement to State, Federal, and local agencies and their employees for services rendered, $320,000.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Federal Security Agency—Office of the Administrator," on page 15, line 25, after the figures "$539,940", to insert a colon and the following proviso:

Provided, That the Administrator may transfer to this appropriation from funds available for administrative expenses of the Civilian Conservation Corps and the National Youth Administration such sums, not in excess of $22,960, as may be necessary to reimburse the office of the General Counsel for services rendered.

So as to read:

Salaries: For salaries of the office of the Administrator in performing the duties imposed by the provisions of Reorganization Plans Nos. I and II, under authority of the Reorganization Act of 1939, in the District of Columbia and elsewhere, as follows:

For the immediate office of the Administrator, $113,940.

For the Division of Personnel Supervision and management, $427,520.

For the Chief Clerk's Division, $248,200.

For the office of the General Counsel, $539,940: *Provided*, That the Administrator may transfer to this appropriation from funds available for administrative expenses of the Civilian Conservation Corps and the National Youth Administration such sums, not in excess of $22,960, as may be necessary to reimburse the office of the General Counsel for services rendered.

The amendment was agreed to.

The next amendment was, on page 17, line 6, after the word "to", to strike out "this appropriation" and insert "the foregoing appropriation under this title", so as to read:

In order that the Administrator may effectuate part 2 of Reorganization Plan No. I, submitted and approved pursuant to the Reorganization Act of 1939, he may transfer to the foregoing appropriations under this title from funds available for administrative expenses of the constituent units of the Federal Security Agency such sums as represent a consolidation in the office of the Administrator of any of the administrative functions of said constituent units.

The amendment was agreed to.

The next amendment was, under the subhead "Civilian Conservation Corps", on page 18, line 5, after the numerals "1937", to insert "as amended", so as to read:

CIVILIAN CONSERVATION CORPS

For all authorized and necessary expenses to carry into effect the provisions of the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes", approved June 28, 1937, as amended, including personal services in the District of Columbia and elsewhere.

And so forth. The amendment was agreed to.

The next amendment was, on page 18, line 21, before the word "shall", to strike out "$176,880,000" and insert $155,005,000", so as to read:

Of which $155,005,000 shall be available only for pay, subsistence, clothing (and repair thereof), transportation, and hospitalization of enrollees—

And so forth.

Mr. O'MAHONEY. Mr. President, with respect to the amendment in line 21, page 18, and the amendment in line 25, I think the attention of the Senate should be called to the fact that these changes represent a cut of $25,000,000 in the appropriation for the C. C. C. camps as provided by the House.

If the amendment were to be properly designated, it would be called an amendment to discharge about 30,000 young men now employed in Civilian Conservation Camps in various parts of the country, young men who are in sore need of employment and who, if discharged, will be unable to find work elsewhere.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I shall be glad to yield to the Senator from Tennessee.

Mr. McKELLAR. I desire to call the attention of the Senate at the same time to the fact that while the appropriation for this item was reduced from $280,000,000 to $255,000,000, it is still $25,000,000 more than the Budget estimate. The House increased the Budget estimate by $50,000,000, and the Senate committee cut down the increase by $25,000,000 only. The amount appropriated is still $25,000,000 more than the Budget estimate.

Mr. O'MAHONEY. I was about to allude to the facts which the Senator has mentioned.

The appropriation as it passed the House was some $15,000,000 less than the appropriation for the current year. The Budget Bureau cut the appropriation very heavily in order to transfer the funds thus cut away from the C. C. C. to the Navy and the Army, for the construction of new naval vessels and for strengthening the national defense through the Army. Both of these objectives, of course, are very commendable, and they have my complete support; but I feel that we should not undertake to build up the Army and the Navy at the expense of the young men who are employed in the C. C. C. camps, and who otherwise will be unemployed.

This appropriation as it has been reported by the committee means the abandonment of about 156 Civilian Conservation Corps camps in various parts of the country. It means the discharge of the young men who are now employed in those camps, and most profitably from the point of view of the Government, from the point of view of every State and many cities, from the point of view of themselves, and from the point of view of their families. There can be no doubt that there has been no program upon which the Government has engaged which has been more successful economically and socially, and no program which is more generally approved by the country as a whole, than the Civilian Conservation Corps program.

About 1,500 camps are now in operation, and can continue to operate if the committee amendment shall be rejected. If the committee amendment shall be adopted, it will mean that we shall fail in what seems to me to be a moral obligation toward these young men, most of whom enlisted with the belief they would serve 2 full years. I can conceive of no reason which would justify the Government of the United States serving notice of discharge upon these young men now employed in these camps, the work of which in most instances has not been completed.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. The Senator is a member of the Committee on Appropriations, and can tell me, no doubt, whether my information is correct. While the bill was under consideration in the House I was informed that the Budget Bureau had reduced the current appropriation by $50,000,000. Is that correct?

Mr. O'MAHONEY. I think it was a little more than that; by $65,000,000.

Mr. BARKLEY. And the House committee reduced it still further, so that as the bill went to the House, as I recall, there was larger reduction in the appropriation for the C. C. C. than the $65,000,000 referred to by the Senator as being the Budget Bureau reduction; and on the floor of the House an amendment was offered and agreed to which restored at least $50,000,000 of the cut. Am I correct about that?

Mr. O'MAHONEY. The bill was reported by the House committee with a total appropriation of $230,000,000, and an amendment adding $50,000,000 was agreed to upon the floor of the House.

Mr. BARKLEY. I knew that the House added $50,000,000 on the floor.

Mr. O'MAHONEY. Fifty million dollars was added on the floor of the House.

Mr. BARKLEY. Prior to that, based on the reduction in the Budget estimate, and assuming that it would be agreed to by the Congress, the Civilian Conservation Corps had already set in motion the abandonment of a large number of camps.

Mr. O'MAHONEY. Two hundred and seventy-three camps, to be exact.

Mr. BARKLEY. And they were to go out of existence on the 1st of April, as I recall, or some of them were, and some of them probably the 1st of July. The addition of $50,000,000 on the floor of the House operated to suspend the abandonment of these camps for the time being, to await the action of Congress in determining how much money would be available.

Mr. O'MAHONEY. The Senator is quite correct.

Mr. BARKLEY. So that unless the amount of this appropriation should be approximately the amount of the current appropriation, there would still be a large number of camps abandoned. Is that correct?

Mr. O'MAHONEY. About 156, I am advised, will have to be abandoned if this cut of $25,000,000 below the House figure is approved by the Senate.

Mr. BARKLEY. I thank the Senator for the information.

Mr. McKELLAR. Mr. President, if the Senator will allow me, I should like to put the figures in the RECORD. Last year the appropriation was $294,955,000. The Budget estimate for this year was $230,000,000. As the House committee reported the bill, it carried $230,000,000, the amount of the Budget estimate, and on the floor of the House the amount was increased to $280,000,000. The bill with that figure in it came to the Senate, and the Senate committee reduced the House figure from $280,000,000 to $255,000,000; in other words, cut the amount of the increase made by the House above the Budget estimate just one-half.

Mr. O'MAHONEY. The Senator is quite correct.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

Mr. O'MAHONEY. I shall be very glad to do so.

Mr. JOHNSON of Colorado. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Russell
Ashurst	Davis	La Follette	Schwartz
Austin	Donahey	Lodge	Schwellenbach
Bailey	Ellender	Lucas	Sheppard
Bankhead	Frazier	Lundeen	Shipstead
Barbour	George	McKellar	Slattery
Barkley	Gerry	McNary	Smathers
Bilbo	Gillette	Maloney	Smith
Bone	Glass	Mead	Stewart
Brown	Green	Minton	Thomas, Idaho
Bulow	Guffey	Murray	Thomas, Okla.
Burke	Gurney	Neely	Thomas, Utah
Byrd	Hale	Norris	Townsend
Byrnes	Harrison	Nye	Truman
Caraway	Hatch	O'Mahoney	Van Nuys
Chandler	Hayden	Overton	Wagner
Chavez	Herring	Pepper	Walsh
Clark, Idaho	Hughes	Pittman	White
Clark, Mo.	Johnson, Calif.	Reed	Wiley
Connally	Johnson, Colo.	Reynolds	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

COMPARES C. C. C. ITEM TO RIVER AND HARBOR BILL

Mr. O'MAHONEY. Mr. President, I was about to ask the Senate to reject the amendment of the committee by which the appropriation for the Civilian Conservation Corps as passed by the House has been reduced by $25,000,000. If the amendment by the committee is adopted, it will mean the discontinuance of approximately 150 camps, I am advised, and the discharge of about 30,000 young men now employed in the camps. The Senate has within the hour passed a river and harbor bill authorizing the appropriation of $150,000,000 for projects in various parts of the country which cannot be undertaken immediately, and it seems to me to be utterly inconceivable that within so short a period after such a vote we should undertake to shut the door of opportunity to 30,000 young men.

Mr. President, it seems to me that the mere statement of the fact is sufficient to carry conviction that the committee reduction should not be approved.

My colleague the Senator from Wyoming [Mr. SCHWARTZ], at the time the river and harbor measure was under consideration, ventured the prediction that shortly after we had passed that bill we would be finding excuses for withdrawing the support of the Government from those who most need it. I am sure he did not dream that he might be justified so speedily. Mr. President, I do not believe it is necessary for me to take more of the time of the Senate to induce its Members to vote "no" upon the two committee amendments, in lines 21 and 25, on page 18.

I do, however, want to call attention to two matters in the report of the Civilian Conservation Corps which it seems to me Members of the Senate might desire to know.

In the fiscal year 1939 this agency made a saving under the amount appropriated by Congress of $4,500,000. I read from the report:

From the funds appropriated for operations during the fiscal year 1939 the Civilian Conservation Corps will turn back to the Treasury over $4,500,000 in savings and unobligated balances. The cost per enrollee per year was the lowest during 1939 of any year during which the Civilian Conservation Corps has operated.

There is another item that seems to me to be of the utmost importance and of great significance, as illustrating the very valuable results which flow from this work. Let me read from the report:

One of the most unusual features of this administration is the fact that in 48 States and the District of Columbia departments of public welfare are providing facilities and personnel as C. C. C. selecting agencies without direct Federal reimbursement.

That calls to my mind the fact that the personnel of the C. C. C. is selected by the public-welfare agencies all through the Union. Those who most need this work are those who are given the work.

There is, of course, the financial recompense of allotments sent home each month by enrollees. This has amounted to $72,285,000 during the past year—not an inconsiderable sum to be apportioned among the States.

A sum which goes back to the families of these enrollees.

I hope the committee amendments on these two lines will not be approved.

Mr. President, I ask unanimous consent that there may be incorporated in the RECORD as a part of my remarks a brief summary of the work of the Civilian Conservation Corps.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

A BRIEF SUMMARY OF CERTAIN PHASES OF THE C. C. C. PROGRAM IN THE UNITED STATES, PERIOD APRIL 1933 TO JANUARY 31, 1940

The C. C. C. in its nearly 7 years of existence has combined a program of rehabilitation of the enrollee and restoration of the natural resources of the soil upon which he works. Millions of acres of forests and farmlands have been improved. Ninety-one percent of the enrollees have participated in the educational and training program provided in the camps. Between nine and ten million persons have benefited directly through allotments each enrollee sends home monthly. He is required to send home a minimum of $22 out of his $30 monthly cash allowance. At present 1,780,000 (estimated) persons receive benefits through this program.

MEN

Aggregate number of men given employment (April 1933 to Jan. 31, 1940) (estimated)	2,625,000
This figure includes:	
Juniors, veterans, and Indian enrollees	2,400,000
Nonenrolled personnel (Reserve officers, work supervisors, etc.)	225,000
Authorized number of enrollees in C. C. C. barrack camps	300,000
Indian enrollees	7,500
Territorials	4,000

CAMPS

Number of C. C. C. camps in operation as of Jan. 31, 1940	[1] 1,500
National, State, and private forests	616
Soil conservation	392
Biological Survey	35
Bureau of Reclamation	44
National parks and monuments	102
State, city, and metropolitan parks	208
Grazing Service	90
Miscellaneous	13

[1] In addition, there is the equivalent of 50 C. C. C. camps located on Indian reservations and in the Territories.

WORK ACCOMPLISHMENTS

Forest trees planted	number	1,700,000,000
Forest stand improvement	acres	3,455,000
Fire-hazard reduction	do	1,975,000
Fire fighting	man-days	5,075,000
Telephone lines	miles	75,000
Trails and minor roads	do	109,100
Erosion-control planting	square yards	3,378,000,000
Trees planted on erosion-control work	number	180,000,000
Erosion-control check dams	do	5,078,000
Bridges, all types	do	46,000
Tree and plant disease and pest control	acres	18,600,000

MONEY

Total obligations (estimated) April 1933 to Jan. 31, 1940 (includes obligations for food, shelter, construction of camps, transportation, personal services)	$2,450,000,000
Allotments to dependents by enrollees (estimated) (April 1933 to Jan. 31, 1940)	$560,400,000

WATER DEVELOPMENT IN ARID-LAND STATES

It will be observed that 44 of these camps are operated by the Bureau of Reclamation for the performance of valuable and necessary work on various reclamation projects. This work can be expanded and, I am confident, will be expanded to the great benefit of the West, if the cut recommended by the committee is rejected, as I sincerely hope will be the case.

The Interior Department is authorized by law to seek the cooperation of the Civilian Conservation Corps in its program for development of water resources in the Great Plains. Members of the Senate have often heard me urge the construction of reservoirs, both big and little. The increased appropriation I am now asking will make possible the expansion of water conservation where it is most needed. Small dams in particular can be most effectively constructed by the C. C. C. camps. From the point of view, therefore, of the arid land States, as well as from the point of view of the boys now in the corps who will otherwise have to be dropped, the committee amendments should be defeated.

Mr. McKELLAR. Mr. President, I shall detain the Senate but a moment. Last year we appropriated $295,000,000, and this year the Bureau of the Budget estimate was $230,000,000, and the House increased that amount to $280,000,000. The Senate committee has recommended $255,000,000.

Mr. President, I think the C. C. C. camps are fine. The Civilian Conservation Corps has done much good for the boys and for the country. But I wish to call the attention of the Senate to the outstanding fact that it costs the Government a thousand dollars apiece for every boy in these camps.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. McKELLAR. I shall yield in a moment. I went through college on $400 a year. It seems to me we are paying a very high price for the particular thing we are doing. The expenses are very large. I doubt if there is a Senator in this body who spent more than $1,000 a year while in college. I know none of the old ones did, but perhaps some of the younger ones did. If so, they were no doubt regarded as being wilfully extravagant. Either they or their families had plenty of money.

Mr. President, we spend the enormous sum of $1,000 a year for each of these boys, and keep them at the kind of work we are having them do. It seems to me we ought to be a little more careful with the Government's money. The Bureau of the Budget thought so. The President thought so. The President recommended $230,000,000. That was increased to $280,000,000 on the floor of the House. The Senate committee thinks that an increase of $25,000,000 over the Budget estimate is sufficient. I think a $25,000,000 increase over the Budget estimate is sufficient for this work, which is concededly a temporary work at a time of great stress in our country.

Mr. SCHWARTZ. Mr. President, will the Senator now yield?

Mr. McKELLAR. I yield.

Mr. SCHWARTZ. The Senator stated that approximately $1,000 is required for each one of the enrollees?

Mr. McKELLAR. Yes.

Mr. SCHWARTZ. Does the Senator also have in mind that practically all the enrollees come from families which are in need, and that if they did not get the $25 a month which is sent back home by the enrollees, more families would be on relief, and what would the cost of a family on relief amount to in a year?

Mr. McKELLAR. I have that in mind. I remember the time when students at colleges and universities had needy families at home. They had to help in their maintenance. We have to see things as they are. I submit to the Senate that $1,000 a year for each enrollee for this particular work is a large amount of money. I think that by reducing it, by letting those who are in charge know that we are counting the cost, and that we know exactly what we are doing with reference to it, we will do a great deal of good, and the result may probably be that as much will be done for the boys with $255,000,000 as with $295,000,000.

Mr. SCHWARTZ. Mr. President, will the Senator yield further?

Mr. McKELLAR. I yield.

Mr. SCHWARTZ. The Senator says we should look at things as they are.

Mr. McKELLAR. Yes.

Mr. SCHWARTZ. The Senator referred to days when he was in college. I could not go to college when it did not cost one-half as much as it costs to live today. Furthermore, the Senator overlooks the value of the work these men are doing. The Senator overlooks the fact that they are engaged in work of permanent value.

Mr. McKELLAR. Oh, no; I do not.

Mr. SCHWARTZ. While the work may not bring us an immediate financial return, it gives us roads and improvements of a permanent nature. The Senator also overlooks the fact that the thousand dollars he is talking about includes the building of many camps, and it purchases road machinery, picks, and shovels, and all the things the boys use.

Mr. McKELLAR. Seven hundred and ninety-five dollars out of $1,000 goes to the boys directly, and $205 goes to the maintenance of camps and buildings, and equipment, machinery, and the like.

Mr. President, it seems to me that this is a matter about which we should be careful. I think we should be careful of the Government's money. I think the C. C. C. boys ought to be maintained for a less sum than is now expended for their maintenance. I think a great saving could be made if we were to cut the appropriation to some extent. We cannot keep up this kind of appropriating forever. If we continue it, there is no telling what may happen.

The work of the Civilian Conservation Corps is meritorious. The Corps has done great good. I cheerfully concede that the work the C. C. C. boys are doing is valuable. I think it is a good thing for the boys. I think it would be better if they were being educated, of course. But the enormous cost of the C. C. C. is a matter to be considered when our Treasury is in the situation it is in.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. PEPPER. Would the Senator be kind enough to state how many camps would be closed if the committee amendment should be adopted?

Mr. McKELLAR. About 150 camps, all told, would be closed.

Mr. SCHWARTZ. I suggest to the Senator that the adoption of the amendment would also mean cutting off 30,000 young men from employment who are now sending back $25 a month to their needy families.

Mr. PEPPER. I will ask the Senator from Tennessee if that statement is correct, that the amendment would cut off about 30,000 boys from employment in the C. C. C. camps?

Mr. McKELLAR. If we reduce the appropriation $25,000,000, and $1,000 apiece is the cost of maintaining the C. C. C. boys, the Senator can see for himself what it amounts to.

Mr. O'MAHONEY. Mr. President, in answer to the inquiry of the Senator from Florida [Mr. PEPPER], I will say that the average enrollment is 200 per camp, so the elimination of

150 camps would mean the discharge of 30,000 boys. There are more than 46,000 applicants who are unable to obtain assignments to the camps under the present appropriation, which is $15,000,000 more than the House allowed.

Mr. McKELLAR. I imagine that almost any boy would like to be assigned to one of the camps. I do not wonder at it. The boys receive double the amount for which we worked when we were boys.

Mr. O'MAHONEY. The applicants are all young men who have been certified by public-welfare agencies as in need of relief.

Mr. McKELLAR. I doubt very much whether any young man ought to start out in life as a ward of the Government.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. Assuming that 150 camps would be abandoned, and 30,000 young men who are sending back an average of about $25 per month to their families would be let out; if that money were cut off, how many of the 30,000 families would have to go on other forms of relief and be taken care of by the W. P. A. and other agencies?

Mr. McKELLAR. We have no figures on that question.

The Senator from Wyoming [Mr. O'MAHONEY] was mistaken in saying that 30,000 would be cut off. The cost is $1,000 apiece, and when we take $25,000,000 from the appropriation, the result is to take 25,000 boys from the rolls. There are something like 50,000 applicants. We are not appropriating for them. They are as good boys as those for whom we are appropriating. If we are to increase the amount, instead of adding $25,000,000, why not add enough to take care of all the boys who would like to go to the camps?

Fifty thousand more boys are anxious and waiting to go. They are as worthy as those who are in the camps. Why should we stop at $280,000,000 when 50,000 boys are waiting? They have not had any training of this kind.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. PEPPER. I was about to ask the Senator how long the boys are permitted to stay in a C. C. C. camp?

Mr. McKELLAR. Two years.

Mr. PEPPER. When they move out, others move in to take their places?

Mr. McKELLAR. Within certain limitations, that is true.

Mr. PEPPER. The camps provide a continuing opportunity for the boys to pass through and receive training?

Mr. McKELLAR. There has always been a waiting list. There are 50,000 young men waiting. If we add $25,000,000 or $50,000,000 more than the Budget estimate to take care of those who are now in the camps, why is it not perfectly proper to offer an amendment, not to add $25,000,000—as the defeat of the pending amendment would do—but to add $75,000,000, so as to take care of the boys who are now deprived of the privilege, and who are as worthy as the others? If I wanted to take care of them all, if I thought it was the Government's duty to take care of everyone who applies, I certainly should offer an amendment adding $50,000,000 more than the other House has allowed, so as to make the amount $330,000,000.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Wyoming.

Mr. SCHWARTZ. I was about to suggest that of the 50,000 boys whom the Senator has mentioned, a great many are already on relief; so it would be a queston of what kind of relief we prefer, the ordinary relief payment or the kind of work that is being done in the C. C. C. camps. In the C. C. C. camps we have the boys off the streets and out of the pool halls and gambling places at a time when they are forming their character; and we are teaching them something of value.

Mr. McKELLAR. I sincerely hope so; but that is the most we can say about it.

Mr. SCHWARTZ. I can assure the Senator that we are.

Mr. McKELLAR. I am sure that is the Senator's opinion.

Mr. SCHWARTZ. My statement is not based on opinion. It is based upon my observation in many of the camps. I have seen young fellows enter the camps who were slightly built, stoop-shouldered, and pale, with some characteristics which we may not like, and within a few months have seen them put on 10 or 15 pounds and become square-shouldered boys with a wholly different outlook on life.

Mr. McKELLAR. If I felt as does the Senator, no power under heaven could keep me from offering an amendment to add $75,000,000 to the bill to take care of more boys. If what the Senator says is true, the Senator will do himself an injustice if he does not offer such an amendment. Why does the Senator single out 25,000 boys to whom he wants to give $1,000 apiece the next year, and leave 50,000 boys unaccounted for? I do not see the difference.

Mr. SCHWARTZ. Mr. President, the Senator asked me a question. I shall answer it.

Mr. McKELLAR. I think we all understand the question. The question is, Whether we shall appropriate $50,000,000 more than the Budget estimate or whether we shall appropriate $25,000,000 more than the Budget estimate? After going through the question, working on it, and thinking over it for weeks, the committee has recommended that we increase the amount by $25,000,000. I hope that will be satisfactory to the Senate. If it is not satisfactory to the Senate, and the Senate votes for something else, well and good; but if I believed in raising the amount I should not raise it for some of the boys. I should raise it for all of them. I should raise it $75,000,000, and take care of all of them.

Mr. SCHWARTZ. Mr. President, the Senator has just asked me why I do not ask for funds for the 50,000 applicants. That reminds me of an observation made the other day in the sugar conference by the distinguished senior Senator from Colorado [Mr. ADAMS]. When someone wanted to know why he did not take certain action, he said he would rather have half of a small loaf than all of no loaf at all.

That is one reason why I should not ask for the very large appropriation suggested. The other reason is out of my kind regard for the Senator from Tennessee, because if I should ask for that kind of an appropriation he would probably have a stroke of apoplexy. [Laughter.]

Mr. McKELLAR. No, Mr. President; I have no personal interest whatever in the matter. I am not connected, directly or indirectly, with the camps. I have no boys to go in the camps. I am not interested in the remotest degree. I do not want Senators to think they are doing me a favor by voting either way. They may vote as they choose, as their consciences dictate, and I shall be satisfied with whatever they do and stand by it in conference.

Mr. O'MAHONEY. Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, I should like to ask the Senator from Tennessee a question. I did not complete my interrogatories a moment ago.

We all appreciate his sincerity and earnestness in trying to save money whenever possible. It seems to me there is a difference between letting out boys who are already in the camps and not taking in others who are not in. As I understand, they will all ultimately be taken in by the process of rotation. They are on the waiting list, and they will be taken in when their time comes, and others will go out. However, if it should develop that the 25,000 families who are now receiving $25 a month from these boys will have to go on relief or be taken care of by the W. P. A. or some other agency, how much should we really save by reducing the appropriation by $25,000,000?

Mr. McKELLAR. Mr. President, there was no proof as to what families would go on W. P. A. Since the bill was reported by the committee and went to the public and to the Departments, so far as I know, not a single complaint has been made by any departmental officer to any member of the committee. So far as I know or have seen, there has been no criticism in the newspapers or otherwise. The only criticism comes in the Senate. Some Senators seem to think this is a

very fine project and that we ought to spend additional money.

Mr. BARKLEY. In that connection, I should not say that there has been criticism, but consternation has been created in many sections of the country by the prospective necessity of abandoning many of the camps. That is one of the finest tributes that could be paid to the organization. I have never known of any community where one of these camps was located, no matter whether it was a white camp or a colored camp, whose citizens did not appreciate the work that was being done, and who did not object to having the camp removed or abandoned so long as there was any necessary work to be done. Wherever a camp exists and the work is completed, of course no community can expect to keep the camp. The practice is to move the camp somewhere else where there is work to be done.

As I have said, while there may not have been criticism, there certainly was great disappointment. I happen to know of many sections of the country where the camps have been ordered to be abandoned because of the reduction in the Budget; and although the disappointment may not have been registered in Washington, it certainly was registered all over the country where the camps were to be abandoned.

Mr. McKELLAR. The Senator may have information which I do not have. Ordinarily, when we report from the Appropriations Committee any proposal which is not liked either by the departments or by the people, I receive a great many communications about it; but I have received none in reference to this matter.

The Senator says the people are disappointed at not keeping what they have. That reminds me of the testimony of one of the witnesses who appeared before our committee. The particular department had completed a certain work. I need not mention the department, or what the work was. The work cost $50,000. The House left $50,000 out of the appropriation bill, and the head of the department came before the committee and said, "Why, that is my money you are taking away. It belonged to my department," as though we had done him an injustice by not giving him the money for some other purpose to which he thought it should be devoted. So long as we appropriate $300,000,000, $400,000,000, or $500,000,000 for camps in this country, we shall have many persons who want such camps, and many communities which will be delighted to have them.

Mr. President, so far as I am concerned I have said all I desire to say. I should like to have a vote.

Mr. LA FOLLETTE obtained the floor.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me for just a moment?

Mr. LA FOLLETTE. I yield.

Mr. O'MAHONEY. I merely wish to say that those who desire to restore the $25,000,000 reduction made by the committee should vote "nay."

Mr. LA FOLLETTE. Mr. President, I do not wish to detain the Senate for more than a very brief statement in opposition to the committee amendment.

In my opinion, the work being carried on by the Civil Conservation Corps has the almost unanimous approval of the people of the country, and rightly so, for this work is restoring and conserving the capital assets of the Nation.

We have been very profligate in the development and exploitation of the slice of the continent which is now the United States of America. By our wasteful processes we have diminished our timber resources until, despite all the conservation work which has been done in the past and particularly under the present administration, if we project the present utilization of timber into the future for 125 years there will not then be a stick of merchantable timber in the United States. Three billion tons of precious top soil are blown or washed away each year. It is the natural-resource base upon which each generation has to rest its standard of living and its civilization.

In my opinion, we are not appropriating sufficient money for this purpose. If the United States were a corporation, if it were owned, lock, stock, and barrel as a corporation, and if the board of directors reported the constant loss of capital assets which is taking place in the Nation today, I feel satisfied that the stockholders would demand a new board of directors.

Not only is the work of the Civilian Conservation Corps conserving and restoring the capital assets of the Nation, but likewise it is being directed toward conserving one of its greatest natural assets; namely its youth, the oncoming generation. Let us not forget that in this, the richest nation on earth, there are 5,000,000 young men and young women between the ages of 16 and 25 who are both out of work and out of school. Let us not forget that it was upon the shoulders of youth, disillusioned and disgruntled and disappointed as a result of war and poverty, that the dictators of Europe rode to power.

I say, Mr. President, we should not quibble over $25,000,000. We should provide the full amount and at least maintain the present level of this activity, which is constructive from every point of view.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment appearing in line 21 on page 18. On that question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNARY (when his name was called). On this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON], who is unavoidably absent. I am not advised how he would vote if present, and therefore withhold my vote. If I were at liberty to vote, I should vote "nay."

Mr. SHIPSTEAD (when his name was called). I have a pair on this question with the senior Senator from Virginia [Mr. GLASS], who, if present, I am informed, would vote "yea." I transfer my pair with him to the Senator from Vermont [Mr. GIBSON], who, I am informed, would vote "nay," and will vote. I vote "nay."

Mr. McKELLAR (when Mr. STEWART'S name was called). My colleague the junior Senator from Tennessee [Mr. STEWART] is detained on important business. He is paired with the junior Senator from Oregon [Mr. HOLMAN]. If my colleague were present, I understand that he would vote "nay." I am not advised how the Senator from Oregon would vote.

Mr. THOMAS of Utah (when his name was called). On this question I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the junior Senator from Oklahoma [Mr. LEE] and will vote. I vote "nay."

The roll call was concluded.

Mr. THOMAS of Oklahoma. The junior Senator from Oklahoma [Mr. LEE] is unavoidably absent. Were he present, he would vote "nay."

Mr. PEPPER. The senior Senator from Florida [Mr. ANDREWS] is unavoidably detained. If he were present, he would vote "nay."

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] is necessarily absent. If present, he would vote "nay."

Mr. MINTON. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], the Senator from Iowa [Mr. HERRING], the Senator from Delaware [Mr. HUGHES], the Senator from Utah [Mr. KING], the Senator from Nevada [Mr. PITTMAN], and the Senator from South Carolina [Mr. SMITH] are attending committee meetings and are unable to be present.

The Senator from Michigan [Mr. BROWN], the Senator from Alabama [Mr. HILL], the Senator from West Virginia [Mr. HOLT], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Montana [Mr. WHEELER] are detained on public business.

The Senator from California [Mr. DOWNEY] is conducting hearings in New York for the Committee on Banking and Currency, and is, therefore, necessarily absent.

The Senator from Illinois [Mr. LUCAS], the Senator from Arkansas [Mr. MILLER], the Senator from Missouri [Mr. TRUMAN], and the Senator from Massachusetts [Mr. WALSH] are detained in various Government departments.

I am advised that if present and voting the Senator from California [Mr. DOWNEY], the Senator from Nevada [Mr. PITTMAN], the Senator from Arkansas [Mr. MILLER], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Tennessee [Mr. STEWART], the Senator from Missouri [Mr. TRUMAN], and the Senator from Montana [Mr. WHEELER] would vote "nay."

Mr. O'MAHONEY. The junior Senator from Nevada [Mr. MCCARRAN] is out of the city on important public business. Before his departure he asked me to make the announcement that if present and voting he would vote "nay."

Mr. AUSTIN. I announce the following general pairs:

The Senator from Michigan [Mr. VANDENBERG] with the Senator from Maryland [Mr. TYDINGS];

The Senator from New Hampshire [Mr. TOBEY] with the Senator from Indiana [Mr. VAN NUYS];

The Senator from Kansas [Mr. CAPPER] with the Senator from South Carolina [Mr. SMITH];

The Senator from Kansas [Mr. REED] with the Senator from Alabama [Mr. HILL];

The Senator from Maine [Mr. WHITE] with the Senator from Illinois [Mr. LUCAS]; and

The Senator from North Dakota [Mr. NYE] with the Senator from Massachusetts [Mr. WALSH].

I am not advised how any of these Senators would vote on this question.

I also announce that the Senator from Ohio [Mr. TAFT], who would vote "yea," is paired with the Senator from Montana [Mr. WHEELER], who would vote "nay."

The result was announced—yeas 14, nays 43, as follows:

YEAS—14

Adams	Byrnes	Hale	Russell
Bankhead	Clark, Mo.	Lodge	Townsend
Burke	Gerry	McKellar	
Byrd	Gillette	Overton	

NAYS—43

Austin	Danaher	Johnson, Colo.	Schwartz
Barbour	Davis	La Follette	Schwellenbach
Barkley	Donahey	Lundeen	Sheppard
Bilbo	Ellender	Maloney	Shipstead
Bone	Frazier	Mead	Slattery
Bulow	George	Minton	Smathers
Caraway	Green	Murray	Thomas, Okla.
Chandler	Guffey	Neely	Thomas, Utah
Chavez	Hatch	O'Mahoney	Wagner
Clark, Idaho	Hayden	Pepper	Wiley
Connally	Johnson, Calif.	Reynolds	

NOT VOTING—39

Andrews	Harrison	McNary	Thomas, Idaho
Ashurst	Herring	Miller	Tobey
Bailey	Hill	Norris	Truman
Bridges	Holman	Nye	Tydings
Brown	Holt	Pittman	Vandenberg
Capper	Hughes	Radcliffe	Van Nuys
Downey	King	Reed	Walsh
Gibson	Lee	Smith	Wheeler
Glass	Lucas	Stewart	White
Gurney	McCarran	Taft	

So the amendment of the committee was rejected.

Mr. O'MAHONEY. Mr. President, in view of the vote which has just been announced, which I take it was on the merits, I ask unanimous consent that the committee amendment, in line 25, page 18, be rejected.

Mr. MCKELLAR. Of course, the result of the vote applies to both amendments.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and the amendment is rejected.

Mr. O'MAHONEY. Mr. President, the figure in the House text, which now appears in line 21, page 18, was higher than was desired by the Civilian Conservation Corps. Mr. McEntee, the head of the Civilian Conservation Corps, when he testified before the committee, recommended that this sum should be $166,880,000, instead of $176,880,000. He said that if this reduction were not made, $10,000,000 more than was needed for pay and subsistence would be provided. I therefore move to strike out the figures "$176,880,000" and to substitute "$166,880,000."

The PRESIDING OFFICER. The Chair is advised that the motion now made is not in order at this time.

Mr. MCKELLAR. Mr. President, I have no objection to that matter being settled at this time.

The PRESIDING OFFICER. The Senator from Wyoming asks unanimous consent that "$176,880,000" be changed to "$166,880,000." Is there objection?

Mr. RUSSELL. Yes, Mr. President; I object. I wish to explain briefly the reason for my objection, and also, in passing, the reason why I supported the committee amendment.

If Senators will read this section of the bill they will observe that the effect of the amendment would be to reduce by $10,000,000 the amount available for pay, subsistence, clothing, repair thereof, transportation, and hospitalization of enrollees.

The Civilian Conservation Corps is indeed the most popular, perhaps, of all the agencies of the Government which have been created in this administration. Its popularity could not have been better attested than by the vote which has just been taken in the Senate, which has overwhelmingly restored the appropriation to the amount provided by the House. They have done fine work and met with general approval. But, if it be considered as relief, and I do not consider it in that light, it has been very expensive. I feel that some of its administrative expenditures have been excessive.

This amendment does not affect the total amount of the appropriation, but it does go to a criticism I have often heard of the Civilian Conservation Corps. It decreases the amount for the pay of enrollees and gives the money to other purposes. If Senators will look at line 25 and compare it with line 21, they will see that there is a $100,000,000 spread between the amount of the appropriation allocated to go to the boys in the camps and their families, and the total appropriation. That is a large and, perhaps, unjustifiable administrative and overhead cost. It is my opinion that we should be able to save enough money out of the administrative and overhead costs to keep just as many men in camp as we have had, and to pay those men exactly as much money as they receive today, and send every dollar to their families that goes to them today, with a smaller appropriation, if we could reduce these expenditures other than directly to the enrollees.

We have appropriated the $280,000,000 for the C. C. C., and we have said that $176,000,000 of it should be spent for the pay and subsistence of the boys in the camps. I contend that we cannot justify taking the $10,000,000 from the boys in the camps, whom we say we want to help, and letting it go to administrative and other costs, which would be the effect of the amendment of the Senator from Wyoming, if it were agreed to.

Mr. O'MAHONEY and Mr. MCKELLAR addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield, and, if so, to whom?

Mr. RUSSELL. I yield first to the Senator from Wyoming.

Mr. O'MAHONEY. It is not my understanding that the amendment would have the effect which the Senator describes.

Mr. RUSSELL. What does it mean?

Mr. O'MAHONEY. The figure $176,000,000 was inserted on the floor of the House, and I am advised by the head of the Civilian Conservation Corps that it was merely a miscalculation. Of course, it is true that a portion of this appropriation goes for housing and for the purchase of supplies, as well as for administration.

I am not particularly concerned about it, and if I felt that it would mean taking $10,000,000 away from the pay of the boys, I certainly would not offer the amendment. I am merely calling the attention of the Senate to the testimony given to the committee by Mr. McEntee. It appears on page 183 of the hearing. Mr. McEntee was answering a

question of the chairman of the subcommittee, the distinguished Senator from Tennessee [Mr. McKELLAR], and he said:

First, Senator, I should like to talk briefly on the matter Mr. McNutt covered yesterday, on page 18, line 14, with reference to the total appropriation of $280,000,000. The action of the House imposed a limitation of $176,000,000, which should be available for pay, subsistence, clothing, and transportation and hospitalization of enrollees. As Mr. McNutt pointed out yesterday—and it is important—this sum is $10,000,000 in excess of what a proper blockage would be. What we should have is $166,880,000 because if it goes through the way it is, we are going to have $10,000,000 more than we need for pay and subsistence, but not sufficient money for housing, and to do the other things which would be required. A proper blockage for those items should not exceed about 59.2–59.6 percent.

That is the only purpose for which I offer the amendment.

Mr. RUSSELL. Mr. President, I contend that allowing less than 60 percent of this large appropriation of $280,000,000 to go to the men we are trying to help cannot be justified.

Those who were present at the committee hearings will recall that every agency of the Government having to do with these camps—the National Park Service, the War Department, and the Forestry Service—came before the committee and protested very vigorously against the provision of the bill inserted by the House committee, apparently after they concluded that the administrative costs of the Civilian Conservation Corps were out of line, which limited them to a 10-percent leeway in each specific amount set up by the Budget. We have that 10-percent leeway in the total appropriation now, so that if it is necessary to transfer this money from the pay of these boys in the camps to go to administrative costs, the Director of the Federal Security Agency can transfer 10 percent of any one of these appropriations.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McKELLAR. By agreeing to let the matter come up now I do not wish it to be understood that I agree to this change at all. I am opposed to it. I think the Senator from Georgia [Mr. RUSSELL] is correct in his contention. I think the $10,000,000 ought to be used for the boys.

Mr. RUSSELL. If we are going to appropriate it, it should go to the men we are trying to help.

Mr. McKELLAR. By all means; yes. Instead of going to a top-heavy organization, I think it should be used for the boys.

Mr. RUSSELL. Mr. President, what I say is not in any criticism of those who have the Civilian Conservation Corps in charge, because they have not had authority at all times in the premises. That is one of the troubles with the C. C. C. More than two agencies have had a hand in attempting to administer the organization. The Civilian Conservation Corps has been dealing with one phase. The War Department has been dealing with another phase. And there was still another department that was directing the work of the camps in the field. For that reason there has grown up this large administrative cost.

Mr. McKELLAR. And the Park Service also.

Mr. RUSSELL. Several departments have camps under their jurisdiction. We certainly cannot justify taking $10,000,000 away from the pay of the boys in the camps, and for feeding the boys, and letting it go to the sum that can be spent for administrative and other purposes, when there is already language on page 19 of the bill which permits the Administrator to transfer as much as 10 percent of any of these specified objects of appropriation.

Mr. O'MAHONEY. Mr. President, I merely wanted to say that the Senator from Georgia has convinced me. I shall withdraw my request for unanimous consent, because, as the Senator will recall, in the committee I offered an amendment and made the effort to secure the full $50,000,000 solely for the purpose of securing this money for the boys. I would be the last person in the world to attempt to take anything away from these young men.

Mr. RUSSELL. The Senator's amendment would have done that, however.

Mr. O'MAHONEY. I was merely trying to harmonize the bill in line with Mr. McEntee's request.

Mr. MINTON. Mr. President, the Senator from Georgia referred to some $100,000,000 of this sum that is appropriated as an expenditure for administrative expense.

Mr. RUSSELL. No; not that much.

Mr. MINTON. Then I misunderstood the Senator.

Mr. RUSSELL. On line 21 it is found that the appropriation that the Senate finally agreed on limits the amount to be spent on the enrollees. From testimony presented in the hearings, I am convinced that the administrative expense is too large and should be materially reduced.

Mr. MINTON. Mr. President, I understood the Senator to say that $100,000,000 of this total sum, which is roughly 40 percent, would be used for administrative expense. Will the Senator indicate what, in his judgment, is included in administrative expense?

Mr. RUSSELL. The Senator from Tennessee probably has the figures. He has the bill in charge. The amount is something like $290 per enrollee per thousand dollars, is it not?

Mr. MINTON. Is it $205?

Mr. McKELLAR. Two hundred and five dollars per enrollee, out of $1,000.

Mr. MINTON. In that $205 is included housing?

Mr. RUSSELL. I think not.

Mr. McKELLAR. Yes; it includes all expenses and equipment.

Mr. MINTON. And materials?

Mr. McKELLAR. And materials. It is about 20 percent.

Mr. MINTON. The Senator would not call housing and materials administrative expense, would he?

Mr. McKELLAR. It is a part of the expense of carrying on this work, and it is a little over 20 percent, which is a very large overhead cost.

Mr. MINTON. In accounting practice there is a definite understanding as to what administrative expense is. When we go out into campaigns we always hear the charge made by our friends across the aisle that the administration of these acts is all wrong, and that the administrative expense is increased. And now we find Senators on this side of the aisle who do not make a nice distinction in endeavoring to draw the line between what is administrative expense and what is not administrative expense.

Mr. McKELLAR. I am trying to tell the truth and give the facts.

Mr. MINTON. I have no idea that the Senator from Tennessee is not trying to tell the truth, but I am trying to find out where the line is between what is and what is not administrative expense. I do not think housing is an administrative expense, and I do not think the cost of materials is an administrative expense. I do not think the Senator from Tennessee thinks it is.

Mr. CLARK of Missouri. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield the floor inasmuch as the Senator from Wyoming has withdrawn his amendment.

Mr. LODGE subsequently said: Mr. President, in connection with the discussion which took place between the Senator from Georgia [Mr. RUSSELL] and the Senator from Indiana [Mr. MINTON] on administrative expenses, I think it might be helpful to have it stated in the RECORD that on pages 367, 368, and 369 of the committee hearings is given a breakdown of the items in the Civilian Conservation Corps appropriation.

Mr. BARKLEY. Mr. President, it is apparent we cannot finish action on the bill today, and I therefore move——

Mr. PEPPER. Mr. President, will the Senator withhold his motion for one moment? I do not want to impose on the Senate, but I spoke to the Senator from Tennessee [Mr. McKELLAR], who is in charge of the bill, and told him I was not going to be here tomorrow and that I had an amendment I wanted to bring to the attention of the Senate dealing with researches and public health, and I would certainly appreciate it if the Senate would permit me to offer the amend-

ment and let it be determined by viva voce vote. Will the Senator withhold his motion for recess?

Mr. BARKLEY. Yes. I have no objection to the Senator presenting his amendment.

Mr. PEPPER. I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 35, line 4, it is proposed to strike out "$1,650,000" and to insert in lieu thereof "and including not to exceed $100,000 for researches, investigations, and studies relating to the cause, diagnosis, and control of pneumonia, influenza, and the common cold, $1,750,000."

Mr. PEPPER. Mr. President, I wish to say that the parliamentary situation is such as to require only a majority vote for the adoption of that amendment, by reason of the fact that the appropriation of $2,000,000 is authorized for this category in the Social Security Act, as is evidenced by a letter that I have in my hand from the Federal Security Administrator, Mr. McNutt, which reads as follows:

> Section 603 (a) of title 6 of the Social Security Act, approved August 14, 1935, authorizes an annual appropriation of $2,000,000 for expenditure by the Public Health Service for investigation of disease and problems of sanitation.

He goes on to point out that the proper way to bring the matter up would be to add to the appropriation for that subject. The Budget Bureau has recommended only $1,658,526, and the committee has recommended in this whole category only $1,650,000. But $2,000,000 is authorized by law. Therefore the $1,750,000 provided in my amendment, which is $100,000 more than the committee has recommended, is authorized by law.

I consulted the parliamentarian, and was advised that I do not need to have a waiver of the rule to offer this amendment and have it acted on.

Let me quote part of the letter from the Federal Security Administrator:

> The seriousness of this group of diseases as a cause of widespread sickness, of death, and of great economic loss in peacetime, and their even greater possible danger under wartime conditions has been recognized by the Public Health Service, and research in several phases of the problem has been started in four divisions of the National Institute of Health. Unfortunately, progress in these important studies is greatly impeded by the lack of adequate funds for their prosecution. This handicap has prevented any realization of the research program recommended early in 1938 by the National Advisory Committee on Prevention of Pneumonia Mortality. Further investigations proposed since that time by the Public Health Methods Division of the National Institute of Health have been endorsed by the foremost medical authorities of the country, who have urged their prompt initiation.

Before the committee we had the head of the Research Division of the Public Health Service, Dr. Thompson, and two of his assistants, one of whom is a specialist in pneumonia who has been working on the subject since 1912. Dr. Thompson says he has made perhaps one of the most significant contributions which have been made toward favorable research on pneumonia. This is what Dr. Thompson said as to the reason for having additional funds now:

> Dr. THOMPSON. We are spending on the pneumonia-control work about $35,000 a year. The program is just breaking throughout the States. It is probably one of the greatest points where we can attack a specific disease. Chemotherapy, new drugs, and new rabbit serums are being developed. We are just at the place where I think we can show in one State, Pennsylvania, which has put on a very good control program, a reduction of deaths which, if applied to the United States, would have saved 50,000 lives in the last year. In this particular disease we are at a point where additional investigations would be of great help to the people of this country.

Mr. President, I shall not detain the Senate longer. The research department of the Public Health Service has only $35,000 for research work in connection with pneumonia, influenza, and related ailments, such as the common cold. I do not know of anything better we could do than to give the Public Health Service the tools with which to carry on research. As Dr. Thompson testified before the committee, in Pennsylvania alone such research has actually saved 1,000 lives since last December.

I ask that Senators be kind enough to lend their support for additional funds.

Mr. McKELLAR. Mr. President, I desire to make an explanation of this particular item——

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. What is the present parliamentary status?

The PRESIDING OFFICER. The Senator from Florida [Mr. PEPPER] has requested unanimous consent that he be permitted to offer now an amendment to a committee amendment which has not yet been reached. The amendment offered by the Senator from Florida is not in order at this time. For that reason he has asked unanimous consent that it be now considered.

Mr. McNARY. Mr. President, I should like to accommodate the Senator, but there was so much disturbance that I do not think many Senators are advised as to the purport of the amendment. Perhaps it is very laudable. I should not care to act in this impetuous way, out of order, unless there is some very, very great exigency.

Mr. PEPPER. The reason why the Senator from Florida made the request is that unfortunately the Senator from Florida will not be in the Chamber during the remainder of the consideration of the bill. Otherwise, I should not have made this extraordinary request. I wish to offer the amendment.

Mr. McNARY. I do not wish to deny the Senator an opportunity to offer the amendment. Perhaps some other Senator would offer it in his absence. I think we should approach this matter in the way in which we started; namely, by considering first the committee amendments and completing them before we come to individual amendments.

The PRESIDING OFFICER. The amendment offered by the Senator from Florida is an amendment to a committee amendment.

Mr. McNARY. But the committee amendment is not now pending.

The PRESIDING OFFICER. That is correct.

Mr. McKELLAR. It can be done only by unanimous consent.

Mr. McNARY. That is correct.

Mr. McKELLAR. I told the Senator from Florida that as he is going away tomorrow I should not object to his offering the amendment at this time. However, it is a matter for the Senate to decide.

Mr. McNARY. Mr. President, I always try to be accommodating; but we must maintain certain rules and order of procedure in order properly to present the matter to the Senate. I do not know what the amendment is. Does it provide for an increase in the amount recommended by the committee?

Mr. PEPPER. Yes, Mr. President. It proposes an increase of $100,000 for the research department of the Public Health Service, to be devoted exclusively to a study of pneumonia, influenza, and the common cold, but primarily to pneumonia. The Chief of the Public Health Research Service came before the committee and testified in behalf of the request, and data in support of it are also given by the Federal Security Administrator, from whose letter to the chairman of the Senate committee I read.

Mr. McNARY. Was the matter presented to the committee, and did the committee refuse to incorporate the amendment in the bill?

Mr. PEPPER. That is correct.

Mr. McNARY. Many Senators are absent from the Chamber, and I must insist that we go along in the regular fashion. Tomorrow the amendment may be presented by another Senator. I do not think we should take it up tonight. It is unusual, and many Senators are absent. They left with the understanding that we were about to take a recess until tomorrow.

Mr. PEPPER. Mr. President, I shall ask some other Senator to be good enough to present my amendment tomorrow;

and I hope Senators will be kind enough to consider the amendment on its merits.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. HATCH in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

POSTMASTERS—NOMINATIONS FAVORABLY REPORTED

The legislative clerk proceeded to read sundry nominations of postmasters which had been favorably reported.

Mr. McKELLAR. I ask that the nominations of postmasters which have been favorably reported be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters which have been favorably reported are confirmed en bloc.

POSTMASTERS—NOMINATIONS ADVERSELY REPORTED

Mr. McKELLAR. Mr. President, with respect to the nominations of postmasters on the calendar which have been adversely reported, I see no reason why the Senate should not act upon them, and I hope the Senate will act upon them this afternoon.

The PRESIDING OFFICER. The nominations of postmasters which have been adversely reported will be stated.

The legislative clerk read the nomination of Clara B. Toland to be postmaster at Industry, Ill.

The nomination was rejected.

The legislative clerk read the nomination of James W. Paul to be postmaster at Ponchatoula, La.

The nomination was rejected.

The legislative clerk read the nomination of James Earl Evans to be postmaster at Carrollton, Mo.

The nomination was rejected.

The legislative clerk read the nomination of Alva M. Beers to be postmaster at Alburtis, Pa.

The nomination was rejected.

The legislative clerk read the nomination of James L. Lindsey to be postmaster at Bradford, Pa.

The nomination was rejected.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations for appointments and promotions in the Navy.

Mr. BARKLEY. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Navy are confirmed en bloc.

That concludes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 38 minutes p. m.), the Senate took a recess until tomorrow, Friday, April 26, 1940, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate, April 25 (legislative day of April 24), 1940

APPOINTMENTS AND PROMOTIONS IN THE NAVY

TO BE COMMANDERS

Albert E. Freed	Charles L. Andrews, Jr.
Walker P. Rodman	Philip P. Welch
Logan C. Ramsey	Harry A. Rochester
William E. Clayton	Robert S. Smith, Jr.
George M. O'Rear	Stephen K. Hall
Frank N. Sayre	Harvey R. Bowes
Ross A. Dierdorff	Cyril E. Taylor
Palmer M. Gunnell	Laurence Bennett
Raymond G. Deewall	Marion E. Crist
Charles M. Johnson	Robert D. Threshie
Henry L. Pitts	Robert E. Robinson, Jr.
Raymond E. Farnsworth	Karl J. Christoph
Norman E. Millar	John P. Vetter
Scott E. Peck	John F. Crowe, Jr.
Emil B. Perry	

TO BE LIEUTENANT COMMANDERS

Joseph M. Began	Thomas H. Tonseth
Jeane R. Clark	Waldeman N. Christensen
John S. Blue	Joseph H. Wellings
William C. Schultz	William R. Headden
Cameron Briggs	Paul C. Crosley
Arthur H. Graubart	James M. Hicks
William J. O'Brien	Edward L. Beck
William O. Gallery	William A. New
Harry F. Miller	William H. Standley, Jr.
John O. Lambrecht	Fred R. Stickney
William L. Wright	Warren P. Mowatt
Howard T. Orville	Carter A. Printup
Oliver F. Naquin	Bennett W. Wright

TO BE LIEUTENANTS

Harry E. Seidel, Jr.	Norman E. Blaisdell
Halford A. Knoertzer	William P. Schroeder
William J. Dimitrijevic	George R. Beardslee
Roland H. Dale	William B. Perkins
James V. Reilly	Maximilian G. Schmidt
Paul H. Harrington	Alvin W. Slayden
Leon S. Kintberger	Charlton L. Murphy, Jr.
Earl T. Hydeman	Ralph M. Wilson
John R. Van Evera	Paul E. Emrick
Alfred L. Cope	Robert O. Beer
Richard C. Williams	Earl R. Eastwold
Harold L. Sargent	Joseph C. Wylie, Jr.

TO BE LIEUTENANTS (JUNIOR GRADE)

William J. Lederer, Jr.
Edward E. Hoffman

TO BE ASSISTANT SURGEON

John H. Cox

TO BE CHAPLAIN

Herbert Dumstrey

TO BE ASSISTANT PAYMASTERS

John D. Hewitt 3d	Lewis O. Davis
Billy Johnson	Clifford A. Messenheimer
Bernard H. Bieri, Jr.	Paul S. Burt, Jr.
Raymond F. Parker	Charles J. Zellner
William J. Held	Wesley J. Stuessi
Charles Stein, Jr.	Edward K. Scofield

TO BE CAPTAINS

Eugene T. Oates
Daniel E. Barbey

TO BE ASSISTANT NAVAL CONSTRUCTORS

Irvin J. Frankel	James J. Stilwell
James F. Ellis, Jr.	John B. Shirley

TO BE ASSISTANT CIVIL ENGINEER

John J. Cassidy, Jr.

POSTMASTERS

GEORGIA

Charles Leland Paris, Alpharetta.
Annie H. Thomas, Dawson.
Chessie M. Pelfrey, Roswell.
William T. Pilcher, Warrenton.

ILLINOIS

Lucille E. McKelvey, Maple Park.
Daisy M. Wallace, Windsor.

MARYLAND

John L. Downs, Clear Spring.

NEW HAMPSHIRE

Eli J. King, Berlin.
William P. Nolin, Claremont.
Mary L. Doyle, Hillsboro.
James E. Shepard 2d, New London.
Leon C. Jones, Ossipee.
Martin J. Keenan, Peterborough.
Patrick J. Duffy, Salmon Falls.

NEW MEXICO

Irwin C. Floersheim, Springer.

WYOMING

William G. Haas, Cheyenne.

REJECTIONS

Executive nominations rejected by the Senate April 25 (legislative day of April 24), 1940

POSTMASTERS

ILLINOIS

Clara B. Toland to be postmaster at Industry, in the State of Illinois.

LOUISIANA

James W. Paul to be postmaster at Ponchatoula, in the State of Louisiana.

MISSOURI

James Earl Evans to be postmaster at Carrollton, in the State of Missouri.

PENNSYLVANIA

Alva M. Beers to be postmaster at Alburtis, in the State of Pennsylvania.

James L. Lindsey to be postmaster at Bradford, in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 25, 1940

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore, Mr. RAYBURN.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou who art the Lord God alone, Thy truth shall stand while rolling years cease to move. On a melancholy hill, outside the city wall, a Man was crucified for the sake of this world, unveiling the living, loving, sheltering heart of the Father. We pray Thee to make us partakers of our Saviour's grace. Touch the supreme sanctions of our souls that we may realize that through Him we are made able to brave the shadows cloaking our humanity. Do Thou persuade us, blessed Lord, that a man's life consisteth not in the things he possesseth but rather in the thoughts he thinks, in the motives that mold his actions, and in the ideals toward which he presses; it is a surety that changes not, that he who serves mammon loses his own soul. Our Father, do Thou unite all the Members of this notable Congress and bring them into the fellowship of unity and cooperation. Continue to make Thy pathways through the realms of our immortal souls and Thine shall be the glory forever. Through Christ Our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate insists upon its amendment to the bill (H. R. 3840) entitled "An act to amend the act entitled 'An act for making further and more effectual provision for the national defense, and for other purposes,' approved June 3, 1916, as amended, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Utah, Mr. MINTON, and Mr. GURNEY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 437) entitled "Joint resolution authorizing the President of the United States of America to proclaim Citizenship Day for the recognition, observance, and commemoration of American citizenship."

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2635. An act to amend the Federal Crop Insurance Act; and

S. 2661. An act to create a board of inspectors, Bureau of Marine Inspection and Navigation, at Miami, Fla.

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief newspaper article and quotations from certain statistics.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington [Mr. SMITH]?

There was no objection.

Mr. GEHRMANN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in the form of a eulogy on behalf of Mr. Griswold, a departed Member of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin [Mr. GEHRMANN]?

There was no objection.

Mr. PAGÁN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an address by Ana Maria O'Neill on the subject Outline of Social Problems in Puerto Rico.

The SPEAKER pro tempore. Is there objection to the request of the Resident Commissioner from Puerto Rico?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article dealing with the Central Valley project in California. I may say that the cost of this will be $157.50, as I am advised by the Public Printer. I ask that I may include this, notwithstanding the cost.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. ELLIOTT]? May the Chair say that sometime ago he was compelled to make a statement to the House that he would be constrained to object to extensions which included newspaper and magazine articles where the cost was excessive. I am wondering if the gentleman could not publish extracts, and so forth, that would bring it within the allowable cost?

Mr. MAHON. Mr. Speaker, for the time being, I object.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of matters on the Speaker's table and at the conclusion of the business in order for the day, I may be permitted to address the House for 45 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

There was no objection.

WAGE AND HOUR AMENDMENTS

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. FITZPATRICK]?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, I regret very much that I will be unable to be present at tomorrow's session as it is my

sad duty to attend the funeral of a good friend of mine in New York City.

However, in the event a vote should be taken in my absence on the wage and hour amendments, I wish to go on record as being opposed to the Barden amendment or any other amendment that would weaken the Wage and Hour Act.

EXTENSION OF REMARKS

Mr. ANDERSON of Missouri asked and was given permission to extend his own remarks in the RECORD.

WAR-PROVOKING UTTERANCES

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana [Mr. LUDLOW]?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I am glad to inform the House and the country that I have today received a letter from the Acting Secretary of the Navy, Mr. Lewis Compton, disclaiming any responsibility on the part of the Navy Department for the sensational, war-provoking testimony given by Admiral Joseph K. Taussig before the Senate Naval Affairs Committee on Monday in respect to American-Japanese relations. Mr. Compton makes it very plain that Admiral Taussig's inflammatory utterance was without the knowledge and consent of the Navy Department and finds no sympathy there. Without questioning the motives of this able naval officer, it must by this time be apparent even to him that he has made a serious mistake. I think Mr. Compton's letter will be a relief to the country, and I ask unanimous consent to insert in the RECORD my letter to the Navy Department and The Assistant Secretary of the Navy's reply, as follows:

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana [Mr. LUDLOW]?

There was no objection.

The correspondence referred to follows:

APRIL 23, 1940.

Hon. CHARLES EDISON,
Secretary of the Navy, Washington, D. C.

DEAR MR. EDISON: Before the Senate Naval Committee on Monday, April 22, Rear Admiral Joseph K. Taussig gave highly alarming testimony which is likely to disturb America's peace, when he said (according to the newspaper reports) that war between the United States and Japan is inevitable; that he could not see how we can escape being drawn into war on account of the Far Eastern situation; that it should be a naval war in which Great Britain, France, and the Netherlands should give assistance, with much more comment of the same sensational, provocative character, including a charge that Japan intends to invade the Philippines.

It is not necessary to dwell upon the potential evil effect of such a declaration in disturbing our international relations. It must be remembered that Admiral Taussig is not an ordinary citizen but is a high-ranking officer of the Navy, former Chief of Naval Operations, and now Commandant of the Fifth Naval District at Norfolk. What he said was immediately given world-wide significance, its natural effect being to inflame the people of Japan and unnecessarily to create fear and uneasiness at home. However much we may disapprove Japan and her military policies, the fact remains that she has not attacked us and she is a nation with which we are at peace.

There is one person who can speak authoritatively as to the responsibility or nonresponsibility of the Navy Department for Admiral Taussig's inflammatory testimony and that person is yourself. I sincerely think that you should make a statement in order to avoid the repercussions that inevitably will come from a misconstruction of the admiral's remarks in various quarters of the globe.

As a citizen and as a representative of a quarter of a million citizens who desire that the United States shall keep out of foreign wars, I wish respectfully to ask two questions and to request that you answer both of them, as follows:

1. Did you or did you not have advance notice of Admiral Taussig's intention to present to the committee his testimony referred to above?

2. Do you, as the head of the Navy Department, approve, or disapprove, the views expressed by Admiral Taussig to the committee?

I am not asking these questions in a spirit of criticism but because I believe that a great deal of harm may be done unless there is a clarification of this matter. This clarification is due, I think, to the people of America who are harried and worried by fear that we will be drawn into a foreign war. I will be grateful if I may have a reply as soon as possible.

Very sincerely yours,

LOUIS LUDLOW.

APRIL 24, 1940.

Hon. LOUIS LUDLOW,
House of Representatives.

MY DEAR CONGRESSMAN LUDLOW: In the absence of the Secretary, who is now en route from the west coast to Washington, may I acknowledge for him the receipt of your letter of April 23 concerning the recent testimony of Rear Admiral Joseph K. Taussig before the Senate Committee on Naval Affairs. I hasten to assure you that I will invite your communication to the attention of Mr. Edison at the earliest possible moment. The Secretary will no doubt communicate with you immediately upon his return.

In the meantime, as Acting Secretary, I want to tell you that I, too, was shocked at the testimony of Admiral Taussig which, of course, was an expression of his own personal views and was in no way an expression of the opinion of the Navy Department. It was most unfortunate that one of Admiral Taussig's position should use such poor judgment in so publicly expressing his personal opinions concerning another country with which we are at peace.

I know that Mr. Edison entertains the same opinion as I have expressed because a United Press release from San Diego, Calif., indicates that "Mr. Edison said he could not agree with Rear Admiral Taussig's prediction before the Senate Naval Affairs Committee that the United States eventually would be forced into a war with Japan, and emphasized that Admiral Taussig was expressing his personal opinion."

In specific reply to questions asked in your letter, may I advise you that neither the Secretary nor myself, personally or officially, had any advance information of Admiral Taussig's appearance before the Senate Naval Affairs Committee. It was, however, known in the Department that Admiral Taussig's presence before the committee as a witness had been requested by the chairman of the Senate Naval Affairs Committee. Neither Mr. Edison, myself, nor the Department had any advance knowledge whatsoever of the nature of the testimony which the Admiral presented to the committee. Secretary Edison, myself, and the Navy Department disapprove the views expressed by Admiral Taussig to the Senate Naval Affairs Committee.

I hasten to assure you that all of the efforts of the Navy Department to strengthen our first line of national defense have been and are predicated entirely on ordinary common sense and prudence in a world aflame with undeclared wars and invasions of peaceful countries.

I want to express to you my appreciation for your frankness in writing to the Secretary on this subject.

Yours very sincerely,

LEWIS COMPTON.

[Applause.]

EXTENSION OF REMARKS

Mr. LYNCH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein some statements by the Honorable JAMES M. MEAD, United States Senator from New York, in memory of the Honorable Edward W. Curley, late Member of the House of Representatives.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. LYNCH]?

There was no objection.

CALIFORNIA APRICOTS

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. ANDERSON]?

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, the House and Senate dining rooms are serving up a rare treat today which I hope all Members of Congress will sample: golden California apricots filled with sunshine vitamins and truly fit for a king.

The Eighth Congressional District of California, which I have the honor to represent, produces nearly a third of all the apricots grown in the United States. Almost 11,000 growers in northern California are engaged in producing this fine fruit for distribution to markets all over the world.

The growing and processing of apricots is a highly specialized and expensive business. It affords a means of income to thousands of producers, processors, and farm workers in my State and is a considerable factor in our annual agricultural proceeds. Eat some today and you will be doing your bit toward helping the farmer and the many employees who are engaged in preparing these apricots for your use. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I wish to bring to you today a further report on the Federal "blitzkrieg" against the State of California. Mr. Ickes' department is now charging our moving-picture companies $500 a day to go into the Federal parks and $100 a day to go over what is known as grazing land under the Bureau of Reclamation and the Biological Survey.

I do not know what they propose to do to this industry in California, but if this is to continue, how does the Federal Government expect us to take care of this tremendous overload of employment? This has the effect on us that the "blitzkrieg" has on the Europeans. I am bringing this to your notice to show you what is actually happening to us.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. LELAND M. FORD. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does not the gentleman believe this New Deal has to get some money some place to carry on?

[Here the gavel fell.]

MILITARY AND NAVAL FORCES OF THE UNITED STATES

Miss SUMNER of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Miss SUMNER of Illinois. Mr. Speaker, I hope that the Congress will give consideration to a resolution which I have written and today introduced, which says:

> That no part of the military nor naval forces of the United States shall be ordered to participate in any armed conflicts outside of the Western Hemisphere or the territorial possessions of the United States unless and until Congress shall by concurrent resolution declare that the safety of the people of the United States is endangered.

It is not a question of curbing the discretionary power of any public officer. We know that in the next few months overwhelming pressure may be exerted upon officials occupying strategic positions in our Government. Such an official will have greater independence in reaching decisions if we enable him to say:

> I cannot issue this order, which might involve the country in foreign war, until a resolution is first put through the Congress.

[Applause.]

EXTENSION OF REMARKS

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein an article written by a distinguished son of Illinois, Mr. King V. Hostak, entitled "Lincoln Group Observes Important Anniversary."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement I made before the House Committee on Flood Control.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. EDELSTEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein the remarks of the Honorable JAMES M. MEAD, United States Senator from New York, commemorating the late Honorable William I. Sirovich, a distinguished former Member of the House of Representatives.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

WHERE WILL WE GET THE MONEY?

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, how many Members of the Congress have looked at the Treasury statement and noticed that we have gone over $3,109,044,666.24 in the red this year up to April 22, 1940; $3,109,000,000 in the red; $8,000 in the red every minute of the day. The record of the New Deal—nothing like it in our history. This administration is taking us $8,000 a minute into the red—a joy ride for the New Deal and a ball and chain for future generations; and your children and your grandchildren will have to pay the bill if they can. If they cannot, it means repudiation or bankruptcy. No wonder the gentleman from California [Mr. LELAND M. FORD] a few moments ago was criticizing the administration because they demand fabulous sums for our industries. In 8 years this administration has received in revenue and taxes the huge sum of $36,000,000,000. In 8 years this administration has spent the enormous sum of $60,000,000,000. In 8 years this administration added to our national debt the monstrous sum of $24,000,000,000. I wish to tell you that this administration and every individual in it will have to say to the American people, "We are going to tax you more and more; we are going to go after you to get the money to pay for these fabulous expenditures." You and your people will have to "shell out." It is terrible, Mr. Speaker; let us stop the new dealers from doing it. Where are you going to get the money? [Applause.]

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein two letters I have received from Government agencies; also a short editorial.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein excerpts from the New York Enquirer.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

ADMINISTRATION SABOTAGE OF THE CIVIL AERONAUTICS AUTHORITY

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I with other Members of the House, have received many letters of protest at the contemplated return of the Civil Aeronautics Authority to the Department of Commerce. This is particularly true with reference to the proposed suspension of the Air Safety Board. This Board should not be suspended but should instead be strengthened by selection of experienced men of the highest qualifications.

I am not surprised that this proposed change meets with public protest, for what is more natural as air travelers recall the loss of life and destruction of property that took place when this service was under the Department of Commerce? Neither am I surprised, Mr. Speaker, at the many protests I have received from air-line pilots, for they, like the captains of ocean liners, are responsible for the safety of their passengers, crew, and ship.

No one realizes better than I the carelessness in regard to air regulation and safety that existed in aviation when it was under the supervision of the Department of Commerce. We must not forget the loss of life and property the air liners sustained at that time, and neither should we forget the Army

pilots who lost their lives during the period in which the airline service was suspended and mail was moved in Army planes.

It is from fear of a return of this disaster that I plead with you Members of Congress not to abolish the Air Safety Board. Let the Civil Aeronautics Authority remain as it is.

This protest on my part is not one of political expediency, but it is, instead, based upon my experience as captain of ocean-going ships, navigator, and pilot of airplanes. The captain of an air liner or a transport ship is, in my opinion, charged with a much greater responsibility than a captain of an ocean liner, for even greater skill is required in flying than in sailing. It is true that an air liner may carry a small number of passengers, as compared to an ocean liner, but it is also true that more skill is required to handle an airplane traveling 200 miles an hour, weighing 15 or 20 tons, than is required to handle an ocean liner traveling 25 knots an hour, registering 45,000 tons.

The two services are not alike, but a pilot of airplanes who is familiar with navigation and instrument flying can step on the bridge of an ocean liner and, after superficial instruction, can take charge and navigate the ship with little or no danger to the passengers and crew. On the other hand, the captain of an ocean liner, be he the best navigator in the world, could not take charge of an airplane, take off, fly, and land his ship without disaster to all. Even if he were physically qualified, the experiment would end in a complete washout.

It is true that flying seems to be so easy that little appreciation is given to the highly technical training, in the knowledge of which the pilot can fly his beam blind and make an instrument landing. This flying is particularly hazardous to those who fly over a terrain with mountain peaks twelve to fourteen thousand feet in the air. I realize the danger of this, for I have flown over the peaks and valleys of the Rocky Mountains in underpowered ships. I know, therefore, the danger of this profession, and in this knowledge I appreciate the safety measures which the Civil Aeronautics Authority and the Safety Board have provided for air travel.

It is because of this that I have taken the floor of the House to ask my colleagues to sustain the Safety Board and leave the C. A. A. as it now is, where it has given the greatest service to the air-traveling public.

I have not compared air travel with the merchant marine to disparage the ability of a captain of ocean-going ships, for no one realizes better than I that commanders in each service must be well qualified. However, no one can deny that we are perfectly safe aboard a battleship, drifting in the middle of the ocean, while we are in extreme jeopardy in an airplane short of fuel, with a poor landing field. Such situation may arise: The motor may cut, and should that happen, considerable skill is required to make a dead-stick landing in a small field.

Do you not think it would be queer to place the merchant marine in the Department of the Interior under the Secretary of the Interior? I believe you would agree with me that it would be a bit strange when the Secretary of the Interior began to build roads and lay out national parks on the quarter deck of an ocean liner.

This is comparable with placing air service under the Department of Commerce, for they know nothing about it and would, because of insufficient knowledge, no doubt, let it slide back to where it was before when many people lost their lives in mysterious and questionable crashes.

We now have a Department of Aeronautics composed of men who know the game and understand the responsibility that goes along with it. Why change this service now? We may ask ourselves what political power is behind this move, and who dares to suggest these changes in view of the fact that, during the period of 1 year or since the formation of this Department, not one ship has been destroyed or one life lost. This record, if nothing else, should make each Member of Congress hesitate before he supports this change, because, in voting for this requested transfer, you actually become responsible for lives that may be lost and for a condition in which even you in traveling may become the victim of your own folly. [Applause.]

CIVIL AERONAUTICS AUTHORITY

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, the civilian-pilot-training program has been in operation a little less than 5 months. During that time 9,205 college students have been given flight instruction. They have flown a total of 172,000 hours and have traveled the equivalent of 92,000,000 passenger miles. All of this flight instruction has been carried out admirably under the supervision of the Civil Aeronautics Authority with a remarkable safety record of but one fatality in all of that time.

This record, incidentally, is 20 times as good as the best safety records ever achieved by private instruction prior to the inauguration of this program.

Of these 9,205 students only 145 have been released because of their inaptitude for aviation, and it is a remarkable record that 8,400 students, or 98.5 percent, who started the course can now fly an airplane by themselves and have now become, or are rapidly becoming, accomplished pilots.

I believe this outstanding record is unparalleled in the history of aviation anywhere else in the world. The Civil Aeronautics Authority should be wholeheartedly commended upon the success of this program. I doubt that a return of the control of aviation to the Department of Commerce, as contemplated under Reorganization Plan IV, could in any way improve this record of achievement. [Applause.]

EXTENSION OF REMARKS

Mr. CASEY of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial appearing in the Philadelphia Record with relation to the wage-hour amendments.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, I wonder how many people in the United States, including Congressmen and Senators, know that the 1941 Budget provides means for imposing upward of nearly a billion dollars of new taxes upon the people of this country for operating the Federal Government in 1941?

This is entirely outside of the $460,000,000 the President requested for additional defense measures. However, in speaking of the sources from which this $460,000,000 should be derived, he said:

> In seeking additional sources of revenue, I hope that Congress will follow the accepted principle of good taxation of taxing according to ability to pay and avoid taxes which decrease consumer buying power.

When taxes are excessive, as is the case now, there is no such thing as levying additional taxes that do not destroy buying power. Taxation upon all enterprise is already so excessive as to drain from it needed funds for operating purposes, repairs, and additions. This is keeping millions unemployed, and hence deprives our people of billions of dollars of purchasing power.

In making this statement the President no doubt intended to assure those who are least able to bear the burden of taxation of his solicitude for them. Yet the tax we are here

considering, for which he is almost wholly responsible, is the kind that has always been regarded by all true statesmen as the worst and most galling that can possibly be levied upon the working and poorer classes.

Daniel Webster was thoroughly familiar with this sort of tax. Speaking in the other Chamber more than 100 years ago, he branded it as—

> The most effectual of all contrivances for cheating the laboring classes of mankind.

He said further of it:

> This is the most effectual of inventions to fertilize the rich man's field by the sweat of the poor man's brow. Ordinary tyranny, oppression, * * * these bear lightly on the happiness of the mass of the community, compared with the robberies committed by—

The sort of tax we are here considering.

How is it the President can levy such an enormous and onerous tax upon the Nation and hardly anyone know about it? Just where does his 1941 Budget provide for this?

To make a rather long and not altogether good-looking story short, the general-fund balance of the Treasury for operating the Federal Government is reduced at the beginning of the fiscal year 1941 to somewhere in the neighborhood of $500,000,000 after deducting all items properly chargeable against it, such as trust funds, certain special deposit accounts, checking accounts of Government corporations and agencies, matured public-debt securities and other public-debt items, and outstanding checks and interest-coupon obligations. (See Analysis of General Fund Working Balance as Shown in 1941 Budget, etc., supplied to Senator BYRD by the General Accounting Office.) This is a much smaller balance than the Treasury has carried for some time. Remaining only in the balance is the item of silver "seigniorage," which is given as $586,306,220.

At no time since 1934 has the estimated working balance been reduced to a point at or below the amount of so-called seigniorage. The lowest working balance was that for the end of the fiscal year 1936 Budget, $746,385,811, which was exclusive of any seigniorage. The usual estimated working balance, exclusive of any seigniorage, has been about a billion or more.

Up to now the Treasury has been able to manage with these balances so as to avoid resorting to the outright inflation of the currency, to provide funds for operating purposes, that would result from the use of this seigniorage. But whether it can get by in 1941 without resorting to such inflation is certainly open to serious questioning, to say the least.

I do not see how actual receipts could possibly increase over estimated receipts sufficiently to obviate the necessity of using any of this seigniorage. But to predicate such an assumption upon this possibility would, in my opinion, be the culmination of fiscal irresponsibility.

To be sure, the Treasury may possibly have resort to still another means for avoiding the outright inflation and taxation that would be occasioned by the use of the seigniorage. The 30 political lending and spending corporations—they are in reality not corporations but mere bureaus—which have been established keep their checking accounts in the Treasury. Here these accounts become a part of the working balance of the Treasury. It can and does check against them. Whether it might be possible enough such funds could be made available to the Treasury to avoid using some or all of the seigniorage, there is no way of telling. Even were that possible, only postponement of the day of reckoning would result.

There can be little question that the 30 political corporations are already in dire straits and need help themselves, instead of having any funds to spare for the working fund balance. As of June 30, 1939, they were already in default in principal and interest in the amount of $1,053,742,488, in addition to showing a net loss of $1,654,329,488.

Table is as follows:

Report submitted by the Secretary of the Treasury to the Senate of the United States pursuant to Senate Resolution 150, volume 1, part 1, "Summary of Revenues and Expenditures from Inception of the Agencies to June 30, 1939":

	Cumulative
Total amount of principal and interest in default	$1,053,742,488
Amount charged off as loss	1,654,329,707
Losses of individual corporations (and date of formation):	
1. Disaster Loan Corporation	1,591,616
2. Electric Home and Farm Authority	67,172
3. H. O. L. C. (June 1933)	59,562,029
4. Federal Housing Administration (June 1933)	34,458,062
5. Agricultural Marketing Administration	319,206,512
6. Emergency Crop and Federal Loan Security	134,247,927
7. Regional Agricultural Credit Corporation, (1933–37)	2,303,597
8. Federal Farm Mortgage Corporation (1934)	82,408,464
9. Commodity Credit Corporation (1933)	180,965,315
10. Farm Security Administration (1933)	239,860,832
11. Federal Crop Insurance Corporation (1933)	4,906,575
12. Rural Electrification (1935)	4,523,184
13. Tennessee Valley Association, Inc	109,514
14. P. W. A. (1933)	1,144,594,302
15. United States Housing Administration (1937)	4,744,051
16. United States Maritime Commission (1936)	75,102,429
17. Tennessee Valley Authority (1933)	22,129,880
18. Puerto Rico Reconstruction Administration	37,959,311
Total	2,348,740,772

Offsetting this loss is the sum of $694,411,065 shown as "gain" which leaves a net loss, as shown above, of $1,654,329,707.

This report also shows the following:

Property foreclosed and otherwise acquired and held for resale	$880,905,469
In the last item are included:	
(a) Foreclosed Home Owners' Loan properties valued at	549,441,184
(b) Foreclosed farms	104,685,950
(c) Foreclosed properties under the Agricultural Marketing Act revolving fund	5,228,075
(d) Foreclosed properties under Federal Savings and Loan Associations	142,903,752

On top of these heavy losses is the President's proposal in his 1941 Budget message to take $700,000,000 from the capital fund of these corporations for 1941 operating purposes.

Apparently the Treasury carries the silver seigniorage on its books as an asset at the average cost price, which at present is 58 cents per ounce, and also at the monetary—inflated—value; that is, $1.29 an ounce. Insofar, however, as silver may be used as money, it should, according to law, be rated at $1.29 an ounce. Any seigniorage, therefore, that may appear in the Treasury's general-fund balance should be considered as being in terms of the monetary—inflated—value of silver; that is, $1.29 an ounce.

Therefore the $586,306,220 carried in the general-fund balance, as shown in the Budget, would represent 454,500,945 ounces of silver. At 35 cents an ounce, the present price of foreign silver artificially fixed by the Treasury, these 454,500,945 ounces would be worth only $159,075,330. Assuming the $586,306,220 is carried in the Budget at its monetary—inflated—value, the difference between these two figures is $427,230,890, which is pure fiat, inflation, or, better still, tax warrants. With silver worth 35 cents an ounce, and the monetary value $1.29 an ounce, there is about 73 percent of inflation.

As the Treasury spends this monetized—inflated—silver currency, Federal taxes are levied upon the Nation just as surely as though a Federal sales tax were levied. Every paper silver dollar when originally spent by the Federal Government, since the Silver Purchase Act, levies about 73 cents of taxes. Moreover, the incidence of the tax burden upon the working and poorer classes is about the same as that of sales taxes. The essential difference between these two forms of taxation is that the one is a forthright tax, and everyone knows he is paying it, while the other is a surreptitious tax, and few people know they are paying it.

There is perhaps no other disease of government as deep-seated and malignant as this clandestine and all-devouring tax. Pelatiah Webster, a merchant in Philadelphia, who lived

in colonial times through the Revolution, and who experienced all the horrors of this sort of tax, had this to say about it:

> It has killed more men, pervaded and corrupted the choicest interests of our country more, and done more injustice than even the arms and artifices of our enemies.

Could the people but learn the real purpose of all this political money tinkering.

However, there is no assurance that the seigniorage item of $586,306,220 carried in the general-fund balance of the 1941 Budget actually represents the monetary value of 454,500,945 ounces of silver.

It is possible that this figure could be considered by the Treasury as representing the cost price of silver at 58 cents per ounce. In this case it would represent 1,010,872,793 ounces of silver, which is about the amount of free or unpledged silver the Treasury might expect to hold July 1, 1940. Should this full amount of silver be monetized—inflated—and spent by the Treasury—which is not impossible, hard-pressed for funds as it now is—then our figures would stand as follows: 1,010,872,793 ounces of silver monetized—inflated—at $1.29 an ounce would be $1,304,025,902. Seventy-three percent of this, or $951,938,909, would be inflation, fiat, or just simply taxes.

What is there to keep the Treasury from doing this? If it monetizes a part of the silver seigniorage, why may it not monetize all of it, since it is now in more dire need for spending money than at any previous time?

But there is still another important consideration. What is silver actually worth? Suppose the Treasury were to stop buying it at an artificially fixed price, what would it fetch? No one, of course, can know. But that it would be valued at a much lower figure is altogether probable. This is especially true since Britain and India who, after they unloaded vast quantities of it on us at an enormous price—more than 500,000,000 ounces at a cost of $260,000,000 (Bulletin of the Treasury, March 1940, p. 50)—have placed an embargo on all silver imports, thus leaving the United States, with its vast hoard, holding the bag.

If the Treasury were to stop purchasing silver at an artificially fixed price, this metal might drop to 10 cents or even less per ounce. Should it be worth only 10 cents an ounce the tax which the Treasury could levy under the 1941 Budget could be more than a billion dollars.

That the treasury will avoid using any more of this silver seigniorage for operating purposes than it can possibly help there can be little doubt. This is not because of the clandestine nature of the tax that results from its use, and hardly because of any particular concern or love for the poor, but for quite another reason.

The money transactions and manipulations of this administration have from their beginning been disapproved, discredited, and condemned by all thoughtful and forward-looking persons of every enterprise—farming, manufacturing, distribution, transportation, merchandising, banking. Not necessarily openly in the form of verbal expression, nor even necessarily consciously, but rather by silent and unobtrusive conduct, perhaps subconsciously; by simply slowing down and halting investments, by curtailing plans for the future, going to hand-to-mouth living, marking time, just waiting and hoping the money tinkering will cease.

The average person does not know it, but the financial and monetary policies and transactions of this administration are constantly being scrutinized by at least a few people—intensely and painstakingly by the initiate of all lines of endeavor.

Political tamperers of money have always been painfully sensitive to the minute inspection of their "shenanigans" that always takes place by the knowing. It is no different with those who are so largely responsible for our present money debauch and who persist in maintaining it. Treasury officials are keenly aware that their money manipulations are being watched by just enough people to make it unsafe for them not to be constantly on guard.

Now, it just so happens that the silver manipulations carried on by the Treasury are of such a nature that they can be more readily understood and reveal more clearly their evil effects, as well as the purposes of the tinkerers, than some of the other money tamperings. The keener and more observing part of the investing public, banking fraternity, and financial community in general, are focusing an anxious and watchful eye on this point of the money program; for it is here that the ugly head of inflation has already, more visibly perhaps than elsewhere, raised itself up and thrown not a little fear into their hearts.

You see, the Treasury has already, under the silver-purchase program, issued $1,276,000,000 in silver certificates. Rating silver at 35 cents an ounce—and no higher rating than this can be given it, no matter what the Treasury paid for it—these paper silver-dollar certificates represent $931,000,000 inflation. Hence through the silver manipulations the public has already been taxed nearly a billion dollars.

However, heretofore silver certificates have been issued only to pay for the silver purchased. Though this procedure has inflated the silver currency enormously and levied a corresponding tax upon the people, and though it has been regarded, by a few at least, as a danger sign, it has caused no serious break in confidence. This is perhaps partly because the Treasury has not gone the whole way, perhaps also because it has issued silver certificates only to buy silver and not especially for operating purposes. But, more particularly, it appears to be because so few people understand it and the ones who do are still able to whip up their spirits enough by "whistling in the dark" to keep themselves going.

Not that the silver program has not had its full baneful effects upon our economy. Quite the contrary. Strictly obedient to natural economic and monetary laws, it has produced all the evils of which its monstrous nature is capable.

Nevertheless, since no one but a fool believes we can continue forever in our present course and avert disaster the time must come when confidence in our monetary and financial stability will be completely lost. This is as apt to begin here as any other point in the political monetary and financial juggling.

In my opinion, the resort to the outright printing of paper money for operating the Government that the 1941 Budget makes possible shows a state of desperation that is alarming, to say the least.

EXTENSION OF REMARKS

Mr. JONES of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an editorial by Mr. A. C. Buss, editor and manager of the Evening Ledger.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. THOMAS F. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein two tables which I have compiled from official sources.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that I may address the House for 20 minutes next Wednesday after the disposition of matters on the Speaker's table and the legislative program of the day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. CELLER asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the National Youth Administration and the University of Oregon and to

include therein a short report from the dean of that institution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix of the RECORD.]

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a copy of a letter from the chief of police of my home town.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered by Mr. T. B. Fugate at the Democratic convention at Bristol, Va.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

Theer was no objection.

EXTENSION OF THE TRADE-AGREEMENTS PROGRAM AND IOWA

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HARRINGTON. Mr. Speaker, when the President on April 12, 1940, signed the resolution extending the Trade Agreements Act for another 3 years he referred to the findings in the hearings on this measure and answered some of the critics who have attempted to create fear against this program. He said in part:

> What was particularly striking was that in the absence of any proof of actual injury, much of the opposition seemed to be based on unwarranted fears as to what might happen in the future. There is nothing more destructive of public welfare than the conjuring up of groundless fears for the sole purpose of discrediting a constructive policy which is invulnerable to attack on any legitimate basis.

I am sorry to say that in my district these "groundless fears" are still being conjured up. By and large, these opponents of trade agreements, basing their attack on unwarranted fears, are the survivors of and advocates of the Hawley-Smoot days. We should not get away from the fact that the trade-agreements program was enacted to modify that disastrous measure.

Congress enacted the Hawley-Smoot Tariff Act of 1930, raising tariffs to excessive levels at a time when world conditions and our position as a creditor nation required that we import more if we expected to continue to sell to foreign countries. These countries finding our markets closed to them quickly retaliated with trade reprisals, shutting out American products from their markets. The unmeasured prosperity to farmers, wage earners, and businessmen, which proponents of the act promised would result, never materialized. Instead, thousands of wage earners lost their jobs, farmers witnessed their incomes gradually dwindle and their farms taken from them by foreclosure sales. Businessmen saw their profits vanish overnight. Thus the Nation suffered the results of the Hawley-Smoot Act.

With the break-down of international commerce which followed the artificial canalizing of trade, Iowa's prosperous export trade dropped from $37,400,000 in 1929 to $9,500,000 in 1932, the last year such data were collected by States. Total income payments in Iowa dropped from $1,227,000,000 in 1929 to $622,000,000 in 1932. Iowa farmers' cash income, which depends both upon employment and business conditions in the industrial and metropolitan areas in the United States, together with prosperous foreign markets, fell from $763,000,000 to $283,000,000 for the same period.

Congress in June 1934 enacted the Trade Agreements Act to restore our foreign trade as an indispensable element of an integrated national economy. By its terms the President was authorized, within definite limits specified by Congress, to negotiate agreements with foreign countries for the reciprocal modification of trade barriers. In other words, the trade-agreements program is based on the principle of fair and mutually profitable trade. Tariff reductions and other concessions granted by the United States, in return for the hundreds of concessions received, have been moderate and carefully studied. Adequate safeguards to protect the American market for American producers have been retained.

Our total exports to all countries averaged $3,222,000,000 in the years 1937 and 1938, compared with an average of $2,208,000,000 in 1934 and 1935. Our exports in this same period showed an increase of 61.2 percent to agreement countries compared with only 37.9 percent to non-trade-agreement countries. While it is true that other factors have combined to stimulate the movement of foreign trade in greater volume, nevertheless trade data point unmistakably to the effectiveness of trade agreements in restoring foreign markets for American industrial and agricultural products.

The following table compares the condition of agriculture during the only 3 complete years under the Hawley-Smoot period of excessively high tariffs and 3 years of the trade-agreements period of liberalized trade practices. It should be emphasized that the trade-agreements program was inaugurated to help correct the conditions which existed under the Hawley-Smoot Tariff Act. Note that the Iowa hog producers were more than $200,000,000 better off during the 3 years under trade agreements.

Condition of agriculture in Iowa under the Hawley-Smoot tariff period and the trade-agreements period

Commodity	Iowa farmers' cash farm income received during 3 years under—		Gain to Iowa farmers, 1936–38
	Hawley-Smoot period 1931–33 [1]	Trade-agreements period, 1936–38 [1]	
Corn	$239,103,000	$276,755,000	$37,652,000
Wheat	4,890,000	21,063,000	16,173,000
Cattle and calves	256,722,000	403,737,000	147,015,000
Hogs	365,921,000	572,217,000	206,296,000
Sheep and lambs	14,014,000	28,113,000	14,099,000
Chickens	53,864,000	65,668,000	11,804,000
Eggs	59,852,000	82,445,000	22,593,000
Dairy products [2]	3,281,000,000	4,389,000,000	1,108,000,000

[1] Since the Hawley-Smoot Tariff Act became effective on June 18, 1930, the year 1930 has been omitted. Although the Trade Agreements Act was authorized on June 12, 1934, only 4 agreements had been negotiated by the end of 1935.

[2] Figures shown represent total cash farm income received by farmers throughout the United States, figures for Iowa on dairy products are not available, but Iowa is one of the most important producing States in the country for these products.

NOTE.—Figures do not include Government payments.

Source: Data published by the Department of Agriculture.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent that the time that I asked be reserved for me on Monday be transferred to Tuesday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to revise and extend his own remarks in the RECORD.

VETO MESSAGE—PHILIPPINE TRAVEL PAY BILL (H. DOC. NO. 709)

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States which was read:

To the House of Representatives:

I am returning herewith, without my approval, H. R. 289, a bill for the relief of officers and soldiers of the Volunteer

service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899.

The provisions of this bill are almost identical with the provisions of H. R. 2024 of the Seventy-fifth Congress, which I returned to the Congress without my approval on September 22, 1935, and the provisions of H. R. 2904, from which I withheld my approval and indicated the reasons therefor in my memorandum of disapproval dated June 20, 1938. The principal reasons for withholding my approval from the two bills in question are set forth in my memorandum of June 20, 1938, in connection with H. R. 2904, as follows:

The effect of this bill is that the beneficiaries thereof shall be entitled to the travel pay and allowance for subsistence provided in sections 1289 and 1290, Revised Statutes, as then amended and in effect, as though discharged April 11, 1899, by reason of expiration of enlistment, and appointed or reenlisted April 12, 1899, without deduction of travel pay and subsistence paid such officers or soldiers on final muster out subsequent to April 11, 1899.

I am advised by the Secretary of War that there were approximately 15,000 officers and soldiers of the Volunteer forces of the United States in the Philippine Islands at the conclusion of peace with the Kingdom of Spain who would become beneficiaries of this act.

The Comptroller General, in his report on February 23, 1935, advises that the enactment of this bill would authorize payment of travel pay at the rate of 1 day's pay and one ration for each 20 miles, inclusive of the distance by water from the Philippine Islands to San Francisco, approximately 8,000 miles, and that such payments for the water travel alone will exceed 1 year's pay plus 1 day's ration for each day of such period. It is estimated the cost of the legislation will approximate $7,000,000.

Congress has heretofore recognized the service of these officers and men by the award of a special medal, and there was also an allowance, by the act of Congress approved January 12, 1899, of 2 months' extra pay to all Volunteers who served honestly and faithfully beyond the continental limits of the United States. I join most heartily in recognizing and appreciating the patriotic service of these men.

However, approval of this bill would result in the payment of a gratuity to each of the officers and men concerned, in an amount exceeding his pay for a full year, plus the value of rations for the period involved in sea travel from the Philippines to the United States, a benefit utterly without warrant, since each individual concerned has already received transportation and subsistence at Government expense for the journey performed in addition to full pay for the entire time.

I have recently signed an act restoring pensioners of the War with Spain and Philippine Insurrection to their full rate of pension. I feel that no breach of trust has been committed by the Government as regards the men who served their country in the War with Spain and Philippine Insurrection, and from the facts in this case, general legislation upon this subject as provided in H. R. 2024 is not deemed advisable.

In view of the fact that the circumstances involved in this proposal are the same as they were when the previous bills were under consideration, I find no justification for changing my position with respect thereto.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 23, 1940.*

The SPEAKER pro tempore. The objections of the President will be entered at large upon the Journal and the message, together with the bill, printed as a House document.

The question is, Will the House, on reconsideration, agree to pass the bill, the objections of the President to the contrary notwithstanding?

Mr. WOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Washington [Mr. SMITH].

Mr. SMITH of Washington. Mr. Speaker, the veto message relates to the so-called Philippine travel pay bill, which has been pending before the Congress for many years and with which probably every Member of the House, as well as every Member of the Senate, is thoroughly familiar. It passed the Seventy-fourth and Seventy-fifth Congresses unanimously in both bodies, but at a late date, and the last time met with a pocket veto.

Congress has recognized for many years that this is just and meritorious legislation. It would pay the Volunteers of the Spanish-American War the same subsistence and travel pay allowance which was paid to the men who served in the Regular Army; and the only reason they have not received this allowance in the past is due to the technicality that they were not formally discharged from service and took an oath of reenlistment. This was not their fault. Many of them were scattered throughout the Philippine Islands, some of them on the firing line. They were promised by their superior officers that if they remained in the service they would receive the travel-pay allowance. General Otis, following an exchange of cablegrams with Adjutant General Corbin, from Washington, inquiring for President McKinley, gave these instructions to the officers who commanded these men. The men were asked if they wished to continue in the service under the circumstances. They replied in the affirmative and relied on the assurance which was given them, and they have asked only for the same subsistence and travel-pay allowance which was paid to the members of the Regular forces. If they had not accepted and continued in service, it would have required the sending of forces to the Philippine Islands to take their places to quell the insurrection led by Aguinaldo. This would have cost this Government more money than it actually did, and their remaining in the service resulted in the saving of many millions of dollars to the Federal Government.

There are only 8,000 who will now participate under this bill, and they will receive approximately $300 or $400 apiece or a total sum of a little in excess of $3,000,000.

Mr. KITCHENS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. These facts are all set forth in the committee report, as follows:

Their retention in service followed an exchange of cablegrams between Adjutant General Corbin and General Otis, in command in the Philippines. On March 6, 1899, Adjutant General Corbin cabled, quoting section 15, act of March 2, 1899 (30 Stat. 981), in part, as follows:

"Section 15 of the Army bill reads in part as follows:

" 'That the President is authorized to enlist temporarily in service for absolutely necessary purposes in the Philippine Islands Volunteers, officers, and men, individually or by organization, now in those islands and about to be discharged, provided their retention shall not extend beyond the time necessary to replace them by troops authorized to be maintained under the provisions of this act and not beyond a period of 6 months.'

"The President inquires as follows:

" 'If we are not able to get you sufficient forces to replace Volunteers under your command before exchange of ratification of treaty, will you be able to enlist your present Volunteer force under this section?' "

On March 16, 1899, General Otis replied as follows:

"Believed after inquiry majority Volunteer organizations willing to reenlist for 6 months from ratification of treaty, provided that upon original discharge are paid traveling allowances to places of muster in, and that after expiration of second enlistment they are transported to those places by United States."

This reply from General Otis was based on responses he had received from the several organizations of Volunteers under his command to whom the inquiry from the President had been submitted. In some units the inquiry had been read to the men by their officers and voted upon, while in others where the men were scattered the officers had spoken for the men and agreed to reenlist and stay for the period required, not to exceed 6 months. The condition contained in the cablegram was in substance a statement of the law then in effect governing travel-pay allowances to officers and men discharged [honorably] and who were again appointed or who reenlisted.

On March 25, 1899, a general advance was ordered against the insurrectionists, and from that date until in June these Volunteer troops were in active combat—some of them longer—in the campaign against the insurrectionists. They were required to meet unusual hardships in this campaign, fighting as they were under a tropical sun, badly equipped, without adequate food and water, and continually harassed by surprise attacks. When the date of the exchange of ratifications of the treaty of peace arrived, April 11, 1899, these Volunteers were in the field and continued so for months. It would have been a physical impossibility to have effected the signing of a muster-out roll and a muster-in roll, so that the service of these men would actually show a discharge and a reenlistment or reappointment, but these officers and soldiers believed when they accepted the duty of remaining on so long as their services were required in the Philippine Islands, not to exceed 6 months, that they had in effect reenlisted. Their services in the field were accepted and utilized by the Government following almost immediately the agreement to remain in service until troops to replace them could be supplied. This service in active combat continued until after the date of the conclusion of peace with Spain, for some units not longer than 3 months, for others and most of the troops in the Volunteer service of the United States for the greater part of 6 months.

Had these officers and soldiers insisted upon their discharge as of the date of the conclusion of peace with Spain, it would have

meant the abandonment of the islands to the insurrectionists except for the very limited number of Regular Army troops then in the islands.

The result would have been the retaking by the Aguinaldo forces of the territory then held by these Volunteers, the strengthening of the insurrectionist organization, and the expenditure of many millions not only for the transportation of another army to take up the fight again but also for a long and fierce combat by non-acclimated troops against well-equipped and well-organized native soldiers accustomed to the climate and acquainted with the country. The organized insurrection was broken by the continuous drive of the Volunteers, and the replacement troops which took their places had but to clear the country of unorganized detached bands. It is pertinent to remark here that the insurrectionists, numbering between 30,000 and 40,000, had been equipped and trained by the United States and had been cooperating with American troops in the War with Spain; and that knowing the Volunteers were entitled to be discharged when the War with Spain terminated, they counted upon the withdrawal of the Volunteers to make it possible for them to gain control of the islands and eventually their independence.

It is obvious that there is no legal liability on the part of the Government, because the formality of mustering the troops out and mustering them in as again-appointed officers and reenlisted soldiers did not take place, but the men did perform valiant service, for which they were commended by President McKinley, and which Congress recognized by the awarding of a special medal; they did remain in service for from 3 to 6 months beyond the termination of the War with Spain on April 11, 1899, on which date they were entitled to their discharge; and they did this all believing that they were to be regarded as having reenlisted in the temporary forces authorized by section 15 of the act of March 2, 1899, and were thereby entitled to the travel pay and allowances authorized by then existing law as though their first enlistment had terminated on April 11, 1899, and they had entered upon a second enlistment beginning April 12, 1899. They fulfilled all the requirements of such temporary enlistment without having formally gone through the process of veteranizing.

Hon. Russell A. Alger, Secretary of War under President McKinley, had the following to say in his report:

"Any discussion of public affairs in the Philippines would be manifestly incomplete which did not include the highest eulogiums upon the western Volunteers who remained in the Philippines fighting for their country's honor after they were legally entitled to discharge and return to the United States. That ratification of the treaty of peace, February 6, 1899 (April 11, 1899), practically entitled all Volunteer regiments and the individual members of the Regular Army, numbering many thousands, who enlisted for the war, to immediate discharge from the Army, and yet some of these Volunteers did not leave the Philippines until 4 months subsequent to that date, while several of the regiments remained defending their country's flag for 7 months afterward. This is an exhibition of sturdy patriotism which, it seems to me, has never been fully appreciated. No complaint ever came from these soldiers on account of the hardships ever forming part of war, or for the delay in being returned to their homes after they were entitled to discharge. They yielded to the situation as cheerfully as they endured the great and fatiguing privations of hauling guns and carts over the mountain passes and through the trails of muck and mire under the enervating blaze of a tropical sun when even the native draft animals had been overcome with heat and exhaustion.

"The Nation, indeed, owes these noble soldiers a debt which I trust Congress will not fail to recognize in some substantial way."

From the manner in which the President's inquiry contained in Adjutant General Corbin's cablegram of March 6, 1899, was presented to them and the fact that their services were used as though they had reenlisted, these officers and men in the Volunteer service of the United States honestly believed at that time that they were to receive travel pay and allowances on that account and that it would be paid to them upon final muster out, and it was not until they appeared to draw their final pay that they learned that the money which they understood and believed had been promised them was not available. They were told that the War Department had no funds and had made no arrangements for the payment, but that Congress would undoubtedly pass an act to pay them.

For over 30 years these men, the officers and soldiers of the Volunteer service in the Philippines, have been seeking to get recognition from the Government for what they honestly feel is a just claim. It has been presented in one form or another in practically every Congress since their discharge from the service, but because of a lack of organized support from the men themselves, has failed of favorable action.

As bearing upon the right of these officers and soldiers of the Volunteer service to be discharged on April 11, 1899, Comptroller of the Treasury Tracewell, in construing General Orders, 54, dated March 22, 1899, and General Orders, 67, dated April 11, 1899, said:

"But in construing said orders notice must be taken of the fact that under the provisions of section 4, act of April 22, 1898, supra, and section 15, act of March 2, 1899, supra, the members of the Volunteer Army who entered the service under the act of April 22, 1898, and amendments thereof, became entitled to their discharge on April 11, 1899.

"The fact that the exigencies of the service made it necessary to hold some of them in service to a later date, as soldiers have frequently been held in cases of emergency beyond the full term of their enlistment, did not abrogate their legal right to a discharge on the date of the close of the War with Spain.

"Section 1, act of January 12, 1899, supra, requiring the discharge of all officers and enlisted men from the Volunteer service, as far as practicable, to be made at camps within the limits of the United States must also be considered.

"Whether it was practicable to discharge any particular soldier within the limits of the United States, or more for the interests of the Government to discharge him at the place where he was serving, was left by the act to be determined by the Secretary of War and 'public events of great public interest and widespread notoriety,' of which notice must be taken (16 Ct. Cls. 121; 3 How. 24), which made it most desirable to induce as many trained and acclimated soldiers as possible to remain in the islands, where they had been serving, support the conclusion that in issuing General Orders, No. 54, supra, the Secretary of War considered primarily the interest of the Government and not the convenience of the soldier."

In a communication dated July 31, 1930, addressed to the chairman of the Committee on Military Affairs, United States Senate, Comptroller General John R. McCarl, in discussing the provisions of an identical bill introduced in the Senate (S. 4403), said:

"Had these Volunteers in fact been discharged on April 11, 1899, as thus held and administratively conceded they had a right to be, they would have been entitled to transportation and subsistence to the place in the United States to which returnable, or cash travel allowances in lieu; and had they in fact been so discharged, and had the President, under the authority conferred on him by the proviso to section 15 of the act of March 2, 1899, supra, authorized the Volunteers then in the islands and about to be discharged to temporarily enlist for the time necessary to replace them by Regulars, not in excess of 6 months, and had they so enlisted, instead of, as in fact occurred, their continuance on in their existing enlistments for not exceeding 6 months pending their replacement, it would appear they would have been entitled to cash travel allowances on their discharge for close of the war, and again to travel allowances in kind or in cash on their discharge from their temporary enlisted service of not exceeding 6 months, or, in other words, to cash travel allowances from the Philippines back, additional to the travel allowances in kind and/or in cash they later in fact received on their return from the Philippines and discharge. What the bill, therefore, in effect, appears to do is to pay these Volunteers entitled to discharge on April 11, 1899, and who continued on for not exceeding 6 months, the cash travel allowances they presumably would have received had they in fact been discharged on said date, or, in other words, cash travel allowances on such a hypothetical discharge, additional to such allowances as in fact received on their later actual discharge."

Your committee feels that the Government, having received the benefits of the services rendered by these Volunteers, who after April 11, 1899, on which date they were entitled to receive their discharge, continued in combative service until the organized insurrection had been broken and for various periods approaching 6 months after such date, should not now, nor at any time, avail itself of a technicality to deny to these brave and patriotic officers and the soldiers serving under them the travel pay and allowances which they understood and believed was to be paid them, and which, if not a legal obligation, is certainly a moral obligation on the part of the Government to pay. Thirty-nine years and more is entirely too long a time for the Government to withhold a payment of this obligation. Therefore, after careful consideration of all the facts, your committee unanimously recommends that the bill do pass as amended.

I yield to the distinguished gentleman from Arkansas [Mr. KITCHENS].

Mr. KITCHENS. Mr. Speaker, will the heirs of those now deceased receive the pay that would have gone to their veteran relatives?

Mr. SMITH of Washington. If the veteran is deceased, then the widows and sons and daughters of such veteran would receive the amount that would otherwise go to him if still living.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. Yes; I yield to the distinguished gentleman from Kentucky [Mr. MAY].

Mr. MAY. I assume, of course, that the gentleman's committee had adequate hearings on this question, and I would ask whether they went into the subject of ascertaining whether there was any opposition to the measure from the departments concerned, and what their reports were upon it, and whether or not the committee searched into the question of the cost and the justness of the thing in adequate hearings?

Mr. SMITH of Washington. The bill received very thorough hearings and consideration in the present Congress, and also in the Seventy-fourth and the Seventy-fifth Congresses and prior Congresses. We have held extended hearings upon this bill. We have departmental reports, and a thorough investigation has been made into the cost, and the result is that the committees have repeatedly and unanimously reported favorably on this legislation.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. I yield to the distinguished gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. I suppose the report shows what will be the probable cost?

Mr. SMITH of Washington. The last estimate at the hearings in the Seventy-fifth Congress was, I believe, that the cost will be about $3,200,000.

Mr. JENKINS of Ohio. Is there any radical departure in this bill from the old bills respecting the same thing?

Mr. SMITH of Washington. No radical departure, but this bill provides that the General Accounting Office and the Comptroller shall certify to Congress those who shall prove themselves to be eligible under the legislation within 3 years after the bill goes into effect. That is a precaution which the committee took in order to insure that only those who are actually entitled to the travel pay and allowance shall receive it.

Mr. JENKINS of Ohio. That will be an improvement upon the old bill.

Mr. SMITH of Washington. Yes; I consider this bill an improvement upon former bills.

Mr. VAN ZANDT. Is it not true that the Volunteer during this Spanish-American War was asked to reenlist in the Philippine Islands with the understanding that if he did reenlist, Philippine travel pay would be granted to him at the conclusion of his service?

Mr. SMITH of Washington. The gentleman is absolutely correct. That is what actually transpired, and it was in accordance with the instructions which General Otis received from Adjutant General Corbin. These veterans have always believed that if President McKinley had not been assassinated, that promise would have been faithfully kept and they would have received their pay as it was promised them.

Mr. MAY. Therefore the bill does justice to the veterans of the Spanish-American War.

Mr. SMITH of Washington. Yes; if that promise is to be kept.

The SPEAKER pro tempore. The time of the gentleman from Washington has expired.

Mr. WOOD. Mr. Speaker, I yield the gentleman 5 minutes more.

Mr. MAY. The gentleman knows very well that when we were asked to consider veteran claims, we are usually furnished the veteran's discharge certificate, and that we usually see on that a statement, or sometimes do, that they were allowed travel pay of so much. Were those veterans, when discharged, given their travel pay at that time back home? Is that involved in this, or is that separate?

Mr. SMITH of Washington. That is not involved in this. This is entirely separate. This is subsistence and travel pay which they were promised and did not receive, and which the members of the Regular Army did receive, as I understand it.

Mr. CARLSON. It is true, is it not, that this bill in committee encountered no opposition, that the committee unanimously felt this is a just obligation?

Mr. SMITH of Washington. That is correct.

Mr. GUYER of Kansas. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. Yes.

Mr. GUYER of Kansas. Is it not true that when this matter came up and the city of Manila was threatened by the insurgents, General Otis wired that this would be paid?

Mr. SMITH of Washington. The gentleman is correct. The records of the War Department bear out their contention, as appears from the committee report from which I have quoted.

Mr. GUYER of Kansas. And that General Alger, then Secretary of War, did the same?

Mr. SMITH of Washington. He did and he stated that the Nation owed these men a debt which he hoped that Congress would recognize in some substantial way. That is what we are endeavoring to do.

Mr. GUYER of Kansas. And that it is an obligation as sacred as anything the Government ever made.

It is the duty of this Congress to pay this long-overdue debt this Nation owes to these soldiers. The fact that it is a moral obligation makes it nonetheless obligatory. The Committee on War Claims has performed its duty in a patriotic manner, and the chairman of the committee is convinced of its justice.

It has now been over a third of a century since the beginning of this war, and the men engaged in it are no longer young. Their service in the swampy jungles of the Philippines undermined their health, and this small sum coming in their advancing age would be a blessing on them and a benediction upon their country for an act of delayed justice. This Government can afford to pay these veterans, but it cannot afford to deny them justice, for it is a debt of honor the Nation owes to men who nobly did their duty in 20 battles for their country. Many of them achieved immortal glory for heroic behavior and gallantry in the field. The Twentieth Kansas is included in those who are entitled to this travel pay. Kansas has long been proud of what became known as the Fighting Twentieth. It had a distinguished roster of officers who have attained rare distinction. Its first colonel, Frederick Funston, along with Edward White and William B. Trembly, were awarded the Congressional Medal of Honor, the highest honor granted by Congress, for gallantry at the crossing of the Rio Grande.

Colonel Funston was soon after promoted to brigadier general of Volunteers, and Maj. Wilder S. Metcalf succeeded him as colonel. Lieutenant Colonel Little became a Member of Congress, and was my predecessor. At the time of his death General Funston was ranking major general of the United States Army. Clyde Wilson and Frank Dodds performed prodigious feats of valor as scouts and sharpshooters. Other States had troops of like valor who added glory to the military history of their country and who likewise are entitled to this promised travel pay, and this Congress will not have done its duty if it fails to pass this act.

Mr. SMITH of Washington. I agree absolutely with the gentleman.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. Yes.

Mr. RICH. How much did the gentleman say it would cost to carry this out?

Mr. SMITH of Washington. Approximately $3,000,000—I think $3,200,000, which is somewhat less than the estimate of the War Department.

Mr. RICH. How do you reconcile the statement made in the President's veto message that it would cost about $7,000,000?

Mr. SMITH of Washington. The committee estimate is based upon some of the figures furnished by the United Spanish War Veterans as given to our committee. They have very complete records of the number of veterans of the Spanish-American War who are alive and who would come under this act and be beneficiaries, and their estimates in the past have proved quite accurate.

Mr. RICH. How do you believe he got his figures?

Mr. SMITH of Washington. Those are the figures which were furnished by the War Department under previous bills. I do not consider that the President is to blame. He relies on the information furnished to him by others, and you know most veterans' legislation of major importance has been passed over Presidential vetoes.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. I yield.

Mr. RANKIN. I want to ask the gentleman this question: As I understand, this was travel pay that was promised these men at the time they were discharged; that is, funds on which they were supposed to come home; that is correct, is it?

Mr. SMITH of Washington. It is not entirely correct, because they were asked whether they would continue and remain in the service, and they were promised that if they did, they would be paid this travel-pay allowance. The regulars were discharged and reenlisted and received payment. Many of the volunteers who were serving at various places

in the islands were not formally discharged and reenlisted—not mustered out and mustered in again. They did not take the oath of reenlistment, but they were assured that if they would remain in the service continuously, without being discharged and reenlisting, they would receive this travel-pay allowance the same as was paid to the regulars.

Mr. RANKIN. When they were finally discharged, were they given their travel-pay allowance?

Mr. SMITH of Washington. They received the regular transportation that all of those who served received, but they did not receive the travel-pay allowance which was promised to them, as I have indicated, and which was paid to the regulars in return of their continuing in the service. They accepted reenlistment without being formally reenlisted, and thereby saved the Government the expense of inducting a new army and new forces to take their places. It actually resulted in the saving of many millions of dollars to the Federal Government, much more than the cost of this bill, according to the records of the War Department.

The SPEAKER pro tempore. The time of the gentleman from Washington has again expired.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Evidently there is not a quorum present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 83]

Allen, Pa.	Gifford	Merritt	Shafer, Mich.
Boren	Gilchrist	Mott	Sheppard
Buckley, N. Y.	Green	Mouton	Sheridan
Cannon, Fla.	Hill	Murdock, Utah	Short
Carter	Jarman	Nelson	Smith, Ill.
Chapman	Johnson, Ind.	Patrick	Starnes, Ala.
Claypool	Keller	Plumley	Steagall
Culkin	Kirwan	Reece, Tenn.	Sutphin
Darrow	Lemke	Robsion, Ky.	Taylor
Duncan	Lewis, Ohio	Sandager	Terry
Elliott	McDowell	Schulte	Voorhis, Calif.
Fenton	McGranery	Scrugham	Whelchel
Gerlach	Martin, Ill.	Seccombe	White, Ohio

The SPEAKER pro tempore. Three hundred and seventy-eight Members have answered to their names, a quorum.

On motion of Mr. COOPER, further proceedings under the call were dispensed with.

Mr. WOOD. Mr. Speaker, I yield 3 additional minutes to the gentleman from Washington [Mr. SMITH], the author of the bill.

Mr. SMITH of Washington. Mr. Speaker, for the information of those who have entered the Chamber since the quorum call was made, I want to explain briefly the situation before the House.

We are considering the veto message of the President on the so-called Philippine travel pay bill. This bill has unanimously passed both branches of Congress three times. It was recently passed by the Senate a week or so ago after having been passed by the House last year.

The purpose of the bill is to discharge the obligation of the Government to the veterans of the Spanish-American War who agreed, in response to the inquiry of President McKinley as conveyed by Adjutant General Corbin to General Otis, to remain in the Philippine Islands during the insurrection following the War with Spain after having been given assurance by their superior officers that they would be paid the regular travel-pay allowance which was paid to members of the Regular Army of the United States.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. I yield to the distinguished gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Some of the opponents of this bill say that its passage would mean that these volunteers would be paid twice. That is not true. There is no question but what these volunteers are asking only for the same compensation paid members of the Regular Army. They are not being paid twice by any means.

Mr. SMITH of Washington. The gentleman is correct in his statement that they will, if this bill is passed, receive only the same allowance which was given to members of the Regular Army of the United States in addition to their transportation, no more and no less.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. I yield.

Mr. SCHAFER of Wisconsin. In a case like this, where the Spanish War veteran would have title to this additional pay, and he died yesterday or 2 years ago, does the bill provide that his widow or legal heirs shall receive the amount of money which was due to the deceased Spanish War veteran?

Mr. SMITH of Washington. It does.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. I yield.

Mr. MURDOCK of Arizona. Do I understand that these Spanish-American War veterans were promised this pay in order to get them to continue their service in the Army?

Mr. SMITH of Washington. The gentleman from Arizona has stated the facts correctly. Thereby the Government of the United States was saved many times the cost of this bill, for otherwise it would have been necessary to induct and transport new men into the Army to take their place and not only pay their transportation to the islands, but train them; and, of course, they could not have so effectively quelled the insurrection of Aguinaldo and the insurrectionists.

[Here the gavel fell.]

Mr. WOOD. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House on reconsideration pass the bill, the objection of the President notwithstanding?

The question was taken; and there were—yeas 275, nays 83, answered "present" 2, not voting 70, as follows:

[Roll No. 84]

YEAS—275

Alexander	Cluett	Gearhart	Johnson, Ill.
Allen, Ill.	Coffee, Nebr.	Gehrmann	Johnson, LutherA.
Allen, La.	Coffee, Wash.	Geyer, Calif.	Johnson, Okla.
Andersen, H. Carl	Cole, Md.	Gibbs	Jones, Ohio
Anderson, Calif.	Collins	Gillie	Jones, Tex.
Anderson, Mo.	Colmer	Goodwin	Jonkman
Andresen, A. H.	Connery	Graham	Keefe
Andrews	Corbett	Grant, Ala.	Kelly
Angell	Cox	Grant, Ind.	Kennedy, Martin
Arends	Cravens	Griffith	Kennedy, Md.
Arnold	Crawford	Gross	Kennedy, Michael
Austin	Crosser	Guyer, Kans.	Kerr
Barnes	Crowe	Gwynne	Kilday
Bates, Mass.	Cullen	Hall, Edwin A.	Kinzer
Beam	Cummings	Halleck	Kitchens
Beckworth	Curtis	Hancock	Kleberg
Bell	D'Alesandro	Hare	Kocialkowski
Bender	Delaney	Harness	Kramer
Blackney	Dempsey	Harrington	Lambertson
Bland	DeRouen	Harter, N. Y.	Landis
Bloom	Dies	Harter, Ohio	Lanham
Bolles	Dirksen	Hartley	Larrabee
Bolton	Ditter	Havenner	Leavy
Boykin	Dondero	Hawks	LeCompte
Bradley, Mich.	Dunn	Healey	Lemke
Brewster	Dworshak	Hendricks	Lesinski
Brooks	Eaton	Hess	Lewis, Colo.
Brown, Ga.	Eberharter	Hinshaw	Ludlow
Brown, Ohio	Edelstein	Hobbs	Lynch
Bryson	Edmiston	Hoffman	McAndrews
Buck	Elliott	Holmes	McArdle
Buckler, Minn.	Ellis	Hook	McCormack
Burdick	Elston	Hope	McGehee
Byrne, N. Y.	Engel	Horton	McGregor
Byrns, Tenn.	Englebright	Houston	McKeough
Byron	Evans	Hull	McLaughlin
Camp	Fay	Hunter	McLeod
Cannon, Mo.	Fenton	Izac	McMillan, John L.
Carlson	Fernandez	Jacobsen	Maas
Cartwright	Flannagan	Jarrett	Maciejewski
Case, S. Dak.	Flannery	Jeffries	Magnuson
Chiperfield	Ford, Miss.	Jenkins, Ohio	Maloney
Church	Fries	Jenks, N. H.	Mansfield
Clark	Garrett	Jennings	Marcantonio
Clason	Gathings	Jensen	Marshall
Clevenger	Gavagan	Johns	Martin, Iowa

Mason	Patton	Schuetz	Thill
Massingale	Peterson, Fla.	Schwert	Thomas, N. J.
May	Peterson, Ga.	Secrest	Thorkelson
Michener	Pfeifer	Seger	Tibbott
Mills, Ark.	Pittenger	Shanley	Tolan
Mills, La.	Rabaut	Shannon	Treadway
Monkiewicz	Ramspeck	Simpson	Van Zandt
Monroney	Randolph	Smith, Conn.	Vinson, Ga.
Mott	Reed, Ill.	Smith, Ohio	Vorys, Ohio
Mundt	Reed, N. Y.	Smith, Wash.	Vreeland
Murdock, Ariz.	Rees, Kans.	Somers, N. Y.	Wallgren
Murray	Richards	Sparkman	Walter
Myers	Risk	Spence	Ward
Nichols	Robinson, Utah	Springer	Weaver
Norrell	Rockefeller	Stearns, N. H.	Welch
O'Brien	Rodgers, Pa.	Stefan	Wheat
O'Connor	Rogers, Mass.	Sullivan	Wigglesworth
O'Leary	Routzohn	Sumner, Ill.	Winter
Oliver	Rutherford	Sweeney	Wolcott
Osmers	Sasscer	Sweet	Wood
O'Toole	Schaefer, Ill.	Talle	Woodruff, Mich.
Pace	Schafer, Wis.	Tarver	Youngdahl
Parsons	Schiffler	Tenerowicz	

NAYS—83

Ball	Davis	Kefauver	Sabath
Barden	Dickstein	Kilburn	Sacks
Barry	Doughton	Knutson	Satterfield
Barton	Douglas	Kunkel	Smith, Va.
Bates, Ky.	Doxey	Lea	Smith, W. Va.
Boehne	Drewry	Luce	South
Boland	Durham	McLean	Sumners, Tex.
Bradley, Pa.	Ferguson	Mahon	Taber
Bulwinkle	Fish	Miller	Thomas, Tex.
Burch	Folger	Moser	Thomason
Casey, Mass.	Ford, Thomas F.	O'Day	Tinkham
Celler	Fulmer	O'Neal	Vincent, Ky.
Cole, N. Y.	Gamble	Patman	Wadsworth
Cooley	Gore	Pearson	Warren
Cooper	Gossett	Poage	West
Costello	Gregory	Polk	Whittington
Courtney	Hall, Leonard W.	Powers	Williams, Del.
Creal	Johnson, W. Va.	Rankin	Williams, Mo.
Crowther	Johnson, Lyndon	Rayburn	Woodrum, Va.
Culkin	Kean	Robertson	Zimmerman
Darden	Kee	Romjue	

ANSWERED "PRESENT"—2

Cochran	Rich

NOT VOTING—70

Allen, Pa.	Gerlach	Merritt	Sheppard
Boren	Gifford	Mitchell	Sheridan
Buckley, N. Y.	Gilchrist	Mouton	Short
Burgin	Green	Murdock, Utah	Smith, Ill.
Caldwell	Hart	Nelson	Snyder
Cannon, Fla.	Hennings	Norton	Starnes, Ala.
Carter	Hill	Patrick	Steagall
Chapman	Jarman	Pierce	Sutphin
Claypool	Johnson, Ind.	Plumley	Taylor
Darrow	Keller	Reece, Tenn.	Terry
Dingell	Keogh	Robsion, Ky.	Voorhis, Calif.
Disney	Kirwan	Rogers, Okla.	Whelchel
Duncan	Lewis, Ohio	Ryan	White, Idaho
Faddis	McDowell	Sandager	White, Ohio
Fitzpatrick	McGranery	Schulte	Wolfenden, Pa.
Flaherty	McMillan, Clara G.	Scrugham	Wolverton, N. J.
Ford, Leland M.	Martin, Ill.	Seccombe	
Gartner	Martin, Mass.	Shafer, Mich.	

So two-thirds having voted in favor thereof, the bill was passed, the objections of the President to the contrary notwithstanding.

The Clerk announced the following pairs:

General pairs:

Mr. Cochran with Mr. Gifford.
Mr. Keller with Mr. Rich.
Mr. Keogh with Mr. Wolfenden of Pennsylvania.
Mr. Boren with Mr. Short.
Mr. Chapman with Mr. Reece of Tennessee.
Mr. Fitzpatrick with Mr. Martin of Massachusetts.
Mr. Jarman with Mr. Wolverton of New Jersey.
Mrs. Clara G. McMillan with Mr. Lewis of Ohio.
Mrs. Norton with Mr. Gilchrist.
Mr. Claypool with Mr. Seccombe.
Mr. Patrick with Mr. Plumley.
Mr. Hennings with Mr. Darrow.
Mr. Starnes of Alabama with Mr. Johnson of Indiana.
Mr. Terry with Mr. McDowell.
Mr. Steagall with Mr. White of Ohio.
Mr. Disney with Mr. Robsion of Kentucky.
Mr. Nelson with Mr. Gerlach.
Mr. Kirwan with Mr. Sandager.
Mr. Green with Mr. Shafer of Michigan.
Mr. Duncan with Mr. Carter.
Mr. Mouton with Mr. Allen of Pennsylvania.
Mr. Martin of Illinois with Mr. Dingell.
Mr. Taylor with Mr. Hill.
Mr. Cannon of Florida with Mr. McGranery.
Mr. Burgin with Mr. Murdock of Utah.
Mr. Merritt with Mr. Pierce.
Mr. Flaherty with Mr. Sutphin.
Mr. Snyder with Mr. Ryan.
Mr. Hart with Mr. Sheridan.
Mr. Rogers of Oklahoma with Mr. Schulte.
Mr. Scrugham with Mr. Buckley of New York.
Mr. Faddis with Mr. Leland M. Ford.
Mr. Sheppard with Mr. Gartner.

Messrs. CREAL and COLE of New York changed their vote from "yea" to "nay."

Messrs. HARTER of Ohio, EDELSTEIN, DIES, and BYRNE of New York changed their vote from "nay" to "yea."

Mrs. NORTON. Mr. Speaker, I was called out of the Chamber and did not hear my name called.

The SPEAKER pro tempore. If a Member is not in the Hall listening when his or her name is called, they cannot qualify.

Mr. COCHRAN. Mr. Speaker, may I inquire if the gentleman from Massachusetts, Mr. GIFFORD, is recorded?

The SPEAKER pro tempore. The gentleman from Massachusetts, Mr. GIFFORD, is not recorded.

Mr. COCHRAN. Mr. Speaker, I have a general pair with the gentleman from Massachusetts, Mr. GIFFORD; I therefore withdraw my vote of "nay" and answer "present."

Mr. RICH. Mr. Speaker, I have a pair with the gentleman from Illinois, Mr. KELLER. I withdraw my vote and answer "present."

Mr. ROBSION of Kentucky. Mr. Speaker, I just came into the Hall. I have been out of town.

The SPEAKER pro tempore. The gentleman does not qualify.

Mrs. NORTON. Mr. Speaker, will the RECORD show that I could not qualify because I was called out of the Chamber? If present, I would have voted "nay."

Mr. ROBSION of Kentucky. Mr. Speaker, if present I would have voted "yea."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Chair will recognize any Members for requests that do not involve too much time.

AUTHORIZING PRESIDENT OF THE UNITED STATES TO PROCLAIM CITIZENSHIP DAY

Mr. SUMNERS of Texas submitted conference report and statement on the joint resolution (H. J. Res. 437), "authorizing the President of the United States of America to proclaim Citizenship Day for the recognition, observance, and commemoration of American citizenship.

EXTENSION OF REMARKS

Mr. MOTT. Mr. Speaker, I ask unanimous consent to extend my own remarks on the bill just passed and the veto message of the President.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon [Mr. MOTT]?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two subjects; first, to include a brief article by Harry B. Price on the subject Japanese Aggression, and, second, a brief statement by John McGivney on the subject Organized Labor.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington [Mr. COFFEE]?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article from the Christian Science Monitor.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. GEYER]?

There was no objection.

Mr. CASEY of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article from the Washington Star on the Barden bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. CASEY]?

There was no objection.

AMENDMENTS TO FAIR LABOR STANDARDS ACT OF 1938

Mr. SABATH. Mr. Speaker, I call up House Resolution 289 and ask for its immediate consideration.

The Clerk read the resolution as follows:

House Resolution 289

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 5435, a bill to amend the Fair Labor Standards Act of 1938, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Labor, the bill shall be read and after the reading of the first section of such bill it shall be in order to move to strike out all after the enacting clause and insert as a substitute the text of the bill H. R. 7349 and all points of order against such substitute are hereby waived. It shall also be in order to consider without the intervention of any point of order the text of the bill H. R. 7133 as a substitute for the text of the substitute containing the language of the bill H. R. 7349. No amendment shall be in order to the two substitute amendments herein authorized except one amendment proposing to strike out the word "not" in line 20 on page 4 of the text of H. R. 7133. At the conclusion of the consideration of the bill H. R. 5435 the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

Mr. SABATH. Mr. Speaker, later on I will yield 30 minutes to the gentleman from New York [Mr. FISH] and reserve 30 minutes for myself and other Members who desire time.

Mr. Speaker, if ever a timely prayer was offered it was offered today, when the Chaplain called attention in his prayer to the crucifixion of the One who advocated justice and humanity. This applies to many of those who advocate justice and humanity today.

I exceedingly regret, Mr. Speaker, that although I was ordered to report this resolution I cannot support it. I hope that when the Members of the House are made familiar with its drastic and unjustifiable provisions they will vote it down. [Applause.]

This resolution makes in order the so-called Norton bill, H. R. 5435, and this without the Committee on Labor having ever asked for a rule on that bill. It is the first time in the history of this House that I know of that the Committee on Rules has reported a rule on a bill when the committee in charge had not asked for the rule.

The Rules Committee was created for the purpose of expediting business, to prevent dilatory motions, and to protect Members from being subjected to going on record on catchy, embarrassing motions. This rule, if adopted, places the Members of the House in a very embarrassing position, because I know that the 314 Members of the House and the 58 Members of the Senate who originally voted for this legislation are still for it and would very much dislike to see this splendid law emasculated.

The rule provides that after the first section of the Norton bill has been read it shall be in order to move to strike out all after the enacting clause and insert as a substitute the text of the bill, H. R. 7349—the Ramspeck bill—and all points of order against such substitute are waived. It shall also be in order to consider without the intervention of any point of order the Barden bill, H. R. 7133, as a substitute for the text of the substitute containing the language of the Ramspeck bill, H. R. 7349. No amendment shall be in order to the two substitute amendments, namely, the Ramspeck and Barden bills.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield for a question?

Mr. SABATH. No; I cannot yield.

Mr. AUGUST H. ANDRESEN. Just for a question.

Mr. SABATH. I cannot yield. I want to explain the rule.

Mr. AUGUST H. ANDRESEN. That is just what I want to ask the question about.

Mr. SABATH. I will explain the rule, and I believe when I am through the gentleman will understand it. If this rule is adopted we will have established a precedent which will give the Rules Committee the right to ignore the action of all the standing legislative committees of the House. During my 34 years of service here I have never seen such a brazen proposition attempted. This rule would give the Rules Committee the right at any time to consider any rule any Member may ask for, notwithstanding the fact that the committee having jurisdiction of the bill has not been given sufficient time to consider it.

I warn you this would set a most dangerous precedent and give the Rules Committee a tremendous power that may easily react to plague this House. As chairman of the Committee on Rules I feel that such power should not be granted to the Rules Committee, this regardless of whether I am the chairman or some other member is its chairman.

Not only the chairmen and the ranking minority members of the committees of this body, but all the members should carefully reflect as to the effect of this rule. Surely, they cherish and will guard the prerogatives of jurisdiction of legislation referred to their respective committees as provided by present rules, which have been amended, strengthened and improved time and time again during the parliamentarian history of this body, all to the end of assuring the individual Member, the committees and the entire membership the protection they enjoy under the rules today.

There are many ways to get bills before the House for consideration, Mr. Speaker, such as by call of the calendar on Calendar Wednesday, by recognition by the Speaker for suspension of the rules, by special rule, or by discharge petition.

A bill, however, should not be brought out by the Rules Committee before the committee to which it has been referred and having jurisdiction has completed its hearings and consideration and made its report thereon. And such is not the case as regards the Norton bill, H. R. 5435, which measure, as you know, has had a rather unusual history. The original Norton bill was reported to the House April 27, 1939. Then, upon the insistent demands of various groups, the hearings were reopened. The Labor Committee redrafted the bill four times, the last committee print being dated June 2, 1939. In this connection I wish to take advantage of this opportunity to speak a word of highly deserved praise on behalf of the able chairman of the Labor Committee, who consistently has contended with the enemies of labor whenever and as often as they have dared to show their heads on Capitol Hill. I here refute in the strongest words possible the unwarranted charge that her committee deliberately delayed action on this proposed legislation. Due to the hasty action of the Rules Committee, the Labor Committee did not have an opportunity to report its fourth and last amended bill.

I restate that this rule is not and was not of my making. It was prepared originally by the Parliamentarian of the House and agreed to by the gentlemen who have just now appealed to me to allow the submission of an amendment to change the rule. To ask me at this last minute to open the rule to amendment is, to say the least, manifestly unfair to me. During the consideration of the rule by the Rules Committee, I urged that the rule should grant the right of amendment which is now being sought. But the gentlemen who have just presented me with their signed petition, with the aid of the Republicans, refused to entertain my request for a rule allowing amendments to the bills covered by the resolution. I repeat, it is unfair now to ask me for an amendment of the rule just as consideration of the rule by the House is being concluded. Obviously, it is merely a last-minute effort to embarrass me by placing me in the position of objecting to the procedure which I originally favored and wanted to have followed.

Mr. Speaker, for the enlightenment of the membership of the House, I wish to point out the effect that the enactment of the Barden bill—H. R. 7133—would have upon wage earners now covered by the present Fair Labor Standards Act:

First. The Barden bill would make about 1,000,000 workers exempt from the minimum-wage provisions. The sponsor

of this bill contends that these workers are not worth 30 cents an hour. This is the real issue that the bill raises.

Second. All agricultural labor,—that is, work done on the farm or by the farmer—is already exempt. The Barden bill is seeking these exemptions in the name of the farmer but the farmer is not involved. It is the packing, canning, sugar, and cotton lobbies who are seeking this legislation.

Third. The Barden bill would also exempt about a million and one-half employees from the overtime provisions of the law. Many of these workers are engaged in meat-packing plants, cheese factories, terminal grain elevators, and large milk plants such as Borden's.

Fourth. The Barden bill would impose a 6-month period of limitation against employee suits for unpaid wages. This 6-month period would start running at the time the violation occurred, irrespective of when it was discovered. At present the States' statutes of limitation apply and run from 3 to 10 years. To limit them as proposed would destroy the right of employees' suits and thus increase the cost of enforcement, as such suits and the threat of such suits is an effective aid in securing compliance.

There are some gentlemen here who feel that perhaps the regulations of the Fair Labor Standards Act should be broadened or amended. For the information of the House, I have here before me now and you yourselves have received many regulations issued in the last 6 months by Colonel Fleming, of the Wage and Hour Division, all tending to adjust questions that have arisen since the enactment of the law. In view of this fact, and in view of the fact that Colonel Fleming is desirous of still further broadening the rules and regulations, I believe it is unfair for us to consider this bill and try to amend it, in the face of the fact that every effort is being made to have the law made workable.

And in concluding I cannot too strongly impress upon the membership that a vote for the rule is a vote to emasculate this fair labor standards law; it is a vote for long hours and starvation wages which I regret to say still prevail in certain industries throughout our country. I know of many instances in the last 6 months where investigation has disclosed that the owners of large manufacturing plants and businesses, whose net profits have ranged from fifty thousand to as high as half a million dollars a year, have paid their women and young employees as low as 10 cents an hour. The demand for the proposed changes in this law emanates from this class of unfair and greedy exploiters of labor. None of you who vote for this rule will be able to go home and explain your vote except by professing ignorance of the effect of the provisions of the Barden bill, or by acknowledging that you think more of the avaricious manufacturer than you do of the unfortunate underpaid men and women whom the fair labor standards law at least to some extent protect.

Mr. Speaker, I feel certain that regardless of the action that may be taken on this resolution or bill in the House, the body on the other end of this Capitol will not forget the duty they owe to the underpaid and undernourished wage earners of our country and that the gentleman from Georgia [Mr. Cox] and those who follow his philosophy, will find that in the end their work has been in vain.

Mr. COX. Mr. Speaker, will my colleague yield to me?

Mr. SABATH. I am sorry, I cannot yield. I have consumed now more time than I had intended.

Mr. COX. The gentleman declines to yield for a question?

Mr. SABATH. I do not have the time. I have already used 2 more minutes than I had intended to reserve to myself.

Mr. COX. The gentleman does not propose to yield at all?

Mr. SABATH. I cannot yield.

The gentleman from Georgia [Mr. Cox] no doubt as heretofore will attempt to show that the farmers and business will be unfavorably affected. But he and the country must know, as I have already stated, that since the Fair Labor Standards Act went into effect late in 1938 business and employment have increased because of the fact that the purchasing power of the wage earner has increased.

Mr. Speaker, I reserve the balance of my time.

Mr. FISH. Mr. Speaker, I yield myself 5 minutes.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield in order that I may propound a parliamentary inquiry?

Mr. FISH. I yield to the gentleman from Michigan.

The SPEAKER pro tempore (Mr. WARREN). The gentleman from Michigan will state his parliamentary inquiry.

Mr. WOLCOTT. Mr. Speaker, the proposed resolution provides that the bill H. R. 5435, the so-called Norton bill, shall be read after general debate. Then the rule provides that certain other bills known as the Ramspeck bill and the Barden bill may be offered as substitutes. The resolution expressly provides that the substitutes may not be amended. If the resolution is adopted and the substitutes which are in order are offered and rejected, then will the Norton bill be read under the rules of the House which provide that any amendment may be offered which is germane, subject to the 5-minute rule?

The SPEAKER pro tempore. If the two proposed substitutes should be rejected by the Committee of the Whole, then the original Norton bill would be read by sections and would be subject to any germane amendment.

Mr. COX. Mr. Speaker, will my colleague yield so that I may make a statement with reference to a point raised by the gentleman from Illinois?

Mr. FISH. If I might have a part of the gentleman's time, I should be glad to yield.

Mr. COX. I would like the gentleman to yield to me for just one question.

Mr. FISH. I will yield to the gentleman now, but I may have to take it out of his time later.

Mr. COX. I hope the gentleman will not have to do that, but let me say that the rule now before the House provides for the consideration of the Norton bill and makes in order the substitution of the Ramspeck or the Barden bill. It provides further that no amendment shall be in order to either the Ramspeck or the Barden bill. I asked the chairman of the Rules Committee to yield to me to offer an amendment to the rule making both bills subject to amendment, and I present to him now a request signed by the majority of his Democratic colleagues on the committee, asking him either to offer such an amendment himself or to yield to some member of the committee to offer the amendment.

Mr. FISH. That is a matter entirely in his hands and with which I have nothing to do.

Now, Mr. Speaker, I desire to address my remarks first to the Republican side. The Republican floor leader, the gentleman from Massachusetts [Mr. MARTIN], wanted me to make very clear that this is in no sense a partisan issue, either the vote on the rule or the vote on any of the three bills that will be brought up under the rule, if the rule is adopted, the Ramspeck, Norton, and the Barden bills; that every Member on the minority side should naturally consider both the rule and the different bills on their merits and vote their convictions freely and openly. This is the usual procedure, of course, of the Republican Party. [Applause.]

This rule was adopted on July 27 of last year, some 9 months ago, and was filed on August 2. At the time of its adoption by the Rules Committee I was not present, because I was then on the high seas. The rule is out of the ordinary; it is extraordinary. It makes in order three bills, the Norton bill, for which no rule has been requested, and two other bills that have never been reported by a committee.

I am just giving you the facts and I want to be open-minded myself, both on the rule and on the bills. I am very generally in favor of the wage and hour bill, which I voted for and believe in more today than I did when I voted for it a few years ago. [Applause.] There is no question in my mind that it has been accepted by the American people and that there is very little opposition to the continuation of the wage and hour bill except from selfish interests who would like to get back to 10 cents an hour wage scales.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 5 minutes more.

Of course, everybody knows there are inequalities and injustices in the bill and the House has the right to remedy those injustices and those inequalities by proper amendments to the existing law.

As far as the Rules Committee and its power are concerned, it had the power to report the pending rule. It has the right and the power under the rules of the House to report out bills that have had no committee hearings, and therefore its actions are within the scope of the rules of the House. The Rules Committee is nothing but an agency of the House. The House is still the master, and it has the right, of course, to vote down or to agree to the rule or the bills. A majority of the Members have control of the situation and can work their will on the rule. If the membership of the House does not agree that the Rules Committee was wise in its judgment in reporting three bills which had had no committee hearings, all they have to do is to vote down the rule and that ends the procedure. Amendments to the Wage and Hour Act can be submitted by the Labor Committee in the orderly way with proper amendments that are germane, and probably necessary to do away with the inequalities of these injustices that may exist.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield for a very brief question.

Mr. MARCANTONIO. The gentleman has described this rule as being extraordinary. Will the gentleman please explain why such an extraordinary procedure has been outlined to do an extraordinary job on the American workers?

Mr. FISH. All I can say to the gentleman, as I said before, is that I was on the high seas at the time. I probably would not have voted for the rule, because I do not like this type of "gag" rule. I certainly do not like any part of the "gag" in this rule. The gentleman from Georgia [Mr. Cox] offers to amend and liberalize the rule now, but it certainly came out of the committee distinctly as a "gag" rule of the worst kind, because no amendment would be in order under this rule to the Barden bill or the Ramspeck bill, but we could amend the Norton bill if the other two bills were voted down.

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield very briefly.

Mr. HEALEY. Does the gentleman know of any precedent for such a rule?

Mr. FISH. I do not know of any precedent for three bills to be reported by one rule, but there have been instances somewhat similar. The old bonus bill was brought in with two or three bills under such a rule, but I have not looked that up. I believe the McCormack bill and the bill of the gentleman from Texas [Mr. PATMAN] were brought up under somewhat similar rules, but I do not remember if it was a "gag" rule.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield on that point?

Mr. FISH. No; the gentleman will have his own time.

Mr. BARTON. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. BARTON. Does not the gentleman feel that the proper and orderly procedure for the House is to vote down this rule? [Applause.]

Mr. FISH. The gentleman has put me directly on the spot. I tried to approach this rule and these bills with an open mind. I think I shall vote against the rule [applause], and the main reason I will vote against it is that I believe that these bills are an attempt to break down the wage scale in certain southern States in order to exploit both the poor white and colored labor in those sections of the country.

I am against all attempts to break down the $12.60 a week wage scale. That is little enough for American wage earners. [Applause.] I cannot understand how any American can deliberately single out any group of industrial workers, because these proposals do not affect agricultural workers, and say $12.60 is too much to pay an American wage earner for a week's work. If this is an attempt to break down the law then I am against it. I believe it should be modified in the orderly and proper way, particularly for seasonable occupations and that it can be done by this House, but when you bring all these amendments up in three bills in this confused manner under a "gag" rule after 9 months, I am compelled to say as long as I have been asked the question that I propose to vote against the rule.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. REED of New York. I think the whole subject is so important that it should come in under circumstances where there would be no confusion.

Mr. FISH. That is right.

Mr. REED of New York. There are certain amendments that are absolutely essential to the employment of labor and give the farmers a fair deal as well, and here we are foreclosed from any opportunity of amendment except perhaps to make a 5-minute speech under the 5-minute rule, hoping that the Senate will do something about it.

Mr. FISH. I agree with the gentleman, and I will follow his sound advice by voting against the rule. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, reference has been made to this rule. Some talk about it being a liberal rule—liberal so far as the Norton bill is concerned, but closed tight when it comes to the Barden substitute. Outside of one amendment that can be offered by the gentleman from North Carolina [Mr. BARDEN] himself, you cannot offer an amendment, you cannot move to stike out one word in the Barden substitute. As to the Ramspeck substitute, not even the committee is permitted to offer an amendment. Is that fair to the membership of this House?

Now, as to the Norton bill, if the substitutes are voted down, the rule provides for the consideration of as many amendments as are offered.

There is but one course for this House to pursue, and that is to follow the orderly procedure of this body and send this resolution back to the Rules Committee, where it belongs. That can be done by voting "no" on the resolution.

There is no use in taking up the time of the House passing destructive amendments on this act, because there is a place where they will stop. This administration is committed to keep this Fair Labor Standards Act on the statute books. It is only fair that proper time be given so that it will have a fair trial.

Three years ago the Black-Connery bill regulating wages and hours was introduced in Congress. It was subjected to the same sort of blind opposition that earlier legislation on wages and hours had faced, and it was only after extensive, searching, and at times bitter debate that the present law, the Fair Labor Standards Act, was passed.

Since every court that has passed on the constitutionality of the act has upheld the statute's validity—that includes six district judges and a circuit court of appeals—those who fought the passage of this legislation realize that they have no hope of overthrowing it in the courts. Consequently, they have again shifted the scene of their attack to Congress. You find no effort now to openly urge repeal of the act. Those opposing the bill do not dare advocate such a course. They seek this objective in another way. Their strategy is to emasculate the act by first denying the Administrator a sufficient appropriation with which to enforce it, and secondly by exempting, without economic or social justification, the very employees who need its protection most.

The Fair Labor Standards Act has not yet been on the statute books for 2 years, and it has been in effect for little more than a year. The Wage and Hour Division of the Department of Labor, charged with its enforcement, has not yet had sufficient funds to enforce its provisions. Experience under the act is insufficient at this time to justify any sweeping amendments. I hope the rule will be voted down. [Applause.]

Now, Mr. Speaker, in discussing the Barden amendments, let me remind you that the Fair Labor Standards Act was a long time coming. For generations the people of Scandinavia and England, among other European countries, have had wage and hour legislation. When Federal legislation in this country was first being considered it was opposed on the grounds that the States should deal with the problem. When the States passed legislation on wages or hours, a prompt attack upon its validity was made in the courts, and for over 30 years the courts effectively blocked State regulation.

Three main proposals are contained in the Barden bill, although certain other changes are incorporated to sugarcoat the pill.

First, a complete exemption is provided from both the wage and hour provisions for all employees engaged in handling or processing agricultural commodities. Since an adequate hours exemption already is provided for these employees, the sole issue with respect to them is whether they should be paid 30 cents an hour or whether their wages should be reduced to the miserably low wages, often less than a dime an hour, they were paid before the act became effective.

Second, a complete hours exemption, although phrased in terms of a limitation on hours, is provided for all employees engaged in handling and slaughtering livestock and poultry.

Finally, a 6-month limitation is placed upon the right of employees to sue for the wages guaranteed them by the act.

I direct my remarks now to this last amendment because it earmarks and brands the entire Barden bill as destructive of the protection Congress intended to afford employees by the Fair Labor Standards Act. The effect of this proposal is to deny to employees all of their rights under the act, no matter how justifiable the reasons for delay in filing suit may be. The period fixed is so short, its purpose should be obvious. I can think of no statute of limitations which outlaws a claim in so short a period as 6 months. Such a provision is discriminatory in the extreme. No Member of Congress would dare introduce a bill containing such a limitation upon a property right. I am sorry to see the rights of workers treated so lightly. In plain words, the effect of this proposal is to invite an employer who has admittedly violated the law to take a chance, on the theory either that his employees are uninformed as to their rights or, though informed, are so afraid of losing their jobs that they will not dare sue during the tenure of their employment. This provision, by removing for all practical purposes the deterrent effect of the employee's right to sue, will, in conjunction with insufficient funds, cripple the Administrator in his efforts to decently enforce this law.

Looking very briefly at the amendments providing a complete exemption for both the wage and hour provisions for employees of canners and packers and processors of agricultural commodities, let me make just one point. These are the employees who benefited most from the Fair Labor Standards Act. These are the unorganized, helpless workers the act was passed to protect. These are the workers who, prior to the time this law became effective, were paid a dime an hour, 5 cents, and even 3 cents an hour, for hard work in canning and packing factories. The proponents of the Barden bill apparently are willing to see these employees returned to starvation wages—returned to the relief rolls and supported by the taxpayers—so that the industrial masters of these serfs may have an economic advantage over the decent employers of labor.

I find it hard to believe that there is some minimum wage below which some would not permit labor to be exploited.

If the proponents of the Barden bill believe 30 cents an hour too high—last year they thought 25 cents an hour was too much—they should name a figure. I think the House should hear them speak on this question.

I need only discuss the hours limitation for the employees of livestock and poultry packers by saying that the limitation proposed is so high that few, if any, employees engaged in the industry ever would work so long.

Before concluding, I think it would be helpful if I pointed out the generous exemptions now available in the Fair Labor Standards Act not only for agricultural workers but for those handling farm produce away from the farm.

As to the exemption for agriculture, I can do no better than to quote from a speech delivered on April 1 by the Wage and Hour Administrator:

> Here are some things which the wage and hour law does not do * * *:
>
> It does not regulate the working hours of the farmer's hired man.
>
> It does not specify the wages that must be paid to the farmer's hired man.
>
> It does not apply in any way to work done by a farmer on a farm, or to those working for the farmer on a farm. It does not apply to the farm wife's hired girl or to the work that farm children do on the farm for their own parents, or to the berry pickers who come in at harvesttime to work in the farmer's berry patch, or to the people he hires to help get in his hay, or to thresh his wheat on the farm.

Turning to some of the exemptions now provided by the act for those handling the farmer's produce after it leaves the farm, we find that the ginning and compressing of cotton, the processing of cottonseed, the processing of sugar beets and sugarcane into sugar or sirup are not regulated as to hours at all.

Fourteen weeks in the year canners and packers of perishable fresh fruits or vegetables can work their employees without any limitation as to hours, as also can handlers and slaughterers of poultry and livestock. Moreover, individuals employed in canning, packing, storing, ginning, handling, compressing, pasteurizing, preparing in their raw or natural state any agricultural or horticultural commodity within the area of production are exempt from both the minimum-wage and overtime provisions. For example, almost anybody handling cotton, except the textile manufacturer, would be entitled to some exemption.

I know the Administrator's definition of the term "area of production" has been subjected to criticism. I also know, however, that if there is ambiguity which the Administrator has not successfully resolved, the Barden bill would resolve it with complete disregard of the rights of the very employees who need most the protection of a floor under wages and a ceiling over hours—would resolve it in the very way the Congress repeatedly rejected when the Fair Labor Standards Act was being considered.

There is an old saying that you have to lay a ghost several times before it is dead. The Barden proposals are ghosts of amendments, repeatedly introduced during the debate on the Fair Labor Standards Act and repeatedly rejected by Congress. I am confident that Congress will not now instill the breath of life into them.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I am going to discuss procedure under the rule only at this time and not the merits of the proposed bills. My language may seem a little technical. I was not on the Rules Committee when this rule was reported out. Had I been, I would not have voted for the rule, because it is about as severe and drastic as a rule can be made. Let us see just what it does. First, it makes in order the Norton bill, H. R. 5435, which was reported favorably by the Committee on Labor and which is on the calendar. Second, it makes in order as a substitute for the Norton bill the Ramspeck bill, H. R. 7349, which was before the Labor Committee but not reported. Third, it makes in order as a substitute for the Ramspeck substitute the Barden bill, H. R. 7133, which was also before the Labor Committee but not reported. It waives all points of order as to the substitutes. It prevents a single amendment to either one of the substitutes, except that in line 20, on page 4 of the Barden bill, the House is generously permitted to offer an amendment to strike out the word "not" if it so desires. That is just about as tight as you can write a rule. Then the rule gives 3 hours of general debate, confined to the three bills.

Therefore, the way the vote will come up under this rule is this: The first section of the Norton bill will be read. Then

a motion will be offered to strike out the first section of the Norton bill and insert the Ramspeck bill as a substitute for the Norton bill. Then a motion will be offered to substitute the Barden bill for the Ramspeck substitute. Then you will vote first on whether or not you will have the Barden bill in preference to the Ramspeck bill. If that carries, then the vote will be between the Barden and the Norton bills. If you accept the Barden or the Ramspeck bill you cannot offer any amendments to either, except to strike out the word "not" in the Barden bill. If you do not adopt the Ramspeck substitute or the Barden substitute, after voting, then the Norton bill is open for amendment under the general rules of the House. This is the only generous or usual thing about the rule.

Mr. COX. Mr. Speaker, will the gentleman yield to me?

Mr. MICHENER. I only have 5 minutes. I want to be courteous however.

Mr. COX. I am asking the chairman of the Rules Committee to yield to me to offer an amendment to the rule.

Mr. MICHENER. I appreciate the gentleman's good intentions, but I am talking about the rule that was reported out by the committee and the rule that we are now considering. So if you vote down the Barden substitute, and if you vote down the Ramspeck substitute, then you have the Norton bill, subject to amendment under the general rules of the House.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. Yes. My time is limited however.

Mr. HALLECK. Would it then be possible to offer any of the particular items contained in either the Barden bill or the Ramspeck bill as amendments to the Norton bill?

Mr. MICHENER. You may offer any amendments to the Norton bill that are germane to the Norton bill. That does not mean any amendments that are germane to the wage-and-hour law, but just such amendments as are germane to the Norton bill.

The real purpose of this rule is to place the House in a strait jacket where it can only vote for certain things decided upon by the Rules Committee. The freedom of action allowed under the general rules of the House is destroyed.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. FISH. Mr. Speaker, I yield the gentleman one additional minute.

Mr. MICHENER. The gentleman from Georgia [Mr. Cox] is going to ask the chairman to yield to him to offer an amendment to the rule. If his proposed amendment were in the rule now it would be a pretty good rule, because it would bring the Norton bill, the Ramspeck bill, and the Barden bill before the House and each would be subject to amendment by the House. I believe in open rules. I believe the Congress is the people's forum. I believe if the wage and hour law needs amending, the Congress can be trusted to do the job. It does not need a wet nurse—either organized labor, organized capital, or organized agriculture. I believe it is the duty of the Rules Committee to bring the matter before the House in such a way that open and fearless consideration may be had on the floor of the House. We want no strong-arm methods by any of these organizations on the one hand or by the Rules Committee on the other hand. [Applause.]

Possibly there are one or two precedents for a rule of this kind. I remember when different forms of bonus bills were up for consideration under a complex rule. I also remember when two or three methods of dealing with agriculture, including the McNary-Haugen bill, were up under a very intricate rule. This type of rule, however, is not advisable and should be avoided.

The Rules Committee unquestionably has the authority to report a rule making any bill which has been introduced into the House in order, even though the bill has not had committee consideration. Such a general policy, however, would lead to much trouble and eventual limitation of the powers now enjoyed by the Rules Committee. Inasmuch as these three bills all have to do with amending the Fair Labor Standards Act, there is much logic in the suggestion that the entire matter of amending this act be considered and disposed of at one time.

Those who are opposed to any amendments to the act of course will vote against this rule.

Those who favor limiting the amendments to the formula provided in any one of these three bills will favor the rule because a vote can be had between the bills.

Those who are opposed to closed or "gag" rules in general will vote against this rule, unless their belief in the necessity for the amendments outweighs their prejudice against "gag" rules.

It can best be understood how drastic the "gag" imposed in this rule is when I tell you that under the rule the House may engage in debate, limited to the subject matter of the three bills, for a period of 3 hours, and then be permitted to vote "yes" or "no" on two of the bills without being permitted to offer any amendments, except the elimination of the word "not" to which I have referred. Some of us wonder what good it does to talk about legislation if a "gag" rule prevents the House from doing anything about it. There is too much talk here and too little action.

The gentleman from Georgia [Mr. Cox], a member of the Rules Committee, now realizes the unreasonableness of this proposed rule and will offer an amendment to liberalize it and permit the consideration of all three bills, with power to amend either bill at the pleasure of the House, and under the general rules of the House. If so amended, this will be an open rule.

Those who are opposed to any amendments to the wage-hour law will, of course, oppose this amendment and I feel sure that the chairman of the committee, the gentleman from Illinois [Mr. SABATH], will not yield to the gentleman from Georgia for the purpose of offering this liberalizing amendment.

In these circumstances, there is just one thing that the House can do, and that is to vote down the previous question, when the chairman of the committee makes the motion. If this is done, then the House can vote on whether or not it wants to proceed under this gag rule or under the usual open rule. I hope that the previous question will be voted down, that the liberalizing amendment offered by the gentleman from Georgia [Mr. Cox], will be adopted, and that the rule, if so amended, will pass.

I shall vote for the rule if it is so amended. I shall vote against the gag rule in its present form.

This is not a partisan matter. Neither the Republicans nor the Democratic leadership is treating it as such. If this wage-hour law needs amending, then the Congress should have the courage to make the amendments. On the other hand—after debate and consideration—if the Congress feels there should be no amendment, then the majority of the Congress can settle that question also. Nothing but good can come out of open, candid, fearless, and conscientious consideration of this whole problem, and it seems to me that we should approach the matter in that spirit.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN of North Carolina. Mr. Speaker, this is a somewhat unusual situation. It grew out of very unusual circumstances.

We passed the Fair Labor Standards Act. We placed certain exemptions in that act, principally relative to agriculture. The Administrator simply wiped them out of existence. He limited them to a 10-mile circle, with 7 employees, in a town of not less than 2,500 population, and so forth. Agriculture became alarmed and justly so. This matter was taken up by the Labor Committee. It was discussed day after day. We had hearings month after month before the Labor Committee. The bill H. R. 5435 was reported out of the committee and I voted to report it favorably. It was reported by the Labor Committee by a vote of 16 to 2. The chairman of that committee was instructed to use all parliamentary means and

methods provided by the rules of the House for bringing it before the House for consideration. There that bill remained and nothing was done and there was a very clear intention that nothing would be done.

Now, Mr. Speaker, with 32,000,000 agricultural people in America, approximately one-fourth of the population of this Nation, when they send up a cry it should be heard. This is the body to hear this cry.

Then I set about to do everything in my power to bring to this floor a piece of legislation to give to the House the right to say what exemptions it intended agriculture should have, in clear and unmistakable terms. I applied for a hearing before the Rules Committee and after some delay they granted me a hearing.

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. BARDEN of North Carolina. Just briefly.

Mrs. NORTON. The gentleman does not want the House to understand that his bill was considered by the Labor Committee, of course?

Mr. BARDEN of North Carolina. Considered? Yes. We discussed it time and time again in the committee.

Mrs. NORTON. Discussed certain amendments, but we never discussed the gentleman's bill.

Mr. BARDEN of North Carolina. I remember very distinctly the last discussion we had was over in the meeting that we had in this room over here when I tried to get a vote on the bill to get it out. I believe your minutes will disclose that, Madam.

I went before the Rules Committee.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. BARDEN of North Carolina. In just a moment. I only have a short time. We will hear from Philadelphia later. [Laughter.]

I went before the Rules Committee. The Rules Committee would not have brought out this bill had there not been facts and circumstances presented to them that made it absolutely necessary in their minds. The evidence was overwhelming. Practically every farm organization in the United States has endorsed it.

Mr. Andrews appeared before the Rules Committee. The Administrator, his chief counsel, and his assistants were there, yet the committee took this action. [Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. BARTON].

Mr. BARTON. Mr. Speaker, the Labor Committee had long and difficult sessions, out of which grew the so-called Norton bill. Neither the Barden bill nor the Ramspeck bill were ever seriously considered by the committee. No testimony was taken, no testimony is available to the Members of the House. We have never had Colonel Fleming, the new Administrator, before the committee, nor have we had Secretary Wallace before us.

To bring in two bills which the legislative committee had never considered or reported and to ask the House in a limited time and with limited evidence to act on a matter of this importance seems to me to be the wrong way to legislate.

I favor the Norton bill. I would like an opportunity to express myself on it. I do not favor this rule, even if it be amended as suggested by the gentleman from Georgia, and I intend to vote against the rule. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentlewoman from New Jersey [Mrs. NORTON], chairman of the Committee on Labor.

Mrs. NORTON. Mr. Speaker, I appeal to the membership of the House to vote down this rule. It is a complete example of dictatorship, and I will give you my reasons for so stating.

First, it is not orderly procedure, and every standing committee of the House is in danger if this precedent is established today.

The Rules Committee, in its desire to grant a rule to the Barden bill, a bill never considered by the Labor Committee—and I say that most emphatically—have used H. R. 5435 as a vehicle to bring to the House H. R. 7133, a bill claiming to benefit agriculture. What a misnomer! It certainly will never help agriculture; and on this I quote the Secretary of Agriculture, who I believe to be the farmers' greatest friend.

Mr. GROSS. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I cannot yield at the moment. If I have time I shall yield. I have only 4 minutes.

Mr. Speaker, this bill definitely will not benefit agriculture.

Second, it is a smoke screen for organizations claiming to represent the farmer but who in reality represent processors, canners, packers, ice cream manufacturers, warehousemen, terminal operators, and in fact every industry handling agricultural commodities. But this is done in the name of the farmer.

The bill is a cheat, and would take out from under the coverage of the wage and hour law about 2,000,000 of the lowest paid workers, men and women, your constituents and mine, employed in industry. They would be taken from under the coverage of the wage and hour law without in any way benefiting the farmer.

Third, it is time the membership of the House realized that the Committee on Rules is under the domination of men who come from districts where poor people are not allowed to vote because they are unable to pay a poll tax, [applause] and that the power the Rules Committee has assumed would stifle labor legislation and place the workers of this country entirely at their mercy.

Fourth, if the House believes in the domination of the Committee on Rules and its control of legislation, then vote for this rule. If, on the other hand, the membership believes in committee responsibility and freedom from sectional control, vote down the rule. I say to my colleagues that my responsibility is to myself and to the workers of America from every section of the country, and this responsibility I intend to discharge to the best of my ability.

If you believe in fair play and justice to the least and most unimportant of God's creatures, you should defeat this rule and serve notice on the Committee on Rules that it cannot constitute itself judge and jury of well-thought-out legislation reported from the other committees of the House. [Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, by agreement with the chairman of the Committee on Rules and others, I yield 5 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, at the outset of my statement I would like to inquire of the chairman of the Committee on Rules if he proposes to offer the amendment to the rule which his Democratic colleagues have requested of him, or if he will yield to me or some other member of the committee to offer the amendment. I ask for an answer to the question now.

Mr. SABATH. Mr. Speaker, this rule was prepared by the Parliamentarian under the direction of the gentleman from Georgia and these gentlemen who have signed this petition. They have had ample opportunity to notify me that they desired a change. It is not of my making, it is of the gentleman's own making. At this late hour I cannot yield and will not yield for any amendment. [Applause.]

Mr. COX. Mr. Speaker, it is a funny bird that befouls its own nest. The chairman of the Committee on Rules directed by his committee to report this rule, takes the time allowed for debate and devotes it to an effort to defeat its passage by the House. This, of course, is his right. The gentleman says he seeks to be fair. I ask if taking advantage of his chairmanship to violate the instructions of his committee is fairness?

Mr. Speaker, I ask the question: When would this House ever have opportunity to consider amendments to the wage and hour law if it had to wait for voluntary action on the part of the chairman of the Committee on Rules?

Unfortunately, the chairman finds himself in the iron grip of an influence determined to sell the American people into

deeper bondage under a political hierarchy of so-called industrial workers dominated by the chairman of the C. I. O.

Mr. Speaker, this morning I had the opportunity to examine a cooked-up piece of propaganda broadcast over the radio by the Secretary of Agriculture and the Administrator of the Wage and Hour Division, which was little better than boyish chatter. The same gentlemen belong to the group who, despite the Supreme Court of the United States, have finally contrived to regiment, direct, and control the essential industries of the Nation under laws, codes, regulations, bureaus, and bureaucratic agents so numerous and so inquisitorial as to bring industry to the verge of collapse. Immature, impractical, and inexperienced bureaucratic attorneys with powers of inquisitors sit as judge, jury, and executioner over the operation and conduct of the Nation's essential industries.

Mr. Speaker, under the administration of the Secretary of Agriculture, that great Department has been used to create a chasm of despair upon the brink of which 6,000,000 American farmers stand surrounded by their impoverished families—a total of 33,000,000 American men, women, and children, a third of the Nation—despoiled of the ownership of their farms and homes, dispossessed of their soil, victims of accumulated debt, burdened with oppressive taxes, wards of the Government, objects of Federal ghouls, producers of wealth on relief, and when we come before this House with a bill, which was largely put together by the agricultural people of America, we are met with the objection that we are undertaking to further penalize the people of this country who receive the lowest wages.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. CASEY].

Mr. CASEY of Massachusetts. Mr. Speaker, in June 1938 Congress had reason to be doubtful about the future. Abrupt stoppage of Government spending had caused only a few months previously the sharpest drop in prices and production that the country had experienced in these difficult times.

By June 1938 things seemed to be improving slightly. Congress was able to consider the future with some hope, but not with confidence.

In this spirit of hope this House passed the conference report on the Fair Labor Standards Act, better known as the wage and hour law, on June 15, 1938, by a vote of 291 to 89. Despite the doubtful times, it was the evident determination of this body not to sell American labor short.

As I said, Congress had little reason in June 1938 to read the future with confidence. Well, here we are in that future. Let us take a look at what has happened. In June 1938 the New York Times average of prices on the New York Stock Exchange stood at 91.33. Yesterday it was 108.66.

In June 1938 the Federal Reserve Board's index of production stood at 77. This year, the last one reported stood at 103.

In June 1938 the Bureau of Labor Statistics index of factory pay rolls stood at 84.3. Again, today the latest one available is 101.4.

The 1940 crop of perishable fruits and vegetables—commodities about which we are going to hear a lot—have not all been planted yet. However, last summer their price was 10 percent better than in the summer of 1938 when we passed the wage and hour bill.

In June 1938 cotton sold at 8.1 cents per pound. Yesterday May cotton closed at 10.86 cents a pound.

In June 1938 corn sold at 52.3 cents a bushel. Yesterday May corn closed at 64.75 cents a bushel.

On June 15, 1938, wheat sold at 69.7 cents a bushel in the Chicago pit. Yesterday May wheat closed at $1.10.

And here we are debating whether 30 cents an hour can be paid.

The wage and hour bill provided for a 25-cents-an-hour minimum wage for the first year, a 30-cents-an-hour minimum wage for the second year. The goal of the act is a 40-cents-an-hour minimum wage and a 40-hour week. This is written into the statute and goes into effect in the fall of 1945.

In the meantime committees equally representative of the public, the employers, and the employees were to investigate the economy of industries and recommend the highest minimum-wage rate up to 40 cents an hour that would not cause substantial curtailment of employment.

Curtailment of employment—that was the one thing in the doubtful summer of 1938 that Congress feared in applying a minimum-wage rate to the Nation. If it had been sure that economic conditions were going to improve, that there would be no curtailment of employment, it would have legislated a 40-cent minimum wage to go into effect directly. At that time it seemed that almost everybody was for increasing the wage of the lowest-paid workers. The only thing we feared was causing unemployment. At that time no one seemed to think of 40 cents an hour, $16 a week, as a high wage, even for a minimum. And, for the life of me, I cannot see why they should think it a high wage today. But here we are, debating a bill—the Barden bill—which would take the 30-cent minimum wage away from hundreds of thousands of workers.

It seems incredible that in this day of rising prices and rising cost of living and increasing employment, here on the eve of an election, that Congress should seriously consider legislating wage reductions.

You may not approve of the way the Wage and Hour Division handled the "buck" you passed them. The "buck" was the problem of determining how far into rural economy the 30-cent minimum wage should be extended.

Administrator Andrews finally held that establishments so small that they drew their products from no further than a 10-mile radius, and located in communities so small that the census did not rate them over 2,500 population, were the ones to be exempt from 30-cents-an-hour payments. By these criteria they were "within the area of production."

There seems to be some well-founded protest on the working of this definition. There are reports of agricultural pockets—of farms which cannot sell their products to the canneries which used to handle them because these farms are more than 10 miles away.

The present Administrator of the Wage and Hour Division, Col. Philip B. Fleming, of the United States Army Engineer Corps, does not seem to be satisfied with this definition. Without waiting for formal petitions, as provided for in wage and hour regulations, he has called three public hearings to reexamine packing of citrus fruits, packing of fruits and vegetables, and canning of fresh fruits and vegetables.

Ordinarily he would be given an opportunity to work this out, but the present temper of this House seems to be one of taking drastic action. It seems to be a mood of taking striking positions—even a willingness to repudiate the minimum-wage principle. It would impair the record of Congress' achievements, a record in which we all have a personal stake, a record to which Members on both sides of the aisle have contributed, a record which many of us are proud and confident to take before the people.

I have said these amendments amount to legislated wage reductions. Not wages that will be paid or might be paid, but wages that have been paid. Whether or not you like the Division's definition, it did result in increasing the hourly wage rate and the total wages paid to more than 200,000 first processors of agricultural commodities off the farm. There has been some difficulty in obtaining compliance with this law in the woods from the small sawmills, a difficulty which the Barden amendments would solve by removing the law. But there has been no difficulty; in fact there has been general compliance in established factory operations, and that includes canning factories.

A survey of canning-factory wages showed that in Wisconsin, Indiana, New York, and right here in nearby Maryland, considerable percentages of the employees earned less than 25 cents an hour in the summer of 1938. That was before the act went into effect. Last summer, the summer of 1939, these percentages of workers making less than 25 cents an hour had almost disappeared. This summer the 30-cent minimum wage will apply. The small percentages under the

minimum probably do not represent violation of the law. They represent the very small canneries which qualify as being within the area of production, as defined by the Administrator.

There is no great economical difficulty about applying a minimum wage to canning factories and packing establishments. The cost of labor is very low compared with the price of the product. A minimum wage means a cost increase of only a fraction of a cent on a bushel or a cent or so on a case of 24 cans. The public is used to changes in the prices of these products.

For instance, there was no great economic difficulty about applying the California State minimum wage rate to packing and canning. The California minimum rate for canneries and packing houses is not 30 cents, the rate we are discussing here, it is 33½ cents. Yet the California products traveled all across the country and before the Federal wage and hour law went into effect, successfully competed with the products of canneries paying 10 and 15 cents an hour.

When this matter was before Congress last year there were a lot of editorials about a dime-an-hour bloc. The way those supporting these amendments resented this appellation is understandable, but I do not see how they can escape it. Ten cents an hour in canneries occurs all over the country. The State of Arkansas legislated a 15-cents-an-hour minimum wage to end this in the Ozarks.

The gentleman from North Carolina [Mr. BARDEN] addressed the House Tuesday on his amendments. He said that they would not in any way affect the coal mines, and I am sure they will not. I checked on that and I find the lowest paid workers in the coal mine contracts today are the greasers in the Alabama mines. They get $4 for a 7-hour day. That is about 57 cents an hour. I am sure they will be glad to hear that the 30-cent minimum wage still applies to them.

That is the point of the opposition to these Barden amendments. A minimum wage just does not mean anything unless it increases the rate paid to the lowest paid workers. In the application of the 30-cents-an-hour minimum wage to the national economy, these canning factory and packing house workers employ the largest affected group.

Let us use round figures. The number getting less than 30 cents an hour in the manufacture of cotton cloth came to about 50,000, the number getting less than 30 cents an hour in the manufacture of clothes to about 100,000, the number getting less than 30 cents an hour in sawmills to about 100,000, and the number getting less than 30 cents an hour in canning factories, fruit and vegetable plants come to about 140,000.

Now, if these Barden amendments become the law, what are we going to tell the sawmill industry? They will come back here with a very reasonable story that their larger units cannot continue in competition with the units employing less than 15 men, which the Barden bill would exempt from the necessity of paying minimum wages. They will say that they are faced with the alternatives of splitting up into small units or going out of business. And how are we going to deny them their exemption if we make a precedent here that a minimum wage should not apply where wages are too low?

If we start exempting low-wage industries we will soon have a minimum-wage law that will not mean anything. It will apply only to industries that pay at least 60 cents an hour. The organization that is most interested in protecting the income of the farmer is the United States Department of Agriculture. And here is what Secretary Wallace has to say about canning and packing establishments:

> Workers in such industries are employed under conditions that approximate those of factory employment. Their numbers, together with their irregular employment and frequently insecure economic status, render them peculiarly vulnerable to the dangers which it is the purpose of the Fair Labor Standards Act to alleviate. There can be no question but that they are entitled to the same protection under existing legislation as their fellow workers in factory, mill, and mine.

I hope a great many Members of this House heard the Secretary's radio talk on the wage and hour law Monday night. One thing he said interested me greatly. I myself had not realized the role that Representatives of urban districts in this body have played in helping agriculture. Secretary Wallace said:

> Recent legislation for the protection of farmers could not have been enacted had not congressional Representatives of city workers joined in supporting them. For example, 63 percent of city Representatives voted for the original A. A. A. legislation in 1933. Sixty-three percent of them voted for the revised A. A. A. program in 1938.

The Secretary added:

> I regret to say that the Congressmen for the rural areas seem less disposed to support measures for industrial workers.

He then pointed out that only 39 percent of the rural Congressmen had voted for the wage and hour law.

All I have to say to that is that the liberal, progressive Members from the urban districts will always be ready to support legislation aiding rural economy. And that in defense of the minimum-wage principle, we now need the votes of the liberal, progressive Members from the rural areas.

The Barden amendments would put an end to a successful application of the minimum-wage principle. In canning and packing establishments the minimum wage was being paid and no curtailment of employment resulted. Why, right in the old North State—I refer to the native State of the gentleman from North Carolina [Mr. BARDEN]—the State labor department last fall, after the change in the minimum rate on October 24, had to send out a call for tobacco strippers at 30 cents an hour. In spite of the fact that this work previously had been done for 10 and 15 cents an hour, there was a labor shortage at the higher rate.

To put it in another way, the 30 cents an hour had doubled the tobacco strippers' earnings from about $7.50 a week to $15 a week. This doubling of that seasonal pay roll must have been favorably felt by the stores in certain sections of North Carolina. And where did the money come from? It came out of the tobacco industry, one of the largest and most prosperous industries in America.

Now these canning-factory workers, mostly women, who for the first time made at least 25 cents an hour in the summer of 1939, certainly knew the reason why. It was the Federal wage and hour law. The word went right down the endless belts carrying the beans for stringing and the endless chains carrying the cans to the end girl who puts on the labels.

"The new law," they said, "entitles us to at least 25 cents an hour and next summer we are to get 30 cents an hour."

They did not know the Barden amendments. They did not know about the wage-hour bill until they were surprised by the 25-cent guarantee. But they know about it now. Imagine the resentment when they are informed that Congress passed a new law—the Barden law—and changed all that.

I am afraid that some of my good friends who seem to be inclined to vote for this measure are going to encounter an unfortunate reaction among the women in their constituencies. To please six or seven canning-factory owners, they are going to be criticized by hundreds and hundreds of women. Women have a way of making their resentment felt through a community. The word that Congress has reduced wages in the canning factories will quickly spread through nonpolitical groups—the Parent-Teachers Association, the Epworth League, the W. C. T. U., and the women churchgoers in general.

These Barden amendments are no string of firecrackers to have a lot of fun with in the celebration of independence. They amount to a slow fuze leading to a lot of dynamite.

This House cannot legislate wage reductions and feel very proud of it. Especially not in times of rising prices like the present. The repudiation of the principle of the minimum wage, if we repudiate it in this instance, will come back to plague us again and again, as other groups of employers in low-wage industries—in all fairness, I must say—will come to us and ask that they too be exempted from the necessity of paying 30 cents an hour, $2.40 for an 8-hour day, $12 a week for a 40-hour week.

Mr. FISH. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. LANDIS].

Mr. LANDIS. Mr. Speaker, the Wage and Hour Act has been in effect since October 24, 1938. It does not propose to fix all wages, but only a minimum-wage floor slightly above a starvation level. There is no use in having a minimum-wage law unless it is made to apply to low-paid industrial workers; that is, the workers who need protection. This act would become a mere sham or a fraud if it covered only those employees who already received more than the wage rates prescribed by the act, such as is true in many industries. The wage rates are extremely low—30 cents an hour unless an industry committee finds that it can pay a higher rate, but in no case can the higher rate be more than 40 cents an hour.

A 30-cent wage rate is a very meager wage for a country such as the United States, which boasts the highest level of living in the world. To admit that there are numerous industries in this country that cannot pay this meager wage is a sad commentary upon our standard of living.

Attempts are being made to exempt more than a million of the lowest-paid workers from the minimum-wage standards and more than a million and a half from the maximum-hour provisions. These figures represent human beings who stoop and sweat to earn a living for themselves, their wives, and their families.

All employees involved in the proposed exemptions to the Wage and Hour Act are engaged in industrial labor. In no sense can they be called agricultural workers. The act exempts every employee on a farm or working off the farm if employed by a farmer.

It would be impossible to solve the farm problem by repealing the Wages and Hour Act. If we really want to do something for the farmer, we should preserve the American market and let the farmer run his own business.

What the Wage and Hour Act needs is a chance to prove itself. It has been hamstrung from the beginning because of inadequate funds for enforcement in the administration.

It is not my desire to stir up class hatred nor foment unrest between the worker and his employer. We have all witnessed too much of this in the past. The average employer is not a Tory, and his employee is not a radical. Both are entitled to prosper. The wage-hour law will work no hardships, with but few exceptions, to the employer. In this connection, may I say that I am ready to make some concessions as to hours and wages to those industries that have thoroughly demonstrated that they cannot immediately comply with the provisions of the law? The small telephone exchange is the most outstanding example.

Indiana canners of fruits and vegetables would be placed at a serious disadvantage with respect to their competitors in Maryland, Virginia, and other States if the Barden bill should pass, as the canning industry in these States had a considerably lower wage scale prior to the Fair Labor Standards Act than prevailed in Indiana. It is to be expected that these substandard wage levels which prevailed prior to the act will be reestablished should this bill, granting complete exemption from the act's wage standards, become law.

Examples: Indiana canned tomatoes compete for a market with tomatoes canned in Maryland, Virginia, Texas, and other States. Indiana cannery workers averaged more than 29 cents an hour in earnings in 1938 prior to the effective date of the act, October 24, 1938, as compared with 23 cents in Maryland, 17 cents in Virginia in 1939, and 20 cents in Texas in 1939. More than 92 percent of the Maryland tomato-cannery workers earned less than 30 cents an hour in 1938, as compared with 45 percent in Indiana.

Corn and peas canned in Indiana compete with canned corn and peas from Maryland. Corn-cannery workers earned an average of 29 cents an hour in Indiana in 1938, as compared with about 25 cents in Maryland. Pea-cannery workers averaged more than 32 cents an hour in Indiana and less than 26 cents in Maryland. Eighty-six percent of the Maryland pea-cannery workers earned less than 30 cents, as compared with 40 percent of the Indiana employees.

In 1939 workers in plants canning lima beans earned an average of 31 cents in Indiana, as compared with less than 25 cents in Maryland and less than 20 cents in Virginia.

More than 30,000 persons are employed in the canning industry in Indiana. Additional thousands, most of whom would be affected by the Barden bill exemptions, are employed in establishments handling livestock, poultry, and other farm products.

While the act has helped the Indiana employer in protecting him from low-wage competitors in other States, it has also helped many low-paid employees in Indiana.

Data from the women's bureau survey covering 61 Indiana canneries show that, whereas before the act nearly 14 percent of the workers received less than 25 cents an hour, in 1939, after the 25-cent hourly minimum wage became applicable, less than 5 percent of the workers in these same plants earned less than 25 cents.

The leaders of the Republican Party have been building up labor legislation for many years and have spoken fearlessly, frankly, on the subject of decent wages for the workers of this country.

Never let it be said that the party which rose to power on the slogan of the "full dinner pail" advocated or voted for amendments that would permit American wage earners to be paid less than a living wage. [Applause.]

Mr. SABATH. Mr. Speaker, I yield time to the gentleman from New York [Mr. MARTIN J. KENNEDY].

Mr. MARTIN J. KENNEDY. Mr. Speaker, I am grateful to the chairman of the Committee on Rules for this opportunity to discuss the pending rule. Unfortunately, we have but 1 hour to be divided among the entire membership, in which to discuss the most unusual rule reported to this House in my experience. This rule is so involved it would require four Philadelphia lawyers to explain its provisions. If adopted, this rule will make in order consideration of amendments to the Wage and Hour Act. At this time I am opposed to any change in the Wage and Hour Act, and I am sure, in so doing, that I am voicing the sentiments of every Democrat in this House from my State. In my opinion, we have not given this legislation a fair chance. The present act became law 2 years ago, and certainly when one considers all that had to be done to set up machinery necessary throughout the length and breadth of this land to carry out the requirements of the law, as well as to contend with the aggressive opposition of many employers who had been taking advantage of their employees by compelling them to work long hours for small wages, you will readily understand how difficult has been the task.

Mr. Speaker, as a Democrat, I am sorry that the discussion on this rule developed into a family fight. This rule is here because the Republicans joined with some of the Democrats on the Committee on Rules and succeeded in overriding the chairman. However, I feel sure that after the smoke of battle subsides, those of us who have always worked for peace and harmony within the party ranks will be able to bring about a reconciliation with our separated Democratic brethren. Certainly, the Republicans are delighted to see a split in our ranks, especially that group who will take advantage of the situation to drive holes into the present Wage and Hour Act.

I sincerely hope that we Democrats will submerge all of our present differences and join in the movement for the constant improvement of labor conditions, rather than contribute in any way to the downfall of this progressive legislation.

I regret that my friend, the gentleman from Georgia [Mr. Cox] felt compelled to inject a sectional issue into the debate. This sectional issue has no place in a fair, honest discussion of the issues involved any more than race or creed. The sole issue is—what is best for the working men and women of this country.

Since I entered legislative life back in 1924, I have always heard the plight of the farmer emphasized, both in our State capitol as well as here in Washington. Throughout the

years, if I am to believe all that has been uttered in this House by Representatives from the rural areas, the farmer no longer exists. His alleged condition would have caused his death years ago.

It is a bit disheartening to listen to the arguments that are being advanced on behalf of this rule, especially those arguments that have been directed at the Representatives from the metropolitan areas.

The Democrats from my State have voted for every single measure which sought to improve the conditions of the farmer and the workers on the farm. We have always given our support willingly and we propose to continue to help the farmer in every possible way.

I intend to vote against every single proposal to change the Wage and Hour Act or any of the other legislation which we have recently passed to improve the working conditions, and in that way raise the standard of living. I can assure you that every Democrat in the New York State delegation will stand solidly behind me in my fight to maintain the present act in its entirety because we believe that the pending bill is the opening wedge in a carefully conceived campaign to destroy the entire structure. I sincerely ask every Member of this House to give the most serious consideration and thought to the pending rule, and I am sure that as a result of mature deliberation I will have your support to defeat the pending rule and by defeating the rule we will show our loyalty not only to the workers of America but to the general welfare program of President Roosevelt. [Applause.]

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Speaker, the gentlemen on the other side of the House, the two gentlemen who are members of the Rules Committee itself, have offered the most compelling reasons so far in this debate for voting down this unprecedented and unwarranted rule. I ask you not only in the name of the million or more workers in this country who so vitally require the protection of this act and who would lose its benefits under the Barden bill, but also the thousands of decent and fair employers who are complying with its terms, to vote down this rule. [Applause.]

The American people by a large preponderance have accepted this act. They believe it is a sound and necessary reform, and, in my judgment, they will resent its emasculation.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. WOOD].

Mr. WOOD. Mr. Speaker, much has been said about the protection of the farmers under the Barden amendments to the act. This is the law:

Agriculture is exempted from the operation of this act. Agriculture includes farming in all its branches and among other things includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities, including commodities defined as agricultural commodities in section 15 (g) of the Agricultural Marketing Act, the raising of livestock, bees, fur-bearing animals, or poultry, and any practices, including any forestry or lumbering operations, performed by a farmer or on a farm as an incident to or in conjunction with such farming operations. All these are exempted from the act now. [Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Michigan [Mr. HOFFMAN].

Mr. BARDEN of North Carolina. Mr. Speaker, will the gentleman yield for a brief statement?

Mr. HOFFMAN. Not out of my time.

Mr. BARDEN of North Carolina. I just wanted to correct a statement that was made here.

Mr. HOFFMAN. It is somewhat startling to hear the chairman of the House Committee on Labor accuse the Committee on Rules of dictatorship, of refusing to permit the House to consider proposed legislation, when we recall that for something like 2 years or more we have not been able to get anything out of the Committee on Labor looking toward the amendment of this act or toward the amendment of the N. L. R. A.

In what I have to say now, because of the rules of the House, nothing that is said is to be presumed to refer to any Member of the House. There has been more bunk and nonsense connected with the opposition to the amendment of this legislation and to the amendment of the N. L. R. A. than we have heard in connection with any other legislation brought before the House.

Your attention is called to the noon edition of the Washington News. The very first editorial is captioned: "Is $12.60 too much?"

That is not the question at all. Then the editorial continues:

> Today, in the House of Representatives, an attempt will be made to remove the protection of the Wages and Hours Act from more than a million of these miserably paid workers—principally in such industries as canning, dairy products, logging, tobacco-stemming, pecan-shelling. Under the Barden amendments, workers in such industries would be thrown back upon their own devices—which means upon the mercies of employers who in many cases seem to regard $12.60 a week as a step toward communism.

Never was an editorial writer more mistaken as to the motives or the intentions of nine-tenths of those who are advocating amendments to the Wage and Hour Act.

The question of whether $12.60 a week is too much is not before the House. So far as I know, and I think I know the sentiment of the Members of the House, not one single Member advocates a reduction in the minimum hourly wage.

The question is whether or not you want to make the law fair. The law as it stands today permits a man who gets $1,000 a week, if he works one hour overtime, to charge time and a half for the overtime. Are you going to let it stand?

Mr. WOOD. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. No.

During the past few years the employers who are back of these amendments, the men who give the employment, who provide the jobs and pay the wages, have continued as the hours were lessened to pay the same weekly wage scale, and so have paid an increase of as much as 20 percent.

As an illustration—when men who were working 48 hours were, under the law, permitted to work but 44, in many an industry in Michigan no reduction was made in the weekly wage. When the number of hours which a man might work was reduced to 42 from 44, the weekly wage was not reduced. Again, when the number of hours was reduced to 40 per week, no reduction in the weekly wage was made.

The result was a substantial increase in wages for the number of hours worked; and, as an employer can only pay wages out of the sale of his product and as a reduction of the hours worked is inevitably reflected in the amount of the finished product produced, the resultant loss was borne by the employer; and today many an employer is finding it almost impossible to continue to pay the old wage scale. If the process continues, the result will be that in many an industry the employee will be placed upon an hourly, rather than upon a weekly, basis.

There are some who are opposed to any amendment to the law at all. Some few labor leaders who hold office are opposed to any amendments. Some others, larger in number, labor organizers, oppose any amendments. A still greater number, labor racketeers, like Scalise and Bioff, oppose amendments to the law. They have a direct pecuniary interest in the dues they can collect from the workers.

They would do well to take to heart the moral pointed out in another editorial in the Washington News of this noon which states:

> Isn't Westbrook Pegler about the best friend labor has had since Samuel Gompers, Mother Jones, and Andy Furuseth? Labor with the small l.
>
> For Pegler is the one who dug up the story of Scalise—as he did that of Willie Bioff, now in a Chicago clink for a long-delayed retribution running back to an earlier enterprise in the prostitute business which preceded his entrance into the more lucrative occupation of working the workers.

Scalise, a so-called friend of labor and a union official, draws $25,000 a year out of the dues he collects from employees, and he now stands in danger of going to the penitentiary because of the money he has extorted, on the other hand, from employers.

Bioff, the convicted criminal, is another who loudly proclaims himself as a friend of labor; who damns and excoriates all who would amend the law. But, luckily for labor, he is now spending his time in a jail in the city of Chicago.

Many do not want to give us a chance to perfect the legislation. Always when we offer a perfecting amendment it is said we want to deprive labor of a just and equitable wage. We want to amend the law so as to permit those who give the employment, those who are trying to operate their factories, those who are carrying on the small businesses of all kinds all over the country, a chance to pay, as we pay in the North, more than the minimum wage, and we want to give a chance to the employees as well to work these extra hours if they so desire.

We would like to amend the law so that private industry can continue to give employment, for the Government has failed, in spite of the expenditure of billions of dollars, to meet that problem.

We want to be fair to labor—and by labor I mean the women and the men who do the work. I do not mean either the few labor officials, the greater number of union organizers or the still greater number of union racketeers, who fatten themselves upon what they are able to extort from the pay envelope of the workers. We want to give the employees a law which will enable them, in private industry, to earn a fair and a just wage, so that they will not be dependent, either upon a Government dole, W. P. A. or P. W. A. work, or upon the checks doled out under a farm program which does not work. That we can do only by adopting perfecting amendments to this law.

Those who have complained so bitterly about the rule will have opportunity to vote to make it an open rule and, if they are sincere in their criticism, they can by their action bring the whole matter to the floor for a full and free discussion. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore (Mr. RAYBURN). Does the gentleman from Illinois yield for a parliamentary inquiry?

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I think this rule might well be defeated upon the straight issue of whether or not the House should approve the unusual action taken by the Rules Committee. Certainly in my 12 years as a Member of the House I have never seen a rule of this kind reported by the Rules Committee. The gentleman from New York referred to a rule a few years ago in relation to the bonus, but in that case the Ways and Means Committee voted to request the Rules Committee to report out a rule leaving the Patman bill in order as a substitute. That is an entirely different situation than that which confronts us today.

The action of the Rules Committee in the pending resolution is unwarranted; as a matter of fact, it is absolutely high-handed.

Of course, the Rules Committee has the power, if it wants to abuse its power, but, certainly, the House of Representatives never intended that the Rules Committee should take the arbitrary action that they have taken on this particular occasion [applause], where a bill has never been reported out of committee or where the committee has never asked the Rules Committee to make a bill in order, the Rules Committee itself takes action by bringing forth a rule of this kind.

My friend the gentleman from North Carolina [Mr. BARDEN] said he appeared before the Rules Committee. Could you or I appear before the Rules Committee on some bill we have introduced that is pending today before some committee of the House and expect the Rules Committee to give us a rule? Have you ever done that? The man who has had the longest years of service in this body of any Member has never applied to the Rules Committee for a rule to bring up for consideration a bill that has not been reported out of committee.

Now, what does this Barden bill refer to? It refers to the lowest salaried employees of the country, men and women who are receiving from 4 to 10 cents an hour, men and women who are still receiving it in some of the factories where they are resisting the law. The Wage and Hour Division has instituted court proceedings against some of those companies, and upon the information I received only yesterday, some of these canning factories are still paying their help an average of 10 cents an hour.

The report of this resolution is an unwarranted exercise of power. It is an abuse of power by the Rules Committee, and this House should overwhelmingly convey to the Rules Committee that we vigorously disapprove and will not stand for such action on the part of the Rules Committee in the future. [Applause.]

[Here the gavel fell.]

Mr. COX and Mr. HINSHAW rose.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

Mr. COX. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. COX. If the House were to vote down the previous question, would the rule then be subject to amendment?

The SPEAKER pro tempore. If the previous question is voted down, then the rule is open for amendment.

The question is on ordering the previous question.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 134, noes 126.

Mr. COX. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 185, nays 189, answered "present" 2, not voting 54, as follows:

[Roll No. 85]

YEAS—185

Alexander	Eberharter	Kennedy, Michael	Reece, Tenn.
Allen, La.	Edelstein	Keogh	Richards
Anderson, Mo.	Edmiston	Kramer	Risk
Angell	Englebright	Landis	Robinson, Utah
Arnold	Evans	Larrabee	Robsion, Ky.
Barden	Fay	Leavy	Rogers, Mass.
Barnes	Ferguson	Lemke	Romjue
Barry	Fernandez	Lesinski	Sabath
Barton	Fish	Ludlow	Sacks
Bates, Ky.	Fitzpatrick	Lynch	Sandager
Bates, Mass.	Flaherty	McAndrews	Sasscer
Beam	Flannagan	McArdle	Schaefer, Ill.
Bell	Flannery	McCormack	Schiffler
Bloom	Ford, Thomas F.	McGranery	Schuetz
Boehne	Fries	McKeough	Schwert
Boland	Gartner	Maciejewski	Seger
Bradley, Pa.	Gavagan	Magnuson	Shanley
Brooks	Gehrmann	Mahon	Shannon
Bryson	Geyer, Calif.	Maloney	Smith, Conn.
Buck	Griffith	Marcantonio	Smith, Wash.
Buckler, Minn.	Harrington	Massingale	Smith, W. Va.
Buckley, N. Y.	Hart	May	Snyder
Burdick	Harter, Ohio	Miller	Somers, N. Y.
Byrne, N.Y.	Hartley	Mills, La.	South
Cannon, Fla.	Havenner	Mitchell	Spence
Cartwright	Healey	Monroney	Stearns, N. H.
Casey, Mass.	Hendricks	Mott	Sullivan
Celler	Holmes	Mouton	Sweeney
Clason	Hook	Murdock, Ariz.	Tenerowicz
Coffee, Wash.	Houston	Myers	Thomas, N. J.
Cole, Md.	Hull	Nichols	Thomas, Tex.
Connery	Hunter	Norton	Thomason
Costello	Izac	O'Connor	Tolan
Cravens	Jacobsen	O'Day	Vincent, Ky.
Creal	Jeffries	O'Leary	Vreeland
Crosser	Jenks, N. H.	Osmers	Wallgren
Crowe	Jennings	O'Toole	Walter
Culkin	Johnson, Lyndon	Parsons	Welch
Cullen	Johnson, Okla.	Patman	White, Idaho
Cummings	Johnson, W. Va.	Peterson, Fla.	Wigglesworth
D'Alesandro	Jones, Tex.	Pfeifer	Williams, Mo.
Delaney	Kean	Polk	Wolverton, N. J.
DeRouen	Kee	Powers	Wood
Dickstein	Kefauver	Rabaut	Zimmerman
Dingell	Kelly	Ramspeck	
Ditter	Kennedy, Martin	Randolph	
Dunn	Kennedy, Md.	Rayburn	

NAYS—189

Allen, Ill.	Andresen, A. H.	Austin	Bender
Andersen, H. Carl	Andrews	Ball	Blackney
Anderson, Calif.	Arends	Beckworth	Bland

Bolles	Elston	Kerr	Reed, Ill.
Bolton	Engel	Kilburn	Reed, N. Y.
Boykin	Fenton	Kilday	Rees, Kans.
Bradley, Mich.	Folger	Kinzer	Robertson
Brewster	Ford, Leland M.	Kitchens	Rockefeller
Brown, Ga.	Ford, Miss.	Kleberg	Rodgers, Pa.
Brown, Ohio	Fulmer	Knutson	Routzohn
Bulwinkle	Gamble	Kocialkowski	Rutherford
Burch	Garrett	Kunkel	Satterfield
Byrns, Tenn.	Gathings	Lambertson	Schafer, Wis.
Camp	Gearhart	Lanham	Simpson
Cannon, Mo.	Gibbs	Lea	Smith, Ohio
Carlson	Gillie	LeCompte	Smith, Va.
Case, S. Dak.	Goodwin	Lewis, Colo.	Sparkman
Chiperfield	Gore	Lewis, Ohio	Springer
Church	Gossett	Luce	Stefan
Clark	Graham	McGehee	Sumner, Ill.
Clevenger	Grant, Ala.	McGregor	Sumners, Tex.
Cluett	Grant, Ind.	McLaughlin	Sweet
Coffee, Nebr.	Gregory	McLean	Taber
Cole, N. Y.	Gross	McLeod	Talle
Collins	Guyer, Kans.	McMillan, John L.	Tarver
Cooley	Gwynne	Maas	Thill
Cooper	Hall, Edwin A.	Mansfield	Thorkelson
Corbett	Hall, Leonard W.	Marshall	Tibbott
Courtney	Halleck	Martin, Iowa	Tinkham
Cox	Hancock	Mason	Treadway
Crawford	Hare	Michener	Van Zandt
Curtis	Harness	Mills, Ark.	Vinson, Ga.
Darden	Harter, N. Y.	Monkiewicz	Vorys, Ohio
Davis	Hawks	Moser	Wadsworth
Dempsey	Hess	Mundt	Ward
Dies	Hinshaw	Murray	Warren
Dirksen	Hobbs	Norrell	Weaver
Disney	Hoffman	O'Brien	West
Dondero	Hope	Oliver	Whittington
Doughton	Horton	O'Neal	Williams, Del.
Douglas	Jarrett	Pace	Winter
Doxey	Jenkins, Ohio	Patton	Wolcott
Drewry	Jensen	Pearson	Woodruff, Mich.
Durham	Johnson, Ill.	Peterson, Ga.	Woodrum, Va.
Dworshak	Johnson, Luther A.	Pierce	Youngdahl
Eaton	Jones, Ohio	Pittenger	
Elliott	Jonkman	Poage	
Ellis	Keefe	Rankin	

ANSWERED "PRESENT"—2

Cochran Rich

NOT VOTING—54

Allen, Pa.	Gifford	Merritt	Short
Boren	Gilchrist	Murdock, Utah	Smith, Ill.
Burgin	Green	Nelson	Starnes, Ala.
Byron	Hennings	Patrick	Steagall
Caldwell	Hill	Plumley	Sutphin
Carter	Jarman	Rogers, Okla.	Taylor
Chapman	Johns	Ryan	Terry
Claypool	Johnson, Ind.	Schulte	Voorhis, Calif.
Colmer	Keller	Scrugham	Wheat
Crowther	Kirwan	Seccombe	Whelchel
Darrow	McDowell	Secrest	White, Ohio
Duncan	McMillan, Clara G.	Shafer, Mich.	Wolfenden, Pa.
Faddis	Martin, Ill.	Sheppard	
Gerlach	Martin, Mass.	Sheridan	

So the previous question was rejected.

The Clerk announced the following pairs:

Mr. Voorhis of California (for) with Mr. Chapman (against).
Mr. Murdock of Utah (for) with Mr. Terry (against).
Mr. Merritt (for) with Mr. Secrest (against).
Mr. Kirwan (for) with Mr. Gilchrist (against).
Mr. Hill (for) with Mr. Seccombe (against).

General pairs:

Mr. Cochran with Mr. Gifford.
Mr. Keller with Mr. Rich.
Mr. Claypool with Mr. Martin of Massachusetts.
Mr. Boren with Mr. Short.
Mr. Caldwell with Mr. Crowther.
Mr. Starnes of Alabama with Mr. Johnson of Indiana.
Mr. Jarman with Mr. Wolfenden of Pennsylvania.
Mr. Patrick with Mr. Plumley.
Mrs. Clara G. McMillan with Mr. Johns.
Mr. Nelson with Mr. Gerlach.
Mr. Byron with Mr. Wheat.
Mr. Green with Mr. Shafer of Michigan.
Mr. Colmer with Mr. McDowell.
Mr. Steagall with Mr. White of Ohio.
Mr. Duncan with Mr. Carter.
Mr. Hennings with Mr. Darrow.
Mr. Faddis with Mr. Ryan.
Mr. Schulte with Mr. Allen of Pennsylvania.
Mr. Martin of Illinois with Mr. Burgin.
Mr. Sutphin wth Mr. Rogers of Oklahoma.
Mr. Taylor with Mr. Scrugham.
Mr. Sheridan with Mr. Whelchel.

Mr. HORTON and Mr. MURRAY changed their votes from "aye to "no."

Mr. RICH. Mr. Speaker, I have a pair with the gentleman from Illinois, Mr. KELLER. Therefore I withdraw my vote of "no" and answer "present."

Mr. COCHRAN. Mr. Speaker, I have a pair with the gentleman from Massachusetts, Mr. GIFFORD. I withdraw my vote of "yea" and answer "present."

Mr. DOXEY. Mr. Speaker, just a few minutes before the yote was taken, my colleague from Mississippi, Mr. COLMER, who was on the floor at the time, was called to the hospital because of the serious illness of his wife. That is the reason he was not here to vote.

The result of the vote was announced as above recorded.

Mr. SABATH. Mr. Speaker, I demand a recapitulation of the vote.

The SPEAKER pro tempore. A recapitulation of the vote is a matter entirely in the discretion of the Chair. The Chair does not think there is such a difference in the vote, 185 ayes to 189 noes, that it justifies a recapitulation and a recapitulation of the vote is refused.

Mr. SABATH. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and the motion to adjourn was rejected.

The SPEAKER pro tempore. If the gentleman desires to offer an amendment, the Chair will recognize the gentleman from New York [Mr. FISH], or if the gentleman from New York does not desire recognition, then the next ranking member of the Committee on Rules, the gentleman from Georgia [Mr. Cox]. Does the gentleman from New York desire to offer an amendment?

Mr. FISH. Mr. Speaker, I ask the Chair to recognize the gentleman from California [Mr. WELCH], a member of the Labor Committee.

The SPEAKER pro tempore. The gentleman from California is not a member of the Rules Committee. The Chair recognizes the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Cox: Page 2, line 4, after the period, strike out all language down to the end of line 7.

Mr. COX. Mr. Speaker, the pending resolution has been attacked upon the ground that it sets up a closed rule, insofar as the consideration of H. R. 7133 and H. R. 7349 are concerned. These are the two bills that have been referred to as the Ramspeck and Barden bills. I am not sensitive to the criticism to which the Committee on Rules has been subjected over the form of this rule. I do feel, however, that it is fair and proper to say to you that the rule was put in this form because of the interest of certain friends of labor, and of the farmer group, as represented by the gentleman from North Carolina [Mr. BARDEN], author of one of the bills.

The amendment which I have offered seeks to do what the Democratic members of the Committee on Rules requested of the chairman of that committee that he do in the name and in behalf of the committee, which request the chairman of the Committee on Rules refused to honor.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes.

Mr. MICHENER. The gentleman made reference to a request by the Democratic members of the committee.

Mr. COX. Yes.

Mr. MICHENER. As a matter of fact the Republicans knew nothing about the whole show?

Mr. COX. Not a thing in the world, except that I did casually mention it to the gentleman from New York [Mr. FISH], but there was no effort made to get the Republican members of the committee to sign the request that was presented to the chairman of the Rules Committee. I did not do that for the reason that I did not want to subject the Republican members of the committee to any kind of criticism. I thought it fair to them that the whole matter rest upon action taken by the Democratic members of the committee.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes; with pleasure.

Mr. MAY. Does the gentleman mean to say that the Republican members of the Rules Committee did not join in reporting the rule?

Mr. COX. Oh, yes, yes; they joined in reporting the rule, but this had to do with a request made of the chairman of the committee that he offer an amendment to the rule. If the amendment that I have offered is adopted, then it will be in order, under the provisions of the rule, to move to substitute either the Ramspeck or the Barden bills, both of which will be subject to amendment. The rule so amended would, so far as I am able to understand, meet every objection that has been offered to the rule in this entire debate.

Now, certainly this question is important enough to receive the consideration of this body. The question comes to you here under a rule reported by the Rules Committee. I grant you that the committee was not petitioned or requested by the chairman of the Labor Committee to make such a rule as is offered.

You will recall the statement made by the gentleman from North Carolina [Mr. BARDEN]. He reminded you of the unusual circumstances that prevailed insofar as efforts to get modification of the wage and hour law were concerned. He is a member of the Labor Committee. He called attention to the fact that this measure had been tied up in the Labor Committee for many, many months. The committee had gone through the form—I think it fair to say that it was a mere form—of summoning before them a great number of people. Testimony was taken. The demand came to us from every part of the country that something be done, and yet no action whatever was taken or promised to be taken by the Labor Committee.

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes; with pleasure.

Mrs. NORTON. The gentleman knows that is absolutely untrue. The Labor Committee did act upon the bill and reported the bill to the House, but did not ask the Rules Committee for any rule.

Mr. COX. It is true that the Labor Committee did not ask for a rule. After this demand for change or amendment had grown to such large proportions, the Labor Committee did ultimately report a bill which is nothing more than a shadow of a real intent and purpose to amend the law to meet the needs of the people of this country who are being liquidated by its administration in the hands of the Administrator of the Wage and Hour Division of Labor having it in charge. That is not any exaggeration when I say that small businesses are being liquidated.

I want to repeat that the Administrator, splendid gentleman though he may be, a man of the highest intelligence and understanding, yet he is a soldier. He knows how to take orders and he knows how to execute them.

I want to be fair with him. I believe if it were left to him to administer this law, to determine as to what represents justice and fair play, there would be little complaint coming from different parts of the country, but the Administrator is not a free man in the administration of this law. He is completely under the domination and under the control, so far as this law is concerned, of that same influence that stands back of the National Labor Relations Board.

Mr. HOOK. Mr. Speaker, a point of order. The gentleman is not speaking to the rule.

Mr. COX. O Mr. Speaker, my friend has had his unhappy experience——

The SPEAKER pro tempore. Will the gentleman from Georgia allow the Chair to rule? The Chair thinks that the whole question is open, and that the gentleman from Georgia is proceeding in order.

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes; I yield to the gentleman from Massachusetts.

Mr. HEALEY. Of course, the gentleman will admit that under the rules of the House the author of this bill had a remedy if he thought the bill was not being considered by the Labor Committee. He could have placed a petition on the desk and if a majority of the Members of the House were in favor of consideration of that bill they would have signed the petition. That is the remedy he should have resorted to.

Mr. COX. The gentleman is a member of the Labor Committee——

Mr. HEALEY. No; I am not.

Mr. COX. Well, he was.

Mr. HEALEY. No; I never have been.

Mr. COX. I would like to ask the gentleman this question: When does he think the author of this bill might have hoped to have gotten action on the part of the Labor Committee of this House?

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. COX. Now, you have been criticizing the Rules Committee.

Mr. HEALEY. If the gentleman is directing his question to me, I think he might get it, and I think that is where he ought to get it, if you follow the time honored, orderly processes of this House, the democratic processes of this House, but I think your attitude is arbitrary and arrogant in bringing in a rule of this kind.

Mr. COX. What is happening now would never have taken place had the dean of this House, Chairman of the Rules Committee, evidenced a willingness to accept the recommendation of his colleagues, members of the Rules Committee.

To take you back to what happened, here is the extraordinary thing that took place: The Rules Committee reported out this rule by an overwhelming majority. The chairman finally was compelled—now, that is strong language, and I do not want to be offensive to him—but you want to remember that the normal procedure in reporting this rule to the House would have been for him to have come here and taken the floor in advocacy of the adoption of the rule; or, if he found himself in a position where such course would have been inconsistent with his views, he might have referred it to some other member of the committee who was prepared to support the rule. Now, when we get to the floor and the rule is criticized because it is closed insofar as two bills are concerned and on request of Democratic Members that amendment making it an open rule be offered, the Chairman, the gentleman from Illinois [Mr. SABATH], declines to offer the amendment or to yield to any other member of the Rules Committee to offer it. I know as well as you know that his refusal to offer such an amendment is responsible for his motion on the previous question being voted down. Do you doubt that? Now let us get back to this bill.

Mr. CELLER. Does the gentleman, in his career in the House, recall a rule similar to this ever brought out by the Committee on Rules?

Mr. COX. I do not know whether it has happened in my experience, but I understand that there are precedents for it. I can say to the gentleman, however, that never before, in my experience, have I known of a committee behaving as regards an important question affecting the welfare of millions of people of this country as did the Committee on Labor. Now, it would be unbecoming of me to make any criticism of the Committee on Labor, and I do not want to do that.

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. COX. I have great admiration for the chairman of that Committee on Labor, a very able Member of this body. She does not think that is true, but it does represent my best feelings.

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes; I yield.

Mrs. NORTON. The gentleman knows that on June 9 we tried to bring this bill up under a suspension of the rules. Does he not know that?

Mr. COX. Oh, yes; I know the gentlewoman wanted to bring it up under a suspension of the rules. But, mind you, her committee had given her instructions to employ all parliamentary means of bringing it to this House for consideration. If she had come before the Rules Committee I am sure there is not a doubt upon the mind of anybody but what the committee would have gladly opened the door to the House in order to have the benefit of your sound judgment upon the proposal that she was offering.

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes; I yield to the good lady.

Mrs. NORTON. I do not think the gentleman has forgotten that the chairman of the Committee on Labor did

come before the Rules Committee and ask for a closed rule, and it was denied.

Mr. COX. Oh, yes. Now, that is consistency, is it not? God bless you. [Laughter.] That is consistency. Here comes the Labor Committee en bloc with a few noble exceptions, distinguished exceptions—here comes the Labor Committee in the train of the chairman denouncing the pending rule because it is closed as to the Ramspeck and Barden bills. Nothing like it has ever been heard of, they say. And here she is now complaining of the Committee on Rules because it would not grant her a closed rule on one of her pet measures. [Laughter and applause.]

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes; I yield.

Mrs. NORTON. The gentleman is entirely mistaken.

Mr. COX. I was taking the good lady at her word.

Mrs. NORTON. The chairman of the Committee on Labor felt that when the Rules Committee was so generous as to grant a closed rule on the other two bills certainly the Committee on Labor of the House had a perfect right to ask for a closed rule on its bill.

Mr. COX. All right, denounce the Rules Committee as you please—and maybe it is subject to the harshest condemnation—but I want to say one thing to you. I want to say it in behalf of the committee: That I believe that it is making a valuable contribution to constitutional government in America. [Applause.] Now, think of that as you please. The moon gazers and world heavers have not been able to push the committee about at will, and that is displeasing to some who want to reform this country all along the line.

Mr. WOOD. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. WOOD. I would like to ask the gentleman how long the Rules Committee held the wage-hour bill from this House.

Mr. COX. The unfortunate thing is that it was not able to hold it for always. [Laughter.] That is the bill which they said they brought into the House for the purpose of giving aid to the lowest-paid workers in this country. Well, they confessed here today to the fact that farm labor is not covered by the law. Think of it! A bill offered for the benefit of the lowest-paid laborer does not touch this class at all. There is not a man or a woman in America who has a thimble full of sense but who knows that the farm worker is the lowest-paid worker in America. Still nothing is done for him. What are you doing?

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. COX. No; I do not yield to you. [Applause.]

Mr. HOOK. The gentleman ought to yield.

Mr. COX. What are you doing? Sit down.

Mr. HOOK. The gentleman will not yield?

Mr. COX. You know, these annoyances will arise. [Laughter and applause.]

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. Speaker, a point of order.

Mr. COX. Mr. Speaker, I am sorry, I cannot yield.

Mr. HOOK. Mr. Speaker, a point of order.

The SPEAKER pro tempore. Does the gentleman yield to the gentleman from Michigan?

Mr. COX. No; I believe I would prefer not yielding.

Mr. HOOK. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOOK. Mr. Speaker, I make the point of order that the gentleman is not proceeding in order, that he is dealing in personalities, and not speaking to the rule.

The SPEAKER pro tempore. The gentleman from Georgia [Mr. Cox] will proceed in order.

(At this point certain words spoken in debate were, by unanimous consent of the House, withdrawn from the RECORD.)

Mr. HOOK. Mr. Speaker, I demand that the words be taken down.

Mr. COX. Let me repeat them, Mr. Speaker.

Mr. HOOK. Mr. Speaker, I demand the words be taken down. This speaker is flagrantly violating the rules of the House.

Mr. COX. All right, let the House vote on it.

The SPEAKER pro tempore. The gentleman from Michigan demands that the words be taken down. The gentleman from Georgia will suspend.

The Clerk will report the words the gentleman from Michigan demands be taken down.

The Clerk read as follows:

> Let me say for the benefit of the gentleman from Michigan if he would act upon my suggestion he might be very greatly benefited if he could find it possible to get himself out of John Lewis' vest pocket and stand on his own feet.

The SPEAKER pro tempore. The Chair is ready to rule.

Many close questions come up with reference to statements made on the floor of the House when a demand is made that the words be taken down.

The Chair is of the opinion, applying this to himself as each Member has the right to apply it to himself, that for one Member to say that another Member is so under control of some individual that he is carried in that individual's vest pocket is a questioning of the gentleman's actions and motives which is not justified under the rules of the House.

Mr. McCORMACK. Mr. Speaker, the Chair has sustained the point of order. I move that the gentleman from Georgia be permitted to proceed in order.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Massachusetts.

The motion was agreed to.

Mr. COX. Mr. Speaker, there is no man in the world that could bow more willingly to any ruling made by you than myself, because there is no one in the world who could possibly have a more complete confidence in your fine sense of justice and your perfect mental balance than myself. However, Mr. Speaker, I am sorry that I was not permitted to complete my statement.

Now there are those of you who come here opposing any modification of this rule, and through Mr. Wallace you have sought to bring in the farmers and make it appear that they have endorsed through the performance of the Secretary over the radio a few evenings ago the position in opposition to change taken by the Committee on Labor and other Members of the Congress who oppose any sort of modification. This law is absolutely wrecking all the small businesses of this country. Let me say to you that you are fooling no one.

You set up this law for the purpose of putting small business out of business. The original measure is monopolistic. What you propose to do through the administration of the law—and you are doing it—is to wipe out small business everywhere. There is the determination expressed in the law and more pronouncedly in its administration by the soldier now in charge to keep rural sections forever rural and to confine industrial developments to those areas already highly industrialized.

Let me say to you Members who come from the West that your situation is no different from that of those of us who come from the South. You must find some means, you must find some way of securing employment for your increasing population. You must find some way of securing employment for the people on the farms who have been regulated out of their right to make a living for themselves and their families in the tilling of the soil.

Under the present regulations that are imposed you are not permitted to produce to the point of self-sufficiency, you are not permitted to produce in an unlimited manner. If you are ever in anywise to improve even in the direction of the great industrialized centers of this country, you must be able to develop some kind of industries in your sections. Under this law as it is written, and more certainly under the law as it is administered, no industry further than that already developed in your section of the country will ever be possible and that which you have will soon be put out of business.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Pennsylvania.

Mr. BOLAND. Do I correctly understand that the gentleman from Georgia is absolutely opposed to a uniform wage scale in this country?

Mr. COX. I will be candid with the gentleman, and I say in response to his question that I cannot conceive of a worse mistake that Congress has ever made than the thrusting of Federal power into the activities of the people as is done by this law. You seek to regiment, you seek to regulate a relationship that should have forever been kept free.

Mr. BOLAND. I want an answer to my question.

Mr. COX. If that is not an answer to the question, the gentleman is hard to satisfy.

Mr. BOLAND. I want to know this. Is the gentleman absolutely opposed to a uniform wage scale in this country? That is my question.

Mr. COX. Of course, I am opposed to any such law.

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes; I yield.

Mr. HEALEY. I hope the gentleman is not contending that the development of industry in the sections he has referred to depends upon cheap wages and long hours.

Mr. COX. Well, I want to say to you that your sections of the country have certain advantages that make it impossible for us to compete with you on an absolutely even footing and you are undertaking to take away from us the natural advantages that we have.

Mr. KITCHENS. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. KITCHENS. His section has the benefit of a preferential freight rate that prevents absolutely a uniform wage all over this country.

Mr. COX. Very true; and it was the businessmen of his section, and that section alone, that fell in behind the group supporting this law, and they are responsible for it being put upon this country. The papers of the gentleman's section even carried the declaration that it was important to the industrial East that the law be enacted because it would kill off competition from the South and the West.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman.

Mr. SCHAFER of Wisconsin. There are a great many imports coming in from foreign lands which are produced by workers who work long hours for wages which are way below the minimum set by the Fair Labor Standards Act. Would the gentleman support the following short amendment to this rule in order to protect the American agricultural and industrial workers from this unfair, cheap foreign-labor competition? I will read the proposed amendment:

It shall also be in order to consider amendments seeking to protect American industrial and agricultural workers who come under the jurisdiction of the Fair Labor Standards Act from the injurious effects of cheap foreign competition.

Mr. COX. The gentleman raises a question which I think properly belongs to the jurisdiction of the Secretary of State, who is administering the foreign-trade agreements.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I would like to ask the gentleman a question for my own information. If the gentleman's amendment is adopted, we would then be ready to vote for the rule; and if we adopt the rule, then we will have what we think is an open rule?

Mr. COX. Absolutely open.

Mr. JENKINS of Ohio. Then, as I understand it, we will proceed to consider the Norton bill.

Mr. COX. That is right.

Mr. JENKINS of Ohio. And after we have considered that, the first amendment to the Norton bill must be the Ramspeck bill?

Mr. COX. It is in order to substitute the Ramspeck bill.

Mr. JENKINS of Ohio. When we do that or when anybody does that, you say then it is an open rule, and then we can proceed to amend the Ramspeck bill, can we not?

Mr. COX. Very true.

Mr. JENKINS of Ohio. Then would it be in order, if the Barden bill were germane to the Ramspeck bill, to substitute the Barden bill for the Ramspeck bill?

Mr. COX. The Barden bill might be offered as an amendment to the Ramspeck bill.

Mr. JENKINS of Ohio. Well, we will pass that; but I want to know this: After we have submitted the Ramspeck bill, and supposing we vote it down and then vote down the Barden bill, then, as I understand it, the Norton bill is back——

Mr. COX. Then you can return to the Norton bill and offer any amendments that you see fit.

Mr. JENKINS of Ohio. That may be germane.

Mr. COX. That may be germane; yes.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Montana.

Mr. O'CONNOR. The gentleman has referred to the farmers in the course of his remarks——

Mr. COX. Yes; and I am not through with that subject. I want to return to it and I thank the gentleman for calling my attention to it.

Mr. O'CONNOR. I was going to call the gentleman's attention to this fact. The farm income for the year 1939, while this law was in operation, was larger than it was in 1938, prior to the operation of the act.

Mr. COX. Yes; in the chatter that went on between the Secretary of Agriculture and the Administrator of the Wage and Hour Division that observation was made.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield further?

Mr. COX. Yes; I yield.

Mr. O'CONNOR. That information likewise comes from Milo Perkins.

Mr. COX. Yes; I understand. He is probably supporting the position you take here, too.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman.

Mr. HOFFMAN. Is it the purpose of the amendment the gentleman has offered to meet the objections of those who spoke prior to the vote on the adoption of the rule?

Mr. COX. Yes; that is correct.

Now, these city fellows, these big-town boys [laughter]——

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman, of course.

Mr. McCORMACK. Is it the intention of the gentleman from Georgia to move the previous question on the termination of his hour?

Mr. COX. When I shall have completed my statement, I shall be very glad to offer that motion.

Mr. McCORMACK. I did not say "very glad," but is it the gentleman's intention to do so?

Mr. COX. Has the gentleman an amendment he would like to offer? I am not particularly tight about the matter.

Mr. McCORMACK. I just wanted to find out, because if he did not intend to do so, then some of us might seek recognition.

Mr. COX. Yes. I was a member of the Rules Committee and wanted recognition in the consideration of the rule, but I could not get a minute's time from my chairman. I had to go to my friend the gentleman from New York and get time from him.

Mr. McCORMACK. Of course, the gentleman cannot yield it.

Mr. COX. I want now to talk to my farmer friends for a few minutes.

Mr. MAY. Mr. Speaker, will the gentleman yield for a question?

Mr. WOOD. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes.

Mr. WOOD. In case the amendment is agreed to, then the Ramspeck bill may be offered as a substitute?

Mr. COX. I think that is correct.

Mr. WOOD. And then the amendment next in order would be the offer of the Barden bill as a substitute for the Ramspeck bill?

Mr. COX. That is correct.

Mr. WOOD. And after that amendments can be offered to the Norton bill?

Mr. COX. Oh, I suggest that the gentleman consult the Parliamentarian and let him untangle the puzzle if he is confused.

Mr. WOOD. I am asking whether that is the gentleman's interpretation.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes.

Mr. MAY. To suggest to the gentleman from Georgia, who is a member of the Rules Committee, in connection with the inquiry made by the gentleman from Massachusetts [Mr. McCORMACK] that I think the gentleman from Massachusetts had in mind the fact that any Member of the House may be recognized in this proceeding for 1 hour, and if so, we might be here for months.

Mr. COX. Well, that suits me.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes.

Mr. WARREN. Getting back to the question asked by the gentleman from Massachusetts [Mr. McCORMACK] as to the orderly procedure of the House to go through, I take it that when the gentleman from Georgia has consumed his hour he will then, of course, move the previous question, and, of course, if the previous question is then ordered, there will be a vote upon the adoption of his amendment, and on the rule, as amended, should his amendment prevail, which would throw the whole thing open to amendment after we get into the Committee of the Whole—that is, to germane amendments.

Mr. COX. That is correct.

Mr. WARREN. And that is the intention of the gentleman from Georgia, is it not—to move the previous question?

Mr. COX. That is my understanding, and I thank the gentleman for his clear-cut explanation, and I trust that is accepted by the membership of the House.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes.

Mr. WHITTINGTON. As I understand the rule, in response to the suggestion of the gentleman from Massachusetts [Mr. McCORMACK], at any time during the hour that the gentleman has on his motion he can yield to others?

Mr. COX. Certainly.

Mr. WHITTINGTON. Before the gentleman moves the previous question.

Mr. COX. Certainly.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes.

Mr. SCHAFER of Wisconsin. The gentleman, in answer to the gentleman from Massachusetts [Mr. McCORMACK], does not mean to state that after he has had a chance to offer his amendment and talk about it, he will then move the previous question and foreclose others who voted with him who want to talk and offer an amendment?

Mr. COX. Mr. Speaker, speaking now to those who have never seen a farm except from a train or an automobile passing through the country, those who come here with a heart full of deep concern for the distressed people on the farms, I say to them that they are not fooling anybody; they are not fooling the farmer. You have been legislating for him for 150 years, and you have legislated him out of his right to make a living, and he knows it. The northern part of this country constitutes about one-third of the population and owns 95 percent of the total national wealth.

The South is made up of 40,000,000 of people, people who toil and do nothing else but toil. It has a third of the land area and owns 2½ percent of the national wealth, possessing at the same time a greater portion of the natural resources of the country. To you gentlemen who come from the West—and I happen to spot here and there one or two whose voices we have heard in support of the contention that we do nothing—it just happens that you possess a little less than 2½ percent of the total national wealth. The national income of the South is less than 10 percent and that of the West is about the same. Yet in land area the South and West represent far in excess of two-thirds of the entire country, and in population we represent a little in excess of two-thirds. That is what the city fellows who legislate for the farmers have done for the people in the South and the West.

Mr. GEYER of California. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. GEYER of California. Will the gentleman tell us a little bit about what percentage of the people in his section are really voters? Just what percentage of the people he represents? Let us hear something about that.

Mr. COX. Now, except for a disposition on the part of some to invoke the rules of the House against one wishing to express his mind, I probably would undertake the delicate operation of shaving this man from California. [Laughter.]

Mr. KITCHENS. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes, of course.

Mr. KITCHENS. Does the gentleman feel that under the present law, in answer to the gentleman from California [Mr. GEYER], he will not be complaining about so many people coming to his State and it will not be necessary to appoint any more special committees of this House to investigate the migratory problem of his State?

Mr. COX. That is a very valuable contribution that the gentleman from Arkansas is making, and I hope the gentleman from California will profit by it.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes; of course.

Mr. ARNOLD. I have the very highest regard for the gentleman from Georgia personally. I notice when he was talking about the gentleman from the city who during the past 150 years had beat the farmer down so low, he looked to the Democratic side of the House, and when he was talking about the West he looked to the Republican side. Then the gentleman started talking about the big cowboys from the city.

I want to know if during that 150 years most of the people who are here in the Congress were not on the Republican side from the big cities, and I would like to know now if the gentleman does not refer to Republicans as cowboys from the cities, the same as he does the Democrats? [Laughter.]

Mr. COX. Well, the gentleman can get his answer from the history books. I am not treating this subject as a political question. I do not care anything about the politics in it. I do not want it used either by the Democratic Party, or the Republican Party, to wreck and ruin America.

Now, let me say to you, you gentlemen who make automobiles, plow points, wheelbarrows, and hoes, you who pay your labor 50 cents, 75 cents, and $1.50 per hour, you who now seek to use the wage-hour law to make more secure the advantage which you enjoy, we who represent the tillers of the soil are unwilling to let you speak for us. We have had too much of this already. Some of these advocates of reform, of great change, talk about industrial workers getting 10 cents an hour—some of them. My God, do you not know that the farmers of this country, or many of them, who are buyers of the things you make, in many instances get less than 10 cents per hour? You people from the rural sections, living in the small villages, will see on a train passing by a man with a lantern or a little flag about as big as your hand.

Did it ever occur to you that he gets more for a month's labor of short hours than a half dozen of your one-horse farmers get for an entire year's work? When these people that you are seeking to penalize, these people whose position you aggravate and make worse by this wage hour law, and its administration in the hands of a soldier, when they come to town to buy a plow point or buy your automobile, has it ever occurred to you that they are swapping from 10 to 15 hours of labor for 1 hour of the industrial worker? Has it ever occurred to you that that is the situation? You talk

about what you want to do for the farmer. Well, God knows you have done enough already. If there is one prayer that I have to offer in deepest reverence it is that the farmers be spared of the care and tender solicitude of these big-town friends. [Applause.]

Mr. GEARHART. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. GEARHART. In the event your amendment is adopted, I was wondering what would be the effect on the rule which this resolution will put in order. If I may read a few words, I would like to have the gentleman's interpretation of them. Beginning at line 11, on page 1—

After the reading of the first section of such bill it shall be in order to move to strike out all after the enacting clause and insert as a substitute the text of the bill H. R. 7349, and all points of order against such substitute are hereby waived. It shall also be in order to consider without the intervention of any point of order the text of the bill H. R. 7133 as a substitute for the text of the substitute containing the language of the bill H. R. 7349.

This is the question I have in mind:

Will it be necessary to first adopt the Ramspeck bill as a substitute before a motion to substitute the Barden bill will be in order?

Mr. COX. I thought the gentleman from North Carolina [Mr. WARREN] made that clear. Will the gentleman not refer that to him for an answer, and let me complete my statement?

Mr. GEARHART. I do not think I am raising a question that has been answered. This resolution says in plain words that the Barden bill can be offered only as a substitute for the Ramspeck bill.

Mr. COX. That is very true.

Mr. GEARHART. That will mean that we will have to first adopt the Ramspeck bill before it will be in order to consider the Barden bill?

Mr. COX. That is a question that can be determined when the point of order is made.

Mr. Speaker, let me say to my friends that they have been very generous, and I appreciate it.

Mr. FERGUSON. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes; I yield.

Mr. FERGUSON. Mr. Speaker, will the gentleman consider accepting an amendment to make the Norton bill only in order, with an open rule that any amendments may be offered? I think that would obviate the confusion of considering three bills at once.

Mr. COX. Let me say, in answer to the gentleman's question, that I hope this House will vote down the Norton bill, or at least that the House will substitute either the Ramspeck or the Barden bill, and then permit the offering of such amendments as may be desired. I say this in view of what has taken place. That is exactly what I think this House should do.

Mr. CELLER. Mr. Speaker, will the gentleman yield for a question?

Mr. COX. I yield.

Mr. CELLER. As I understand it, the Ramspeck bill does not mention farmers. I would like to know how the Barden bill would help the farmers. Would the gentleman explain that briefly to us?

Mr. COX. I do not know that it would be of any help to the Barden bill, which is intended to help the farmer, to take the time to make an explanation to the gentleman. I do not mean to be disrespectful, but if there is anything with which I have little patience it is these big-town fellows who claim the right and the privilege of saying what is good for people who till the soil.

Mr. FERGUSON. Mr. Speaker, the gentleman did not answer my question.

Mr. COX. No. I say to the gentleman that I hope the House will not do that.

Mr. FERGUSON. Will the gentleman let the House have a chance to vote on making the Norton bill in order?

Mr. COX. I am not in control of the House.

Mr. FERGUSON. Oh, yes; the gentleman is.

Mr. COX. I hope the House will not do it. I hope the House will adopt the amendment I have offered. It is not my amendment; it is an amendment which represents the views of eight members of the Rules Committee which I asked your chairman and my chairman to offer himself.

Mr. Speaker, I move the previous question on the amendment and the resolution.

The SPEAKER pro tempore. The gentleman from Georgia moves the previous question on the amendment and on the resolution.

Mr. SABATH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. SABATH. Do I understand that the gentleman from Georgia moves the previous question on his amendment and the resolution?

The SPEAKER pro tempore. That was the motion of the gentleman from Georgia, and so stated by the Chair.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the amendment may be read again.

The SPEAKER pro tempore. Without objection, the Clerk will again read the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. COX: On page 2, line 4, after the period, strike out all down to the end of line 7.

Mr. FERGUSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. FERGUSON. Did I understand the Chair to say that the motion was on ordering the previous question on the amendment and the adoption of the rule?

The SPEAKER pro tempore. The gentleman from Georgia moves the previous question on the amendment and on the resolution.

Mr. FISH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. FISH. Mr. Speaker, would it be in order to have separate votes on the two propositions?

The SPEAKER pro tempore. A motion of the previous question cannot be divided.

Mr. FERGUSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. FERGUSON. Can a separate vote be had on the two propositions if the previous question is ordered?

The SPEAKER pro tempore. If the previous question is ordered, the question will first recur on the amendment offered by the gentleman from Georgia and then on the rule.

Mr. WOOD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WOOD. The vote will be on the amendment?

The SPEAKER pro tempore. The vote now is on the previous question. If the previous question is ordered, the vote will then be on the amendment offered by the gentleman from Georgia and then on the resolution, amended or not.

Mr. WOOD. There will be two separate votes, one on the amendment and one on the rule.

The SPEAKER pro tempore. The question is, Shall the previous question be ordered?

The question was taken; and on a division (demanded by Mr. SABATH and Mr. SCHAFER of Wisconsin) there were—ayes 205, noes 50.

So the previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 167, noes 92.

So the amendment was agreed to.

The SPEAKER pro tempore. The question is on the adoption of the rule.

Mr. McCORMACK and Mr. SABATH demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 233, nays 141, answered "present" 1, not voting 55, as follows:

[Roll No. 86]

YEAS—233

Alexander	Andersen, H. Carl	Andrews	Barden
Allen, Ill.	Anderson, Calif.	Arends	Barnes
Allen, La.	Andresen, A. H.	Ball	Bates, Mass.

Beckworth	Dworshak	Kerr	Rankin
Bell	Eaton	Kilburn	Reece, Tenn.
Bender	Elliott	Kilday	Reed, Ill.
Blackney	Ellis	Kinzer	Reed, N. Y.
Bland	Elston	Kitchens	Rees, Kans.
Bolles	Engel	Kleberg	Rich
Bolton	Englebright	Knutson	Risk
Boykin	Fish	Kocialkowski	Robertson
Bradley, Mich.	Folger	Kunkel	Robsion, Ky.
Brewster	Ford, Leland M.	Lambertson	Rockefeller
Brown, Ga.	Ford, Miss.	Lanham	Rodgers, Pa.
Brown, Ohio	Fulmer	Lea	Routzohn
Buck	Gamble	LeCompte	Rutherford
Bulwinkle	Garrett	Lewis, Colo.	Sasscer
Burch	Gathings	Lewis, Ohio	Satterfield
Byrns, Tenn.	Gibbs	Luce	Schafer, Wis.
Byron	Gillie	McGehee	Seger
Camp	Goodwin	McGregor	Simpson
Cannon, Fla.	Gore	McLaughlin	Smith, Ohio
Cannon, Mo.	Gossett	McLean	Smith, Va.
Carlson	Graham	McLeod	South
Case, S. Dak.	Grant, Ala.	McMillan, John L.	Sparkman
Chiperfield	Grant, Ind.	Maas	Springer
Church	Gregory	Mahon	Stearns, N. H.
Clark	Gross	Maloney	Stefan
Clason	Guyer, Kans.	Mansfield	Sumner, Ill.
Clevenger	Gwynne	Marshall	Sumners, Tex.
Cluett	Hall, Edwin A.	Martin, Iowa	Sweet
Coffee, Nebr.	Hall, Leonard W.	Mason	Taber
Cole, Md.	Halleck	Michener	Talle
Cole, N. Y.	Hancock	Miller	Tarver
Collins	Hare	Mills, Ark.	Thill
Cooley	Harness	Monkiewicz	Thomas, N. J.
Cooper	Harrington	Monroney	Tinkham
Costello	Harter, N. Y.	Mott	Treadway
Courtney	Hawks	Mouton	Van Zandt
Cox	Hendricks	Mundt	Vincent, Ky.
Crawford	Hess	Murdock, Ariz.	Vinson, Ga.
Creal	Hinshaw	Murray	Vorys, Ohio
Culkin	Hobbs	Norrell	Vreeland
Cummings	Hoffman	O'Brien	Wadsworth
Curtis	Holmes	Oliver	Ward
Darden	Hope	O'Neal	Warren
Davis	Horton	Osmers	Weaver
Dempsey	Jacobsen	Pace	West
DeRouen	Jarrett	Patton	Whittington
Dies	Jenkins, Ohio	Pearson	Wigglesworth
Dirksen	Jenks, N. H.	Peterson, Fla.	Williams, Del.
Disney	Jennings	Peterson, Ga.	Winter
Ditter	Jensen	Pierce	Wolcott
Dondero	Johnson, Ill.	Pittenger	Woodruff, Mich.
Doughton	Johnson, Luther A.	Poage	Woodrum, Va.
Douglas	Jones, Ohio	Polk	Youngdahl
Doxey	Jones, Tex.	Powers	
Drewry	Jonkman	Ramspeck	
Durham	Keefe	Randolph	

NAYS—141

Anderson, Mo.	Evans	Kennedy, Martin	Richards
Angell	Faddis	Kennedy, Md.	Robinson, Utah
Arnold	Fay	Kennedy, Michael	Rogers, Mass.
Austin	Fenton	Keogh	Romjue
Barry	Ferguson	Kramer	Sabath
Barton	Fernandez	Landis	Sacks
Bates, Ky.	Fitzpatrick	Larrabee	Schaefer, Ill.
Beam	Flaherty	Leavy	Schiffler
Bloom	Flannagan	Lemke	Schuetz
Boehne	Flannery	Lesinski	Schwert
Boland	Ford, Thomas F.	Ludlow	Shanley
Bradley, Pa.	Fries	Lynch	Shannon
Brooks	Gartner	McAndrews	Smith, Conn.
Bryson	Gavagan	McArdle	Smith, W. Va.
Buckler, Minn.	Gearhart	McCormack	Snyder
Buckley, N. Y.	Gehrmann	McGranery	Somers, N. Y.
Byrne, N. Y.	Geyer, Calif.	McKeough	Spence
Cartwright	Griffith	Maciejewski	Sullivan
Casey, Mass.	Hart	Magnuson	Sweeney
Celler	Harter, Ohio	Marcantonio	Tenerowicz
Coffee, Wash.	Hartley	Massingale	Thomas, Tex.
Connery	Havenner	May	Thomason
Corbett	Healey	Mills, La.	Thorkelson
Cravens	Hook	Mitchell	Tibbott
Crosser	Houston	Moser	Tolan
Crowe	Hull	Myers	Wallgren
Crowther	Hunter	Nichols	Walter
Cullen	Izac	Norton	Welch
D'Alesandro	Jeffries	O'Connor	White, Idaho
Delaney	Johnson, Lyndon	O'Day	Williams, Mo.
Dickstein	Johnson, Okla.	O'Leary	Wolverton, N. J.
Dingell	Johnson, W. Va.	O'Toole	Wood
Dunn	Kean	Parsons	Zimmerman
Eberharter	Kee	Patman	
Edelstein	Kefauver	Pfeifer	
Edmiston	Kelly	Rabaut	

ANSWERED "PRESENT"—1

Cochran

NOT VOTING—55

Allen, Pa.	Chapman	Gifford	Johns
Boren	Claypool	Gilchrist	Johnson, Ind.
Burdick	Colmer	Green	Keller
Burgin	Darrow	Hennings	Kirwan
Ca'dwell	Duncan	Hill	McDowell
Carter	Gerlach	Jarman	McMillan, Clara G.
Martin, Ill.	Rogers, Okla.	Sheppard	Taylor,
Martin, Mass.	Ryan	Sheridan	Terry
Merritt	Sandager	Short	Voorhis, Calif.
Murdock, Utah	Schulte	Smith, Ill.	Wheat
Nelson	Scrugham	Smith, Wash.	Whelchel
Patrick	Seccombe	Starnes, Ala.	White, Ohio
Plumley	Secrest	Steagall	Wolfenden, Pa.
Rayburn	Shafer, Mich.	Sutphin	

So the resolution was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Chapman (for) with Mr. Voorhis of California (against).
Mr. Terry (for) with Mr. Murdock of Utah (against).
Mr. Secrest (for) with Mr. Merritt (against).
Mr Seccombe (for) with Mr. Hill (against).
Mr. Gilchrist (for) with Mr. Kirwan (against).

General pairs:

Mr. Cochran with Mr. Gifford.
Mr. Rayburn with Mr. Martin of Massachusetts.
Mr. Boren with Mr. Short.
Mr. Starnes of Alabama with Mr. Johnson of Indiana.
Mr. Jarman with Mr. Wolfenden of Pennsylvania.
Mr. Patrick with Mr. Plumley.
Mrs. Clara G. McMillan with Mr. Johns.
Mr. Nelson with Mr. Gerlach.
Mr. Green with Mr. Shafer of Michigan.
Mr. Colmer with Mr. McDowell.
Mr. Steagall with Mr. White of Ohio.
Mr. Duncan with Mr. Carter.
Mr. Hennings with Mr. Darrow.
Mr. Schulte with Mr. Allen of Pennsylvania.
Mr. Caldwell with Mr. Sandager.
Mr. Keller with Mr. Wheat.
Mr. Smith of Washington with Mr. Burdick.
Mr. Claypool with Mr. Martin of Illinois.
Mr. Burgin with Mr. Rogers of Oklahoma.
Mr. Sheridan with Mr. Taylor.
Mr. Sutphin with Mr. Ryan.
Mr. Scrugham with Mr. Whelchel.

Mr. COCHRAN. Mr. Speaker, I withdraw my vote of "no," and answer "present." I have a pair with the gentleman from Massachusetts, Mr. GIFFORD.

The result of the vote was announced as above recorded.

On motion by Mr. Cox, a motion to reconsider the vote by which the resolution was passed was laid on the table.

HOUR OF MEETING

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock, and that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

EXTENSION OF REMARKS

Mr. COX. Mr. Speaker, in view of the ruling of the Speaker pro tempore, I ask unanimous consent that I may withdraw certain remarks I made this afternoon to which objection was raised.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia [Mr. Cox]?

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD on the pending bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona [Mr. MURDOCK]?

There was no objection.

Messrs. CASEY of Massachusetts, THOMAS F. FORD, and WOODRUFF of Michigan were given permission to extend their own remorks in the RECORD.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include certain information.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. REED]?

There was no objection.

ORDER OF BUSINESS

Mr. FISH. Mr. Speaker, is the Speaker pro tempore in position, or is he prepared, to state what business will be taken up next week?

The SPEAKER pro tempore. The Chair would rather answer that question tomorrow.

Mr. FISH. Mr. Speaker, it has been decided that we will not sit Saturday. There are many Members who would like to make preparations to go home in view of the fact the House will not be in session on Saturday.

The SPEAKER pro tempore. The Chair may say that on Monday this bill will be taken up, if consideration is not completed tomorrow.

Mr. FISH. Can we have an understanding that the vote will be taken on the bill Monday in case we finish it tomorrow?

The SPEAKER pro tempore. That is all right with the Chair.

Mr. FISH. Mr. Speaker, I ask unanimous consent that if the consideration of the wage and hour bill is completed by tomorrow night the vote may be taken on Monday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. FISH]?

Mr. MARCANTONIO. Mr. Speaker, may I ask what the rush is in the killing of the Wage and Hour Act?

Mr. FISH. There is no hurry.

Mr. MARCANTONIO. Mr. Speaker, I object.

The SPEAKER pro tempore. The gentleman from New York [Mr. FISH] is asking unanimous consent to put the final vote off. Is there objection?

Mr. MICHENER. Mr. Speaker, reserving the right to object, it would seem hardly fair to meet at 11 o'clock tomorrow, work all day tomorrow, finish the bill, and then put the vote off until some time next week. I do not believe that should be done, and I hope the gentleman will withdraw his request.

Mr. FISH. Mr. Speaker, I withdraw my unanimous-consent request.

The SPEAKER pro tempore. The Chair may state a part of the program for next week. In case consideration of the wage and hour bill is completed on Monday, the conference report on the agricultural appropriation bill will be taken up and disposed of on Tuesday. Further than that the Chair would like to have until tomorrow to make up the program for the remainder of next week.

EXTENSION OF REMARKS

Mr. CLASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a speech I made at the breaking of the ground for the first permanent building, the laboratory for photography, at Westover Field, Chicopee, Mass., on April 6, 1940.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HARTER of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Buffalo Evening News.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short editorial appearing in today's news.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein correspondence with a resident of my county.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two subjects, and in both instances to include newspaper articles.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MICHAEL J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the New York Post of April 15.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a Supreme Court decision in the case of the so-called Little Steel against N. L. R. B.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. BUCK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article from the New York Times.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LANDIS, Mr. GUYER of Kansas, and Mr. BUCKLEY of New York asked and were given permission to extend their own remarks in the RECORD.

WAGE AND HOUR ACT AMENDMENTS

Mr. BARDEN of North Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BARDEN of North Carolina. Mr. Speaker, in the course of my remarks this afternoon I was interrupted by the gentlewoman from New Jersey while discussing the question of whether or not H. R. 7133 was before the Committee on Labor. My remark was that the bill was considered and discussed time and time again. The reply of the gentlewoman from New Jersey [Mrs. NORTON] was that the committee had discussed certain amendments, but that we never discussed my bill.

I desire at this time to report to the House that by reference to the minutes of the Committee on Labor it appears that on July 27, 1939, there was a vote taken on H. R. 7133, a roll-call vote, and the committee refused to report out H. R. 7133 by a vote of 10 to 6.

Mrs. NORTON. Mr. Speaker, what the gentleman says is very true, but I still insist the bill was never considered by the Labor Committee. The vote to which the gentleman refers is a vote that was taken across in the Appropriations Committee room when we were trying to decide on strategy, and I may say he forced this vote on the Labor Committee without the bill ever having been considered by the Labor Committee.

Mr. MICHENER. Reserving the right to object, Mr. Speaker, the lady said they were considering strategy. Is strategy a part of the work of the Labor Committee?

The SPEAKER pro tempore. The gentlewoman from New Jersey did not make any unanimous-consent request, therefore the gentleman from Michigan is out of order in reserving the right to object.

Mr. MICHENER. A parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MICHENER. The lady from New Jersey, interrupting the gentleman from North Carolina, who had time, stated that her committee did not consider this bill on its merits but that they were considering strategy. My parliamentary inquiry is this:

I understand the rules of the House obtain as the rules of the committee unless the committee has adopted rules inconsistent with the House rules. This being the case, has the committee authority to consider strategy and report to the House, for it is presumed to consider legislation.

The SPEAKER pro tempore. The gentleman from Michigan and the present occupant of the chair have been here off and on for quite a while, and under the rules of the House strategy and strategic moves are indulged in very often.

Mr. MICHENER. By the leadership.

The SPEAKER pro tempore. On both sides of the aisle.

CIVIL AERONAUTICS AUTHORITY

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, there is an intense interest in Congress and throughout the country in the proposal in the recent reorganization plan for a change in the present status of the Civil Aeronautics Authority and the Air Safety Board. I feel there is a growing sentiment against disturbing the present set-up. The Air Transport Association of America, an organization composed of practically all the scheduled air lines under the American flag everywhere, has definite views on this subject. I made inquiry of Colonel Gorrell, the president of this splendid association, and today have received his reply. I ask unanimous consent to insert it in the RECORD at the conclusion of my remarks, so it will be clearly understood that this group are firmly against any change at the present time. [Applause.]

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The matter referred to follows:

AIR TRANSPORT ASSOCIATION OF AMERICA,
Chicago, Ill., April 25, 1940.

The Honorable JENNINGS RANDOLPH,
House of Representatives, Washington, D. C.

DEAR MR. CONGRESSMAN: In reply to your inquiry concerning the views of the air carriers who are members of the Air Transport Association of America respecting the proposed reorganization of the Civil Aeronautics Authority, I am authorized to state that the air-transport industry favors the continuation of the Civil Aeronautics Authority as an independent agency of Government.

In June of 1938 Congress created the Authority and made it an independent transportation agency similar to the Interstate Commerce Commission and the Maritime Commission.

Since that time civil aeronautics has made a record unsurpassed in the history of the industry, either here or abroad.

At this stage in the development of aviation, and in the light of world conditions, the need for a fully independent Authority is even greater than it was in 1938.

No step should be taken which would materially alter the conditions under which the extraordinary advances of the last 2 years have been made and which would impair the power and position of the Authority in carrying forward the program which it has undertaken.

Civil aeronautics had been subjected to constant legislative and jurisdictional changes prior to 1938. It needs a period of stability.

Respectfully yours,

EDGAR S. GORRELL, *President.*

EXTENSION OF REMARKS

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD, and include therein certain newspaper articles.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. FRIES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by the gentleman from Missouri [Mr. ANDERSON] before the State Democratic Organization.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made earlier in the afternoon on the Philippine travel-pay bill, and to include excerpts from the committee report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the other day I spoke of the great importance of our not allowing any foreign power to take over Greenland under the present circumstances until Denmark can take it back for herself. I want to remind the House that I have placed in the lobby two very fine maps which show Greenland's relation to Europe, Greenland's relation to the Western Hemisphere, and its great importance to us.

It is vital we should see that Greenland does not fall into the hands of any European power. You will see from the map its great significance, both as a naval base and as an air base.

The map also shows the Arctic Circle, and I want to call the attention of the House to four numbers of the National Geographic Magazine which describe Greenland in great detail. I have them here for all Members to see. I trust the Members will look at these maps and the magazines and will join with me in urging the administration to declare our interest in Greenland. To so declare our interest prevents any other government from taking possession of Greenland, an act which automatically forces us into difficulties with that government because of our responsibilities under the Monroe Doctrine. [Applause.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. FITZPATRICK, for 1 day, on account of attending a funeral in New York City.

To Mr. SANDAGER (at the request of Mr. RISK), for the remainder of the week, on account of critical illness of business associate.

AMENDMENT OF NATIONAL LABOR RELATIONS ACT

Mr. SABATH, from the Committee on Rules, submitted the following privileged report (Rept. No. 2013), which was referred to the House Calendar and ordered to be printed:

House Resolution 465

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 9195, a bill to amend the National Labor Relations Act, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, 1 hour to be controlled by the chairman of the Committee on Labor, 1 hour to be controlled by the ranking minority member of the Committee on Labor, and 2 hours to be controlled by the chairman of the Special Committee to Investigate the National Labor Relations Board, the bill shall be read, and after the reading of the first section of such bill it shall be in order to move to strike out all after the enacting clause and insert as a substitute the text of the bill H. R. 8813, and all points of order against such substitute are hereby waived. At the conclusion of the consideration of the bill H. R. 9195 the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

PERMISSION TO ADDRESS THE HOUSE

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to speak for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, there has been a lot of discussion here this afternoon about the so-called Ramspeck bill amending the wage and hour law, and one gentleman, the gentleman from Indiana [Mr. LANDIS], made the absurd statement that the adoption of the Ramspeck bill would destroy the wage and hour law. If you will look in the Appendix of the RECORD, page 2260, you will find in parallel columns the Norton bill, the Ramspeck bill, and the Barden bill, and you will find that every section of the Ramspeck bill, except section 3, is in both the Barden bill and the Norton bill; the exception is an amendment dealing with a mining situation out in the West, which was placed in the bill at the request of some of the western Members of the House. So I am really mixed up in a fight here in which I am not very much con-

cerned. The bill which I introduced was an effort made last summer to take out the sections of the Barden bill and the Norton bill that coincided and pass them and let the controversy remain over what was left. We did pass a Senate bill regarding small telephone exchanges last year, but the other noncontroversial amendments were not considered. I make this explanation so the RECORD will show the situation.

[Here the gavel fell.]

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker pro tempore:

H. R. 7246. An act for the relief of Madeline Vera Buchholz;

H. R. 7406. An act granting the consent of Congress to the General State Authority, Commonwealth of Pennsylvania, and/or the Pennsylvania Bridge and Tunnel Commission, either singly or jointly, to construct, maintain, and operate a toll bridge across the Susquehanna River at or near the city of Middletown, Pa.;

H. R. 7407. An act granting the consent of Congress to the General State Authority, Commonwealth of Pennsylvania, and/or the Pennsylvania Bridge and Tunnel Commission, either singly or jointly, to construct, maintain, and operate a toll bridge across the Susquehanna River at or near the city of Millersburg, Pa.;

H. R. 7655. An act to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.;

H. R. 7660. An act to amend section 35B of the United States Criminal Code to prohibit purchase or receipt in pledge of clothing and other supplies issued to veterans maintained in Veterans' Administration facilities;

H. R. 7663. An act providing for sick leave for substitute postal employees;

H. R. 7814. An act for the relief of Gerald Henry Simpson;

H. R. 8320. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River near Jefferson Barracks, Mo.;

H. R. 8397. An act to extend the times for commencing and completing the construction of a bridge or bridges across the St. Louis River at or near the city of Duluth, Minn., and the city of Superior, Wis., and to amend the act of August 7, 1939, and for other purposes;

H. R. 8398. An act amending acts extending the franking privilege to widows of ex-Presidents of the United States;

H. R. 8467. An act authorizing the Superior Oil Co., a California corporation, to construct, maintain, and operate a free highway bridge or causeway, and approaches thereto, across the old channel of the Wabash River from Cut-Off Island, Posey County, Ind., to White County, Ill.;

H. R. 8471. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River, at or near Wyalusing, between Terry and Wyalusing Townships, in the county of Bradford, and in the Commonwealth of Pennsylvania;

H. R. 8495. An act to extend the times for commencing and completing the construction of a bridge or bridges across the Mississippi River at or near the cities of Dubuque, Iowa, and East Dubuque, Ill., and to amend the act of July 18, 1939, and for other purposes;

H. R. 8500. An act authorizing the Secretary of War to execute an easement deed to the State of New Mexico for the use and occupation of lands and water areas at Conchas Dam and Reservoir project, New Mexico;

H. R. 8508. An act to amend the Subsistence Expense Act of 1926, as amended by the act of June 30, 1932 (ch. 314, sec. 209, 47 Stat. 405);

H. R. 8530. An act for the relief of Esther Cottingham Grab;

H. R. 8583. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Little Falls, Minn.;

H. R. 8650. An act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Great Pee Dee River at or near Cashua Ferry, S. C.;

H. R. 8772. An act to amend the act of August 23, 1912 (37 Stat. 414; U. S. C., title 31, sec. 679);

H. R. 9047. An act to provide for the transfer of United States prisoners in certain cases; and

H. J. Res. 275. Joint resolution to authorize the President to present the Distinguished Flying Cross to Frank W. Seifert and Lt. V. Hine, deceased.

The SPEAKER pro tempore announced his signature to enrolled bills of the Senate of the following titles:

S. 2661. An act to provide for rearrangement of the location of the several boards of local inspectors; and

S. 2635. An act to amend the Federal Crop Insurance Act.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On April 24, 1940:

H. R. 3406. An act for forest protection against the white-pine blister rust, and for other purposes; and

H. R. 4929. An act to amend the act of June 23, 1938 (52 Stat. 944).

On April 25, 1940:

H. R. 7246. An act for the relief of Madeline Vera Buchholz;

H. R. 7406. An act granting the consent of Congress to the General State Authority, Commonwealth of Pennsylvania, and/or the Pennsylvania Bridge and Tunnel Commission, either singly or jointly, to construct, maintain, and operate a toll bridge across the Susquehanna River at or near the city of Middletown, Pa.;

H. R. 7407. An act granting the consent of Congress to the General State Authority, Commonwealth of Pennsylvania, and/or the Pennsylvania Bridge and Tunnel Commission, either singly or jointly, to construct, maintain, and operate a toll bridge across the Susquehanna River at or near the city of Millersburg, Pa.;

H. R. 7655. An act to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.;

H. R. 7660. An act to amend section 35B of the United States Criminal Code to prohibit purchase or receipt in pledge of clothing and other supplies issued to veterans maintained in Veterans' Administration facilities;

H. R. 7663. An act providing for sick leave for substitute postal employees;

H. R. 7814. An act for the relief of Gerald Henry Simpson;

H. R. 8320. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River near Jefferson Barracks, Mo.;

H. R. 8397. An act to extend the times for commencing and completing the construction of a bridge or bridges across the St. Louis River at or near the city of Duluth, Minn., and the city of Superior, Wis., and to amend the act of August 7, 1939, and for other purposes;

H. R. 8398. An act amending acts extending the franking privilege to widows of ex-Presidents of the United States;

H. R. 8467. An act authorizing The Superior Oil Co., a California corporation, to construct, maintain, and operate a free highway bridge or causeway, and approaches thereto, across the old channel of the Wabash River from Cut-Off Island, Posey County, Ind., to White County, Ill.;

H. R. 8471. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River, at or near Wyalusing, between Terry and Wyalusing

townships, in the county of Bradford, and in the Commonwealth of Pennsylvania;

H. R. 8495. An act to extend the times for commencing and completing the construction of a bridge or bridges across the Mississippi River at or near the cities of Dubuque, Iowa, and East Dubuque, Ill., and to amend the act of July 18, 1939, and for other purposes;

H. R. 8500. An act authorizing the Secretary of War to execute an easement deed to the State of New Mexico for the use and occupation of lands and water areas at Conchas Dam and Reservoir project, New Mexico;

H. R. 8508. An act to amend the Subsistence Expense Act of 1926, as amended by the act of June 30, 1932 (ch. 314, sec. 209, 47 Stat. 405);

H. R. 8530. An act for the relief of Esther Cottingham Grab;

H. R. 8583. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Little Falls, Minn.;

H. R. 8650. An act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Great Pee Dee River, at or near Cashua Ferry, S. C.;

H. R. 8772. An act to amend the act of August 23, 1912 (37 Stat. 414; U. S. C., title 31, sec. 679);

H. R. 9047. An act to provide for the transfer of United States prisoners in certain cases; and

H. J. Res. 275. Joint resolution to authorize the President to present the Distinguished Flying Cross to Frank W. Seifert and Lt. V. Hine, deceased.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly, at 4 o'clock and 55 minutes p. m., under its previous order, the House adjourned until tomorrow, Friday, April 26, 1940, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds Tuesday, April 30, 1940, at 10 a. m., for the consideration of House Joint Resolution 487. Important. The hearings will be held in room 1501, New House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings on the following bill on Tuesday, April 30, 1940:

H. R. 8355, to admit the American-owned steamship *Port Saunders* and steamship *Hawk* to American registry and to permit their use in coastwise and fisheries trade. Hearing will be held at 10 a. m.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization on Wednesday, May 1, 1940, at 10:30 a. m. In re private bills and consider assignments.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1573. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 11, 1940, submitting a report, together with accompanying papers, on a preliminary examination of waterway from St. Johns River, at or near Sanford, Fla., to Tampa by way of Kissimmee and Alafia Rivers and Tampa Bay, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

1574. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill authorizing the admission to St. Elizabeths Hospital in the District of Columbia of nationals and citizens who reside or are domiciled in the Virgin Islands, and who have legally been adjudged to be insane in the islands; to the Committee on the District of Columbia.

1575. A letter from the Chairman, Reconstruction Finance Corporation, transmitting the report of the activities and expenditures of the Reconstruction Finance Corporation for the month of March 1940 (H. Doc. No. 708); to the Committee on Banking and Currency and ordered to be printed.

1576. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill to provide for the disposition of trust or restricted estates of Indians dying without heirs; to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. PACE: Committee on Agriculture. S. 3661. An act to amend the Perishable Agricultural Commodities Act, 1930, as amended, and for other purposes; without amendment (Rept. No. 2006). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee of conference on the disagreeing votes of the two Houses. House Joint Resolution 437. Joint resolution authorizing the President to proclaim Citizenship Day (Rept. No. 2008). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. House Joint Resolution 522. Joint resolution to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes; without amendment (Rept. No. 2009). Referred to the Committee of the Whole House on the state of the Union.

Mr. MANSFIELD: Committee on Rivers and Harbors. S. 3013. An act to amend section 5 of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved March 3, 1925 (43 Stat. 1190; 34 U. S. C. 893), so as to authorize the payment of a per diem in connection with naval aerial surveys and flight checking of aviation charts; without amendment (Rept. No. 2010). Referred to the Committee of the Whole House on the state of the Union.

Mr. MANSFIELD: Committee on Rivers and Harbors. H. R. 7116. A bill to authorize defraying cost of necessary work between the Yuma project and Boulder Dam; with amendment (Rept. No. 2011). Referred to the Committee of the Whole House on the state of the Union.

Mr. MANSFIELD: Committee on Rivers and Harbors. H. R. 9118. A bill to provide for the reimbursement of travel expenses to certain employees of the Corps of Engineers, United States Army; without amendment (Rept. No. 2012). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 465. Resolution providing for consideration to H. R. 9195, a bill to amend the National Labor Relations Act; without amendment (Rept. No. 2013). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 7495. A bill for the relief of Gloria D. Downing; without amendment (Rept. No. 2007). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 8360) granting a pension to Cuthbert W. Chesterfield, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H. R. 9527. A bill to amend section 13 (a) of the act approved June 25, 1938 (52 Stat. 1069), entitled "Fair Labor Standards Act of 1938"; to the Committee on Labor.

By Mr. ELLIOTT:

H. R. 9528. A bill to provide assistance to local public agencies responsible for the education of residents of migratory labor camps constructed and operated under the supervision of the Secretary of Agriculture; to the Committee on Agriculture.

By Mr. ELSTON:

H. R. 9529. A bill to extend certain benefits under title II of the Social Security Act, as amended, to husbands and widowers of insured wives, and for other purposes; to the Committee on Ways and Means.

By Mr. THOMAS F. FORD:

H. R. 9530. A bill to amend section 13b of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

By Mr. GATHINGS:

H. R. 9531. A bill to provide for the holding of the terms of court of the United States Court for the Eastern Division of the Eastern District of Arkansas at Forrest City, St. Francis County, Ark.; to transfer Desha County from the eastern division to the western division of the eastern district of Arkansas; and to transfer Crittenden County from the Jonesboro division to the eastern division of the eastern district of Arkansas; to the Committee on the Judiciary.

By Mr. LUDLOW:

H. R. 9532 (by request). A bill to authorize the payment of necessary expenses to be incurred by certain Indians, who were allotted as the Miami Indian Nation of Indiana, or the Miami Tribe of Indians of Indiana, under treaty of June 5, 1854 (10 Stat. L. 1093), maintained and promulgated between said Indians and the United States of America, and the lineal Indian chief, Rev. Peter Bondy's descendants; and to direct the Secretary of the Interior to pay his agents and other general expenses for accounting, investigation of the land and lineal descendants of the said Miami Indians of Indiana, not necessarily residing in the State of Indiana, but wherever they may be, whether of record or not, who are descendants of the Miami Indians of Indiana, under treaty of June 5, 1854 (10 Stat. L. 1093); to the Committee on Indian Affairs.

By Mr. McKEOUGH:

H. R. 9533. A bill relating to the certification of persons on eligible registers established by the Civil Service Commission; to the Committee on the Civil Service.

By Mr. RANKIN:

H. R. 9534. A bill to provide for the control of payments of financial benefits to veterans and their dependents who reside outside the continental limits of the United States, except Hawaii, Alaska, Puerto Rico, Virgin Islands, and the Panama Canal Zone; to the Committee on World War Veterans' Legislation.

By Mr. ROBINSON of Utah:

H. R. 9535. A bill to authorize the participation of States in certain revenues from national parks, national monuments, and other areas under the administrative jurisdiction of the National Park Service, and for other purposes; to the Committee on the Public Lands.

By Mr. WEAVER:

H. R. 9536. A bill to provide domiciliary, medical, and hospital treatment to certain former members of the Army, Navy, Marine Corps, and Coast Guard; to the Committee on World War Veterans' Legislation.

By Mr. WHITE of Ohio:

H. R. 9537. A bill to amend the Fair Labor Standards Act of 1938; to the Committee on Labor.

By Mr. BREWSTER:

H. R. 9538. A bill to reduce interest rates on loans on veterans' life insurance; to the Committee on World War Veterans' Legislation.

By Mr. RANDOLPH:

H. R. 9539. A bill to amend the act entitled "An act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes," approved June 20, 1936; to the Committee on Labor.

By Miss SUMNER of Illinois:

H. J. Res. 523. Joint resolution to provide against participation in foreign combats without the consent of Congress; to the Committee on Military Affairs.

By Mr. HOFFMAN:

H. Res. 472. Resolution requesting certain information from the Secretary of Agriculture; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 9540. A bill for the relief of Commander Morris M. Leonard; to the Committee on Claims.

By Mr. BREWSTER:

H. R. 9541. A bill for the relief of Luther Devoe; to the Committee on Claims.

By Mr. BUCKLEY of New York:

H. R. 9542: A bill for the relief of John W. Farrell; to the Committee on Claims.

By Mr. CURTIS:

H. R. 9543. A bill granting an increase of pension to Hattie C. Wheeler; to the Committee on Invalid Pensions.

By Mr. FLANNAGAN:

H. R. 9544. A bill for the relief of Washington County Sanitary District No. 1; to the Committee on Claims.

H. R. 9545. A bill for the relief of Preston Lodge No. 47, Ancient Free and Accepted Masons, of Jonesville, Va.; to the Committee on Claims.

By Mr. LELAND M. FORD:

H. R. 9546. A bill for the relief of Charles H. King; to the Committee on Military Affairs.

By Mr. GEHRMANN:

H. R. 9547. A bill for the relief of R. Stern; to the Committee on Claims.

H. R. 9548. A bill for the relief of Arthur E. Johnson; to the Committee on Claims.

By Mr. PFEIFER:

H. R. 9549. A bill to authorize the cancelation of deportation proceedings in the case of Vincenzo (James) Rampulla; to the Committee on Immigration and Naturalization.

By Mr. REECE of Tennessee:

H. R. 9550. A bill granting a pension to Leon J. Collins; to the Committee on Pensions.

By Mr. SHANLEY:

H. R. 9551. A bill granting a pension to Lulu M. Peiper; to the Committee on Invalid Pensions.

By Mr. SWEENEY:

H. R. 9552. A bill for the relief of Richard Burnett Brodziak; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7680. By Mr. CULLEN: Petition of the Brooklyn (Kings County) Council of the Auxiliaries to the Veterans of Foreign Wars, requesting that when Congress formulates sugar legislation, this legislation shall not result in a loss of jobs or loss of business for our home cane sugar refining industry, and loss of jobs to the refining men and women of Brooklyn; to the Committee on Agriculture.

7681. By Mr. ELSTON: Petition of the Allied Council of Federal Employees of Cincinnati, Ohio, and vicinity, urging favorable action on the longevity-wage bill (H. R. 3649); to the Committee on the Post Office and Post Roads.

7682. By Mr. MARTIN J. KENNEDY: Petition of the National Aviation Day Association, Inc., Washington, D. C., urging the creating of a standing Committee on Aviation Affairs, to take rank with the other great committees of the Senate and House; that by formal resolution, the President of the Senate and Speaker of the House be authorized to appoint, each, three Members of the Senate and three Members of the House, to constitute a special joint committee to study and report upon the feasibility of establishing Senate and House Standing Committees on Aviation Affairs; to the Committee on Interstate and Foreign Commerce.

7683. Also, petition of the Playthings and Novelty Workers of America, New York City, opposing the Smith bill (H. R. 8813) and the Norton bill (H. R. 9195); to the Committee on Labor.

7684. Also, petition of the International Union of Mine, Mill, and Smelter Workers, Denver, Colo., expressing opposition to all amendments to the Wagner Act; to the Committee on Labor.

7685. Also, petition of the Farm Equipment Workers Organizing Committee, Chicago, Ill., expressing opposition to the Smith bill (H. R. 8813) and the Norton bill (H. R. 9195); to the Committee on Labor.

7686. Also, petition of the Sheet Metal Workers' International Association, Local Union No. 28, of New York City, concerning House bills 5875, 5876, and 8279; to the Committee on Naval Affairs.

7687. Also, petition of the Quarry Workers' International Union of North America, Barre, Vt., expressing opposition to the Norton and Smith amendments (House bills 8813 and 9195) to the National Labor Relations Act; to the Committee on Labor.

7688. Also, petition of the Packinghouse Workers Organizing Committee, Chicago, Ill., expressing opposition to the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7689. By Mr. MICHAEL J. KENNEDY: Petition of the New York State Farm Bureau Federation, favoring enactment of House bill 944, known as the truth-in-fabrics bill; to the Committee on Interstate and Foreign Commerce.

7690. Also, petition of the New York State Farm Bureau Federation, supporting House bill 7133; to the Committee on Labor.

7691. Also, petition of the Fur Merchants Cold Storage Co., Inc., of New York City, urging enactment of the Smith bill (H. R. 8813), amending the Wagner Labor Relations Act; to the Committee on Labor.

7692. Also, petition of Samuel Greenberg Clothes of New York City, opposing adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7693. Also, petition of the Sturdibilt Co., of New York City, opposing adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7694. Also, petition of the National Consumers League of New York City, opposing enactment of the Barden amendments to the Fair Labor Standards Act; to the Committee on Labor.

7695. Also, petition of the Order of Sleeping Car Conductors, New York Division, No. 9, urging support of House bill 9406, requiring the Pullman Co. to operate Pullman conductors on all trains carrying cars on overnight runs; to the Committee on Interstate and Foreign Commerce.

7696. Also, petition of Erwin Wasey & Co., Inc., of New York City, urging amendment to Fair Labor Standards Act, establishing a monetary wage limit per month beyond which white-collar employees will be exempt under the law; to the Committee on Labor.

7697. Also, petition of Marschalk & Pratt, Inc., urging amendment to Fair Labor Standards Act, establishing a monetary wage limit per month beyond which white-collar employees will be exempt under the law; to the Committee on Labor.

7698. Also, petition of Ferd. Mulhens, Inc., of New York City, supporting resolution to suspend paragraph (g), section 510 of the amended Shipping Act, for the release of certain vessels by the Maritime Commission; to the Committee on Merchant Marine and Fisheries.

7699. Also, petition of the bureau of transportation and public service of the New Bedford Board of Commerce, supporting resolution to suspend paragraph (g), section 510, of the amended Shipping Act for the release of certain vessels by the Maritime Commission; to the Committee on Merchant Marine and Fisheries.

7700. Also, petition of the National Lumber Manufacturers' Association, opposing any exemptions in relation to amendments to the Fair Labor Standards Act; to the Committee on Labor.

7701. Also, petition of the American Graphite Co., of Ticonderoga, N. Y., supporting enactment of Senate bill 246; to the Committee on Ways and Means.

7702. Also, petition of the International Association of Machinists, opposing the Barden amendments to the Fair Labor Standards Act; to the Committee on Labor.

7703. Also, petition of the International Brotherhood of Electrical Workers of Greater New York, representing 16,500 men and women engaged in all branches of the electrical industry relative to the suit against its union by the National Electrical Manufacturers Association; to the Committee on the Judiciary.

7704. Also, petition of Harry L. Moskowitz, Inc., of New York City, opposing adoption of amendment 2 of the Norton bill (H. R. 9195); to the Committee on Labor.

7705. By Mr. KEOGH: Petition of the Brooklyn (Kings County) Council, Auxiliaries to Veterans of Foreign Wars of the United States, favoring sugar legislation that will protect the jobs of the Brooklyn sugar-refinery workers, of Brooklyn, N. Y.; to the Committee on Agriculture.

7706. Also, petition of the New York Committee to Aid Agricultural Workers, opposing the Smith amendments to the Wage and Hour Act; to the Committee on Labor.

7707. Also, petition of the United Retail and Wholesale Employees of America, Local No. 104, opposing all amendments to the Wagner Labor Relations Act; to the Committee on Labor.

7708. Also, petition of the Amalgamated Clothing Workers of America, Local No. 169, New York City, opposing all amendments to the Wagner Labor Relations Act or to the wage and hour law; to the Committee on Labor.

7709. Also, petition of the National Consumers League, New York City, opposing the Barden bill, to amend the Fair Labor Standards Act; to the Committee on Labor.

7710. Also, petition of New York Division, No. 9, Order of Sleeping Car Conductors, Yonkers, N. Y., concerning House bill 9406; to the Committee on Interstate and Foreign Commerce.

7711. By Mr. LUDLOW: Petition of sundry citizens of Indianapolis, Ind., protesting against the levying of excise or any other form of processing taxes on bread and other everyday indispensable necessities of life; to the Committee on Agriculture.

7712. By Mr. PFEIFER: Petition of New York Division, No. 9, Order of Sleeping Car Conductors, Yonkers, N. Y., urging support of House bill 9406; to the Committee on Interstate and Foreign Commerce.

7713. By Mr. SCHIFFLER: Petition of Mrs. Paul A. Wern, president, and Mrs. Paul D. Simmons, secretary, Lee Helpers Missionary Society, Presbyterian Church, Hollidays Cove, W. Va., urging early hearings and consideration of the Neely bill, S. 153, known as the motion-picture bill; to the Committee on Interstate and Foreign Commerce.

7714. By the SPEAKER: Petition of the presbytery of Box Butte, Bridgeport, Nebr., petitioning consideration of their resolution with reference to the so-called Neely bill, concerning block booking and blind selling of motion pictures; to the Committee on Interstate and Foreign Commerce.

7715. Also, petition of the Retirement Life Payments Association, Joplin, Mo., petitioning consideration of their reso-

lution with reference to an American National Astrological Council; to the Committee on the Judiciary.

7716. Also, petition of A. A. of S. E. R. and M. C. E. of A., Gary, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7717. Also, petition of Carpenters Local No. 985, Gary, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7718. Also, petition of the Daughters of the American Revolution, Washington, D. C., petitioning consideration of their resolution with reference to the strengthening of the armed forces and fortifications of the United States; to the Committee on Military Affairs.

7719. Also, petition of Local No. 274, Building and Common Laborers, Lafayette, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7720. Also, petition of the Glass Bottle Blowers Association, No. 133, Indianapolis, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7721. Also, petition of Adam Dombrowski, Pittsburgh, Pa., petitioning consideration of his resolution with reference to antialien bills; to the Committee on Immigration and Naturalization.

7722. Also, petition of Isaac Brasser, of East Williamson, N. Y., petitioning consideration of his resolution with reference to general welfare bills for national relief; to the Committee on Ways and Means.

SENATE

FRIDAY, APRIL 26, 1940

(Legislative day of Wednesday, April 24, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

We thank Thee, O Father, for this beauteous world in which Thou hast placed us, and since it is Thy creation and we ourselves are part of it, may we humbly learn its laws and trust its mighty powers. In our high and noble calling, help us, like all true men, to relate our vocation to the God in whom we believe and to the higher life of the people whom we serve, knowing that our supremest end is activity in the path of highest excellence, which carries the mind upward so that in rare moments it can share the beatitude of the Eternal Mind. Make us worthier of that better, higher world opened for us in the Saviour's broken heart.

We thank Thee for the universe of love and purity in Him, for the grace of His forgiveness, and the renewing crimson flood of His great sacrifice. May we never shrink from the searching and surpassing glory of this world revealed in Christ, and when for us it shall fade away may we not fear to commit ourselves in perfect trust to that other world which shall be our everlasting home in the Father's house of heavenly mansions where we shall see Him face to face and where we shall know even as we ourselves are known. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Thursday, April 25, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on April 25, 1940, the President had approved and signed the following acts and joint resolution:

S. 2505. An act to amend an act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress, approved June 18, 1929, so as to change the date of subsequent apportionments;

S. 2599. An act to amend the Naval Reserve Act of 1938 (Public, No. 732, 52 Stat. 1175);

S. 3528. An act authorizing the adoption for the Foreign Service of an accounting procedure in the matter of disbursement of funds appropriated for the Department of State; and

S. J. Res. 218. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Lodge	Sheppard
Ashurst	Davis	Lucas	Shipstead
Austin	Donahey	Lundeen	Slattery
Bailey	Downey	McKellar	Smathers
Bankhead	Ellender	McNary	Smith
Barbour	Frazier	Maloney	Stewart
Barkley	George	Mead	Taft
Bilbo	Gerry	Miller	Thomas, Idaho
Bone	Gillette	Minton	Thomas, Okla.
Bridges	Glass	Murray	Thomas, Utah
Brown	Guffey	Neely	Townsend
Bulow	Gurney	Norris	Truman
Burke	Hale	Nye	Tydings
Byrd	Hatch	O'Mahoney	Vandenberg
Byrnes	Hayden	Overton	Van Nuys
Capper	Herring	Pittman	Wagner
Caraway	Hughes	Reed	Walsh
Chandler	Johnson, Calif.	Reynolds	Wheeler
Clark, Idaho	Johnson, Colo.	Russell	White
Clark, Mo.	King	Schwartz	Wiley
Connally	La Follette	Schwellenbach	

Mr. MINTON. I announce that the Senator from Florida [Mr. ANDREWS], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Alabama [Mr. HILL], the Senator from West Virginia [Mr. HOLT], the Senator from Oklahoma [Mr. LEE], the Senator from Nevada [Mr. MCCARRAN], the Senator from Florida [Mr. PEPPER], and the Senator from Maryland [Mr. RADCLIFFE] are detained from the Senate on public business.

The Senator from Rhode Island [Mr. GREEN] and the Senator from Mississippi [Mr. HARRISON] are unavoidably detained.

Mr. AUSTIN. I announce that the Senator from Vermont [Mr. GIBSON], the Senator from Oregon [Mr. HOLMAN], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

RETIRED PAY OF CERTAIN ARMY OFFICERS—VETO MESSAGE (S. DOC. NO. 189)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Military Affairs and ordered to be printed:

To the Senate:

I return herewith, without my approval, S. 1918, a bill "relating to the retired pay of certain retired Army officers."

Under the War Department Appropriation Act for 1923, officers retired under the provisions of that act having more than 10 and less than 20 years' commissioned service were authorized pay at the rate of 2½ percent of their active pay at time of retirement multiplied by the number of years of such service, and the officers retired with more than 20 years' commissioned service were authorized pay at the rate of 3 percent of their active pay multiplied by the complete years of such commissioned service.

This bill would allow certain officers who have performed active duty since retirement under that act to credit such service to increase the multiple of years of commissioned

service in the computation of their retired pay. These officers under the present law are credited with such service for increase of longevity and period pay purposes, as are all other retired officers who have performed active duty since retirement, but such service is not credited to increase the multiple of years of commissioned service or the percentage of active-duty pay to be paid as retired pay, which was definitely fixed by the law under which they were retired.

The War Department in reporting upon this measure is of the opinion that the provisions of the War Department Appropriation Act for the fiscal year 1923, pertaining to pay for those retired under the act, are based upon sound principles and are as liberal to the interest of the individual as is consistent with due regard to the best interest of the Government.

In view of the foregoing, I do not feel justified in giving this bill my approval.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 25, 1940.*

ALLOWANCES TO CERTAIN NAVAL OFFICERS IN THE CANAL ZONE—VETO MESSAGE (S. DOC. NO. 190)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Naval Affairs and ordered to be printed:

To the Senate:

I return herewith, without my approval, S. 2348, an act relating to allowances to certain naval officers stationed in the Canal Zone for rental of quarters. The purpose of the enactment is to authorize payments of rental allowance to officers of the Navy and Marine Corps who occupied quarters belonging to the Government and under the jurisdiction of the Panama Canal or the Panama Railroad Co. during the fiscal years 1935 and 1936 for which they paid rental, the law in effect during these years providing that the rental allowance paid such officers should not exceed the rental rate charged for such quarters on March 5, 1934. Certain items of cost to the officers in connection with the rented quarters were by interpretation excluded from the term "rental rate" and the officer was thus not reimbursed all of his costs for quarters. Section 3 of the act of May 13, 1938, Private, No. 510, 52 Statute 1307, applicable to officers of the Army so situated authorized the refund of any collections for such excess payments, or payment of such excess costs to the officer, and S. 2348 is represented as placing officers of the Navy and Marine Corps so situated on the same basis as were officers of the Army by the act of May 13, 1938. The bill, however, provides that notwithstanding any other provision of law relating to rental allowances officers of the Navy and Marine Corps so situated shall receive the full amount of the rental allowance of their grade and period pay authorized by law (37 U. S. C. 10). This provision would give them the maximum amount authorized by the permanent law, would be greatly in excess of the payments made by them, and greatly in excess of the amount payable to an Army officer in the same situation under the act of May 13, 1938. For example, it appears a major of the Army was reimbursed $4.50 excess payment under section 3 of the act of May 13, 1938, while under this enactment a Navy or Marine Corps officer of the equivalent grade and length of service would receive $1,178.37. Furthermore, this amount would include the 5-percent economy deduction in effect from July 1, 1934, to March 31, 1935, which would not have been payable even though the provision for reduction of rental allowance under these circumstances had not been in effect.

There is also in section 2 of the enactment a disparity in the amounts reimbursable among officers of the Navy and Marine Corps identically situated.

I see no basis for providing so much more generously for officers of the Navy and Marine Corps than for officers of the Army serving under identical conditions, and feel compelled, therefore, to withhold my approval of the enrolled enactment. I would not object, however, to the enactment of legislation applicable to officers of the Navy and Marine Corps included within the provisions of the enrolled enactment that would follow the form and secure the same benefits to these officers as is provided by the act of May 13, 1938, for Army officers so situated; that is, place the officers in the same situation they would have been in had they been assigned quarters under the jurisdiction of the Navy Department.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 25, 1940.*

REPORT OF ALASKAN INTERNATIONAL HIGHWAY COMMISSION

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and referred to the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with the provisions of the act of Congress "to create a Commission to be known as the Alaskan International Highway Commission," approved May 31, 1938, I transmit herewith for the information of the Congress the report of the Commission.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 25, 1940.*

[Note: Report accompanied similar message to the House of Representatives.]

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF THE INTERIOR (S. DOC. NO. 188)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of the Interior, fiscal year 1941, in the amount of $12,410,500, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

ESTATES OF INDIANS DYING INTESTATE WITHOUT HEIRS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting a draft of proposed legislation to provide for the disposition of trust or restricted estates of Indians dying intestate without heirs, which, with the accompanying paper, was referred to the Committee on Indian Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate telegrams in the nature of petitions from Colonel Crawford Camp, No. 105, United Spanish War Veterans, by Jessie Murphy, adjutant, of Connellsville, Pa., and the Thirteenth Minnesota United States Volunteers, by F. W. Pederson and George M. Landon, of St. Paul, Minn., praying for the enactment of the bill (H. R. 289) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace April 11, 1899, on reconsideration, the objections of the President of the United States to the contrary notwithstanding, which were referred to the Committee on Claims.

He also laid before the Senate a resolution of the District of Columbia Chapter, National Lawyers Guild, protesting against the enactment of the so-called Barden, Norton, and Ramspeck bills, proposing to amend the Fair Labor Standards Act of 1938, which was referred to the Committee on Education and Labor.

He also laid before the Senate resolutions of the District of Columbia Chapter, National Lawyers Guild, protesting against amendment of the National Labor Relations Act as recommended by the so-called Smith committee in House bill 8813, and also the so-called Norton bill, being House bill 9195, which were referred to the Committee on Education and Labor.

REPORTS OF COMMITTEES

Mr. MURRAY, from the Committee on Education and Labor, to which was referred the bill (S. 3607) to authorize research by the Public Health Service relating to the cause, diagnosis, and treatment of dental diseases, reported it without amendment and submitted a report (No. 1528) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 2883) for the relief of Daniel Steele, reported it with an amendment and submitted a report (No. 1529) thereon.

Mr. ELLENDER, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 225) relating to the conditions for payment with respect to sugarcane harvested from certain plantings in the mainland cane-sugar area, reported it with an amendment and submitted a report (No. 1530) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 3653. A bill for the relief of Algy Fred Giles (Rept. No. 1531); and

H. R. 7074. A bill to amend an act to authorize the Secretary of War and the Secretary of the Navy to make certain disposition of condemned ordnance, guns, projectiles, and other condemned material in their respective Departments (Rept. No. 1532).

Mr. MINTON, from the Committee on Pensions, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1138. A bill granting a pension to Mary Jane Blackman (Rept. No. 1533);

S. 2413. A bill granting a pension to Arminda Bauman (Rept. No. 1534);

H. R. 1312. A bill granting a pension to Ernest Francis White (Rept. No. 1535);

H. R. 1379. A bill granting a pension to Timothy A. Linehan (Rept. No. 1536);

H. R. 2143. A bill granting a pension to Helen M. Crowley (Rept. No. 1537);

H. R. 2273. A bill granting a pension to Lizzie May Wilbur Clayton (Rept. No. 1538);

H. R. 2285. A bill granting a pension to Maud Patterson (Rept. No. 1539);

H. R. 5007. A bill granting a pension to John W. Swoveland (Rept. No. 1540);

H. R. 7147. A bill to amend the service pension acts pertaining to the War with Spain, Philippine Insurrection, and the China relief expedition to include certain continuous service (Rept. No. 1541);

H. R. 7733. A bill to provide increased pensions for veterans of the Regular Establishment with service-connected disability incurred in or aggravated by service prior to April 21, 1898 (Rept. No. 1542); and

H. R. 7981. A bill to grant pensions to certain unremarried dependent widows of Civil War veterans who were married to the veteran subsequent to June 26, 1905 (Rept. No. 1543).

Mr. MINTON also, from the Committee on Pensions, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

S. 537. A bill granting a pension to Alice F. Thomas (Rept. No. 1544);

S. 1009. A bill granting a pension to Bert W. Helmer (Rept. No. 1545);

S. 1771. A bill granting a pension to James A. Coffelt, Sr. (Rept. No. 1546); and

S. 2263. A bill granting a pension to Timothy C. Toler (Rept. No. 1547).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHANDLER:

S. 3862. A bill granting a pension to Cynthia Mayes; to the Committee on Pensions.

By Mr. SMATHERS:

S. 3863. A bill granting a pension to Frances Cleveland Preston; to the Committee on Pensions.

By Mr. BAILEY:

S. 3864. A bill to apply laws covering steam vessels to certain passenger-carrying vessels; and

S. 3865. A bill to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes; to the Committee on Commerce.

By Mr. THOMAS of Oklahoma:

S. 3866. A bill for the relief of George W. Coon; to the Committee on Claims.

By Mr. MEAD:

S. 3867. A bill to establish a ratio within which banks may expand their deposit liabilities based upon their capital, surplus, and undivided profits, and for other purposes; to the Committee on Banking and Currency.

By Mr. BURKE:

S. 3868. A bill for the relief of certain former disbursing officers for the Civil Works Administration and the Federal Emergency Relief Administration; to the Committee on Claims.

By Mr. HAYDEN:

S. 3869. A bill to authorize the participation of States in certain revenues from national parks, national monuments, and other areas under the administrative jurisdiction of the National Park Service, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. KING:

S. 3870. A bill to amend the act entitled "An act authorizing the Commissioners of the District of Columbia to furnish Potomac water without charge to charitable institutions, and so forth, in the District of Columbia," approved February 23, 1905; to the Committee on the District of Columbia.

By Mr. NEELY:

S. 3871. A bill to amend the act entitled "An act for the retirement of public-school teachers in the District of Columbia," approved January 15, 1920, as amended, and for other purposes; to the Committee on the District of Columbia.

By Mr. WHEELER:

S. 3872. A bill to incorporate the Society of American Foresters; to the Committee on the Judiciary.

PROTECTION OF CERTAIN FOREIGN PROPERTY WITHIN THE UNITED STATES—AMENDMENTS

Mr. DANAHER submitted several amendments intended to be proposed by him to the joint resolution (S. J. Res. 252) to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. DANAHER submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 8745) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes, the following amendment, namely:

At the proper place in the bill, under the caption "National Park Service", insert the following:

"Navy and Marine Memorial: For labor and materials, including the preparation of revised plans and specifications, as may be necessary for the completion of the Navy and Marine Memorial, Washington, D. C., to be expended during the fiscal year 1941 under the direction of the National Park Service, $100,000."

Mr. DANAHER also submitted an amendment intended to be proposed by him to House bill 8745, the Interior Department appropriation bill, 1941, which was referred to the Committee on Appropriations and orders to be printed.

(For text of amendment referred to, see the foregoing notice.)

INVESTIGATION OF RAILROAD FINANCING—LIMIT OF EXPENDITURES

Mr. TRUMAN submitted the following resolution (S. Res. 264), which was referred to the Committee on Interstate Commerce:

Resolved, That the Committee on Interstate Commerce, authorized by Senate Resolution 71 and Senate Resolution 227, Seventy-fourth Congress, and Senate Resolution 86 and Senate Resolution 273, Seventy-fifth Congress, to investigate railroad financing and certain other matters, is hereby authorized to expend from the contingent fund of the Senate, in furtherance of the purposes of the above-mentioned resolutions, $5,000 in addition to the amounts heretofore authorized for said purposes.

ADDRESS BY SENATOR WALSH ON NEEDS OF THE NAVY

[Mr. WALSH asked and obtained leave to have printed in the RECORD a radio address delivered by him on April 25, 1940, on the subject, The Needs of Our Navy, which appears in the Appendix.]

ARTICLES ON THE NAVY BY SENATOR NYE AND SECRETARY EDISON

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD articles on the Navy by Senator NYE and the Secretary of the Navy, which appear in the Appendix.]

ADDRESS BY SENATOR REYNOLDS BEFORE AMERICAN DEFENSE SOCIETY

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a radio address delivered by him before the American Defense Society at New York City, April 13, 1940, which appears in the Appendix.]

SENATOR M'NARY AND THE REPUBLICAN PRESIDENTIAL NOMINATION

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an article published in the Richmond (Va.) Times-Dispatch of April 26, 1940, dealing with a mock Republican convention held by the students of Washington and Lee University at Lexington, Va., April 25, which appears in the Appendix.]

THE FARM CREDIT ADMINISTRATION

[Mr. WILEY asked and obtained leave to have printed in the RECORD an editorial published in the Washington Post of today with reference to the Farm Credit Administration, which appears in the Appendix.]

TROJAN HORSE—F. B. I.—HOOVER SPEECH

Mr. BRIDGES. Mr. President, just as the American youth of another generation remember the Black Sox baseball scandal as something base and shocking to their faith, present-day American youth idolize J. Edgar Hoover and his G-men as the symbol of integrity, courage, and right. A few years ago, Mr. President, we glorified the gangster and the leader of criminal mobs. If J. Edgar Hoover never does another thing, this country owes him a debt of gratitude for having brought about a glorification of law and order.

Yesterday in this Chamber two distinguished Members of this body rose and criticized Mr. Hoover and the activities of the F. B. I. I should like to tell a little of the other side of the picture.

Recently the Federal Bureau of Investigation and Mr. Hoover have been the subject of an intensive "smear" campaign. They have been vilified by being compared to the secret police of Nazi Germany and Communist Russia. Now, what is the source and what is the purpose of this widespread and incessant attack upon the F. B. I.? Whence come these charges that the F. B. I. is an Ogpu or a Gestapo? If we will but study the source of the attack, I think we shall have the answer to the purpose. The purpose, Mr. President, is to destroy another American citadel of faith and decency. Also, let us not forget that the first step in the demoralization of a nation is the undermining and discrediting of its law-enforcement agencies.

The origin of the campaign is quite clear. It was the arrest in Detroit, early this year, of 17 Communists who had been indicted by a Federal grand jury on charges of soliciting recruits to fight in the recent war in Spain. These cases were subsequently ordered dismissed by Attorney General Jackson, although, as I pointed out in my recent remarks concerning the Department of Justice, cases of a like nature are being pressed against members of the so-called Christian Front in New York. Naturally, I hold no brief whatever for the Christian Front; but I cannot understand why the charges against one ideological group are dismissed, while those against the other are pressed.

Notwithstanding that these Detroit Communists have been freed, the radical forces, the false liberals, and the "pinks" throughout the country are up in arms against Mr. Hoover and the F. B. I. Around Washington my colleagues know as well as I there are rumors that prominent new dealers are using some of these radical elements to "get" J. Edgar Hoover. As I previously said, these rumors are to the effect that they wish to control the entire Department of Justice and pass upon the question of who is to be prosecuted and who is not to be prosecuted without hindrance. I have said that these rumors should be sifted, because, obviously, they make for a very unhealthy situation within one of the most important governmental agencies. The President himself supported appropriations for Mr. Hoover's division to be used for ferreting out spies and saboteurs in this country. With wars going on all over the world, it seems to me that this is a poor time to go trafficking in politics with the avowed purpose of "purging" some of the personnel of the Nation's greatest law-enforcement agency.

But on the question of the "smear" campaign against Mr. Hoover, we do not have to depend upon rumor. I hold in my hands a photostatic copy of a paper called The Review, a Communist publication edited by a Communist by the name of Joe Clark. In screaming headlines it says, "G-Men or Gestapo?" It goes on to charge that the F. B. I. is being used to smash the workers as the "war-mad Roosevelt administration reaches out its long reactionary arm to smash all antiwar forces." It carries a photograph of the Detroit men chained together. Beneath are the lines:

CHAINS ON DEMOCRACY

J. Edgar Hoover's stormtroopers raided the homes of these young Detroit citizens and dragged them off in chains to jail.

I ask that this photostatic copy be inserted in the RECORD as part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

G-MEN OR GESTAPO?

History repeats itself as the war-mad Roosevelt administration reaches out its long reactionary arm to smash all antiwar forces.

It's an axiom that President Wilson learned in '17: Labor's voice must be silenced to get America into imperialist war.

That's why the G-men are used today to do the same dirty work that the Gestapo agents perform for Hitler.

Armed with an additional appropriation of $1,300,000—which brings its budget to a new high of $8,775,000—J. Edgar Hoover's own Gestapo is already terrorizing the labor and progressive movement in a drive to whip up the war hysteria necessary to drag us "over there."

We charge the Department of Justice is engaged in a gigantic un-American conspiracy against the people.

Last month it announced that a list was almost completed of persons and groups to be raided and jailed "if we should become involved in a conflict with some other power." It's the old gag of protecting those in power who betray the people by throwing their leaders into the bastille. We had a dose of it back in 1920 in Attorney General Palmer's "red raids" of nearly 5,000 homes of labor leaders in a single night. The stage is set for a repeat performance. And J. Edgar Hoover, who was chief trigger-man for Palmer, is set to play the lead again.

On February 16, without legal warrants, the Government stormtroopers broke into 11 homes in Detroit in the middle of the night, ransacking their belongings, terrorizing their families, and finally dragging 11 people through the streets as common criminals.

And you know what their "crime" was? Aid to Spain.

Using the flimsy excuse that they were looking for one of the Detroit "criminals," the G-men struck again, breaking into the New York office of the Friends of the Abraham Lincoln Brigade.

Then, 2 weeks ago, the Worcester frame-up. The G-men had planted a "fink" in the Worcester Youth Council sometime ago. To ferret out "foreigners"? No! To wreck the rising progressive youth movement in Worcester.

And how many more stool pigeons are planted in progressive organizations in order to spy on them and smash them?

The F. B. I. announces it is combatting espionage and sagotage in industry. But have they turned up a single case of espionage or sabotage? They have not. They are not interested in that. Their self-confessed aim of planting informers, stool pigeons, and labor spies in over 500 industrial plants in this country is aimed at you—at your union—at labor. It's a program for spy hunting.

And while the G-men wield the club and gun in the North, the Ku Klux Klan rides again in the Southland.

But the G-men refuse to stop this mob violence, vigilantism, and lynching.

They refuse—just as they refuse to prosecute any un-American activity. That isn't their job. Their job is to push America into the war—and the more brutally the better.

This is an attack upon you—upon your organization—upon your liberties. Be vigilant. Watch for this un-American, antilabor activity. Expose it wherever you find it.

Detroit slowed up the work of this American Gestapo. The American people, with labor leading the way, can stop it, once and for all.

Your peace and your life are at stake.

Mr. BRIDGES. Mr. President, the indisputable evidence is that the F. B. I. did not effect these arrests. The arrests were made by the United States marshal. I hold in my hand an article by the International News Service, published in the Washington Times-Herald on March 16, which not only makes this clear but throws further light upon the coddling treatment which the Department of Justice has given these so-called citizens. I ask that this article be inserted in the RECORD as part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The article is as follows:

HOOVER MADE "GOAT" IN QUIZ OF LOYALISTS—PROSECUTOR DENIES F. B. I. CHIEF ORDERED PROBE

DETROIT, March 16.—Back of the Spanish Loyalist investigation in Detroit, which has been made a part of the Communist-inspired campaign to smear J. Edgar Hoover, Chief of the F. B. I., is a story of switched orders and misrepresentation with Hoover's Department as the apparent "goat."

That story came today from United States District Attorney John C. Lehr and United States Marshal John L. Barc. It disproves the loose gossip that Hoover—

1. Instigated the investigation;
2. Chained the prisoners taken as a result of the recruiting probe; or
3. Made any special issue of the case.

RELEASE PROTESTED

Barc said sentiment was against dropping the cases, as they later were on orders from Attorney General Robert H. Jackson.

"The better element of Detroit—the patriots and patriotic societies—protested the release of these people," he asserted.

Lehr told International News Service that the recruiting of men for the Loyalist forces came to his attention in 1938. He informed Assistant United States Attorney General Brien MacMahon, in Washington, on May 12 of that year.

INQUIRY ORDERED

A few weeks later Assistant United States Attorney John Rogge asked Lehr who told him to start the investigation. He replied, "MacMahon," and was told by Rogge to drop the probe. Later Rogge reversed the order.

In December 1939 Rogge ordered Lehr to put his information before a Federal grand jury. On February 3 indictments were handed down.

Lehr asked bonds of $20,000 in six cases and $10,000 in four cases. He believed that if freed on a lower bond, the defendants would leave the jurisdiction of the court.

TWO-THOUSAND-FIVE-HUNDRED-DOLLAR BOND FOR GIRL

Bond in the case of the single girl arrested was set at $2,500, and the same bonds were set for two doctors.

According to Marshal Barc, after arraignment, the prisoners became his charges, and the F. B. I. had nothing further to do with them.

Following his usual custom, the prisoners were handcuffed to a chain and taken to a cell block, where the handcuffs were removed. The girl was not handcuffed at any time, according to Barc.

There are only four deputy marshals in the Detroit court, and it is common practice to handcuff prisoners to a chain when their number exceeds that of the marshal's staff.

Lehr and Barc were of the opinion that the cases should have been prosecuted and that if they had been prosecuted there would have been no subsequent uproar about the handling of the prisoners.

Mr. BRIDGES. David Lawrence discusses the matter in his syndicated article which appeared in the Evening Star of March 19. He calls the attack on Mr. Hoover a "tangled piece of intrigue." I ask that this article be inserted in the RECORD as part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The article is as follows:

"LEFT WING" ATTACK SEEN ON F. B. I.—OBSERVER DEFENDS BUREAU'S RECORD UNDER HOOVER

(By David Lawrence)

Every now and then a smoke screen is drawn across the face of a controversy hereabouts which makes it seem one thing on the surface when quite another set of influences is at work under cover of an attack.

Such a situation envelops the recurring bombardment that is being visited on the Federal Bureau of Investigation, commonly known as the F. B. I., and headed by J. Edgar Hoover. Lately, for instance, there has been a hue and cry about wire tapping, and Attorney General Jackson has just issued an order that there must not be any eavesdropping on the telephone lines.

But actually the amount of wire tapping practiced by G-men was relatively insignificant and was confined to kidnaping and certain types of criminal action wholly disconnected from any political or social questions.

Digging into the facts of such a tangled piece of intrigue, one finds several forces in America anxious to break down the highly efficient staff of the F. B. I. One is the underworld, which would be happy, indeed, to see J. Edgar Hoover out of the picture. Another is the group of agents of foreign governments who are engaged in espionage right now because of the large amount of war contracts placed here by the allies.

EFFECTIVE INQUIRY INTO COMMUNISM

The attack on J. Edgar Hoover, who has for many years been a career man in the Government service without any political affiliations, comes at a time when communistic activity is being investigated a little more effectively than ever before. Thus the arrest of certain persons in Detroit for securing enlistments for the Spanish Loyalists has been made the occasion of a general barrage from "left wing" quarters in America. The facts show that whatever was done in Detroit was at the instance of Frank Murphy when he was attorney general, and that alleged raiding at an early hour in the morning and other incidents complained of were done by the local United States attorney and United States marshal, who have accepted full responsibility.

But the effort to besmirch the F. B. I. has not been confined to alien forces. Some of it has arisen in the Senate itself where, though confessing that he had no facts, a denunciation of the F. B. I. was made by Senator Norris of Nebraska.

For several years there has been a feud between the various detective agencies of the Government. Sometimes it has been good-natured rivalry and sometimes it is interdepartmental jealousy and sometimes there has been bad feeling due to the prominence of one bureau as against another. But apart from this sort of skirmishing between the detective agencies, which most everybody who is familiar with Washington affairs has noted off and on during both Republican and Democratic administrations, there has been much discussion about the F. B. I. from the standpoint of its use for political purposes.

USE OF SECRET-SERVICE CHARGED

Back in the administration of President Theodore Roosevelt, the Secret Service was allegedly used by the President to watch members of Congress, and the law specifically was amended to limit the activities of the agents of the Treasury Department.

Many persons outside of Washington claim their wires have been tapped and that the administration tries to apply Ogpu or Gestapo methods. But there is not the slightest foundation for such reports. The most persuasive reason for saying so is that J. Edgar Hoover is the type of public official whose character and integrity would prevent misuse of the F. B. I. He has had the respect of every Attorney General under whom he has worked and he is known to have the confidence of President Roosevelt. But this seemingly does not prevent some of the "left wingers" hereabouts from seeking to undermine the F. B. I. and its able chief, and it is quite possible that Mr. Roosevelt does not know what is often being said and done in his behalf by the little group of "liberals" who seek to carry out their own purposes in government.

If the "left wing" should get control of the F. B. I. and use it for its own purposes, there would be justification for a decided change in the confidence which the public now has in the F. B. I. If politics or political chicanery is permitted to enter the one bureau which heretofore has been kept absolutely free from such cancers, the public would lose J. Edgar Hoover, for he is not the type of official to remain a moment in the service if either a Gestapo or an Ogpu is simulated by those who seek nowadays to control governmental bureaus for allegedly sociological reasons. The carefully directed attack on the F. B. I. warrants watching and if there is to be an investigation by Congress, it would be interesting to have the inquiry broad enough to include the recent activities of all the enemies the F. B. I. has made by its vigilant enforcement of Federal statutes or by investigations ordered specifically by the men who have served as Attorney General.

It may be, of course, that it is a mere coincidence that some of the influences with a grudge against the F. B. I. are engaging in a smear campaign against the Bureau and its Chief, but Congress might find it interesting to go into it anyway.

Mr. BRIDGES. I have in my hand an attack by the west coast radical whom Mme. Perkins refuses to deport, Harry Bridges. He delivered his attack at Harvard University, and it is duly reported in the Communist organ, the Daily Worker of February 29. I ask that this article be inserted in the RECORD as part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The article is as follows:

BRIDGES RAPS F. B. I. IN HARVARD TALK—TELLS STUDENT UNION BUREAU IS GUILTY OF "CORRUPT PRACTICES"—RIDICULES BELIEF THAT WE POSSESS A FREE PRESS

CAMBRIDGE, February 28.—Harry Bridges, west coast C. I. O. leader, attacked the F. B. I. for its "corrupt practices" in an address here

before 600 members of the Harvard Student Union. In his first public appearance since deportation proceedings against him were dropped by the Department of Labor, Bridges said that evidence of frequent violations of civil liberties had been presented to the F. B. I. by union leaders, but that no action had ever been taken on these charges.

Much of the evidence recently published concerning Willie Bioff, Hollywood A. F. of L. leader, had been given the Bureau by union men, Bridges declared, but no action was taken on them.

The F. B. I. was included in a group of "employers and Federal and State agencies" concerning which evidence of corrupt practices has been disclosed at his own hearing on the deportation charges.

"Belief that we have a free press is utterly ridiculous," Bridges said in a section of his address concerning the press. "The radio," he asserted, was "little better."

Mr. BRIDGES. Mr. President, I could name several persons who have wittingly or unwittingly permitted themselves to be made vehicles of this smear campaign. There is no need to do so, however.

We have the amazing paradox, Mr. President, of subversive influences which refer to the President as "a war-mad reactionary" receiving encouragement in the administration over which Mr. Roosevelt presides. I say this is true if there is any basis whatever for the rumors we hear.

If it is true that members of the left-wing school in the New Deal are trying to "get" Mr. Hoover, it makes no difference to me what their purpose is. They are playing the same game as the subversive influences. You ask why I should bring these rumors to the Senate floor. I reply that they are being freely aired in the press; and, furthermore, there is not one of my colleagues who does not know that some new dealers have been engaged in intrigue ever since they have been here.

But, leaving aside any intrigue on their part, it seems to be an indisputable fact that these subversive influences are either intimidating the Department of Justice or finding it willing to cooperate. One or the other is true.

Why were the Detroit cases dismissed?

Why have not countless other Communists been prosecuted for failing to register at the State Department as foreign agents?

Mr. President, I suppose Mr. Hoover has his failings just as the rest of us mortals have. But here is a man who has instilled in the minds of millions of youngsters the desire to be G-men instead of Dillingers, and has given peace of mind to thousands of parents whose children are potential victims of kidnapers.

I, for one, do not intend to remain silent and permit the destruction of this man and the organization which he heads. The attack upon him is bigger than one man or any group of men.

In the past 12 years the F. B. I. has investigated 52,000 cases from which convictions have resulted. In not a single one of these cases was there a reversal by the court of appeals on the grounds that civil liberties had been violated, on charges of brutality, inhuman treatment, or third-degree tactics.

Recently the Federal district attorneys of the whole Nation commended the F. B. I. for its preservation of constitutional rights and civil liberties. Since 1932 the F. B. I. has successfully solved 177 of 179 kidnaping cases.

The Nazis landed in Norway through disguise, by posing as friends, by playing bands and singing. They held outstretched flowers and concealed daggers. They abused the tolerance of a friendly people.

Mr. President, is it not apparent to us all that influences just as bestial and deceitful, just as dishonest, are abusing our hospitality and our tolerance? Are they not posing as humanitarians and preying upon trusting minds? And when we pursue them they seek the shelter of the very freedom and liberty of the institutions which they seek to destroy.

As to one group of this country's subversive elements, there is not the slightest doubt that in their steady attack on our institutions, on our very way of living, they have had the active support, indeed, the encouragement and the coddling, of those who choose to call themselves the New Deal. Certain of these subversive elements have been fitted right into the so-called liberal movement which has had our country in its grip, and there is no doubt in my mind that they have pretty well directed it.

I realize that my remarks will bring down upon my head the charge that I am witch hunting. But I venture to say, Mr. President, that the Norwegian people today wish they had more carefully scrutinized those who, as a result of Norway's democratic institutions, were allowed to filter in and establish themselves, and who, at a given signal, committed the overt acts which paralyzed the nation politically, while the aggressor from across the narrow sea appeared with his battleships and troop transports to storm yet another citadel of democracy.

Almost as often as once a week this administration through some act or word seeks to concentrate our attention on the happenings in Europe, but at no time, Mr. President, has it done anything to direct attention to what is happening right here at home. Instead, it has sought in every way at its command to discourage those who have attempted to expose these happenings.

Mr. President, the lesson which the world has learned as a result of the recent happenings in Norway should be taken to heart, especially by Americans, for here, just as the Nazis through secret infiltration into the lives of the Norwegians were subsequently able to seize the country with amazing rapidity, so have alien forces been steadily undermining our own body politic for the past few years. Let us watch the Trojan horse in this country.

Mr. President, a very amazing story has been written by Mr. Leland Stowe, of the Chicago Daily News, relative to the so-called Trojan-horse occurrence in Norway. It appeared in two articles in the Washington Evening Star, and I ask that the articles be reprinted as a part of my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of April 15, 1940]

NAVAL GUNS SPIKED, MINES DISCONNECTED, REPORTER DECLARES—VAST PLOT LET GERMANS WALK IN WITHOUT RESISTANCE, HE SAYS

(By Leland Stowe)

STOCKHOLM, April 15.—For the first time the story behind Germany's paralyzing 12-hour conquest of vital Norwegian ports on Tuesday, April 9, can be told. Between midnight and noon on the bewildering day, Norway's capital, all her principal seaports, and her most strategic coastal defense fell into German hands like an overripe plum.

Norwegian people were stunned as the Belgian people must have been stunned in 1914 and most of them still have not the slightest conception of how this incomprehensible tragedy could have happened.

I spent these hours in Oslo, together with the only other American newspapermen who were on the spot—Warren Irvin, of the National Broadcasting Co., and Edmund Stevens, of the Christian Science Monitor—and we ourselves could scarcely believe the evidence of our own eyes.

But I had to remain in Oslo through 4 days of German occupation to learn how this miracle of lightning naval and military occupation was made possible. Then I could scarcely believe my ears. After that, with the last train connections to Sweden severed, Irvin and myself decided to try somehow to get across the border. It was the only possible way to give a detailed account of the most astonishing thing that has happened since the second World War began.

PORTS SEIZED BY GIGANTIC CONSPIRACY

Norway's capital and great seaports were not captured by armed force. They were seized with unparalleled speed by means of a gigantic conspiracy which must undoubtedly rank among the most audacious, most perfectly oiled political plots of the past century.

By bribery and extraordinary infiltration on the part of Nazi agents and by treason on the part of a few highly placed Norwegian civilian and defense officials, the German dictatorship built a Trojan horse inside of Norway. Then, when the hour struck the German plotters spiked the guns of most of the Norwegian Navy and reduced its formidable fortresses to impotence.

Absolute control of only a handful of keymen in administrative positions and the navy was necessary to turn the trick and everything had been faultlessly prepared. The conspiracy was about 90 percent according to schedule. Only in two or three places was it marred by unexpected hitches, but Norway's sea gates were already wide open.

For the success of the German plan the capture of three key cities was essential, these being Oslo, Bergen, and Narvik. It is known that Narvik was betrayed to the Germans by its commanding officer. How Bergen's harbor defenses were taken remains a mystery, as far as I can learn. But most important of all to the Nazi plot was the immediate domination of Oslo Fjord with its mighty fortresses and the forcing of its virtually impregnable narrows at Drobak, together with the seizure of the great Norwegian naval base at Horten.

Only in this manner could the Germans penetrate to Oslo and deliver an almost irreparable blow to Norway's parliamentary government. To seize all of Oslo Fjord and force its narrows would have appeared impossible to any foreign government except the Nazi dictatorship, but, by methods even more astonishingly efficient than those which it used against Austria and Czechoslovakia, the inconceivable was accomplished. Until now, I believe, the outside world has had to guess how it was done.

GERMANS SAILED NIGHT OF APRIL 4

To understand the conspiracy's scope one must go back somewhere near the climax of the plot. In Oslo I learned, on the most reliable authority, that Germany's sea forces and troopships sailed from German ports for their Norwegian adventure during the night of Thursday, April 4—3 full days before the British mined the upper Norwegian coast between Bergen and Narvik. I also was informed with impressive assurance that the German Army chiefs strongly opposed Fuehrer Adolf Hitler on the plan to invade Norway, because they insisted that communication lines for an army of occupation in Norway would be most dangerously limited and exposed. Nazi radical leaders supported Der Fuehrer and the decision was taken against the Regular Army chiefs' counsels.

On Friday night, April 5, while the German Fleet and transports already were streaming toward Norway, an event of enormous historical importance occurred in Oslo, and until now has probably never been reported. The German legation held a soiree to which it invited 200 persons representing Norway's influential personalities. All the members of the Government were invited, as well as many officers of the defense forces, leading bankers, shipping executives, and industrialists. The invitation emphasized the importance of the soiree by reading, "White ties, uniforms, and decorations."

Despite the great formality imposed, it was no official dinner. Norway's elite had been invited to see an unusually interesting film. It proved to be the motion picture Baptism of Fire, depicting in the most graphic details Germany's aerial destruction in Poland. For more than an hour the distinguished Norwegian audience sat in icy silence, gripped by the horror of many of the scenes. Afterward the German Minister explained that the film was not a war, but a peace, film, since it showed what nations which elected peace would save their people from suffering. The Norwegians left the German Legation that night filled with gloomy, ominous thoughts.

QUISLING RETURNED TO OSLO ON APRIL 6

In Oslo I learned that Maj. Vidkun Quisling, leader of the pro-Nazi Norwegian party, called the Camling, and now Premier of the so-called national government set up after the German occupation, was in Berlin at the time the film was shown in Oslo and while the expedition was being organized. He returned to Oslo on Saturday, April 6. On Sunday night the British sowed mine fields below Narvik. On Monday Berlin's press flamed against this provocation. In the first hours of Tuesday, April 9, Norway's naval defenses were betrayed to the German fleet and the first German troops landed at Fornebo, Oslo's airport, a few hours after daybreak.

This brings us to the methods by which Oslo Fjord and Oslo itself were captured from the sea early in the morning hours of April 9. The Germans could not enter without controlling the vital Norse naval base at Horten. At 1:30 o'clock that morning—3½ hours before Berlin's ultimatum was handed to Foreign Minister Dr. Halvdan Koht—the commander of three Norwegian warships at Horten received an urgent message. It was supposedly signed by Dr. Koht himself and accepted as coming direct from the Government via the Ministry of Foreign Affairs. It ordered Norwegian ships not to fight against the German warships which were about to come up the fjord and to put all their men ashore immediately, without their arms.

Without questioning the origin of the order, the commander ordered all his men ashore except stokers and messmen.

From here on a slight hitch which was costly for the Germans occurred. The Norse minelayer *Olaf Trygvason* had unexpectedly put in for repairs the previous evening. Its presence apparently was unknown to the leaders of the conspiracy in Oslo. This was the only Norwegian war vessel which did not receive the order and so remained in condition to fight. Afterward the Norwegian sailor who verified these developments declared, "It was only through treason that the Germans got in."

Meanwhile, an even greater coup had been scored by the plotters. The narrows of Oslo Fjord were mined and controlled from Drobak. About 1:30 o'clock in the morning of April 9 these mines were all rendered harmless by being electrically disconnected from the Drobak central. The mystery of who ordered this to be done remained unsolved when I left Oslo, but this move enabled the German cruiser to penetrate the narrows before dawn.

At 4:30, still half an hour before the German Minister handed the ultimatum to Dr. Koht, a German cruiser, believed to have been the *Emden*, accompanied by two submarines, reached Horten. The three Norse war vessels were completely helpless, but the little mine layer, *Olaf Trygvason*, blocked the entrance to the narrows. It immediately discharged torpedoes and sank the cruiser and the submarine. It was reported, though I was unable to confirm this, that the cruiser *Bluecher* also was sunk by the narrows fort, called Oskarsborg.

GERMANS LANDED AND SEIZED HORTEN

In any case, all other crews were ashore without arms at Horten, and by daybreak the Germans landed marines and seized Horten. The way through the narrows was open and Oslo defenseless from the sea.

I talked to another Norwegian who was a member of the Horten naval base that night. He confirmed all the main details of the above events, including the fact that two German cruisers were sunk.

"Later the Germans got about 100 men ashore," he related. "There was some fighting. We had 4 men killed; the Germans, 2. But there was nothing we could do. The officers on our ships ran up white flags. We didn't know why, and I still don't know why. We thought they had orders from the government."

In this fashion Norway's capital was betrayed from within and the German occupation of Oslo assured before its Government knew what had happened or Parliament had courageously refused to capitulate.

Before the Germans' capture of Horten the Oslo Government had already ordered mobilization as a precaution. Accordingly, before daybreak on April 9 scores of young Norwegians reported at the Horten railroad station. They were immediately surrounded by the German marines landing party and placed aboard other German ships which came up.

When German warships approached the formidable Oskarsborg fortress, at the narrows above Horten, so it was stated there afterward, they radioed the fort's commander not to shoot. According to report, the Nazi said: "We've got your own men aboard." The fortress guns remained silent and the German warships passed into Oslo's inner harbor. The occupation of Oslo was then inevitable.

Meanwhile, we had spent an eerie night in Oslo's Grand Hotel with a succession of air alarms, the first of which sounded at 12:35 o'clock in the morning, about the time mobilization was ordered. At first I could not believe my ears, as the sirens were so different from those in Helsinki. They sounded like motorcars honking in a traffic jam. Later Stevens and I decided that the Norwegians were only air-alarming as a precaution. So I refused to get up until 7 o'clock, when a Finnish diplomat informed me of the ultimatum and the Government's decision to leave.

PLANES DOVE OVER THE CITY

At 7:45 o'clock, while we still had not the slightest idea what had happened in Oslo Fjord and at Horten, five Nazi bombers suddenly came roaring over the rooftops, so low they almost touched them. We watched them come, expecting bombs momentarily. For 2½ hours German planes dove over the city, always only three or five in number. They were intended to terrorize the populace into surrender and the authorities into inaction while the first troops landed by air at Fornebo outside the city.

Thousands of Osloans gazed curiously and fearfully, but no panic occurred. None of us dreamed that German warships were in the inner harbor and that Oslo was already doomed. We still thought that British ships and planes might come at any moment. It seemed utterly incredible that the narrows of Oslo Fjord could have been forced by the Germans, and its powerful forts silenced.

The same madness of incomprehensible events continued all day long. First was mystification over the complete lack of defense of the city by its naval forces and coastal forts. Then it was the immunity of the low-flying Nazi planes to thousands of machine-gun bullets which pattered almost incessantly until after 10 o'clock. Then it was the further fact that only one anti-aircraft battery seemed to be firing against the German planes, and this became silent after firing only a few shells, all of which were inexplicably wide of the mark.

Finally, at 10: 30 o'clock, came an equally fantastic lull in which German planes only circled occasionally and absolutely nothing seemed to happen. Tens of thousands of persons, clustered in the streets and on the sidewalks, looked and waited, utterly baffled. We all asked where were the British, but also where were the Germans.

BATTLE TO HAVE DISPATCH ACCEPTED

Meanwhile, I had a great battle to get the telegraph office to accept a dispatch without a special Government press card.

At 9 o'clock in the morning Stevens and myself could find no responsible chief at his post in the telegraph building, only groups of perplexed employees standing in the corridors—those few who had reported for work. It was only through the personal intervention of Raymond Cox, first secretary, who remained in charge of the American Legation, that our first dispatches were finally accepted—and the only ones which were allowed to pass for more than 24 hours.

But Norway's capital in every quarter was the scene of dazed disorganization, completely without leadership. Apparently even the men who had been called to the colors did not know where to go or simply forgot about it. The streets were filled with men of fighting age, all standing watching the German planes, waiting and speculating, but doing nothing and going nowhere.

It was like this until 2:30 o'clock in the afternoon. Then, as I rushed up to the hotel desk, a porter asked me, "Aren't you going out to see the Germans come in?"

"What do you mean, the Germans?"

"Yes; they are marching up Carl Johan Boulevard any minute now."

I called Irvin and Stevens and we rushed outside into the strangest conceivable scene. Oslo's beautiful main boulevard was jammed with people, all flocking to see the Germans come in. Strangest of all, Norwegian policemen were calmly forming lines along the sidewalks and clearing the streets for the Germans' triumphal entry. One of the policemen told me that the Germans would be there within 10 minutes.

NONE OF DISPATCH WAS SENT

All this and what followed I told in a dispatch which was filed that afternoon—but the Germans had just taken over the telegraph building and I learned 2 days later that not a line of my dispatch was ever sent. Meanwhile, we supposed that the world knew most of the story.

We waited half an hour on the hotel balcony with an excellent view all the way up the boulevard to its beginning, at the foot of the hill on which the royal palace stands. Shortly before 3 o'clock two trucks filled with a dozen German soldiers rolled up the street. The soldiers lolled in them, with their guns dangling, as if they had been assured that they had not the slightest resistance to fear. From the rear of the second truck two machine guns poked their noses meaningfully straight down the boulevard. Their operators lay prone with intent, hard faces, ready to fire. This was the only show of force, and all that was needed.

At 3 o'clock there was a murmur through the crowd. We could see two mounted men swinging into the boulevard in front of the palace, then six more, then the head of a marching column in field gray. The mounted men were Norwegian policemen actually escorting the German troops which were occupying the capital. We looked uncomprehendingly. Later I was told that Norwegian policemen never carry any kind of arms. This was also why they failed to fulfill the Government's order to arrest Major Quisling.

The German column marched steadily nearer through a lane of 20,000 or 30,000 Osloans, fully half of which were men of military age. A tall, broad-shouldered officer, Gen. Nikolaus von Falkenhorst, and 2 other officers marched directly behind the mounted police. Then came the German regulars in columns of threes, as if to make the line look as long as possible. One out of nine carried light machine guns; all toted compact aluminum kits and bulky shoulder packs.

They were hard-muscled, stony-faced men. They marched with guns on their shoulders, with beautiful precision. Mostly, they stared straight ahead, but some could not restrain triumphant smiles toward the onlookers. Several times General von Falkenhorst and the other two officers returned Nazi salutes from persons in the crowd who must have been German advance agents who had been busy in Oslo for weeks before the crowning moment. From our hotel balcony two Nazis gave the salute. I noticed in particular the beaming face of a chic, slim, blond German woman whose husband had been very active in our hotel since we arrived on the previous Thursday.

COLUMN COMPOSED OF TWO BATTALIONS

It was a thin, unbelievably short column. It required only 6 or 7 minutes to march past. It was composed of only 2 incomplete battalions—surely less than 1,500 men in all. Norway's capital of nearly 300,000 inhabitants was being occupied by a German force of approximately 1,500 men.

The last of the German troops went by without a single jeer or hiss, without a single tear noticeable on any Norwegian face. Like children, the people stared. Thousands of young men stood watching this occupation parade. Not one hand or voice was raised. We could discern no sign of resentment upon any face about us. This was the most incomprehensible thing among all the incomprehensible things of the fantastic 24 hours.

Somehow it seemed as if curiosity was the strongest sentiment in the throng of Osloans who watched the Germans come in. No other emotion was betrayed in the countless faces we scanned anxiously. The only indignant people we met or saw that day were foreigners. The Norwegians of Oslo seemed stunned beyond recovery. Everyone acted curiously like children suddenly given a chance to see a parade of strange creatures out of prehistoric times—something which had no connection with real life.

But within 2 hours real life was making itself felt in Oslo. The Germans had occupied the capital without dropping a bomb, without firing a shot within the city limits. They simply had paraded in and taken it over much as Frenchmen or Italians might parade into a colonial interior village somewhere in Africa. Now they went to work. It was the urgent task of the tiny force of 1,500 men to seize key places in the nation's capital. They did it swiftly, without any fear of interruption.

When I hurried into the telegraph building I had hopes. There were still no German troops guarding the door. But immediately I knew it was too late. The tip-off came when a woman employee, who had always addressed me in perfect English, spoke to me in German and tried to refuse my message on the grounds that I had no special telegraph card. But her chief had already accepted my dispatch at 1 o'clock. Finally, she accepted it reluctantly, together with $64 worth of Norwegian crowns which had to be paid in advance. Then she told me in German that I must see Fraulein Hauge tomorrow morning or no more messages would be accepted. Of course, my own and all other dispatches for the next 24 hours were never sent. The Germans had closed all the wires as well as telephone lines to the outside world.

GERMAN SOLDIERS IN PARLIAMENT

The next day, Wednesday, was as unbelievable as the events of April 9 had been. German troops now stood guard in the Parliament, the university, the city hall, and other public buildings. My first shock came early in the morning as I passed the Storting (Parliament). Two-score German soldiers filled the open windows on the third floor of the building, all singing lustily, while one pumped joyfully at his accordion. Osloans stood watching and listening on the sidewalks below. I looked closely but so far as I could see they were simply curious and somewhat entertained.

As on the previous night after the occupation, the city's cafes were filled in almost normal fashion, and a large number of young men were lolling in them as if there were no such thing as a regular Norwegian army, ready to offer resistance to an invader, only 50 miles north of the capital. Wherever we went we saw groups of young people clustered around German soldiers on guard. Some of them chatted pleasantly with the soldiers, some stared at their rifles and machine guns, and asked questions about them. Many young girls gazed admiringly at the men in field-gray uniforms.

Outside the telegraph building I encountered an open car with half a dozen hardened German regulars who had a machine gun mounted for action. The crowd laughed and joked with the soldiers; one man, apparently half-intoxicated, shouted "Deutschland uber Alles" several times. The soldiers laughed. The chief of the machine-gun crew looked down upon his admirers with an indescribable smile. He stood up proudly like a member of a conquering Roman legion who realized that he had the right to do so.

Such scenes, far from infrequent, had not ended when I left Oslo on Friday. By that time, however, many young Norwegians had disappeared from the capital with packs on their backs. A great many more went after the Germans landed 20,000 troops on Oslo's quays on Thursday afternoon. This sight at last awakened many men from the daze which they had been in. Many others, however, still remained in the capital on Friday—seemingly a large part of the men.

RECEIVED COURTEOUSLY AT NAZI LEGATION

On Wednesday evening, we discovered that the Quisling government had been formed in room 430 of the Continental Hotel. I went there about a matter which was said to require the new Premier's personal decision. Three Germans in civilian clothes, and one Norwegian, were in room 430. After waiting, I saw Major Quisling very briefly, but he turned for advice to a sharp-faced German who introduced himself as Reichsamtleiter Schoedt. The Reichsamtleiter decided the matter while another German assisted in giving further directions. From there, we were referred to the German Legation, where we were received courteously. It appeared that the German military censorship was not yet completely organized and nothing could be arranged about the transmission of dispatches until the next day.

Nevertheless, we made another call at the telegraph building. The public hall was deserted when we entered, after passing German guards. Inside two German privates were standing. While we wrote our cablegrams they began an exercise in mass psychology. They marched 15 or 20 steps, slowly and calculatedly pounding the heels of their boots down on the cement floor at every step. Each step echoed loudly and menacingly against the ceiling. After a few seconds' pause, the two soldiers pounded their heels again.

They continued this exercise as long as we were in the hall. The echo of their hobnailed heels was amazingly eloquent.

This is how Norway's capital was captured without a bomb being dropped and without a shot being fired within several miles of the city.

I believe this to be the first story of any completeness to reach the outside world. I also believe it to be the most important newspaper dispatch I have ever had the occasion to write. It is my conviction, for the sake of history and also for the sake of the ultimate restoration of security and freedom in all three Scandinavian countries, that it is crying to be told now. I am closing it with the earnest hope that it will reach America and the outside world quickly.

[From the Washington Evening Star of April 17, 1940]

THREE THOUSAND GERMANS HELD OSLO 2 DAYS BY BLUFF AND MUSIC—ROLLICKING TUNES LULLED NATIVES INTO FORGETTING RESISTANCE UNTIL TOO LATE

(By Leland Stowe)

STOCKHOLM, April 17.—The Nazi regime conquered Oslo by ruse and treason, but less than 3,000 German troops held Norway's capital for the first 48 hours by a gigantic bluff. Most of all, they kept the more than 250,000 Osloans, who remained in the capital, mesmerized by music discreetly intermixed with cocky parades in different sections of the city by 20, 50, or perhaps 100 soldiers at a time.

But music and song were the chief weapons used to lull the public into an illusion of normalcy. Thus, we witnessed the extraordinary spectacle of a nation's capital being held securely by impromptu soldiers' choruses, by one 12-piece military band and by 2 accordions.

The Germans, at least the Nazi leaders, have learned a lot more about psychology than they are given credit for. This is why the tiny force of German occupation was able to dominate Oslo from the moment it set foot on the land, simply through bluff and rollicking tunes. The Nazi band began its concerts in the park along Carl Johan Boulevard, in the center of the city, the morning after the occupation. Soon several hundred Norwegians clustered around, listening to a jovial rendition of Roll Out the Barrel. They kept coming and pausing for 10 minutes or more in groups, and nobody seemed to think of rolling out the Germans.

SOLDIERS SING ON MARCH

On Wednesday morning, too, one company of spick-and-span men, their rifles shining, marched down Carl Johan Boulevard, pounding their heels slowly and singing as they went.

Meanwhile skeleton bodies of troops, occupying Parliament and City Hall, also developed an urge to sing popular songs and old German favorites from the windows. But the cleverest bit of musical mass psychology was pulled last Thursday afternoon just after the first of 20,000 German troops debarked in Oslo Harbor, thereby assuring the Nazi grip on the capital.

After watching the first transports tie up at the quays, I rushed to the telegraph office. When I returned, half an hour later, the harbor's semicircle of quays was a curious sight. I heard what

sounded like a students' chorus at a football match long before it could press its way through the throngs of Osloans near the embankment. Lounging on the embankment were perhaps three platoons of German infantry. Their kits, blankets, rifles, and bayonets all were piled in neat rows on the sidewalk below them.

CONSCIENCES SUFFER

The soldiers sat with their arms locked, and swinging from side to side, shouted out the words of the German song, Going to Town, with splendid harmony on the refrain. Before them stood a hardy Teuton getting the maximum syncopation from his accordion. The singers all acted like a group of carefree young men whose only desire in life is to have fun and serenade people. Behind their booming choruses was the implication that there was nothing serious about these thousands of iron-muscled troops who were marching down the gangplanks at the quay's edge.

Almost unbelieving, several thousand Osloans paused and listened in the course of the next 2 hours. But their expressions had changed from the incomprehensible curiosity and the seeming indifference of the last 2 days. Now, for the first time, there were many faces with harassed lines and troubled eyes.

All the songs chosen had lots of gayety. They attracted people but did not hold so many. Something, some sharp realization, had at last sunk into the consciences of the Norwegians at Oslo. After 48 hours it was beginning to sink in.

I walked on a few paces, for another body of singing soldiers was so close that the songs clashed midway between the two groups. These field-gray men, standing as they sang, had one tenor whose voice was a winner. One of their best songs, and the one that each group sang repeatedly, was something about a Rhineland town which "has the finest Maedels (girls) in the world. We want to love them. We want to love them."

With those kinds of songs people are not supposed to remember that their capital is being conquered for inestimable months or years. Yet a great many Osloans did not linger as long now around the German troops as they had been lingering the last 2 days. They were seeing an enormous amount of machine guns, too, and several more troopships, lined with soldiers, out in the harbor waiting to tie up. From the largest of these more singing echoed shoreward.

Meanwhile, up in the park directly in front of Parliament, the people of Oslo, from 11 o'clock in the morning onward, had been treated to the most amazing band concert the Norwegian capital probably ever heard. A little 12-piece band played almost unceasingly all afternoon just as if nothing important were happening anywhere, least of all down in the harbor. The German band played countless American dance tunes, interspersed with German waltzes and occasional Nazi marches. They kept up their entertainment, never lacking an audience of 200 or 300. The soldiers only ended their zestful music at nightfall, when fully 5,000 more troops had already safely augmented the Germans' exposed shoestring garrison of occupation.

The next morning, Friday the 12th, the music period of the occupation had completely ended. There was no further need for bluff. Also, much more serious business was at hand. That morning, for the first time, I saw no German soldiers standing guard at the Parliament and university buildings. Until now they had stood like statues or had tramped ostentatiously back and forth. Now all had gone. I was puzzled to see that the German guards had been replaced by Norwegian police at the Parliament doors.

We still could not understand why Oslo's big, strapping policemen remained in the capital. Nor why the city had been occupied without the electric current being cut off or the slightest cessation of trolley-car service, or any strike in other services as a show of passive resistance.

During the first 3 days I saw a single individual who seemed ashamed. Perhaps he was the only one, because those young men who believed that Norwegians must also fight for their own freedom had left or were leaving town. When we left Oslo, their absence or departure for the first time had become slightly noticeable.

Before leaving, we learned from a Red Cross nurse that one Norwegian had been shot by the occupation forces for refusing to drive a commandeered car. This was the only case we had heard of up to that time.

With the arrival of 20 or more transports, however, resistance inside Oslo became impossible. Roll Out the Barrel had become the unparalleled, incredible dirge of Norwegian independence so far as Osloans were concerned.

Mr. BRIDGES. Mr. President, I have attempted to give merely a brief outline of some of the things which are happening in this nation today, some of the things which should demand the attention of every thoughtful American. I question what sort of Americans we show ourselves to be, with all the trouble in the world today, with the situation in this country as it is, with large groups attempting to undermine our Constitution and our country, when we sit here passively and show very little concern about these influences which are at work. We do not want another Trojan-horse episode in this country. When we see what has happened to little Norway and see how that country has been laid prostrate as a result of the infiltration of elements from other lands, it seems to be time that our Nation should take account of stock and take some definite action to put its house in order.

TRANSPORTATION ACT OF 1940—CONFERENCE REPORT

Mr. WHEELER submitted a report, which was ordered to lie on the table.

(For conference report see page 5836 of the House proceedings.)

DEPARTMENT OF LABOR—FEDERAL SECURITY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes.

The PRESIDENT pro tempore. The clerk will state the next amendment of the Committee on Appropriations.

The next amendment was, on page 19, line 15, after the words *"Provided further"*, to strike out "That expenditures under the several classes of objects of expenditure for which this appropriation is available shall not exceed by more than 10 percent the amounts estimated for such objects of expenditure by classes, in the schedule for the fiscal year 1941 appearing in the Budget for such fiscal year under this head, and any such excess must be approved in writing by the Federal Security Administrator in such amounts as he shall designate" and in lieu thereof to insert "That expenditures under the several classes of objects of expenditure for which this appropriation is available shall not exceed by more than 10 percent the amounts estimated for such objects of expenditure by classes, in the schedule for the fiscal year 1941 appearing in the Budget for such fiscal year under this head, such amounts to be amended to reflect any proportionate change which each should bear in connection with the total amount appropriated herein, and any such excess up to 10 percent must be approved in writing by the Federal Security Administrator in such amounts as he shall designate."

So as to make the further provisos read:

Provided further, That expenditures under the several classes of objects of expenditure for which this appropriation is available shall not exceed by more than 10 percent the amounts estimated for such objects of expenditure by classes, in the schedule for the fiscal year 1941 appearing in the Budget for such fiscal year under this head, such amounts to be amended to reflect any proportionate change which each should bear in connection with the total amount appropriated herein, and any such excess up to 10 percent must be approved in writing by the Federal Security Administrator in such amounts as he shall designate: *Provided further*, That the foregoing proviso shall not apply, to whatever extent the President shall direct, in the event of an emergency declared, by the President, to exist.

Mr. LODGE. Mr. President, I wish to make a brief statement concerning this amendment, which I think is a step in the right direction. It is my understanding that until this year a lump sum was appropriated for the Civilian Conservation Corps, and those who operate the Civilian Conservation Corps could spend the money in any way they desired within the total lump sum.

I think most Senators will agree with me that that is not good procedure, and that the procedure we have applied to the regular agencies of government is one which should be applied to the C. C. C. In our regular appropriations we have an item for pay, an item for subsistence, an item for clothing, an item for transportation, and so on. This amendment requires the C. C. C. not to exceed the proportions for the various items which are set forth in the Budget. In my judgment, it would be better to itemize in the law all the various accounts for which money is appropriated.

I am happy to say that the chairman of the Committee on Appropriations, the senior Senator from Virginia [Mr. GLASS], has requested that next year when the appropriations for the C. C. C. are under consideration they be submitted in such form that we can itemize the various amounts, as we can do for the Army, the Navy, and the other regular departments of the Government.

I merely wanted the RECORD to show that this is the prospect and express the hope that nothing will prevent its accomplishment next year.

Mr. McKELLAR. Mr. President, we did the best we could. We arranged the appropriations according to the Budget, which was the only guide we had as to the figures. Next

year we will certainly have every item segregated, and the appropriation will be made along that line.

The PRESIDENT pro tempore. The question is on agreeing to the amendment on page 19, line 15.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Education—Vocational education", on page 24, line 20, after the word *"Provided"*, to strike out "That the apportionment to the States shall be computed on the basis of not to exceed $3,000,000, as authorized by the acts approved June 2, 1920, June 5, 1924, June 9, 1930, June 30, 1932, August 14, 1935, and August 10 1939," and insert "That the apportionment to the States shall be computed in accordance with the acts approved June 2, 1920, June 5, 1924, June 9, 1930, June 30, 1932, August 14, 1935, and August 10, 1939, on the basis of not to exceed $3,000,000 for the fiscal year 1941", so as to read:

Provided, That the apportionment to the States shall be computed in accordance with the acts approved June 2, 1920, June 5, 1924, June 9, 1930, June 30, 1932, August 14, 1935, and August 10, 1939, on the basis of not to exceed $3,000,000 for the fiscal year 1941.

Mr. DANAHER. Mr. President, will not the Senator from Tennessee explain the purpose of this change?

Mr. McKELLAR. It is largely a change in language only. If the Senator will read the two items he will find it is a transposition of terms in order to make the language clearer, that is all.

Mr. DANAHER. Is it not a plan of reappointment which will be applicable solely for the fiscal year 1941, as worded?

Mr. McKELLAR. That is true.

Mr. DANAHER. Will the Senator tell us, then, why we should change it just for the year 1941, if we are not to effect a change in policy?

Mr. McKELLAR. The whole bill applies only to the year 1941. We are appropriating only for 1941, and it is made to accord with the remainder of the bill. There is nothing ulterior about the change, I will say to the Senator. The language was suggested by the Department as being the better way to handle the matter, and it was agreed to by the committee.

Mr. DANAHER. It is apparent that the act of June 2, 1920, and other acts enumerated, set up a policy of apportionment, and the apportionment now in existence under the acts referred to has been followed for many years. Now, apparently, we are to adopt a new policy for the year 1941, and I desire to know what the purpose is.

Mr. McKELLAR. It is not a new policy for 1941 at all. It merely makes it applicable to the year 1941. No different policy is set up. It is exactly the same as it has been all the time.

Mr. DANAHER. I thank the Senator.

The PRESIDENT pro tempore. The question is on agreeing to the amendment on page 24, line 20.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment will be stated.

The next amendment was, under the subhead "Public Health Service", on page 35, line 5, before the word "of", to strike out "$1,600,000" and insert "$1,650,000", so as to read:

Disease and sanitation investigations: For carrying out the provisions of section 603 of the Social Security Act, approved August 14, 1935, and section 1 of the act of August 14, 1912, including rent and personnel and other services in the District of Columbia and elsewhere and items otherwise properly chargeable to the appropriations for printing and binding, stationery, and miscellaneous and contingent expenses of the Federal Security Agency and Public Health Service, the provisions of section 6, act of August 23, 1912 (31 U. S. C. 669), to the contrary notwithstanding, the packing, crating, drayage, and transportation of the personal effects of commissioned officers, and other personnel of the Public Health Service upon permanent change of station, and including the purchase (not to exceed $2,500), exchange, maintenance, repair, and operation of passenger-carrying automobiles for official use in field work, $1,650,000, of which not to exceed $215,790 may be transferred, with the approval of the Director of the Bureau of the Budget, to the appropriation "Pay, etc., commissioned officers, Public Health Service."

The amendment was agreed to.

The next amendment was, under the subhead "Social Security Board", on page 37, line 21, after the word "members", to strike out "not to the compensation of persons or organizations temporarily employed for the special services described in the second proviso of this paragraph", so as to read:

Salaries and expenses: For all authorized and necessary administrative expenses of the Social Security Board in performing the duties imposed upon it by law, including three Board members, an executive director at a salary of $9,500 a year, and other personal services in the District of Columbia and elsewhere; travel expenses, including not to exceed $10,000 for expenses of attendance at meetings concerned with the work of the Board when specifically authorized by the chairman and not to exceed $5,000 for travel in foreign countries; not to exceed $10,000 for payment of actual transportation expenses and not to exceed $10 per diem in lieu of subsistence and other expenses of persons serving while away from their home, without other compensation, in an advisory capacity to the Social Security Board; expenses of packing, crating, drayage, and transportation of household goods and other personal effects (not to exceed in any case 5,000 pounds) of officers and employees when transferred from one official station to another for permanent duty (including employees transferred from duty at Baltimore, Md., to duty at Washington, D. C.) when specifically authorized by the Board; supplies; reproducing, photographing, and all other equipment, office appliances, and labor-saving devices; services; advertising, postage, telephone, telegraph; newspapers and press clippings (not to exceed $1,500), periodicals, manuscripts and special reports, purchase and exchange of law-books and other books of reference; library membership fees or dues in organizations which issue publications to members only or to members at a lower price than to others, payment for which may be made in advance; alterations and repairs; rentals, including garages, in the District of Columbia or elsewhere; expenses incident to moving offices of the Board from one building to another in Washington and from Baltimore to Washington; purchase and exchange, not to exceed $5,000, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles to be used only for official purposes in the District of Columbia and in the field; and miscellaneous items, including those for public instruction and information deemed necessary by the Board, $27,219,500: *Provided,* That the Board may expend, of the sum herein appropriated, not to exceed $100,000 for the procurement of information relating to the death of individuals entitled to benefits, receiving benefits, or upon whose death some other individual may become entitled to benefits, under title II of the Social Security Act, as amended, from proper State and local officials, including officials of the District of Columbia, Alaska, and Hawaii and for personal services in connection with the procurement of such information, without regard to section 3709 of the Revised Statutes (41 U. S. C. 5), and the provisions of other laws applicable to the employment and compensation of officers and employees of the United States: *Provided further,* That no salary shall be paid for personal services from the money herein appropriated under the heading "Social Security Board" in excess of the rates allowed by the Classification Act of 1923, as amended for similar services: *Provided further,* That this latter proviso shall not apply to the salaries of the Board members.

The amendment was agreed to.

The next amendment was, on page 38, line 18, after the numerals "1935", to insert "as amended", so as to read:

Grants to States for old-age assistance: For grants to States for assistance to aged needy individuals, as authorized in title I of the Social Security Act, approved August 14, 1935, as amended, $245,000,000, of which sum such amount as may be necessary shall be available for grants under such title I for any period in the fiscal year 1940 subsequent to March 31, 1940.

The amendment was agreed to.

The next amendment was, on page 39, line 8, after the numerals "1935", to insert "as amended", so as to read:

Grants to States for unemployment-compensation administration: For grants to States for unemployment-compensation administration, as authorized in title III of the Social Security Act, approved August 14, 1935, as amended, including rentals in the District of Columbia and elsewhere, $61,000,000.

The amendment was agreed to.

The next amendment was, under the subhead "National Youth Administration", on page 41, line 19, after the word "student", to strike out "aid" and insert "work program", and in line 24, after the word "persons", to strike out "$97,085,000" and insert "$95,984,000", so as to read:

PAR. 1. Part-time youth work and student work program: To enable the National Youth Administration, which is hereby extended to and including June 30, 1941, under the supervision and direction of the Federal Security Agency, to engage in the following types of programs for assistance to needy young persons, $95,984,000, namely.

(a) To provide part-time employment for needy young persons in schools, colleges, and universities to enable such persons to continue their education.

(b) To provide employment and training for unemployed young persons on public projects of the following types:

(I) The construction, improvement, and repair of non-Federal public buildings and grounds, parks, and other recreational facilities; bridges, highways, roads, streets, and alleys; airports and airway facilities; water and sanitation facilities; facilities for conservation; irrigation and flood control; pest eradication; and work on all other non-Federal public facilities, including cooperative associations receiving financial assistance from the Rural Electrification Administration or other public agencies;

(II) The construction, improvement, and repair of buildings or other facilities of Federal agencies;

(III) The production, repair, and renovation of goods, articles, and foodstuffs for needy individuals and for public institutions providing that products so produced do not replace normal purchases of such individuals or institutions;

(IV) Professional, clerical, and other nonconstruction services in the fields of education, recreation, research, professional, cultural, and clerical activities for the benefit of public and nonprofit organizations;

(V) The prosecution of work of the types enumerated above which involve the maintenance of young persons in camps, institutions, and other resident facilities.

Mr. GEORGE. Mr. President, I ask the Senator from Tennessee whether this is an actual reduction in the appropriation for the N. Y. A.

Mr. McKELLAR. Oh, no; it is a mere change made at the request of the department. If the Senator will look on page 43 he will find, in lines 20 and 21, that the amount of $5,290,000 is increased to $6,376,000, and in that way the amount of $97,085,000 had to be reduced to $95,984,000.

Mr. GEORGE. So the amount actually appropriated is the same as appropriated by the House?

Mr. McKELLAR. The amount appropriated is the same as that appropriated by the House.

Mr. GEORGE. There has been no reduction?

Mr. McKELLAR. There has been no reduction.

Mr. GEORGE. I am glad to hear that.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next committee amendment.

The next amendment was, on page 43, line 16, after "paragraph 1,", to strike out "$5,290,000" and insert "$6,376,000"; in line 21, after the words "sum of", to strike out "$5,290,000" and insert "$6,376,000"; and in line 22, after the word "amounts", to insert "not to exceed in the aggregate the sum of $783,000", so as to read:

PAR. 2. Salaries and other administrative expenses: For personal services and necessary miscellaneous expenses in the District of Columbia and elsewhere for carrying out the administration of the programs set forth in paragraph 1, including supplies and equipment; purchase and exchange of books of reference, directories, and periodicals, newspapers, and press clippings; travel expenses, including expenses of attendance at meetings of officials and employees on official business; rental at the seat of government and elsewhere; purchase, operation, and maintenance of motor-propelled passenger-carrying vehicles, and such other expenses as may be necessary for the accomplishment of the objectives set forth in paragraph 1, $6,376,000: *Provided*, That the National Youth Administration may transfer from the above sum to the appropriation in paragraph 1 such amounts as will not be required for the purposes of this paragraph: *Provided further*, That there may be transferred from the above sum $6,376,000 to appropriations of the Treasury Department such amounts, not to exceed in the aggregate the sum of $783,000, as the Director of the Bureau of the Budget may determine to be proper, to reimburse such appropriations on account of expenditures therefrom in connection with the accomplishments of the purposes of the appropriations herein for the National Youth Administration.

The amendment was agreed to.

Mr. CONNALLY. Mr. President, I should like to have the attention of the chairman of the subcommittee, the Senator from Tennessee [Mr. McKELLAR]. On page 38 appears an item, "Grants to States for old-age assistance." Am I to understand that to be the item for the contribution by the Federal Government to the States for the payment of old-age benefits?

Mr. McKELLAR. It is.

Mr. CONNALLY. Mr. President, I very much regret that under the rules of the Senate I cannot offer an amendment legislative in its character that would affect this particular item. It will be recalled that when we last had the social-security amendments before the Senate in July 1939, the Senate adopted an amendment offered by me, which would have provided that in the matter of assistance to aged individuals the Federal Government would make contribution of two-thirds, up to as much as $15 per month per individual, and that from that amount upward the usual contribution of 50 percent each way would be continued in the future.

The House of Representatives refused to take any action to consider the matter, and when it went to conference we were unable to secure any favorable action on the part of the House.

I should like at this point to have inserted in the RECORD a copy of the amendment which was adopted at that time by the Senate, and I should also like to have incorporated in the RECORD the vote in the Senate by which that amendment was adopted. It was adopted by a vote of 43 yeas and 35 nays.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matters referred to are as follows:

[From the CONGRESSIONAL RECORD of July 11, 1939]

PAYMENT TO STATES

SEC. 3. (a) From the sums appropriated therefor the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing January 1, 1940, (1) an amount, which shall be used exclusively as old-age assistance, equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan with respect to each needy individual who at the time of such expenditure is 65 years of age or older and is not an inmate of a public institution, not counting so much of such expenditure with respect to any such individual for any month as exceeds $40:

(A) Two-thirds of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $15 multiplied by the total number of such individuals who received old-age assistance for such month, plus

(B) One-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A),

and (2) 5 percent of the amount of the payment under clause (1) of this subsection, which shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose.

On page 4, line 8, strike out "one-half" and insert in lieu thereof "the State's proportionate share."

[From the CONGRESSIONAL RECORD of July 12, 1939]

The result was announced—yeas 43, nays 35, as follows:

Yeas 43: Andrews, Barkley, Bilbo, Bone, Borah, Bulow, Chavez, Clark of Idaho, Connally, Downey, Ellender, Frazier, George, Guffey, Harrison, Hatch, Hayden, Hill, Hughes, La Follette, Lee, McKellar, Miller, Minton, Murray, Neely, Nye O'Mahoney Overton, Pittman, Reynolds, Russell, Schwartz, Schwellenbach, Sheppard, Shipstead, Slattery, Stewart, Thomas of Oklahoma, Thomas of Utah, Truman, Van Nuys, Wagner.

Nays 35: Adams, Austin, Barbour, Bridges, Burke, Byrd, Capper, Clark of Missouri, Danaher, Gerry, Gibson, Glass, Green, Gurney, Herring, Holman, Holt, Johnson of California, Johnson of Colorado, King, Lodge, Lucas, McNary, Maloney, Mead, Norris, Radcliffe, Reed, Taft, Tobey, Townsend, Vandenberg, Walsh, White, Wiley.

Not voting 18: Ashurst Bailey, Bankhead, Brown, Byrnes, Caraway, Davis, Donahey, Gillette, Hale, Logan, Lundeen, McCarran, Pepper, Smathers, Smith, Tydings, Wheeler.

So Mr. CONNALLY's amendment, as modified, was agreed to.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. McKELLAR. I recall that the Senator presented an amendment, or a bill, at the time to which he refers—I believe it was in the form of an amendment—and I was very heartily in favor of it, and voted for it, and I was very sorry it was not enacted into law. I hope at the next session of Congress the Senator will reintroduce his proposal, as I should like to vote for it again.

Mr. CONNALLY. I thank the Senator.

The Committee on Finance has appointed a subcommittee, of which the Senator from Georgia [Mr. GEORGE] is chairman, for the purpose of studying the whole social-security system. I happen to have the honor of being a member of that subcommittee.

I desire to say that I expect to present this matter again to that subcommittee, and I am sure I will receive the approval of the subcommittee.

I have also introduced a bill to that effect, but being under the rules a revenue measure, I have not been able to get it

before the Senate at this session. Of course, I shall not undertake to introduce any amendment at this time.

Mr. President, let me say that the amendment is a very moderate one, and as I see it, strikes at probably the weakest point in our present old-age assistance from the Federal viewpoint. Our theory of making contributions 50–50 to the States was a sound one if the economic condition of all the States were similar. That would require them to put up an equal amount. But as a matter of fact that is not the case, and, under the present system, it simply means that when a rich State does or is able to give its pensioners a large amount, and therefore they will need less from the Federal Government, the Federal Government will say "For whosoever hath, to him shall be given, and he shall have more abundance; but whosoever hath not, from him shall be taken away even that he hath."

So you get a large amount from the State, and therefore you get another large amount from the Federal Government.

If you live in a poor State you get a mere little dole, and therefore you do not need any more, and we will give you a small-sized dole.

Mr. President, I regard it not as an extravagant, wild visionary proposal at all, but one which strikes at the weakest point in all our social-security legislation.

It seems to me that if the Federal Government owes any duty to an old person it owes the same duty to that person, whether he resides in Arizona or in Maine, and it is unwise and unsound to say to that Federal pensioner "We owe you a duty, but we do not owe you more than $2.20 if you live in one State, and we owe you $20 if you live in another State."

The pensions paid to retired Federal employees are not based upon any such scale. The pensions paid to retired soldiers and sailors are not based upon any such basis of economic theory. The pensions paid to veterans of the World War are not based on the theory that if a man lives in Indiana he should get a large pension, but if he lives in Arkansas he should get a small pension.

So, Mr. President, I want to call this matter again to the attention of the Senate. The Senate has already expressed itself by rather a substantial majority as favoring the principle involved, and the subcommittee of the Finance Committee expects to study this whole problem. I hope that as the result of that study we shall be able to come back to the Senate at the next session at least with legislation on this question, and I believe that if we should adopt some plan of this kind it would have much influence in allaying extravagant and visionary schemes that may be proposed.

I commend this subject to the attention and study of the Members of the Senate.

Mr. MINTON. Mr. President, we have moved so rapidly along with the amendments that we have passed the point at which I wanted to offer an amendment on behalf of the Senator from Florida [Mr. PEPPER].

Mr. McKELLAR. Mr. President, we are not very far from the end of the bill. I shall be perfectly willing that the Senator be given the opportunity to ask for reconsideration of the particular amendment involved, and then offer the amendment proposed by the Senator from Florida to the committee amendment.

Mr. MINTON. Very well.

The PRESIDENT pro tempore. The next committee amendment will be stated.

The next amendment was, on page 44, line 16, after the word *"Provided"*, to strike out "That such monthly earning schedule shall not be varied for workers of the same type in different geographical areas to any greater extent that may be justified by differences in the cost of living" and insert "That the National Youth Administrator shall so distribute funds among the several States for the operation of the projects specified in paragraph 1 (b) of this title that the amount made available during the fiscal year for the operation of such projects for the benefit of the young people of each individual State shall bear the same ratio to the total funds made available for this purpose in all States as the youth population of that State bears to the total youth population of the United States with a variance not exceeding 5 percent", so as to read:

PAR. 4. The Administrator of the National Youth Administration shall, subject to the approval of the Federal Security Administrator, fix the monthly earnings and hours of work for youth workers engaged on work projects financed in whole or in part from the appropriation in paragraph 1, but such determination shall not have the effect of establishing a national average labor cost per youth worker on such projects during the fiscal year 1941 substantially different from the national average labor cost per such worker on such projects prevailing at the close of the fiscal year 1940: *Provided*, That the National Youth Administrator shall so distribute funds among the several States for the operation of the projects specified in paragraph 1 (b) of this title that the amount made available during the fiscal year for the operation of such projects for the benefit of the young people of each individual State shall bear the same ratio to the total funds made available for this purpose in all States as the youth population of that State bears to the total youth population of the United States with a variance not exceeding 5 percent.

Mr. DANAHER. Mr. President, I understood the clerk to read the amendment on page 44, beginning in line 16 through the word "living" in line 19, but there is further language following that in line 19 and ending in line 3, on page 45.

The PRESIDENT pro tempore. The Chair is informed that the amendment to strike out certain language and to insert other language was read as printed.

Mr. DANAHER. I failed to hear the clerk read the portion with respect to the insertion of certain language. Before we leave the subject, and reserving the right to comment on it, I wish the Senator from Tennessee would explain the plan of allocation of funds, which is contemplated in the language beginning in line 19, on page 44, and ending in line 3 on page 45.

Mr. McKELLAR. The explanation is to be found in the two provisos. The House provided:

That such monthly earning schedule shall not be varied for workers of the same type in different geographical areas to any greater extent than may be justified by differences in the cost of living.

The Senate committee thought that that should be modified and changed and inserted in lieu thereof the following language:

That the National Youth Administrator shall so distribute funds among the several States for the operation of the projects specified in paragraph 1 (b) of this title that the amount made available during the fiscal year for the operation of such projects for the benefit of the young people of each individual State shall bear the same ratio to the total funds made available for this purpose in all States as the youth population of that State bears to the total youth population of the United States with a variance not exceeding 5 percent.

It was believed by the Senate committee that that was a fairer and a more just way of handling the matter, in order to prevent any discrimination of any kind in favor of anyone, and that to adjust differences which might arise, a leeway of 5 percent should be permitted to the Administrator. For that reason the language was changed.

Mr. DANAHER. Mr. President, let me ask the Senator further, In what way does that formula vary from the present law?

Mr. McKELLAR. There is no present law covering it. The provision is carried in legislation from year to year. The National Youth Administration was under the W. P. A. last year, as the Senator recalls, and was carried in legislation providing for the W. P. A.

However, there is a change by reason of a readjustment of agencies. Last year an amendment to the W. P. A. Act provided that the monthly earning schedule shall not be varied for workers of the same type in different geographical areas to any greater extent than can be justified by differences in the cost of living. The committee thought there ought to be a different way of arriving at it. I think the method adopted by the committee is fairer, and I think on reflection the Senator will regard it as a fairer way of adjusting the matter.

Mr. DANAHER. I wish to make clear to the Senator that I have not voiced objection to the amendment. I am merely trying to understand it.

Mr. McKELLAR. I am sure the Senator would not object to it.

Mr. DANAHER. Let me ask the Senator, Who ascertains what the total youth population is in any State?

Mr. McKELLAR. The Administrator in Washington ascertains it through the administrator in the State.

Mr. DANAHER. How does he do it?

Mr. McKELLAR. Let me read the present law. I read from the last W. P. A. Act:

The Administrator of the National Youth Administration shall fix the monthly earnings and hours of work for youth workers engaged on work projects of such Administration financed in whole or in part from the appropriation in this section, but such determination shall not have the effect of establishing a national average labor cost per youth worker on such projects during the fiscal year 1940 substantially different from the national average labor cost per such worker on such projects prevailing at the close of the fiscal year 1939.

When the House put in the provision which has already been read, and with which the Senator is familiar, the Senate committee came to the conclusion that it might work undue hardships, and so the committee substituted the language of the amendment which has been read. I am sure that on reflection the Senator will believe that that is the proper method.

Mr. DANAHER. I thank the Senator.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 47, after line 9, to strike out:

PAR. 12. No person shall be employed or retained in employment in any administrative position, or in any supervisory position on any project, under the appropriation in paragraph 1 or paragraph 2 unless such person before engaging in such employment subscribes to the following oath:

And in lieu thereof to insert:

PAR. 12. No person shall be employed or retained in employment in any administrative position, or in any supervisory position on any project, and no person shall receive assistance in the form of payments or otherwise from the United States for services rendered under the National Youth Administration, under the appropriation in paragraph 1 or paragraph 2 unless such person before engaging in such employment or receiving such assistance subscribes to the following oath:

The amendment was agreed to.

The next amendment was, under the heading "Title IV—National Labor Relations Board", on page 55, line 14, after the word "law", to strike out "$2,072,000" and insert "$2,272,000", so as to read:

Salaries: For three Board members of the National Labor Relations Board and other personnel services of the Board in the District of Columbia and elsewhere necessary in performing the duties imposed by law or in pursuance of law, $2,272,000.

The amendment was agreed to.

The next amendment was, on page 55, line 23, after the word "automobile", to strike out "$621,000" and insert "$674,000", so as to read:

Miscellaneous expenses (other than salaries): For all authorized and necessary expenditures, other than salaries, of the National Labor Relations Board in performing duties imposed by law or in pursuance of law, including rent in the District of Columbia and elsewhere; repairs and alterations; communication services; contract stenographic reporting services; lawbooks; books of reference; newspapers; periodicals; and operation, maintenance, and repair of one automobile, $674,000:

The amendment was agreed to.

The next amendment was, on page 56, line 5, after the word "elsewhere", to strike out "$150,000" and insert "$125,000", so as to read:

Printing and binding: For all printing and binding for the National Labor Relations Board in Washington and elsewhere, $125,000.

The amendment was agreed to.

The next amendment was, under the heading "Title VII—General provisions", on page 61, after line 7, to strike out:

SEC. 702. None of the funds appropriated in this act shall be used to pay the salary of any person appointed to a non-civil-service position, under the appropriations in the respective titles in this act, if the effect of such appointment is to increase the number of non-civil-service employees from the State of residence of any such non-civil-service appointee beyond the number of non-civil-service employees to which such State is entitled, under the appropriations in the respective titles of this act, on a basis of population: *Provided*, That this section shall not apply to any position, the appointment of which is made by the President.

The amendment was agreed to.

The CHIEF CLERK. It is also proposed to renumber the sections.

The PRESIDENT pro tempore. Without objection, the clerks will be authorized to renumber the sections.

That concludes the committee amendments.

Mr. McKELLAR. Mr. President, I have two or three amendments to offer on behalf of the committee. I should like to offer those before we take up any others.

On behalf of the committee, I offer an amendment which I send to the desk, and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Tennessee, on behalf of the committee, will be stated.

The CHIEF CLERK. On page 15, line 20, after the words "as follows:" it is proposed to insert the following:

Provided, That of the sum herein appropriated the Administrator may expend not to exceed $2,500 for temporary employment of persons, by contract or otherwise, for special services determined necessary by the Administrator, without regard to section 3709 of the Revised Statutes, and the civil-service and classification laws.

The amendment was agreed to.

Mr. McKELLAR. On behalf of the committee I offer another amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 39, line 10, after the figures "$61,000,000" it is proposed to insert:

Provided, That the Social Security Board is hereby authorized to certify to the Secretary of the Treasury for payment to the Postmaster General for postage, out of the amount herein appropriated, such amounts as may be necessary and at such intervals as shall be determined by the Board, under a procedure to be prescribed and agreed upon by and between the Board and the Postmaster General, for the transmission of official mail matter heretofore transmitted free pursuant to the provisions of section 13 of the act entitled "An act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes," approved June 6, 1933 (29 U. S. C. 491), and for the transmission of official mail matter in connection with the unemployment compensation administration of States receiving grants out of the funds herein appropriated; the Postmaster General is hereby authorized and directed to extend to the States receiving such grants the privilege of transmission without prepayment of postage of official mail of the class upon which the Board is hereinabove authorized to certify amounts for payment of postage.

The amendment was agreed to.

Mr. MINTON. Mr. President, I ask unanimous consent to reconsider the vote by which the committee amendment on page 35, line 5, was agreed to.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the amendment is reconsidered.

Mr. MINTON. On behalf of the Senator from Florida [Mr. PEPPER], I send to the desk an amendment to the committee amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 35, line 4, in the committee amendment, it is proposed to strike out "$1,650,000" and insert in lieu thereof the following:

And including not to exceed $100,000 for researches, investigations, and studies relating to the cause, diagnosis, and control of pneumonia, influenza, and the common cold, $1,750,000.

Mr. MINTON. Mr. President, the Senate will recall that late yesterday afternoon the Senator from Florida [Mr. PEPPER] offered this amendment, but owing to the parliamentary situation which then existed he was unable to obtain consideration for it. The Senator from Florida is unable to be

present today. On his behalf, being in sympathy with the amendment, I am offering it at this time.

All the amendment seeks to do is to provide an additional $100,000 to be used for researches, investigations, and studies relating to the cause, diagnosis, and control of pneumonia, influenza, and the common cold.

Mr. President, it is common knowledge that these are probably the most noisome and destructive diseases known to the human family. It is also known to us all that at the present time such progress is being made in the field of research and study with reference to these particular diseases as to startle even the medical profession itself. So it seems to me that at this time the Government could well afford to provide the Public Health Service with an additional $100,000 which it may spend in the study and consideration of these particular diseases.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. DANAHER. Does the United States Public Health Service request that sum, and for that purpose?

Mr. MINTON. No.

Mr. DANAHER. Whose idea is it?

Mr. MINTON. I think it is the idea of the Senator from Florida, although the Public Health Service, itself, feels that it could very wisely use this sum at this time in this particular field of endeavor.

Mr. McKELLAR. Mr. President, perhaps I ought to say a word in this connection. This appropriation was not recommended by the committee, and was not asked for by the Department.

Common colds are bad. I believe I have them as frequently as anyone else. Sometimes I think I have them more frequently than anyone else in the world. However, I do not think it is the duty of the Government of the United States to spend $100,000 at this time for investigation and research as to the common cold, or even as to the other diseases mentioned. It is very fine work. I will agree to that. Any work of research along that line which will promote the health of the country is a good thing; but I do not believe there is any constitutional or legal warrant for it. The law does not now provide for it. Probably the law would have to be amended before it would be in order. I am not making a point of order against the amendment, because I feel sure the Senate will vote it down. It ought not to be in the bill. The committee has not recommended it. The House did not recommend it, and I hope it will be voted down.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. OVERTON. Does the Senator recall how much we are spending investigating diseases of animals, such as Bang's disease, and other diseases?

Mr. McKELLAR. I do not happen to know.

Mr. OVERTON. It is a very large amount, is it not?

Mr. McKELLAR. I do not happen to be a member of the Committee on Agriculture and Forestry, and I cannot answer. I shall have to ask some member of that committee.

Mr. OVERTON. The Senator is a very able member of the Appropriations Committee. How much is being spent for the eradication of such pests as the grasshopper?

Mr. McKELLAR. Several million dollars.

Mr. OVERTON. Does not the Senator think it would be wise for us to do something in the interest of human beings?

Mr. McKELLAR. I think we are doing many things in the interest of human beings; but unfortunately I do not think we are warranted, either by our Constitution or laws, in making such independent investigations, especially when they are not recommended by the Department or by the Bureau of the Budget.

Mr. OVERTON. I assume that the United States Public Health Service would have no objection.

Mr. McKELLAR. I do not think any department of the Government would object to any appropriation given to it for any purpose whatsoever.

Mr. OVERTON. I think that is a pretty broad statement.

Mr. McKELLAR. I think we can all agree to that.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BANKHEAD. Does the Senator have any information as to how many hundreds of millions of dollars have been spent by such research organizations as the Rockefeller Foundation and others, in trying to find a remedy for the common cold, and methods of treatment and prevention?

Mr. McKELLAR. Enormous sums are being spent all the time by the medical profession.

There is one further objection to this amendment which strikes me with considerable force. It was first asked that $50,000 be used for this purpose. The testimony was that the Department was entitled to the $50,000 for the following reason: Last year we appropriated $50,000 to ascertain whether or not the poisons used in sprays for the purpose of killing insects on apples, oranges, and other fruits were injurious to human life or human health. They spent that $50,000, made their report, and finished the entire subject. Then, some officers of the Health Service felt that that $50,000 ought to be appropriated for this purpose, which is an entirely different purpose. Their idea was that having once been appropriated for the Department, that appropriation ought to remain with the Department for all time. I hope the Senate will not agree to this amendment.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. MINTON. Is there in the bill any appropriation of any kind for the purpose contemplated by the amendment of the Senator from Florida? I am not thoroughly familiar with all the appropriations in the bill.

Mr. McKELLAR. Oh, yes.

Mr. MINTON. How much?

Mr. McKELLAR. There is an appropriation of $1,650,000 in this bill.

Mr. MINTON. For what?

Mr. McKELLAR. For researches into various diseases. Researches and examinations are conducted. The Department can make their studies of such diseases as they think proper. There is no question about the money already being in this bill. The amount is $1,650,000, according to the Senate committee amendment, which has once been adopted and has now been reconsidered. The House provided an appropriation of $1,600,000, so the appropriation is obliged to be at least $1,600,000 for the purpose of these investigations.

Mr. MINTON. That would include, I presume, the study of the other diseases mentioned in the amendment; but this amendment would earmark $100,000 for the special study of the diseases which are the most common, among them—colds. It is time, I think the Senator will agree, that some action should be taken along that line.

Mr. McKELLAR. I think colds are most common, but I am not sure whether the other diseases mentioned in the amendment are among the most common or not.

Mr. MINTON. A chart which has been placed upon our desks shows that, at least in the Army, influenza is the cause of most of the sick reports.

Mr. McKELLAR. Yes; and we appropriated a large sum in the Army bill for investigations to ascertain about that. As I stated in the committee, I recall very distinctly that in 1917, when I happened to be a member of the Military Affairs Committee of the Senate, while the World War was in progress, influenza and common colds were even more prevalent within the Army and in the country generally than they are now. Influenza seems to have been epidemic in a great many States, and we did not have the proper means of treating it in the Army.

But the Congress appropriated money to investigate and combat that disease, and the disease was treated and the soldiers were greatly benefited by the treatment.

Under the circumstances I believe we should not increase the appropriation for the purpose contemplated. The Department has not asked for it; there is no Budget estimate

for it; it has not been passed upon by the House, and both the House committee and the Senate committee left it out. I think the Senate ought to leave it out.

Mr. MINTON. Let me ask the Senator from Tennessee if it is not true, if he knows——

Mr. McKELLAR. If I know, I will be glad to answer.

Mr. MINTON. That since the Budget estimates were prepared there has been revealed to the public by scientists and doctors wonderful advances which have been made in the study and treatment of the diseases referred to in the amendment?

Mr. McKELLAR. Yes; there have been.

Mr. MINTON. I recall some reports in the newspapers quite recently showing that there has been put upon the market or brought to the attention of the scientific world and the medical world a medicine that is very effective in the treatment of pneumonia. If these advances are being made so rapidly and so startling in this particular field, may not the Federal Government spend $100,000 in that field to advantage at this particular time?

Mr. McKELLAR. I agree with the Senator entirely that tremendous advances have been made in researches by the medical profession into a great many diseases, and pneumonia and other diseases are included among them. I think it is clear that the medical profession is making the greatest strides in its history in its research and discoveries. I think the medical profession is doing a wonderful work. It is doing it on its own initiative, and I do not believe that the expenditure of $100,000 for the Public Health Service in this respect would be of any advantage.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Indiana [Mr. MINTON] on behalf of the Senator from Florida [Mr. PEPPER] to the amendment reported by the committee.

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

Mr. LA FOLLETTE obtained the floor.

Mr. BYRNES. Mr. President, will the Senator from Wisconsin be kind enough to yield to me, as I have to leave the Chamber, so that I may offer a clarifying amendment to which there is no objection? If there shall be objection, I will immediately withdraw it.

Mr. LA FOLLETTE. Very well.

Mr. BYRNES. I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On line 10, page 50, after the words "United States", it is proposed to insert:

And to persons receiving assistance in the form of payments from the United States for services rendered under the National Youth Administration.

Mr. BYRNES. Mr. President, the purpose of the amendment is to make clear that young men, young boys, receiving payment from the National Youth Administration for working in a college or other educational institution may, in case of injury, be entitled to the same benefits under the Compensation Act as are other young men who are the beneficiaries of the National Youth Administration but who are employed at some place other than in a college or school.

The amendment is necessary because of an interpretation by the attorney for the Employees' Compensation Commission. As a result, the situation in New York and in some other States is quite bad, because the law requires that these employees be insured.

There is no objection to this amendment on the part of the committee.

The PRESIDENT pro tempore. Without objection, the amendment offered by the Senator from South Carolina [Mr. BYRNES] is agreed to.

Mr. LA FOLLETTE. Mr. President, unfortunately the senior Senator from Virginia [Mr. GLASS], the chairman of the Appropriations Committee, is necessarily absent today, and I am authorized by him to state that if he had been able to be present he would offer the amendment which I am about to offer. Therefore I offer it on behalf of the Senator from Virginia and myself.

On page 32, at the beginning of line 18, I move to strike out "$5,000,000" and insert "$7,000,000."

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Tennessee.

Mr. McKELLAR. This morning the senior Senator from Virginia called me and stated that he would necessarily have to leave town today and would not be here, and he wanted me to pair with him, he being very much in favor of the amendment of the Senator from Wisconsin. I supported the amendment in the committee, but the committee voted me down. I am now representing the committee, and for that reason I am going to vote against the Senator's amendment. However, I shall be paired with the Senator from Virginia on it. It is an amendment about which the Senator from Virginia feels very deeply, and I am going to pair with him without transfer.

Mr. LA FOLLETTE. I thank the Senator for his statement.

Mr. President, I have the honor to be the co-author of the enabling legislation, commonly called the La Follette-Bulwinkle bill, which inaugurated the conservative but carefully considered program to control and eradicate venereal diseases.

I wish briefly, Mr. President, to summarize the facts showing the importance of controlling venereal diseases and the necessity for carrying forward the program which up to now has been so successfully administrated under the direction of the Surgeon General of the Public Health Service, Dr. Thomas Parran.

First, I wish to discuss and to summarize the importance of controlling the disease of syphilis. That disease, Mr. President, is responsible for 15 percent of blindness; it is responsible for 10 percent of the insanity in the United States. There are 8,000 syphilitic insane admitted to overcrowded institutions for the insane throughout the 48 States and the District of Columbia. There are 43,000 beds occupied and maintained in public and private institutions in the United States for mental care of patients whose mental disability is due to syphilis.

Syphilis can be eradicated if we but have the courage, the vision, and the determination to carry on the work which has already been begun. If we allow only $2 a day as an estimate of the cost of caring for the mental manifestations of syphilis—and I may say that that is a very low estimate—it is costing the people of the United States $31,000,000 a year to care for this one aspect of the tragic result of syphilis, a disease which science and the medical profession now have the means of treating so that it can be eradicated, or at least brought under control.

Mr. President, in the face of such a situation it is not economy for the Congress to fail to provide the additional $2,000,000 authorized for this purpose this year in the La Follette-Bulwinkle Act. I may say, in passing, that in drawing that legislation we consulted with the best authorities in the United States. We arrived at very conservative estimates for the gradual stepping-up of the program in order that it might be carefully developed and might proceed with a reasonable degree of conservatism, so that in the initial stages the work done should be sound, and its efficacy demonstrated, before large sums of money were provided.

Furthermore, let me say that $10,000,000 a year is spent for the care of syphilitic blind in the United States.

Sixty thousand babies are born in this country every year with congenital syphilis, which medical science, if given an opportunity, can prevent.

Forty thousand persons die in the United States each year from heart disease caused by syphilis.

One hundred and sixty thousand persons in the United States who have heart disease due to syphilis are incapacitated.

Today syphilis can be virtually stamped out and brought under control; and a marvelous characteristic of the treatment now provided for syphilis is that within a very short space of time after a patient undergoes treatment it becomes impossible for the patient further to communicate the

disease. In short, medical science has provided us with what may be termed a chemical quarantine.

In the Scandinavian countries this disease has become a rarity because of their prolonged program for its eradication and control. Likewise, we have in our own country examples which indicate what can be done if this program is carried out on a sufficiently broad scale.

I wish to read briefly from the statement of Dr. N. A. Nelson, of the Massachusetts Department of Health, appearing in the House hearings on the pending bill at page 987. In 1915 Massachusetts, without Federal assistance, inaugurated a program which it has continued to follow. Dr. Nelson said:

A study of syphilis in pregnant women made between 1915 and 1919 disclosed that about 10 percent of the 10,000 examined had the disease. Another study of 17,000 pregnant women, made between the years 1930 to 1935, disclosed that only about 2 percent had the disease. This was in the face of the fact that a far more sensitive blood test was in use during the latter period. It has been concluded, therefore, that syphilis in pregnancy has been reduced by 75 or 80 percent, at least, during the last 10 or 15 years.

Shall we quibble over $2,000,000 when expert testimony is available to the Members of this body showing what can be done to prevent the terrible scourge which this disease inflicts upon its victims?

Continuing from Dr. Nelson:

In 1939 only 27 cases of congenital syphilis were reported in infants from the entire State, and the largest clinics in the State report admissions of not more than half a dozen new cases of congenital infection in children of all ages each year.

Admissions to mental-disease hospitals for, and deaths from, general paralysis of the insane have declined at least 75 percent during the last 25 years.

In 1926, the first year for which data are available as to the stage of syphilis reported, the reported rate of early syphilis was 46 per 100,000 population. In 1939 the rate was 13.9, only 30 percent of the earlier rate.

I also wish to quote in this connection from a statement by Dr. Carl N. Neupert, of the Wisconsin State Board of Health. Wisconsin inaugurated a program in 1919, and has carried it on effectively ever since.

Dr. Neupert says:

The objectives in this program are primarily humanitarian and economic. From an economic standpoint, investments in prevention, and therefore reduction in incidence, of syphilis can be shown to produce bountiful returns. An insane hospital of 800 beds located near the State capital showed, in an initial survey, that 13 percent of its inmates were there as a result of syphilis; 10 years later, a similar survey revealed that this percentage had been reduced to less than 4. It has been accurately determined that each case of insanity due to syphilis in this hospital costs the State $5,000 for care, and so forth, from the time of entry until death. On this basis, if the 13-percent ratio had continued, there would have been 270 more cases due to syphilis in that hospital during those 10 years than there were. This represents a saving of $1,350,000. With similar circumstances obtaining in the northern State hospital for the insane of equal size, there was an additional saving during that period of $1,350,000, or a total of $2,700,000. This saving was only one of the many resulting from an expenditure of tax moneys totaling $683,025.13 as shown above.

Mr. President, I was informed by a member of the faculty of the medical school of the University of Wisconsin that the program in that State has gone forward so successfully that it is now becoming difficult to find in a clinical patient an original lesion due to syphilis for demonstration purposes in teaching medical students dermatology and syphilology. So it cannot be denied that we have within our grasp the means of virtually stamping out this horrible scourge and bringing it under control in this country; and all I am pleading with the Senate for is the amount authorized in the original act, a sum of $2,000,000, in addition to what the committee and the House have seen fit to allow.

Mr. President, great credit is due to Dr. Thomas Parran since he became Surgeon General for the leading part he has taken in breaking down the taboo against the discussion of venereal disease. Syphilis, however, has certain dramatic, though ghastly, characteristics which appeal to the imagination and which make it possible to dramatize its effects and to make a public appeal for a campaign to eradicate it or at least to bring it under control.

Unfortunately, that is not true of gonorrhea, which is a menace to the health of men, women, and children all over the United States. In the summary which I am about to make I am leaning very heavily upon the testimony and upon the masterful book written by Dr. Pelouze, of the medical school of the University of Pennsylvania. He is one of the outstanding experts in the United States, if not in the world, on the subject of gonorrhea.

Mr. BONE. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I do.

Mr. BONE. I do not desire to interrupt the thread of the Senator's argument, but I wonder if any of the data he has before him indicate what part syphilis plays in heart disease.

Mr. LA FOLLETTE. Mr. President, 40,000 people in the United States die every year as the result of heart disease caused by syphilis, and 160,000 persons are incapacitated every year as the result of syphilitic heart disease.

Next to the common cold, gonorrhea takes second place in the order of frequency of disease in the United States. There are three times as many new cases of gonorrhea a year as there are of syphilis. There are 3.5 percent new cases of gonorrhea in the armed forces of the United States as compared with syphilis. In contrast with syphilis, gonorrhea is transmissible as long as one germ is present. In other words, under the treatment of syphilis, as I have pointed out, practically as soon as the patient comes under the treatment a tentative quarantine is produced, and so long as the patient remains under treatment the disease cannot be communicated. But unfortunately that is not so in the case of gonorrhea, for so long as one germ is present the disease may be communicated to others. In other words, gonorrhea is a 100-percent public-health problem.

Gonorrhea deals more lightly with the adult male, as compared with females of all ages, and perhaps for that reason it has in the past been regarded as not so serious a menace. But Dr. Pelouze, after his exhaustive studies, is responsible for the statement that gonorrhea is responsible for 30 percent of the childless marriages in the United States. It causes 7 percent of the blindness in children in this country. There is no way of measuring the great amount of invalidism gonorrhea produces in women. It is certainly recognized by all students as being the cause of many operations on the female organs of generation. It is one of the great hidden causes of marital unhappiness and divorce.

Gonorrhea infects many thousands of our female children, and produces in many of them, through the isolation of the old treatment, a picture in practice of personality changes, which unfortunately in many of them last throughout their lives.

In children of school age, thousands of whom contract the disease, it causes prolonged and serious interruption of their education. In older girls the disease commonly causes mental scars which not infrequently turn them toward prostitution. In young men it frequently acts as a deterrent to marriage.

Fortunately, within the last couple of years great progress has been made in coping with this disease. Sulfanilimid and sulfapyridin are producing remarkable results. There is also another one of this ring, sulfathiasol, which has not yet been released by the Food and Drug Administration, but Dr. Pelouze, in his testimony before the committee, stated that it gives hope of all the effectiveness of sulfanilimid and sulfapyridin without containing their poisonous principle. If, under sufficient and careful clinical and laboratory tests, this should prove to be so, thus enabling it to be utilized by the Public Health Service and by practicing physicians, there is hope that this drug can be administered to ambulatory patients without fear of any of the systemic complications involved in the utilization of sulfanilimid and sulfapyridin. As many Senators perhaps know, those two drugs produce complications, and sometimes a form of temporary anemia which makes it necessary to keep the patient under close clinical observation as to the content of the blood and its make-up. But if this new drug should prove to be as effective as is now hoped it may be entirely possible to treat persons without their being hospitalized, or without their being brought under such close clinical observation as is now necessary.

Mr. President, we are ready to make a great medical and educational attack upon gonorrhea, but funds are lacking.

I am making an especial appeal for the adoption of the pending amendment, proposed on behalf of the Senator from Virginia [Mr. GLASS] and myself, in order that the educational and medical attack upon gonorrhea may be carried forward hand in hand with the wonderful progress which is being made in controlling and eradicating syphilis.

Let me briefly summarize the great advance which has already been made since the enactment of the La Follette-Bulwinkle bill. In 1936 there were 800 clinics in the United States handling and treating venereal diseases. On January 1, 1940, there were 2,563 such clinics in the United States.

Last year 103,000 men, women, and children were discharged with their diseases completely cured or arrested.

In 1930, 7,700,000 doses of arsenical drugs were given. In 1939, 12,300,000 doses were given.

There has been a fivefold increase in the amount of free drugs distributed by the States between 1936 and 1940.

The total number of syphilitic patients admitted to clinics in 1936 was 80,000. In 1940 the number was 250,000.

Forty-four thousand patients suffering with gonorrhea were admitted in 1936 and 72,000 in 1940.

There has been a 52-percent increase in blood tests during the first 6 months of 1940.

Mr. President, the States and their various subdivisions are doing their full share in cooperation with the effort being put forth by the Federal Government. In the last fiscal year Federal funds allotted to the States amounted to $4,379,250. The amount appropriated by State, city, and county governments was in excess of $6,000,000.

The total administrative expense for this program amounts to only 3.75 percent. The States have budgeted 78 percent for treatment, laboratory facilities, case finding, and case-holding efforts, showing that a very large percentage of the funds made available for the Federal Government, the cities, States, and counties is going for the actual treatment of patients. The remaining 22 percent was budgeted for public and professional education, training of technicians, such as doctors and nurses, and for special consultation service, embracing larger centers and rural centers so as to improve diagnosis and treatment.

No one denies that this program is being efficiently administered, and that it is bringing great hope to thousands upon thousands of people all over the United States. There is urgent need that the program should go forward and not be held merely in status quo. If the Congress should fail to provide the money authorized in the original act, many of the States, which, as I have pointed out, are now, with their subdivisions, providing more money than is the Federal Government, would feel that the Federal Government had lost its zeal for this program, and the effect might be disastrous.

Mr. President, we are spending $2,000,000,000 this year for national defense. Is it too much to ask $2,000,000 in this amendment in order to provide additional services to the people of this country in eradicating these two scourges?

In this connection I desire to read a letter dated February 17, 1940, from an authority whom I am sure no one will rise on this floor to question. It is a letter from Tucson, Ariz., addressed to Representative LOUIS LUDLOW, of the House of Representatives, and signed by Gen. John J. Pershing. The letter is as follows:

TUCSON, ARIZ., *February 17, 1940.*

Congressman LOUIS LUDLOW,
House of Representatives, Washington, D. C.

MY DEAR MR. CONGRESSMAN: In your letter of January 31 you request a statement of my views on the question of social diseases.

Upon our entry into the World War it was well known that these diseases had always been a serious handicap to the effectiveness of armies. At the outset, therefore, we instituted regulations by which we were able to keep the incidence of venereal diseases at a lower rate than ever before known in our own or any other army. A very different and appalling national situation is presented by statistics today. As military preparedness depends largely upon the health of our Nation, the prevalence of these diseases would be a serious problem in a national emergency. Moreover, we owe it to posterity to do something about it.

The Public Health Service has undertaken to solve this problem, and I am gratified to know that you and the Appropriations Committee are interested in its importance.

Sincerely yours,

JOHN J. PERSHING.

Mr. President, as many Senators know, Army maneuvers on a large scale are to take place this year. I should like to call the attention of the Senate to a chart taken from the San Antonio Evening News of March 17, 1940, which shows that all States in the Nation, except 15, are furnishing troops for the mammoth third Army maneuvers. Such large concentrations of troops, drawn from various sections of the United States create an emergency problem, so far as the control of these two diseases is concerned, and it is upon that basis, in part, that I appeal for the amendment which I have tendered.

I wish to read a brief excerpt from an article appearing in Time Magazine of April 8, 1940:

At Fort Benning, Ga., where new ways and weapons are tested, the soldiers of this new Army acted pretty much as soldiers always have. On their nights off they sought liquor and girls in the dollar-houses and tawdry taverns of staid old Columbus, Ga., or in the honky-tonk and juke joints across the Chattahoochee River in wild, wide-open Phoenix City, Ala. The liquor was there, but the girls were gone or going, lining the roadsides in their bright dresses to bum rides to fairer pastures. This seemed strange behavior, for troops by the thousands were assembling in the South for maneuvers at Fort Benning this month, in Louisiana and Texas next month. By military precedent older than Xerxes, the commercial ladies should have followed the soldiers, not run away.

They were fleeing because mustachioed Brig. Gen. Asa L. Singleton noted an alarming increase of venereal disease at Fort Benning. Forthwith he laid down the law to Columbus and Phoenix City: Run out the prostitutes or both towns would be declared "out of bounds" for Fort Benning troops.

Mr. President, as I stated a moment ago, we are spending approximately $2,000,000,000 this year for national defense. It is my contention, and I think it is a fair construction to put upon General Pershing's letter that it is his construction, that the best national defense is a strong and healthy population. The large concentration of troops for maneuvers presents an emergency problem. My appeal to the Senate, Mr. President, is that, as we prepare to make America strong against any foreign foe, we shall not fail to carry on a successful domestic war here at home against two of the most deadly enemies to the health and happiness of the people of the United States.

Mr. CHANDLER. Mr. President, the pending amendment, offered jointly by the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Virginia [Mr. GLASS] would increase the appropriation to fight syphilis in the United States from $5,000,000 to $7,000,000.

I desire to speak briefly in support of the amendment.

At the outset I should like to congratulate the Senator from Wisconsin [Mr. LA FOLLETTE]. Because of his efforts, which commenced in 1936, and which were followed in 1937 by the passage of the La Follette-Bulwinkle Act, an effective campaign against syphilis in the United States was commenced for the first time.

As a practical example, I call the attention of the Senate to the case of my own State, the Commonwealth of Kentucky. In 1930, 680 new cases of syphilis were reported in that State In 1939, 9,722 new cases were reported. I am not persuaded that there were not as many cases in 1930 as in 1939, but before a partially adequate treatment was provided those cases were never reported to the public-health authorities.

I think we are exceedingly fortunate in our State to have Dr. Arthur McCormick as commissioner of public health. He and his father have guided the destinies of the health of the people of Kentucky for more than half a century.

Further to indicate my interest in and to urge upon the Members of the Senate their support of this very important amendment, I refer to some remarks which I made before the committee when the question was brought to the attention of the Committee on Appropriations.

As the result of the passage of the original La Follette-Bulwinkle Act, clinics were organized and are now in operation in 106 of the 120 counties of Kentucky. Only patients who are known to be unable to pay for treatment at the hands of private physicians are admitted to these clinics, and 70.9 percent of the new cases of syphilis discovered in Kentucky in 1939 were economically unable to afford adequate treatment for their respective syphilitic infections. It

is known that of the 6,892 new cases admitted for treatment in the public clinics, 45 percent were female and 55 percent were male cases. In 66 percent of the female cases the ages of the women suffering from the disease were from 15 to 35 years—the period when women bear the most children. It is known that except for this treatment potential mothers would have gone untreated, and the result would have been, in 5 or 6 cases, the birth either of a dead child or of a child infected with syphilis.

There are approximately 2,800,000 people in Kentucky, about 227,000 of whom are colored, who suffer from syphilis in the ratio of about 15 to 1 as compared with the white people.

I think we should make a serious mistake if we should refuse to appropriate an additional $2,000,000, and thus cause the public-health authorities of the several States in the United States to let up in a very important work which, in my judgment, if permitted to be continued, will eventually result in the almost complete eradication of this dreaded disease.

Mr. President, I ask that a portion of my statement before the Committee on Appropriations, found in the committee hearings beginning on page 119 and continuing to page 122, be printed in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MEASURES FOR CONTROL OF SYPHILIS IN KENTUCKY

Senator CHANDLER. Measures for the control of syphilis in Kentucky have become more widespread during the past year than ever before in the history of the State. This intensified effort was made possible by the passage of the La Follette-Bulwinkle bill in 1937. Some idea may be obtained of the rapidity of the growth of measures designed to control syphilis in the State when it is pointed out that there were only 680 new cases reported to the State department of health in 1930, while in 1939 there were 9,722 such cases reported. This astonishing increase, which has been gradual year by year over the intervening years, does not indicate, we believe, that there was more syphilis in Kentucky in 1939 than there was in 1930, but merely, with increased facilities for finding and treating syphilis, we have been able to bring a greater proportion of the infected population under control.

PROGRESS MADE

When Kentucky first obtained its pro rata share of the $3,000,000 appropriated under the La Follette-Bulwinkle bill in 1938, approximately 2,000 more new patients were brought under treatment during the first fiscal year after these new funds were made available. During the following year, 1939, when $5,000,000 was made available, with Kentucky receiving its pro rata share, the State had approximately doubled the number of patients under treatment during these 2 years when contrasted with any similar period previous to having available these funds. Kentucky is not a wealthy State; in fact, it is among the poorest of the States when comparison is made on the basis of per capita income. Without the availability of such funds as come to the State through the authority of the La Follette-Bulwinkle bill, it would have been practically impossible for it to have accomplished such a result.

Syphilis control in the State of Kentucky is being effected by all the avenues which public health and medical science afford for the effective handling of the problem. The people of the State are being offered public-health education through every available channel. They are being made more and more conscious of the fact that syphilis is an outstanding public-health menace. Their willingness to cooperate in this campaign is attested to by the rapidity and extent of the gains thus far made.

CLINICS

Another esesntial in the control of syphilis is the organization of clinics, manned by trained personnel, and readily available to the infected population, particularly to those people who are suffering from the disease and who, because of economic need, are unable to afford treatment from their own resources. Such clinics have been organized and are now in operation in 106 of the 120 counties of Kentucky, and for those counties in which no clinic exists there is not one in which there is not a clinic available to its infected people in its neighboring county.

LABORATORIES

An essential in the control of syphilis, as well as the control of the other venereal diseases, is the availability of laboratory service to assist in the diagnosis and detection of these diseases. Since the availability of funds appropriated under the La Follette-Bulwinkle bill, the serologic laboratory for the diagnosis of syphilis in the State Department of Health of Kentucky, has been doubled in its capacity. Whereas, before the availability of these funds the serologic laboratory was running approximately 250 blood specimens a day, the same laboratory is now running approximately 500 a day. This laboratory provides for testing blood specimens submitted, not only from the public-health clinics of the State, but from practicing physicians throughout the State, in its effort to aid in unconvering and bringing under treatment as many cases of the disease as possible.

EFFECT IN KENTUCKY OF REDUCTION IN APPROPRIATION

If the sum made available during the coming fiscal year is reduced from $5,000,000 to $3,000,000, it will mean that two-fifths or approximately 4,000 of the patients being treated in the public-health clinics of Kentucky will be deprived of further treatment. This means that these patients will be dropped, many of them to relapse into communicable stages of the disease, and thereby become flagrant public-health menaces and many of them will suffer the known consequences of inadequate treatment, which means total or partial invalidism resulting in their care at the expense of the taxpayers in the State's eleemosynary institutions.

To diminish the appropriation under the authority of the La Follette-Bulwinkle bill from $5,000,000 to $3,000,000 would make largely ineffective both our recently passed premarital and anticipated prenatal laws. It is conservatively estimated that these two laws will add between two and three thousand cases of syphilis annually to the case load that is already being treated in the public-health clinics of the State. At present it requires all of the funds which the State has available to carry its case load and these facilities would obviously be inadequate with an added two to three thousand cases yearly.

PROBLEM OF SYPHILIS CONTROL IN KENTUCKY

The following facts will serve to emphasize more definitely the problem of syphilis control in Kentucky.

During the calendar year 1939 there was a total of 9,722 new cases of syphilis reported to the State department of health by physicians and health officers throughout the State. Of this 9,722 new patients 6,892 of them were reported as being admitted to their first treatment in the public-health clinics; that is, 70.9 percent of the newly reported cases of syphilis during 1939 were placed under treatment in the public-health clinics of the State. Only patients who are known to be unable to pay for treatment at the hands of private physicians are admitted to these clinics, hence 70.9 percent of the new cases of syphilis that were discovered in Kentucky in 1939 were economically unable to afford adequate treatment for their respective syphilitic infections.

Of the 6,892 new patients that were admitted to treatment in public-health clinics in 1939, 3,154, or 45 percent, were females while 3,738, or 54 percent, were males. Something of the importance of the characteristics of this group of patients is realized when it is pointed out that 2,087, or 66 percent, of the females were between the ages of 15 to 35 years, hence of the age when women bear most children. It is known that these potential mothers, had they gone untreated, would have given birth to dead or diseased babies 5 times out of 6 pregnancies.

Something of the importance of the age distribution of these cases is emphasized when it is realized that 276, or 4 percent, of the 6,892 new cases admitted to the public-health clinics for treatment were under 15 years of age, and of this number 221, or 80 percent, were children who contracted the disease before their birth and were thereby absolute innocent child victims of syphilis.

Further, when studied as to age distribution, of the 6,892 new patients admitted to the clinics, 3,079, or 45 percent, of them were between the ages of 15 and 30 years. These patients were found to have the disease during the most active years of their lives when most of them were just starting their careers and were least able to afford adequate treatment.

Further, with respect to the age distribution of these patients, 3,537, or 51 percent, of the 6,892 new cases admitted to clinics were in people over 30 years of age. Of this 3,537 patients, a total of 3,033, or 85.7 percent, of them were in the late stages of the disease; that is, they had the disease in the stage which sends many of them to the insane asylums and hospitals because of syphilitic brain and heart diseases.

When this group of patients is studied with respect to color, it is found that 3,502 of the total of 6,892 new patients admitted to clinics were white people. Since the white population of the State was 2,770,000 in 1939, the attack rate per thousand white population of the State was 1.3 cases per thousand. Of the total of 6,892 patients admitted to clinics, 3,390 of them were Negroes. With the Negro population of the State at 225,000 in 1939, the attack rate for the colored people of the State would be 15 cases per thousand population. This means that syphilis attacks Negroes approximately 12 times more frequently than it attacks white people. As is well known, people of the colored race are least able to pay for adequate treatment for syphilis, and therefore, unless funds are provided, most, if not all, of the colored people who have syphilis will go inadequately treated or entirely untreated.

PUBLIC-HEALTH CLINICS

In the matter of treating patients in the public-health clinics of the State of Kentucky it should be pointed out that during calendar year 1939 there was an average of 7,372 patients under treatment for syphilis in these clinics each month. Each one of these patients was given an average of 2.9 treatments per month. If each patient received an average of 2.9 treatments per month then they received an average of 35 treatments per patient for the year of 1939. Progress in the treatment of syphilis in Kentucky may be emphasized when it is pointed out that for the preceding year, 1938, calculated on the same basis, it was found that patients received an average of only 12 treatments per patient for the year,

whereas, this average was only 3 treatments per patient for the year of 1937. This is pointed out in order to emphasize the influence that the increase in funds has brought about in the adequacy of the treatment of syphilis in Kentucky since the passage of the La Follette-Bulwinkle bill.

PROGRESS IN CONTROL OF VENEREAL DISEASES

It was hoped by all health authorities throughout the country that the appropriation under the authority of the La Follette-Bulwinkle bill would have been increased from $5,000,000 to $7,000,000 for the fiscal year 1940–1941, and progress would continue. If this appropriation is not increased, it certainly should not be diminished and progress curtailed. Thus far, progress in venereal-disease control has been gratifying, even though all the money yet appropriated by Federal, State, and local governments and other agencies does not yet approximate a conservative estimate considered by medical and public-health experts to be necessary for the most effective public-health campaign against syphilis and other venereal diseases.

Senator CHANDLER. I do not need to take further time of the committee except to say to you that I think that they are doing very fine work. I think it ought to be continued, and such appropriations ought to be made as you can spare under the circumstances, because they are doing a fine job.

Mr. CHANDLER. Mr. President, I urge Members of the Senate to support the amendment offered by the Senator from Virginia [Mr. GLASS] and the Senator from Wisconsin [Mr. LA FOLLETTE].

The PRESIDING OFFICER. The question is on agreeing to the amendment offered jointly by the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Virginia [Mr. GLASS].

The amendment was agreed to.

SUPPLEMENTAL WATER FOR IRRIGATED AREAS

Mr. THOMAS of Idaho. Mr. President, it is not my intention to take more than a few moments of the time of the Senate. The matter I wish to discuss deals with reclamation appropriations as they affect Idaho. As a bill affecting those appropriations will be before the Senate in a few days I desire to make a statement at this time.

Mr. President, it was my good fortune during my previous term in the Senate to serve as chairman of the Committee on Reclamation. At that time I made a very careful study and interested myself in a movement to secure supplemental water for the many irrigated areas which lacked sufficient water to make farming operations successful. In the region of the United States where irrigation is used, the element most important to the success of the farmer is an ample supply of water.

Many farmers from other sections of the country occasionally express the fear that the development of these irrigated areas will mean additional surpluses of farm crops. This is entirely a mistaken idea. These western areas have proven to be especially adapted to the production of fruits, vegetables, beans, peas, sugar beets, potatoes, grains, and other crops, and a very profitable livestock industry which includes cattle, sheep, and dairying has been developed. Approximately 75 percent of the products in this section are consumed in the immediate area of production.

The fear of potential competition from the newly irrigated lands of the West should be immediately dispelled when we realize the nature of the crops produced. Representative WHITE of Idaho in a recent speech before the Rivers and Harbors Congress, pointed out that only 2 percent of the cotton grown in the United States, six-tenths of 1 percent of the wheat, and less than one-tenth of 1 percent of the corn is produced on Federal irrigation projects. On the other hand, were it not for the corn and other grains that western cattle consume on middle western feed lots, surpluses would be far more serious.

Moreover, the people whose homes in the West have been made possible by irrigation, form a splendid and steadily consuming market for products produced in our big industrial sections. A survey in 1937 by the Idaho State Planning Board of incoming shipments received at stations in the Boise Project area alone gives us an indication of the extent of the market which Federal reclamation projects create. During that year more than 300 carloads of foodstuffs were shipped into the Boise area from States as far east as Massachusetts and as far southeast as Florida. From Michigan came 312 carloads of automobiles and trucks, this exclusive of the automotive equipment manufactured in Michigan and assembled in California that came to Idaho. The area consumed in that single year more than 50 carloads of household equipment, also from Michigan. Sixty-five carloads of farm supplies came from Minnesota; 114 carloads of oils, greases, steel products, and so forth, from Pennsylvania; 57 carloads of motor vehicles, building materials, and miscellaneous merchandise from Missouri. Louisiana, Arkansas, Florida, Alabama, Connecticut, Kentucky, Nebraska, Ohio, and Indiana are other States which shipped substantial quantities of their products to the Boise region during that year. Such markets as are provided by the western irrigated sections are far too important to the economic welfare of our Nation to be neglected.

The results of the Idaho survey are summarized in Senate Document 36 of the Seventy-sixth Congress, National Irrigation Policy and Its Significance. Mr. President, I ask unanimous consent to have the portion of the document dealing with this survey printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. MINTON in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

SUMMARY OF THE SURVEY BY THE IDAHO STATE PLANNING BOARD OF INCOMING RAILROAD SHIPMENTS RECEIVED AT STATIONS OF THE BOISE PROJECT AREA IN 1937 AS IT APPEARS IN SENATE DOCUMENT NO. 36 OF THE SEVENTY-SIXTH CONGRESS, FIRST SESSION

The Boise survey, listing the incoming commodities received in carload lots, revealed that more than 300 carloads of foodstuffs were shipped to the area in that year from States as far east as Massachusetts and New York and as far in the southeast as Florida. Manufactured goods shipped to the project included automobiles and trucks, tractors, farm machinery and equipment, household furniture, and miscellaneous merchandise from 30 States of the Midwest, the South, and the East.

A check of purchases by typical individual farmers of the Boise and other Idaho projects indicates that approximately 75 percent of their average annual income is expended for the purchase of eastern manufactured articles and products.

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The diversified character of the shipments in carload lots to the Boise project is illustrative of the market the projects afford. Shipments originating in a few States are cited as examples.

From Michigan 312 carloads of automobiles and trucks were shipped direct by rail, in addition to automotive equipment manufactured in Michigan but shipped to Idaho from California assembly plants, and in addition to that arriving in Idaho in highway caravans. Food processors in Michigan shipped 29 carloads of cereals; and manufacturers of electrical goods, furniture, and household equipment forwarded more than 50 carloads of their products.

Minnesota found a market for 65 carloads of farm supplies, consisting of building material, household equipment, canned goods, cereals, and fresh meats.

From a State as far east as Pennsylvania came 114 carloads, including shipments of lubricating oils and greases, dry groceries and miscellaneous food supplies, electric ranges, steel and steel products, etc.

Automobile and truck assembly plants in Missouri shipped 57 carloads of motor vehicles and more than that number made up of cereals and other foods, building material, and miscellaneous merchandise.

Louisiana and Arkansas each shipped 50 carloads of merchandise, including foodstuffs, furniture, building material, and miscellaneous goods.

Citrus fruits, canned goods, and vegetables in carload lots from Florida were recorded; and from Alabama also came miscellaneous food supplies, furniture, and other material.

Connecticut shipped eight carloads of radios, six carloads of washing machines, and other carloads of hardware and general merchandise.

Kentucky forwarded nearly 100 carloads of miscellaneous merchandise, steel and steel products, and building material.

Food processors of Indiana found a market for 25 carloads of canned goods, corn products, and fresh meats, while industrial plants shipped more than 50 carloads of electric equipment, building material, and miscellaneous merchandise.

The industrial plants and food processors of the eastern section of Nebraska found a market on the Boise project for more than 30 carloads of their products.

Ohio, with its diversified manufacturing developments, supplied 134 carloads of industrial products, including agricultural implements and farm supplies, electric refrigerators, and general household equipment, building material, and miscellaneous merchandise.

Oklahoma's oil refineries shipped more than 50 carloads of gasoline, lubricating oil, and grease.

The diversified agriculture and industries of Texas provided the Boise area with nearly 150 carloads, including 13 of citrus fruits, 55 of miscellaneous food supplies, 40 of miscellaneous merchandise, and 25 of gasoline and lubricating oils.

The outlet for Wisconsin's industrial plants is shown in the forwarding of 140 carloads of agricultural implements, farm supplies, foodstuffs, furniture, and other household equipment, building material, and miscellaneous merchandise.

Sources of supply extend as far to the northeast as Massachusetts which shipped dry groceries, furniture, and building material. New York State provided nearly half a hundred carloads of foodstuffs, building material, and miscellaneous merchandise.

From the South—Mississippi, Alabama, and Tennessee—came food supplies and building material, as well as manufactured articles.

Maryland, North Carolina, Virginia, and West Virginia are included in the list of States forwarding carload lots of industrial products or food supplies to the Boise project.

Mr. THOMAS of Idaho. Mr. President, at present the West is being called upon to assume an added burden as thousands of families made homeless by drought, duststorms, and foreclosure sales in the Middle West are seeking new homes in this region. Fairly reliable estimates show that probably about 15,000 families, comprising an average of four members each, have settled in Idaho since 1934. The addition of 60,000 practically destitute persons to the population of a State which normally has about 460,000 presents a very serious situation.

It is possible to give many of these people a place on the irrigated land of the West. From the broadest national point of view, this is the most economical and most efficient way of caring for as many of these people as possible. Mr. Page, the Commissioner of Reclamation, demonstrated this fact rather conclusively in his testimony before the House Appropriations Committee when he pointed out that during the 1933 to 1936 period per capita relief costs in the drought area were $175, while outside the Dust Bowl relief costs averaged only $58 per capita.

Typical projects—

Says a statement inserted in the House hearings by Mr. Page—

reported relief expenditures in nonirrigated areas three times those in reclamation-project sections.

The importance of reclamation development in the entire West may well be emphasized by an examination of the needs for new construction and additional water in Idaho. This is a matter of tremendous importance to the irrigator, who may be forced to sit helplessly by at the close of a long dry summer and watch the crops which he has so carefully planned and nourished wither and die from lack of moisture. It is of vital importance to this man, because those crops are the means by which he expects to keep his family from going hungry, to keep his children warmly clothed and in school.

That is the man whose cause I plead now, the little irrigator who 8, 10, even 20, years ago accepted a piece of raw land in the belief that the Government-sponsored development would supply him with the moisture needed to make that land productive. Years of labor and toil lie behind this man. They show in fences, ditches, and cultivation. They show in the improvements. Here is the work of a lifetime, the making of a home. This man has fulfilled his part of the contract. He has a right to expect the Government to fulfill its part.

Idaho is one of the States most dependent on irrigation. Large sections of our population subsist on the results, directly and indirectly, of artificial crop moisture. We must have irrigation, and no more beneficial help can be given an Idaho farmer than to provide him with the supplemental water necessary to insure normal crop production year after year.

It is not my purpose to be selfish in this matter, but an examination of the records clearly shows that Idaho has not received her just proportion of the funds allotted to reclamation uses.

Statistics supplied to me by the Bureau of Reclamation show that a total of $299,064,902.84 was expended between March 1933 and June 30, 1939. This sum was spent in 15 States in arid sections of our Nation. Of the total, Idaho received only $6,103,571.19, or actually less than 3 percent. That amount was entirely inadequate to meet the reclamation needs of the State, and is clearly a discrimination against Idaho. I shall do everything within my power to see that this situation is corrected.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the table supplied by the Reclamation Bureau containing the data referred to.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Department of the Interior, Bureau of Reclamation, actual expenditures (cash withdrawals) construction projects (reclamation and power)

State and project	Total, March 1933 to June 30, 1939		Grand total
	Regular appropriations	Emergency funds	
Arizona:			
Gila	$1,881,443.22	$2,345,544.19	$4,226,987.41
Salt River	2,082,999.81	4,016,856.25	6,099,856.06
Yuma		79,355.91	79,355.91
Arizona-Nevada-California: Boulder Canyon Dam and power plant	40,120,755.17	37,999,561.22	78,120,316.39
California:			
All-American Canal	7,045,657.53	19,333,764.40	26,379,421.93
Central Valley	9,839,820.09	5,969,675.82	15,809,495.91
Klamath-Tule Lake	200,141.62	160,000.00	360,141.62
Orland			
Parker Dam power	4,007.14	16,963.71	20,970.85
Colorado:			
Colorado-Big Thompson	1,530,289.95	506,149.32	2,036,439.27
Fruit Grower's Dam		138,474.67	138,474.67
Grand Valley	2,796.53		2,796.53
Pine River	1,099,736.08		1,099,736.08
Uncompahgre		2,205,668.87	2,205,668.87
Idaho:			
Boise drainage	10,113.47	8,955.80	19,069.27
Boise-Arrowrock		626,401.16	626,401.16
Boise-Payette	2,035,285.56	850,000.00	2,885,285.56
Twin Springs Dam	96,093.25		96,093.25
Minidoka-Gooding	40.48	25,454.41	25,494.89
Upper Snake River	225,375.56	2,225,851.50	2,451,227.03
Montana:			
Bitter Root		300,000.00	300,000.00
Buffalo Rapids		1,086,839.66	1,086,839.66
Frenchtown		270,753.80	270,753.80
Milk River		74,885.21	74,885.21
Chain Lakes storage		1,143,264.28	1,143,264.28
Sun River	223,247.33	1,306,954.71	1,530,202.04
Nevada:			
Humboldt		1,187,596.41	1,187,596.41
Truckee River storage		970,425.67	970,425.67
New Mexico:			
Carlsbad	$1,140,328.93	$997,206.45	$2,137,535.38
Rio Grande	274,033.46	282,072.42	556,105.88
Caballo Dam (international)		613,748.08	613,748.08
Caballo Dam (State)		1,472,455.25	1,472,455.25
Tucumcari	70,196.04		70,196.04
Oregon:			
Birch Creek		1,012.41	1,012.41
Burnt River		559,529.75	559,529.75
Deschutes	305,835.61		305,835.61
Klamath (main division)		36,000.00	36,000.00
Owyhee	918,269.65	5,300,000.00	6,218,269.65
Stanfield		98,442.24	98,442.24
Vale		1,283,389.71	1,283,389.71
South Dakota: Belle Fourche	353.53		353.53
Texas: Colorado River	1,701,227.17	10,476,049.19	12,177,276.36
Utah:			
Hyrum		908,758.63	908,758.63
Moon Lake		1,537,033.93	1,537,033.93
Ogden River	18,904.38	3,988,851.46	4,007,755.84
Provo River	612,833.85	1,038,346.44	1,651,180.29
Sanpete		367,789.45	367,789.45
Washington:			
Grand Coulee	38,333,114.78	44,427,598.07	82,760,712.85
Yakima-Kittitas		38,950.88	38,950.88
Yakima-Roza	2,530,266.38	3,071,734.97	5,602,001.35
Yakima-Storage		119,482.51	119,482.51
Wyoming:			
Kendrick	2,017,068.16	13,553,600.88	15,570,669.04
Riverton	523,830.30	992,410.15	1,516,240.45
Shoshone-Heart Mountain	1,207,299.15	1,271,475.13	2,478,774.28
Shoshone-Willwood	9,256.54	49,445.50	58,702.04
Administrative expenses	3,429,930.14	1,778,209.50	5,208,139.64
Subtotal	119,490,550.86	177,112,989.97	296,603,540.83
Investigations and surveys	536,855.25	1,924,506.76	2,461,362.01
Total	120,027,406.11	179,037,496.73	299,064,902.84

Mr. THOMAS of Idaho. Mr. President, the discrimination against Idaho is evident in the current Budget. Last year $60,223,000 was spent for new reclamation development throughout the United States. This year only $44,097,000 was allowed by the Budget Bureau for new construction. Of this sum, Idaho is allotted only $700,000, which is less than 2 percent of the total, and wholly inadequate to carry on the necessary work. Idaho should have at least $3,500,000 additional for supplemental irrigation works this year.

The $700,000 is allotted to work on the Payette division of the Boise project, whereas the Bureau of Reclamation has found that $1,500,000 is necessary adequately to carry on

work on this project. When completed the Payette division of the Boise project will bring water to land that years ago was taken up in homesteads under the Government's implied promise that irrigation would be made available. From $30,000 to $40,000 in revenue will be obtained each year from the sale of electrical power to offset a part of the cost of this project to the settlers.

Approximately $1,000,000, in addition to the reappropriation of the unexpended balance now available, is needed this year for the Arrowrock division of the Boise project. This project is designed to make supplemental water available in the Boise Valley section and remove the constant threat of drought and loss of crops. Diversified farming has made water necessary until late in the growing season, and when water is not available the loss and resulting hardship are tremendous. It has been reliably estimated that lack of an adequate water supply reduces the value of the crop return on this project from $5 to $10 per acre, which means an aggregate annual loss of from one to two million dollars to the farmers.

Approximately $1,000,000 is needed to commence work on the Grand Valley Reservoir on the south fork of the Snake River. This reservoir would permit the storage of water, which is badly needed by farmers now on the land in southeastern Idaho.

According to the estimates of the Idaho Commissioner of Reclamation, approximately $400,000 is needed in Idaho during the fiscal year 1941 for the construction of small reservoirs to make supplemental water available for many small farms which are now suffering from lack of water.

Moreover, about $240,000 is needed in Idaho for general investigation of reclamation projects. The total amount allotted by the Budget Bureau is only $300,000 for investigations in all the States, so it can be readily seen that when the needs of Idaho and other States are considered this appropriation must be raised to at least $1,000,000.

Mr. President, I do not wish to take the time of the Senate for a more complete examination of the needs of Idaho for reclamation development. I have mentioned the various sums needed, however, in order to give a cross section of the situation throughout the entire West. I do not want my position misunderstood. With the present condition of agriculture, furnishing supplemental water is the greatest assistance that can be given to the farmers in the irrigated regions of the West. Water shortages at critical times all too frequently rob farmers of the fruits of their labor and prevent these regions, which have already been developed, from enjoying the prosperity they should have.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the testimony of Representative HENRY C. DWORSHAK, of Idaho, before the House Appropriations Committee, which goes somewhat more into the details of the current needs of the State.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GENERAL INVESTIGATIONS

The item for investigations in the bill under consideration is $300,000. I am sure that this is not a sufficient amount, as I am informed by our Idaho commissioner of reclamation that absolutely necessary work in Idaho for the fiscal year 1941 will cost $240,000. At the present time the Bureau of Reclamation has in progress investigations on the Boise River; however, in order to complete the work and secure the information necessary to plan the most economical and feasible use of available water the investigations must be extended to certain sections of the Snake and Salmon Rivers; $100,000 will be required to finish this particular job and necessary work in other sections of Idaho will cost $140,000. Other States undoubtedly have similar problems, and, if Idaho needs $240,000, certainly $1,000,000 will be a minimum necessary for general investigations work in all reclamation States.

SMALL RESERVOIRS

Idaho has large areas of land now under cultivation that needs supplemental water. I would like to see a substantial appropriation made under provisions of Case-Wheeler Act for construction of small reservoirs. Our Idaho commissioner of reclamation lists 14 projects for consideration under this program, as follows:

Mann Creek Dam, Washington County, Idaho; Little Payette Lake Dam, Valley County, Idaho; Devil Creek Dam, Oneida County, Idaho; Medicine Lodge Creek Dam, Clark County, Idaho; Horse Flat Dam, Washington County, Idaho; Montpelier Creek Dam, Bear Lake County, Idaho; Lost Valley Dam (enlargement) and Hornet Creek Dam, Adams County, Idaho; Mission Creek Dam, Nez Perce County, Idaho; Georgetown Creek Dam, Bear Lake County, Idaho; West Camas Creek Dam, Clark County, Idaho; Cottonwood Creek Dam, Franklin County, Idaho; Bennett Creek Dam, Elmore County, Idaho; Squaw Flat Dam, Washington County, Idaho.

Idaho needs $400,000 for the fiscal year 1941 for construction of small reservoirs.

Mr. Spofford further states:

"I wish to emphasize that the above are minimum requirements and that I further recommend that the following additional amounts be appropriated for construction at the earliest possible date:

Twin spring and/or other site on Boise River	$2,000,000
Cascade Dam and for distribution facilities on Black Canyon	2,000,000
Grand Valley, Upper Snake River	2,000,000

SUMMARY

In conclusion, may I again urge that appropriations be made in the bill under consideration as follows:

Reappropriate the unexpended Twin Springs balance with amendment as suggested making same available at other sites if current investigations indicate a more feasible location on Boise River.

Appropriation for beginning construction on Grand Valley Reservoir on Upper Snake River of not less than $1,000,000.

Appropriation for small reservoir construction which will permit an allotment to Idaho of not less than $400,000.

Increase the item for general investigations to a minimum of $1,000,000.

Teton and Squirrel Meadows development to complete program outlined several years ago.

The above item for construction of the Grand Valley Reservoir is of particular importance, because it embraces to the fullest extent the multiple uses of water on the Upper Snake River, as outlined in the Debler report. For several seasons there has been a wastage of water over Milner Dam approximating 1,000,000 acre-feet annually, while irrigation water is sorely needed to supplement the existing supply and thereby greatly increase the value of the crops. Likewise the flood-control features of this project have been stressed, and there are ample outlets already available for the electric power which can be generated at the dam site. For the past decade action has been delayed on conservation of Upper Snake River water resources, and this project now affords one of the feasible and inexpensive developments with absolute assurance of repayment to the Federal Government.

Mr. Chairman, there is no State where the accomplishments of the Federal reclamation program stand out in justification of its continuance more than in Idaho, and I am here today to urge this committee to include in the Department of the Interior appropriation bill adequate appropriations for providing supplemental water for the Boise and Payette divisions of the Boise project, Idaho, and for privately irrigated areas in upper Snake River Valley.

It is somewhat disturbing to learn that the Budget Bureau did not include allowances for Twin Springs or other construction for storage on Boise River or for the upper Snake River developments, all of which, I feel, should have additional funds.

While the Payette division of the Boise project is not in my district, its speedy completion will be helpful to the State of Idaho.

In reviewing the results of Federal reclamation in Idaho, I have been impressed with the record of the Minidoka project, which lies wholly in my district, and which is one of the oldest operations under the Bureau of Reclamation. It is very interesting to note that more than one-half of the entire cost of construction has been repaid, although nearly a third of the outlay was made on the Gooding division, completed within the past 10 years. One Minidoka district has paid all but 15 percent of its entire construction cost of $2,756,000.

Considering the length of time the Boise project has been on a repayment basis, its record is equally good.

NEED FOR ADDITIONAL LAND

The need for additional irrigated land and for supplemental water for areas already developed has been accentuated by the heavy migrations of farm families from the Great Plains drought areas and other sections of the country. Although thousands of these folk moved on to California, Washington, and Oregon, and others turned southward to Utah, there have remained in Idaho something like 15,000 families, most of whom have an agricultural background.

For a State the size of Idaho, the wave of migrations has created an acute problem. The Bureau of the Census in 1930 reported we had a few less than 28,000 irrigated farms so you can see that the opportunities for settling any considerable number of the new arrivals were limited. The shortage of water in many sections threatened to force abandonment of some irrigated areas and still further reduce the chances for agricultural development.

SUPPLEMENTAL WATER

It should be explained perhaps that the need for supplemental water is due partially to changes in farming practices since most of the projects were constructed. Formerly, the water users raised early crops and were not particularly concerned about late water. Now they have turned to producing sugar beets, fruits, and vegetables and to dairying, which requires fall pasturage. Water requirements are, therefore, spread over a longer period and when the supply begins to fail in midsummer, the farmers are seriously handicapped and their production is cut down.

When it is considered that even with water difficulties the value of crop production on land in Idaho dependent on Federal projects for water runs from $25,000,000 to $30,000,000 a year, the importance of the purchasing power to the country as a whole is

emphasized. Since something like three-fourths of the farmers' income is expended for manufactured goods and processed foodstuffs in the Midwest, East, and South, their money goes to swell the pay rolls of the industrial centers and help the farmers of other sections of the country.

Idaho's problems are common to the other Intermountain and the Pacific Coast States. Advancement of the Federal reclamation program offers a solution that has long been postponed.

Idaho's urgent reclamation needs for the fiscal year 1941 are very clearly and conservatively stated by our own Idaho commissioner of reclamation, Mr. James Spofford, in a letter to me dated February 1, 1940, and which I quote as follows:

"Reappropriation of the unexpended balance of 1939 Twin Springs item and also the making of same available for construction also at any similar site on the Boise River should investigations now in progress indicate a more suitable site has been found.

"Payette division, Boise project, Budget Bureau recommendation, $700,000. Bureau will need a minimum of not less than $1,200,000.

"Grand Valley Dam, Upper Snake River, for beginning construction of supplemental storage for Upper Snake River water users, $1,000,000."

Mr. THOMAS of Idaho. Mr. President, I also ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, a number of letters and excerpts from letters which I have received from individuals and groups in my State who are vitally interested in reclamation.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the letters will be printed in the RECORD.

(See Exhibit 1.)

Mr. THOMAS of Idaho. Mr. President, in conclusion, I should like to say a few words about the cost of reclamation.

Many people concede the value of reclamation, but tell us that the cost is prohibitive. These people overlook a very important fact. The irrigation and reclamation development in connection with these projects is, in the strictest sense, self-liquidating. Every dollar will be repaid.

In asking for funds to provide adequate water for these reclaimed areas, the people of the West are asking not for charity but for an opportunity to enjoy the prosperity to which they are rightfully entitled by their labors. The Budget Bureau this year allotted $44,000,000 for reclamation construction. The most reliable figures available indicate that the cost of a single modern battleship is more than $100,000,000. The admirals speak glibly in terms of billions for naval construction. Certainly the people of the West are not being unreasonable when they ask for a sum equivalent to one battleship a year. An appropriation of $100,000,000 a year for reclamation would eventually return to the Federal Treasury, but the prosperous farming communities made possible by the use of this money would continue to grow.

To make it possible for farmers to obtain more adequate income, to give homes to those dispossessed by drought, dust storms, and foreclosures is as real a defense of democracy as that provided by battleships and 16-inch guns.

EXHIBIT 1

SOUTHWESTERN IDAHO WATER CONSERVATION PROJECT, INC.,
Boise, Idaho, April 1, 1940.

Hon. JOHN THOMAS,
United States Senator, Senate Office Building, Washington, D. C.

MY DEAR SENATOR THOMAS: I know you have been advised as to the plans and purposes of the southwestern Idaho water-conservation project. It is an effort on behalf of the farmers in southwestern Idaho to correct a wrong under which they have suffered for many years due to lack of sufficient water to properly irrigate the lands under the Government projects, as well as under some of the old private projects in this section. I have for upward of 30 years owned some 500 acres of irrigated land in this section, and I know from actual experience the losses that have been sustained through an insufficient water supply. It is estimated that this part of the State has suffered aggregate losses approximating $20,000,000, due to the shortage of water. When the Arrowrock Reservoir was constructed, the landowners were led to believe that it would furnish an ample supplemental water supply for all the lands in the Boise project. Much of the land was acquired upon such report and with the understanding that the water supply would be ample. There is every reason why the Government should do its full share to rectify a situation in which it has had an important part. I feel keenly that if the shortage had been due to an erroneous estimate by private parties, the Government would have taken notice of the situation before this.

Notwithstanding the shortage of water and the losses that the farmers have had to bear, they have done amazingly well in paying back the charges of the Reclamation Service for the construction of the Government projects. We have a right to be proud of the record they have made.

One of the things this section needs now is an appropriation for a comprehensive survey of the storage facilities for supplemental water. There should be an appropriation of perhaps half a million dollars for this work. What is not needed will, of course, not be spent. I have attended many meetings of the farmers and businessmen of this section, and I know how keenly they feel they have not received the attention or consideration they should have in appropriations for such investigation.

No doubt Mr. Rising, who represents this association in Washington, has contacted you and discussed this matter with you in person. I feel sure that you will give this your earnest consideration.

Very truly yours,

OLIVER O. HAGA, *Director.*

F. W. JARVIS, ATTORNEY AND COUNSELOR,
Caldwell, Idaho, March 23, 1940.

Hon. JOHN THOMAS,
Senator from Idaho, Washington, D. C.

DEAR SENATOR THOMAS: The board of directors of the Black Canyon Irrigation District, the residents of the Black Canyon Irrigation District, and myself are greatly disturbed by the present press reports, which state that funds for reclamation will be greatly curtailed.

As you know, the Black Canyon project is partially completed, and, in our opinion, it would be a great injustice at this time to curtail funds for the completion of the project, and particularly the Cascade Dam.

The project covers approximately 50,000 acres. The main canal for this project is entirely completed, and out of the 50,000 acres, 26,000 acres are under the gravity system and on which water will be available at the present time. However, there will not be sufficient water on this land for the entire irrigation season without supplemental water. The Government to date has spent approximately $3,200,000 on the work so far, meaning that this project is approximately half finished. There will be 24,000 acres in the project that will be under the pump unit and which will rely entirely on its source of water from the Cascade Dam.

As you probably know, hundreds of families from the Dust Bowl are in Idaho, waiting for an opportunity to secure a few acres of irrigated land for the purpose of rehabitating themselves. It is, therefore, necessary that the appropriation of $700,000 for the Boise project be substantially increased so that the work can commence on the Cascade Dam.

The board of directors of the Black Canyon irrigation district, the settlers in the project, and myself are looking to you and are depending upon you to see that the Cascade Dam appropriation will be substantially increased to insure an early completion of the project, and we trust that you will succeed in obtaining this additional appropriation.

If I can be of any assistance in any way, please do not hesitate to write me.

Yours very truly,

(Signed) F. W. JARVIS,
Attorney, Black Canyon Irrigation District.

THE IDAHO COMMONER,
Idaho Falls, Idaho, January 27, 1940.

Senator JOHN THOMAS,
Gooding, Idaho.

DEAR SENATOR: Congratulations! I am glad that you have determined to resume your services to the Republican Party and the State of Idaho. We need more men in public office today who have the ability to keep their feet on the ground and know where they are going. I am sure you measure up to this opportunity and responsibility.

* * * * * * *

As you are probably aware, the South Fork Reservoir project has made substantial progress the past year and seems now to have the blessings of the Reclamation Bureau. It is generally believed that a little aggressive action on the part of the Idaho congressional delegation will insure the early construction of this reservoir.

Despite unusually heavy January precipitation this year, the water outlook for the 1940 season is not bright. Latest watershed reports indicate probable 1940 run-off to be about 50 percent normal, dependent, of course, on our late-season storms. The situation, however, is serious enough that it is causing some concern. It is entirely possible that the 1940 irrigation experience in the Snake River Valley will be such as to justify immediate construction of the South Fork Reservoir. I am informed that approximately 3,000,000 acre-feet of water has gone to waste over the Milner Dam the past 3 years. Today, if the South Fork Reservoir had been constructed, it would be full and provide the entire valley with adequate insurance against a possible 1940 water shortage.

* * * * * * *

With kindest regards, I am,
Yours sincerely,

ADEN HYDE.

RESOLUTION ADOPTED BY THE WATER MEETING OF THE SNAKE RIVER WATER USERS HELD AT IDAHO FALLS MARCH 4, 1940

Whereas the United States Bureau of Reclamation has recommended the proposed Grand Valley Reservoir feature of the upper

Snake River project as a feasible site for the construction of a reservoir of 1,300,000 acre-feet capacity and has proposed an equitable plan for distribution of the estimated cost among power, flood-control, and irrigation interests, and

Whereas applications for storage space in excess of the reservoir capacity have already been received and power interests have agreed to sign contracts for the power output at the rates and terms suggested by the Bureau of Reclamation, and

Whereas there is urgent need in southern Idaho for the power, reserve-water supplies, and flood-control protection to be made available by this proposed reservoir: Therefore be it

Resolved, That we extend our thanks to the members of the Idaho congressional delegation for their efforts to secure congressional authorization for this project, and urge them to continue same until said authorization is secured.

FIRST NATIONAL BANK,
Caldwell, Idaho, April 3, 1940.

Hon. JOHN THOMAS,
United States Senator, Washington, D. C.

DEAR JACK: I have recently been appointed a director of the Western Idaho Water Conservation Project, Inc.

It is gratifying to receive the many reports from Washington telling of the excellent work being done by our Congressmen and Senators in the interests of our reclamation program. Such concerted action cannot fail to bring about the desired results.

There is a growing realization throughout southwestern Idaho that our most pressing need is for funds to carry forward a complete, coordinated engineering survey as to the specific engineering requirements of all projects lying within our area.

While the feasibility of the program seeking to utilize all of our water and power resources is known to the Department of Reclamation and the Army engineers, engineering data upon which construction plans must be based are needed immediately.

I feel sure you will not overlook any opportunity to help along this good work.

Sincerely,

(Signed) C. L. MILLER.

LEWISTON, IDAHO, *March 19, 1940.*

Hon. JOHN THOMAS,
United States Senator, Washington, D. C.

HONORABLE SIR: Being one of the property owners of Lewiston orchard irrigation district, I am writing you, asking that you make every available effort possible to have the reclamation survey of the Lewiston orchards district. I believe this would be a great benefit to both people and the State. We do not have enough water here, and if there were plenty of water some of the people on relief would be self-supporting. I believe if this district were enlarged it would be more economically operated, giving us cheaper water rates.

Yours truly,

WILLARD ROSS.

SAFETY IN THE AIR

Mr. AUSTIN. Mr. President, the last crash of an air liner since the Air Safety Board and the Civil Aeronautics Authority took over the business of regulating travel in the air occurred 13 months ago, namely, on March 26, 1939. In that particular crash 12 persons were involved; 8 of them were burned to death or otherwise lost their lives, 4 were thrown clear when the plane struck the ground, but all were injured. The pilot is still convalescing, and unless marked improvement takes place shortly one of his legs will have to be amputated.

The Air Safety Board made an immediate investigation, which revealed, among other things, that the plane was not equipped with the latest and safest type of propellers, commonly referred to as the full-feathering type. This new type of propeller is controllable from the pilot's cockpit; and when something goes wrong with a motor, the pilot, in the flash of a second, can by touching a control in the cockpit turn the blades parallel to the line of flight of the plane. This has two immediate effects: First, it stops the propeller on the disabled engine from rotating and brings all moving parts of the crippled motor to a standstill, thereby eliminating the terrific vibration which usually develops under such conditions when the aircraft is equipped with the older type two-position or constant-speed propellers. Such vibration has on several occasions resulted in loss of control of the airplane, further structural failures, and in some cases fire in the air.

Second, when the propeller is feathered, head resistance is reduced to a minimum, and the performance of the airplane with one engine dead is greatly increased.

The Air Safety Board not only found that the airplane involved in the accident referred to was not equipped with the safest type of propeller but that the propeller-control mechanism for the type of propeller employed was obsolete and inadequate, under the circumstances, to meet safety requirements. If the airplane involved in the accident had been equipped with full-feathering propellers, there could be no reasonable doubt that the accident would never have occurred.

How many crashes have been caused for the same reason is, of course, unknown but it is felt that the number is substantial.

Immediately after investigating the crash in question the Air Safety Board recommended to the Authority that it require all air liners to be equipped with full-feathering propellers. This was done, and it is one concrete example of what has been done to make air travel safe. There are many others, some of which I hope at some later time to be able to call to the attention of the Senate.

Mr. President, I have read nearly according to the text a paragraph from a letter received by me today from the Air Line Pilots Association, signed by David L. Bencke, president. I ask unanimous consent to insert the entire letter in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AIR LINE PILOTS ASSOCIATION,
Chicago, April 24, 1940.

Hon. WARREN R. AUSTIN,
United States Senate, Washington, D. C.

DEAR SENATOR AUSTIN: On April 16 I wrote you voicing the unanimous protest of the men at the controls of the Nation's air liners against Reorganization Plan No. IV calling for the abolishment of the Air Safety Board and the new Air Authority, and placing the independent duties of the entire C. A. A. back under the Department of Commerce.

In this letter the pilots pointed out that during the years that civil aeronautics and air transportation were regulated by the Department of Commerce 473 lives were lost in air crashes, of which number 146 were line pilots. We contrasted this with a world's safety record of no air-passenger fatalities in this country for 12 months and no pilots killed for 16 months. By the time you receive this letter the record will be no passenger fatalities in 13 months and no pilot fatalities in 17 months. This adds new emphasis to the argument, Why not leave well enough alone?

In view of the fact that Reorganization Plan No. IV calls for the abolishment of the Air Safety Board the question naturally arises, What has this agency done since assuming its independent duties of investigating crashes and making air-safety recommendations to prevent recurrences? In a little more than a year and one-half the record shows that the Board has investigated 2,947 air crashes, the large majority of which occurred in so-called miscellaneous flying not on the air lines, 268 of which resulted in fatalities. As a result of these investigations the Air Safety Board has transmitted 115 air-safety recommendations to the Authority, pointing out what should be done to prevent recurrences. This will give you an idea of the amount of work that has been accomplished by the Air Safety Board in a remarkably short period of time, in addition to all the other work of getting organized under the new law, and so forth.

Obviously it would be impossible to describe all of the air-safety recommendations that have been made, but I would like to tell you about just one so you will have an idea as to just how important the work of this Board is to the preservation of human life in air travel. On March 26, 1939, a crash occurred on one of the air lines which, incidentally, was the last crash since the Air Safety Board and the new Authority took over that resulted in loss of life either to passengers or crew. Twelve persons were on board this ill-fated air liner. Eight were killed outright or burned to death in the wreckage. Four were thrown clear when the plane struck the ground. All were injured. The pilot is still convalescing, and unless a marked improvement takes place shortly, one of his legs will have to be amputated. The Air Safety Board made an immediate investigation which revealed, among other things, that the plane was not equipped with the latest, safest type of propellers, commonly referred to as the full-feathering type. This new type of propeller is controllable from the pilot's cockpit, and when something goes wrong with a motor the pilot in a flash of a second can, by touching a control in the cockpit, turn the blades parallel to the line of flight of the plane. This has two immediate effects: First, it stops the propeller on the disabled engine from rotating, bringing all moving parts of the crippled motor to a standstill and thereby eliminating the terrific vibration which usually develops under such conditions when the aircraft is equipped with the older type two-position or constant-speed propellers. This vibration has on several occasions resulted in loss of control of the airplane, further structural failures, and in some cases fire in the air. Second, when a propeller is feathered, head resistance is reduced to a minimum, and the performance of the airplane with one engine dead is greatly increased. The Air Safety Board not only found that the airplane involved in this accident was not equipped with the safest type propeller, but that the propeller-control mechanism for the type propeller employed was obsolete and inadequate to

meet safety requirements under the circumstances. If the airplane involved in the accident I have just described had been equipped with full-feathering propellers, there can be no reasonable doubt that the accident would never have occurred.

Just how many crashes have been caused for the same reason is, of course, unknown, but it is felt that the number is quite substantial. Immediately after investigating the crash in question the Air Safety Board recommended to the Authority that it require all air liners to be equipped with full-feathering propellers. This is just one concrete example of what has been done to make air travel safe. There are many others.

It is argued that abolishing the Air Safety Board would save a few top salaries. What these savings really amount to are the salaries of the Air Safety Board members. There are three, and they receive $7,500 a year each, making a total of $22,500 annually. Assuming that this amount is saved is an error, because if Reorganization Plan No. IV is approved, someone connected with the Federal Government must still investigate accidents, and they must be paid, so, in reality, the savings are really zero unless a much lower type of personnel is used for this highly important work of preserving human life, which certainly would not be wise.

Let us contrast this with what air crashes have cost the air lines and the Federal Government during the period from the late twenties to 1938, when the Air Safety Board and the new Authority took over. It costs the Federal Government, because air transportation is a subsidized industry, and in the final analysis this subsidy which comes from the public fluctuates with the earning power of the industry. During the period the Department of Commerce controlled air transportation and civil flying there were 130 fatal air-line accidents. It is well known that the cost of one air-line accident is, conservatively, $150,000 to $250,000, representing the loss of equipment and the cost of damage suits, death and injury claims, etc., to say nothing of many more thousands of dollars lost because of loss of patronage resulting in the fact that a crash-scared public does not patronize air travel. This has been proven. We have only to multiply the cost of one crash, which we will conservatively estimate at $200,000, by 130, the total number of fatal air-line crashes during the period that the Department of Commerce controlled air transportation, to give us the startling figure of $26,000,000. Properly to evaluate the situation there must be added to this figure the amount of money lost in patronage to the air lines due to the public being afraid to ride during the period that the Department of Commerce regulated air transportation. Of course, it is not possible to estimate what this figure really is, but obviously it amounts to a staggering sum.

Safety is the axis around which everything vital to the success of air travel revolves. People were not born with wings, but they have learned to use them, and the extent to which this use will reach is limitless, depending only on one factor, and that is the safety factor. People have traveled on the surface of the earth and on water since the beginning of time. To get them to take to the air depends entirely on the psychology of self-preservation which is again the one and same thing—safety. The ultimate question, as far as the public is concerned, is: Is it safe? This question must be answered conclusively in the affirmative and stay answered if air travel is to succeed.

When Congress created the Air Safety Board and the new Air Authority it had a two-fold effect. First, it destroyed the psychology of fear of air travel on the part of the public. Second, it replaced this fear with confidence in the safety of air travel.

The history of politically involved and perfunctory control of air transportation under the Department of Commerce is well known. The startling number of terrible crashes that occurred during this period involved the loss of thousands upon thousands of dollars and 473 lives. The price of present safety standards has been high. It must not be in vain. We must go forward. It is a question that is vital and far-reaching to the Nation, and it is vital to the Nation's defense because the best security that our people can have as a reserve to our air-fighting force is an extensive, highly developed, and well-patronized air transportation network. The record since the Air Safety Board and the Authority took over under the Civil Aeronautics Act of 1938 definitely proves this can be done. We must not go back to the old order.

Nearly all of us fly and, therefore, this is not only the problem of the pilots but the problem of all of us as well.

Briefly, this is once more a fight to save an industry and to save human life.

Again, the pilots that fly on the most extensive civil air network in the world earnestly and respectfully appeal to you for your support to set aside the President's proposal to abolish the Air Safety Board and the new Air Authority.

Respectfully,

AIR LINE PILOTS ASSOCIATION,
DAVID L. BEHNCKE, *President*.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MANSFIELD, Mr. GAVAGAN, Mr. DEROUEN, Mr. SEGER, and Mr. CARTER were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 437) authorizing the President of the United States of America to proclaim Citizenship Day for the recognition, observance, and commemoration of American citizenship.

The message further announced that the House of Representatives having proceeded to reconsider the bill (H. R. 6901) granting increase of pensions to certain widows of veterans of the Civil War, returned by the President of the United States, with his objections, to the House of Representatives, in which it originated, it was

Resolved, That the said bill do not pass, two-thirds of the House of Representatives not agreeing to pass the same.

DEPARTMENT OF LABOR—FEDERAL SECURITY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes.

Mr. McKELLAR. Mr. President, I offer an amendment which is made necessary by reason of the transfer of funds from the W. P. A. to this particular activity.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 50, line 15, before the period, it is proposed to insert a colon and the following:

Provided further, That for carrying out the purposes of this paragraph there shall be made available to the United States Employees' Compensation Commission from the appropriation in such paragraph 1 the sum of $100,000, or so much thereof as such Commission, with the approval of the Bureau of the Budget, estimates and certifies to the Secretary of the Treasury will be necessary for such purposes.

Mr. McKELLAR. I may explain that no additional money is involved in the amendment.

Mr. LODGE. Mr. President, I inquire what is the purpose of the amendment?

Mr. McKELLAR. The purpose of the proviso is to permit certain claims for injuries to be paid out of funds herein appropriated. There was no provision made for that in the bill, and, as the Senator knows, last year all this activity was under the W. P. A. The amendment is designed merely to permit the use of money which has already been appropriated. There is no additional money involved.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR].

The amendment was agreed to.

Mr. SCHWELLENBACH. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 48, line 18, after the figure "2", it is proposed to strike out the remainder of the paragraph down to and including line 21 and insert a period after the figure "2."

Mr. SCHWELLENBACH. Mr. President, the language which I am seeking to strike out reads as follows:

And such appropriations shall not be available for the compensation of the incumbent of any position placed in the competitive classified civil service of the United States after January 10, 1939.

That provision is found in the part of the bill referring to the National Youth Administration. Its effect would be, if Congress should adopt the bill which is now before the Committee on Civil Service, popularly known as the Ramspeck bill, to make it very doubtful whether those portions of the bill which refer to the administrative staff of the National Youth Administration would be effective during the next fiscal year.

The question was considered in the other House and the Member of the House in charge of the bill took the position that if the Ramspeck bill should pass it would eliminate this

provision of the pending appropriation bill. It is my opinion that that is a very doubtful question. The provision is nothing more than a limitation upon the appropriation, and, if the Congress should pass the Ramspeck bill and the particular incumbents should, under the Ramspeck bill, become eligible for the civil service, certainly they could not, if we should permit this phrase to remain in this bill, receive any compensation during the fiscal year for which the appropriation is made.

I ask the Senator from Tennessee if the matter cannot be taken to conference and discussed from that point of view. I do not know what is the status of the Ramspeck bill; I do not know whether the committee will report it favorably or unfavorably or what changes they may make. I know, however, that they completed hearings a few days ago.

It seems to me, if the Congress is likely to adopt legislation which would make these employees eligible for the civil service, that it would not be correct at this time, with the matter pending before one of the committees of the Senate, to include this provision in the appropriation bill. I think that the matter should be discussed in conference with the Representative from the House who took the position that it would be eliminated by the passage of the Ramspeck bill. I do not agree with that conclusion, I may say.

Mr. McKELLAR. Mr. President, the House considered this matter very carefully, and did not desire to anticipate the passage of the Ramspeck bill. I think the position of the House is correct. I do not think we ought to anticipate the blanketing into the civil service of these temporary employees. I think it would be exceedingly unwise in the case of a temporary service of this kind, which merely exists from year to year and which may not be in existence by the time the Ramspeck bill is passed, if it should be passed, to strike from the pending bill the provision in question. For that reason, I hope the amendment will not be adopted.

Mr. SCHWELLENBACH. May I call the attention of the Senator from Tennessee to the statement made on the floor of the House on March 28?

Mr. McKELLAR. I remember that statement, and a similar statement was made before the Committee on Appropriations of the Senate, but after careful examination the committee declined to adopt the amendment suggested.

Mr. LODGE. Mr. President, is it not true that if the bill passes in its present form, that matter will be in conference, anyway?

Mr. McKELLAR. It will be.

Mr. SCHWELLENBACH. Mr. President, a parliamentary inquiry. I should like to make inquiry as to how that situation could exist?

Mr. McKELLAR. I think I am mistaken about it. No; this paragraph will not be in conference.

Mr. LODGE. It is my understanding that in the House bill the words which the Senator from Washington seeks to strike out were stricken out.

Mr. SCHWELLENBACH. No; that is not correct.

Mr. McKELLAR. No; the words were retained in the House bill, but the Senator from Massachusetts, who is a member of the committee, will recall that this whole matter was discussed in the committee, and my recollection is that the committee unanimously refused to strike out any portion of the language. The striking out of the language would be virtually in anticipation that the Ramspeck bill would become the law at this session of Congress. It may or may not become the law; I am not advised as to that; I do not know what the situation is in regard to that bill; but certainly I do not think in considering an appropriation bill we should assume that the Congress will pass a bill which would put several hundred thousand, as I remember the number, of temporary employees permanently into the civil service.

Mr. LODGE. Mr. President——

Mr. SCHWELLENBACH. I yield to the Senator from Massachusetts.

Mr. LODGE. I appreciate the courtesy of the Senator from Washington.

It is my understanding that the statement of the Senator from Tennessee is entirely correct. The action was taken unanimously in the subcommittee, on the ground that it was not advisable to anticipate any action which might take place in the future.

Mr. MEAD. Mr. President——

Mr. SCHWELLENBACH. I yield to the Senator from New York.

Mr. MEAD. I merely wish to make the observation that the Committee on the Civil Service has concluded hearings on the Ramspeck bill, and will shortly go into executive session for the consideration of that bill. What the determination will be, when the bill will be reported, I do not know; but the committee is diligently progressing in the consideration of the bill.

Mr. SCHWELLENBACH. Mr. President, the Senator from Tennessee has said that to take the action which my amendment suggests would be anticipating certain action by the Congress on the Ramspeck bill. That is just the opposite of the situation. To take the action which is included in this bill, in the language which I am asking to strike out, is to anticipate a situation.

If the Congress does not pass the Ramspeck bill, then there will be no necessity for this language in the pending bill. If the Congress does pass the Ramspeck bill, and if it includes provision for civil-service status for these employees of the National Youth Administration, then we are in this appropriation anticipating a situation, and depriving these persons of an opportunity to receive compensation if they go under civil-service status.

I should like to call attention to what was said about it.

On March 28, contained on page 5506 of the CONGRESSIONAL RECORD of this session, the following statement was made by Mr. TARVER:

> Now, with regard to the legislative situation, if the Ramspeck bill passes the Senate and is approved by the President after the passage of this appropriation bill, the Ramspeck bill, whatever its provisions may be, will take precedence over the provisions of this bill.

That is the point on which I am in disagreement with the gentlemen of the House and in disagreement with the Senator from Tennessee, because we have a distinct limitation upon an appropriation bill; and if we include this limitation, then the passage of the Ramspeck bill so far as these employees during the coming fiscal year are concerned would be an utterly futile act.

I think the amendment should be accepted by the Senator and taken to conference, and discussed from that point of view in the conference.

Mr. DANAHER. Mr. President, in view of all the references that have been made to the civil service, and to the Ramspeck bill, and to the amendment under consideration, it may be that this is a fitting and proper time for me to call to the attention of the Senate the operations under existing law in certain particulars.

I had previously notified my distinguished colleague [Mr. MALONEY] that I was opposed to the nomination of a gentleman named Allan Measom to be postmaster in Southport, Conn. I had also notified the distinguished senior Senator from Tennessee [Mr. McKELLAR] that I should want to appear before the Committee on Post Offices and Post Roads with reference to the matter.

About the 10th of August 1939, a Bridgeport, Conn., newspaper carried the story that my distinguished colleague had asked that the Civil Service Commission call for another examination to fill the vacancy in the office of postmaster in the Southport, Conn., post office.

Mr. President, such an examination was held. It was either the fifth or the sixth such examination in as many years. As a result of the last examination, a gentleman named Mr. Henry B. MacQuarrie stood highest. He received from the Civil Service Commission a grade of 82.78 percent. The fact that Mr. MacQuarrie stood highest in that particular examination would be of scant significance if it were not for the fact that not only had he stood highest in every preceding examination since 1933, but there were times when he was the only man to pass the examination.

It seemed so singular that such a man as Mr. MacQuarrie, who had been appointed postmaster in 1929 and had served with credit to himself until 1933, was not appointed, that I wrote to the Civil Service Commission for the purpose of ascertaining the facts.

Under date of August 18, 1939, I addressed this letter to the Civil Service Commission:

AUGUST 18, 1939.

UNITED STATES CIVIL SERVICE COMMISSION,
Seventh and F Streets NW., Washington, D. C.

GENTLEMEN: I enclose herewith copy of a letter sent me by Attorney Ned E. Ostmark concerning the postmastership at the Southport post office in Fairfield, Conn. I shall personally appreciate an explanation. If the facts stated in the enclosed copy are true, I should like to know how the same is possible and under what regulations the procedure is authorized. Thank you for your courtesy and cooperation.

Faithfully yours,

JOHN A. DANAHER.

At the same time I addressed an identical letter to Mr. Farley as Postmaster General. Since the letter is in identical terms, I will not include it in the RECORD at this point. However, it was important, it seemed to me, that the matter be submitted fairly and squarely to both departments affected, chiefly for the reason that the replies become of interest.

I received a reply first from the Postmaster General's office. Under date of August 24, 1939, there came this letter:

POST OFFICE DEPARTMENT,
FIRST ASSISTANT POSTMASTER GENERAL,
Washington, August 24, 1939.

HON. JOHN A. DANAHER,
United States Senate.

MY DEAR SENATOR DANAHER: In the absence of the Postmaster General, I wish to acknowledge the receipt of your letter of August 18, 1939, transmitting a copy of a communication addressed to you by Mr. Ned E. Ostmark, chairman of the Republican Town Committee of Fairfield, and written in behalf of Henry B. MacQuarrie, an applicant for the postmastership at Southport, Conn.

The statements contained therein have been carefully noted, but I feel I should advise you that the register established as the result of an examination held in February 1937 is no longer available in view of the new law extending the classified civil service to include first-, second-, and third-class postmasters.

An open competitive examination was conducted in November 1938 in accordance with the provisions of the act of June 25, 1938, but an incomplete register was certified.

It was incomplete, let me interpolate, apparently on the ground that Mr. MacQuarrie, a Republican, was the only one to pass.

At any rate, the letter continues:

As the Department desires to make a selection from a complete register the Civil Service Commission was requested to announce a second open competitive examination. Mr. MacQuarrie is free to participate therein, or if he does not desire to do so, the rating obtained by him in the examination held in November 1938 will be used by the Civil Service Commission in making up the new register.

Sincerely yours,

W. W. HOWES,
First Assistant Postmaster General.

The press recently informed us that Mr. Howes has resigned his position to enter the campaign of 1940 in behalf, I understand, of a certain distinguished Postmaster General. Whether or not that is true, I cannot say; but when he speaks in this letter about the Department desiring a complete register, let me point out that the second examination was held, and that in that examination only two candidates passed, and that they still have not a complete register; notwithstanding which on the 15th of April 1940, the Postmaster General sent to the Senate the nomination of Mr. Allan Measom to be postmaster at Southport.

But let me continue.

Perhaps the most illuminating item in this more or less interesting matter is the letter of the Civil Service Commission dated August 24, 1939, addressed to me in reply to my letter of August 18:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., August 24, 1939.

HON. JOHN A. DANAHER,
United States Senate.

DEAR SENATOR DANAHER: The Commission has your letter of August 18 relative to the matter of filling the vacancy in the position of postmaster at Southport, Conn., an office of the second class.

In order that you may have a full understanding of the circumstances surrounding the failure of Mr. Henry B. MacQuarrie to receive appointment as postmaster, there is outlined below a history of the former examinations, as well as the last examination of November 19, 1938, held for that position.

A competitive examination was held on October 10, 1933, for the position of second-class postmaster at Southport, Conn., under the provisions of the Executive order of July 12, 1933, which at that time governed the appointment of Presidential postmasters. That order provided for the certification of the names of not less than three eligibles—

Not less than three, Mr. President—

if as many as three could be obtained, to the Postmaster General, who might make selection of one of the highest three for appointment to fill the vacancy. Only two eligibles were obtained as a result of the examination for postmaster at Southport, Mr. Henry B. MacQuarrie and Mr. William H. Russell. The Post Office Department, in accordance with its right of choice, selected Mr. Russell for appointment, and he was appointed February 15, 1934. Upon his death on November 11, 1936, Miss Katherine Russell was appointed acting postmaster at Southport, Conn., effective November 26, 1936.

An act of March 1, 1921, provides the circumstances under which acting postmasters may be appointed and places the authority for the appointment in the Postmaster General exclusively. The act provides specifically: "Whenever the office of a postmaster becomes vacant through death, resignation, or removal, the Postmaster General shall designate some person to act as postmaster until a regular appointment can be made by the President * * *." (39 U. S. C. 39.)

The Post Office Department, following the appointment of Miss Russell as acting postmaster, requested the holding of an open competitive examination for filling the vacancy in the position of postmaster at Southport, Conn., under the provisions of the Executive order of July 20, 1936, which superseded the 1933 order referred to above. An examination was held on February 9, 1937, for the position of postmaster at Southport under the terms of the later Executive order, which provided that only the person receiving the highest eligible rating could be considered for appointment. Mr. Henry B. MacQuarrie was rated the most highly qualified candidate in the examination, and his name was certified to the Post Office Department on April 19, 1937, for consideration for appointment.

Mr. President, would not one think that at that stage of the case, on the record thus established, and under the law as it then existed, and under the Executive orders to which I have referred, and to which the Commission referred, Mr. MacQuarrie would have received the appointment? Knowing how interested we are in the civil service and in the maintenance of competent, qualified persons in office, in order that they may render better and more efficient service to our people, sadly I remark, Mr. MacQuarrie was not appointed. The letter continues:

Under the Executive orders referred to above, the positions of Presidential postmasters were not in the classified civil service, and the Commission's only duties in connection with appointments were to hold examinations at the request of the Postmaster General and transmit to the Post Office Department a list of persons found to be qualified. If the Department had used the list certified on April 19, 1937, for filling the postmaster vacancy at Southport, Conn., Mr. MacQuarrie would, of course, have been the one nominated for appointment. However, there is nothing in the regulations which required that the Department discontinue the services of the acting postmaster and make appointment from the list submitted, and the Department chose to continue the acting postmaster at Southport in office.

Let me interpolate at that point that if the acting postmaster had been qualified, if the acting postmaster could have gotten on the list, there might have been some justification for the action, but the acting postmaster could not pass the examination; so let us follow along with the letter, and see what happened next:

No action was taken on the certificate submitted as a result of the 1937 examination for the position of postmaster at Southport, Conn., prior to the enactment of the act of Congress approved June 25, 1938, which placed Presidential postmaster positions within the classified civil service and which became effective the date of its approval. Of course, the passage of that act had the effect of completely nullifying any lists of eligibles that had been established as the result of the examinations held under the Executive orders, from which appointments had not been made. Therefore, in those cases where no person was nominated by the President and confirmed by the Senate prior to the effective date of this new postmaster law, it became necessary to fill the vacancy in the position of Presidential postmaster through one of the methods provided for in the law.

The Post Office Department elected to fill the vacancy in the position of postmaster at Southport, Conn., through open competitive examination, under the provisions of the new postmaster legislation. The examination was duly announced and held on November 19, 1938. Of the seven applications filed in this

examination, three were canceled for failure to meet the residence requirements, and four persons were admitted to the examination, including Mr. MacQuarrie and Miss Russell. Two of these four failed to comply with the minimum requirements for eligibility as to business experience and general qualifications. Mr. MacQuarrie and Miss Russell were given eligible ratings on the second subject of the examination—education, and business (or professional) experience, qualifications, and suitability. Mr. MacQuarrie attained an eligible general average on his entire examination, but Miss Russell failed to attain eligibility because of the relatively low marks attained on the first subject of her examination, written tests. Mr. MacQuarrie's name was certified to the Post Office Department on June 9, 1939, as the only eligible in this examination.

Mr. President, we have gotten down to 1939, and still Mr. MacQuarrie heads the list, in fact, is the only one who passed the examination. But is Mr. MacQuarrie the postmaster at Southport? Oh, no. The letter continues:

Under the provisions of the act previously referred to, appointments to the positions of Presidential postmasters are made in the same manner as appointments to all other positions subject to the civil-service law and rules with the exception that the appointee must be nominated by the President and confirmed by the Senate. Under civil-service rules, the names of the highest three eligibles on a register are certified for filling a vacancy, and the appointing power may select any one of the three for appointment. In the event less than three eligibles are obtained in an examination for first-, second-, or third-class postmaster, the Post Office Department may appoint any one of the eligibles certified, or it may request another examination for the purpose of obtaining a full list of eligibles, or it may fill the vacancy through one of the other methods provided for in the act of Congress approved June 25, 1938, governing the appointment of Presidential postmasters.

On August 1, 1939, the Post Office Department returned the certificate submitted on June 9 for the position of postmaster at Southport, Conn., and requested that a full list of three names be submitted for selection for appointment to that position. It has not as yet been possible to announce a new examination, in compliance with the Department's request.

By direction of the Commission.

Very respectfully,

WILLIAM C. HULL,
Executive Assistant.

Mr. President, let me point out that Mr. Hull informed me that the Post Office Department had requested that a full list of three names be submitted. Notwithstanding that request, a list of three names was not submitted. There were only two applicants who passed. But by this time, 6 years and a half later, the Democrat had finally passed the examination. The net result is that Mr. MacQuarrie, with his grade of 82.78, notwithstanding Mr. Russell had finally passed and had a grade of 76.25 on the list of February 1940, we find that Mr. MacQuarrie again has been passed by, and Mr. Measom's name is on the list of those to be appointed.

Mr. President, it seemed to me that perhaps the President of the United States had no idea what Mr. Farley, the Postmaster General, might be doing as Mr. Farley, chairman of the Democratic National Committee. It seemed to me no more than right that we should ascertain exactly where this situation was taking us. So, under date of August 23, 1939, I wrote to the President, at the White House, in Washington. I thought it would be proper to acquaint him with the facts in my possession, but, above all, to give him the sources to which he could turn in order to ascertain the truth. Therefore I wrote him this letter:

AUGUST 23, 1939.

THE PRESIDENT,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: I have received a letter from Attorney Ned E. Ostmark, of Fairfield, Conn., who reports a series of facts which, I believe, should be called to your attention. I feel that the course which has been followed is ideally adapted to create misunderstanding and even suspicion of the operations of the civil service, and that you will share with me a feeling that an explanation might properly be requested by you.

The facts reported to me follow: From 1929 to 1933 one Henry B. MacQuarrie was postmaster of the Southport post office in Fairfield. In or about July 1933, he was replaced by William Russell, who became acting postmaster.

In January 1934, a competitive examination was held. Mr. MacQuarrie received the highest rating. Despite that fact Mr. Russell was appointed as postmaster.

Mr. Russell remained as postmaster until his death in the fall of 1936, at which time his sister, Katherine Russell, was appointed acting postmaster. Miss Russell has remained acting postmaster ever since.

In April 1937, after a competitive examination given by the United States Civil Service Commission, Mr. MacQuarrie was again certified as the one who had the highest rating. That examination was held under the Presidential order of July 20, 1936, which provided that the eligible person who received the highest rating in a competitive examination should be certified to the Postmaster General, who thereupon should submit the name to the President for appointment. Mr. MacQuarrie was not appointed. Miss Russell continued to serve as acting postmaster.

On November 19, 1938, a new competitive examination was held. Five persons competed in the examination. Again Mr. MacQuarrie received the highest rating, but he was not appointed, and Miss Russell continued to serve as acting postmaster, despite the fact that she was unable to pass the civil-service test. Thus, three competitive examinations have been held, and in all of the examinations Mr. MacQuarrie received the highest rating.

I will be glad of your advices as to whether or not steps are open to you to cause a review and possible correction of the situation thus revealed.

I have the honor to remain, Sir,

Faithfully yours,

JOHN A. DANAHER.

Mr. President, as might reasonably be expected, I received a reply to that letter under date of September 16, 1939, as follows:

THE WHITE HOUSE,
Washington, September 16, 1939.

MY DEAR SENATOR DANAHER: This will acknowledge the receipt of your letter of August 23, in reference to the postmastership at Southport, Conn.

I have taken the matter up with the Postmaster General and am sending you, for your information, copy of his report to me.

Very sincerely yours,

EDWIN M. WATSON,
Secretary to the President.

Mr. President, the letter from the Postmaster General to the President of the United States, bearing date September 13, 1939, is appended to General Watson's reply to me, and some of its phraseology is of special interest. I think, in the light of the record and in the light of the facts, that Senators will be able to place their own construction upon the happy choice of language one finds. But I emphasize it in advance so that none of those fine points may be missed by those who otherwise may be wondering what the effect of the Ramspeck bill would be. Many people today are interested generally in the civil service, and in maintaining a merit list of persons properly qualified for office. I am one of them. But, Mr. President, many of us have been led to think that the civil service actually meant civil service, and that one was entitled to advancement and reward on the basis of experience and ability.

Here is the letter addressed to the President by the Postmaster General of the United States:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., September 13, 1939.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: There is returned herewith the letter to you from Senator DANAHER dated August 23, 1939, and concerning the postmastership at Southport, Conn.

Miss Katherine Russell is the acting postmaster at Southport. She was appointed as such on November 24, 1936.

Nearly 3 years earlier this lady, who had always failed to pass the examination, had been appointed acting postmaster, and was still in that place in 1939.

Mr. Henry B. MacQuarrie was postmaster at the Southport post office from June 19, 1929, to July 17, 1933. An examination was conducted under the Executive order of 1933 which provided that one of the three highest eligibles should be selected for appointment as postmaster and while Mr. MacQuarrie received the highest rating in that examination, which was held in January of 1934, he was not appointed. William Russell, who was one of the three highest eligibles, was appointed, and following his death, in the fall of 1936, Miss Katherine Russell was appointed acting postmaster to hold office until the regular appointment could be made.

A competitive examination was conducted by the Civil Service Commission in 1937 and the former postmaster, Henry B. MacQuarrie, was certified as the highest eligible. Before an appointment was made from this register, Congress passed the law commonly known as the act of June 25, 1938, which places postmasters of Presidential offices, who are appointed subsequent to that date, in the classified service.

Notice that, Mr. President; that is the type of act that we soon are going to be asked to consider.

This act provides that an incumbent postmaster may be reappointed or a classified employee in the vacancy office may be

promoted, provided they pass a noncompetitive examination or that an open competitive examination may be held, in which event one of the three highest eligibles must be selected for appointment.

Let me interpolate that no one should be deceived into believing that in these noncompetitive examinations of persons who are being covered into the classified service, those who are highest on the list, and the most competent, are specially rewarded. Not a bit of it.

The letter continues:

As a result of an examination held under the provisions of the act of June 25, 1938, Mr. MacQuarrie was certified as the only eligible, and since the Department is not required to make a selection unless there is a full eligible register of three, the Civil Service Commission has been requested to conduct another examination and the closing date for receipt of applications was September 12, 1939.

Let me interpolate again, that there was no register of three; that the appointment has been made from a register of two.

The letter continues:

Senator DANAHER has protested—

Notice the word—

our action in not appointing Mr. MacQuarrie after he qualified in three examinations. He made a similar protest to the Department and we replied to same under date of August 24, 1939, a copy of which is attached.

Mr. President, it will be remembered that the letter which I introduced into the RECORD as my letter to the Department, was a request for an explanation. I asked for the facts. I asked if the facts as established by me in my letter to the Department were found to be true, how it could be under the law that such a situation was the result? The Department construes that to be a protest.

The letter continues:

The appointment of Mr. Russell was regular and in accordance with the Executive order in effect at that time, and had an appointment been made in 1937 under the provisions of your Executive order of July 20, 1936, Mr. MacQuarrie's name would have been included on the nomination list inasmuch as he was certified as the one attaining the highest rating. However, at that time, many Members of Congress insisted that nominations be delayed in view of the fact that Congress was considering some legislation affecting the appointment of postmasters at Presidential offices. This legislation was finally enacted and is known as the act of June 25, 1938. As before stated, under the provisions of this act, the Department is not required to make an appointment unless a full eligible register of three names has been furnished by the Civil Service Commission.

The Civil Service Commission is now making an effort to supply the Department with a full eligible register, and, when that is done, a prompt selection will be made therefrom.

I wish to assure you that this matter has been handled in a regular manner and an appointment would have been made during this last session of Congress had the Civil Service Commission been able to furnish a full register of eligibles.

Sincerely yours,

JAMES A. FARLEY,
Postmaster General.

Let me point out again that that letter concluded that the appointment would be made when a full list of eligibles had been certified. I thereupon replied under date of September 20, 1939, to General Watson as follows:

MY DEAR GENERAL WATSON: I have your letter of September 16 enclosing a copy of letter from the Postmaster General with reference to the postmastership at Southport, Conn. It was interesting to perceive that an assistant writing for the Postmaster General—

It will be perceived that I did not even think that the Postmaster General wrote that letter, and consequently I was willing to do him the grace of excluding him, and therefore placing the burden on some anonymous assistant.

It was interesting to perceive that an assistant writing for the Postmaster General interpreted my letter to you as one which "protested our action." He continues that I "made a similar protest to the Department and we replied to same under date of August 24, 1939."

You, of course, will know that I wished above everything to ascertain the facts directly from the source and wrote to the Postmaster General making inquiry concerning them. Their construction of such a letter as a "protest" would seem to indicate a state of mind concerning this situation which I had hoped did not exist. Of course it now becomes perfectly apparent that the Department is not seeking merely a "qualified" candidate, for the qualifications of Mr. MacQuarrie have been demonstrated in repeated examinations. Meanwhile the Department has on one ground or another persisted in retaining as postmaster a person who has failed in each instance to qualify. No wonder my letters are now construed to be "protests", and in the light of developments, what do you think should be done?

It may be so "that this matter has been handled in a regular manner," but can we say that the Government is getting the services of the person best qualified to serve as postmaster?

I shall not go further into the subject in this fashion for I have no desire to add to your burdens, but, General Watson, as a matter of interest you should also read, perhaps, the report of the Civil Service Commission on this same postmastership. I believe you will then find that Mr. MacQuarrie outranked all applicants, has at times been the only one to pass, and that the incumbent since 1936 can't pass the examination. I take it that this is "the regular manner" referred to in the Post Office Department's letter and a further examination is being held to try to find out what has been established over and over again. Although I made no "protest" before, it is apparent that the time has come for someone to do so in the interests of civil service and of the public.

Please believe me with respect,

Faithfully yours,

JOHN A. DANAHER.

General Watson replied to my letter under date of September 23, 1939, as follows:

THE WHITE HOUSE,
Washington, September 23, 1939.

DEAR SENATOR DANAHER: I have received and noted carefully your letter of September 20 regarding the postmastership at Southport, Conn. I shall send it on to the Postmaster General personally for his information.

Very sincerely yours,

EDWIN M. WATSON,
Secretary to the President.

Mr. President, in the light of that record, and notwithstanding the circumstances and facts adduced—every one of them from responsible sources and Government agencies—the answer came when, on the list of April 15, 1940, we found as postmaster for the town of Southport, in Fairfield, Conn., Mr. E. Allan Measom, who after 6½ years passed the examination, and who stood second when he finally did pass, notwithstanding the record of Mr. MacQuarrie.

I submit that if the pending amendment offers to the committee in charge of the bill an opportunity to open up the civil service and to make it a merit system, and to place applicants on a competitive basis, as a result of which, when they establish their competency, they will be appointed, the amendment should be supported. Whatever appropriation is necessary to accomplish that highly desirable result should be voted.

Mr. President, that concludes my remarks on the pending amendment.

Mr. McKELLAR. Mr. President, I hope the Senator will vote against the amendment.

Mr. DANAHER. I thank the Senator from Tennessee.

Mr. MALONEY. Mr. President, I shall detain the Senate for only a few moments. I wish to make it clear, at this point in the RECORD, that there is no disagreement between my colleague the Senator from Connecticut [Mr. DANAHER] and myself concerning the man who has been nominated for the postmastership at Southport. I share the interest in the civil service expressed by my colleague. During my period of service as a Member of the House and since I came to the United States Senate I have never voted against a civil-service reform proposal, and in every instance when given the opportunity have voted to strengthen the civil service.

I am not as well informed on the postmastership at Southport as my colleague appears to be. It is a matter which I seem to have inherited from a Member of the House of Representatives who was defeated in a recent election. I knew of no interest in this postmastership on the part of my colleague until the name of Mr. Measom, whom I do not know, came to the Senate a few days ago. At that time my colleague advised me that he was vitally interested in the matter and that he would offer an objection to the confirmation of Mr. Measom. I then advised him that if he found the man objectionable I should be pleased to ask that the name be withdrawn; but I had his assurance that he had no personal objection, but rather that his concern was with the matter of civil service, to which he has so clearly referred this afternoon.

Mr. President, I presume that this situation differs not at all from situations which have existed under all administrations relating to postal appointments. I do not know any of the persons involved, except by name. I rise at this time only to make it clear to the readers of the RECORD and to Senators and others who may be interested that, so far as I am aware, there is no disagreement or difference of opinion concerning the particular man under consideration, and to insist that there has been no violation of the postal regulations or the civil-service routine. So far as I know, everything is quite in order. The postmastership at Southport—as has been the long-time custom—has been pretty much in the hands of the postal authorities, the Civil Service Commission, and, to the extent to which I believe they are rightfully entitled to it, the people of the community.

SEVERAL SENATORS. Vote!

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). The Senator will state it.

Mr. THOMAS of Oklahoma. What is the question now pending before the Senate?

The PRESIDING OFFICER. The amendment of the Senator from Washington [Mr. SCHWELLENBACH] to strike out certain words in paragraph numbered 14, on page 48 of the bill.

The question is on agreeing to the amendment offered by the Senator from Washington [Mr. SCHWELLENBACH].

The amendment was rejected.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Oklahoma will be stated.

The CHIEF CLERK. On page 20, line 14, it is proposed to strike out "$282,100" and insert "$353,980", and on page 21, line 5, it is proposed to strike out "$26,500" and insert "$71,880."

Mr. THOMAS of Oklahoma. Mr. President, this amendment is based upon a Budget estimate in a consolidated sum of $106,400. I therefore ask unanimous consent that the amendment may be considered as an entity, and passed upon as such.

The PRESIDING OFFICER. Is there objection to the request of the Senator?

Mr. McKELLAR. I have no objection to the amendment being considered in that way. Of course, I am opposed to the amendment.

The PRESIDING OFFICER. Without objection, the amendment will be considered in the manner requested.

Mr. THOMAS of Oklahoma. Mr. President, this amendment, as I have said, is based upon a definite Budget estimate, which is found on page 131 of the Budget document. I ask unanimous consent that the wording of the Budget estimate be inserted in the RECORD at this point in my remarks.

There being no objection, the estimate was ordered to be printed in the RECORD, as follows:

Salaries and expenses, film service, Office of Education—

Film service: For all necessary administrative expenses to enable the Commissioner of Education, under the direction and supervision of the Administrator of the Federal Security Agency, to continue to exercise the functions of the United States Film Service transferred to the Office of Education, Federal Security Agency, on July 1, 1939, such administrative expenses to include personal services in the District of Columbia and elsewhere; expenses of attendance at meetings of organizations concerned with the educational aspects of the motion-picture industry; exchange, as part payment for, office labor-saving devices, purchase of lawbooks, books of reference and periodicals; repair, maintenance, and operation of passenger and other motor vehicles, $106,400 (53 Stat. 561–565).

Estimate 1941, $106,400.

Mr. THOMAS of Oklahoma. Mr. President, the Budget estimate is in certain language, followed by a break-down of the amount. I ask unanimous consent that the break-down following the estimate also be printed in the RECORD at this point in my remarks.

There being no objection, the break-down was ordered to be printed in the RECORD, as follows:

By objects	Obligations					
	Estimate, 1941		Estimate, 1940		Actual, 1939	
	Positions	Average salary	Positions	Average salary	Positions	Average salary
PERSONAL SERVICES, DEPARTMENTAL						
Professional service:						
Grade 7. Director	1	$7,500				
Grade 6. Assistant director	1	5,600				
Grade 5. Script adviser	1	4,600				
Educational adviser	1	4,600				
Script writer	1	4,600				
Chief of distribution	1	4,600				
Grade 4. Assistant chief of distribution	1	3,800				
Subprofessional service:						
Grade 5. Film technician	1	1,800				
Grade 4. Assistant film technician	1	1,620				
Clerical, administrative, and fiscal service:						
Grade 11. Information specialist	1	3,800				
Grade 7. Junior administrative assistant	1	2,600				
Auditor	1	2,600				
Grade 5. Senior clerk	1	2,000				
Secretary to director	1	2,000				
Grade 4. Principal stenographer	2	1,800				
Fiscal clerk	1	1,800				
Grade 3. Stenographer	1	1,620				
Clerk	1	1,620				
Grade 2. Junior stenographer	4	1,440				
Clerk-typist	4	1,440				
01 Personal services (net)	27	71,880				

By objects	Obligations		
	Estimate, 1941	Estimate, 1940	Actual, 1939
OTHER OBLIGATIONS			
02 Supplies and materials	$3,500		
05 Communication service	3,000		
06 Travel expenses	5,000		
07 Transportation of things (service)	1,200		
08 Printing and engraving	5,000		
11 Rent	3,700		
30 Equipment	13,120		
Total other obligations	34,520		
Total estimate or appropriation	106,400		

Mr. THOMAS of Oklahoma. Mr. President, this amendment has to do with the United States Film Service. Some 25 or 26 years ago the Government began to become interested in making films officially; and during these 25 or 26 years the Government, acting through its various agencies, has made a great number of films. A few years ago this particular work was transferred from the National Emergency Council to the Federal Security Agency. I shall read an excerpt from the order of the President.

I propose to transfer to the Federal Security Agency for administration in the Office of Education, the film and radio functions of the National Emergency Council. These are clearly a part of the educational activities already carried on in the Office of Education.

This particular branch was first placed under the National Emergency Council, and, then, in the consolidation program, was transferred from that organization to the Office of Education, where it now is. Previous appropriations have carried funds for the United States Film Service. I am wondering why this particular item has been selected for annihilation.

This Congress has appropriated, or will appropriate, funds for carrying on 25 or 26 other national film services. The Government, in its various agencies, now has more than 25 different services making films; yet no question has been raised against any of them, for the very best of reasons. The sums carried for those purposes have been covered up. They have not shown up in the appropriation bills. In this year's

Budget the Bureau of the Budget set forth this item separately and distinctly. When the Budget reached the House of Representatives, and the House committee saw an item carrying $106,000 for the United States Film Service as a specific item, apparently for an independent agency, the committee said, "There is no authority of law for the existence of the United States Film Service." In that particular I think the committee is correct. There is no law creating the United States Film Service; and, inasmuch as this agency appeared to be a special branch of the Government, independently set up, the House, not passing on the merits of the proposal, said, "There is no authority of law for this independent agency. Therefore, we will not allow the appropriation." The House refused to allow the appropriation, not on its merits, but because there was no specific law authorizing the appropriation of $106,000 for carrying on the work.

Mr. President, at this point I desire to place in the RECORD the authority for this particular item in the Office of Education. I shall place in the RECORD, if I may have permission to do so, a paragraph from the basic law of the United States Office of Education.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

There shall be in the Department of the Interior a bureau called the Office of Education, the purpose and duties of which shall be to collect statistics and facts showing the condition and progress of education in the several States and Territories, and to diffuse such information respecting the organization and management of schools and school systems, and methods of teaching, as shall aid the people of the United States in the establishment and maintenance of efficient school systems, and otherwise promote the cause of education throughout the country—

Mr. THOMAS of Oklahoma. I place it all in the RECORD, and I call attention to the last line, which I claim covers this authorization. After reciting other duties that the Office of Education is authorized to perform, the last line is as follows:

and otherwise promote the cause of education throughout the country.

I contend that that language is sufficiently broad to authorize the Office of Education to have this sum appropriated and to use the sum for the distribution of films.

Mr. President, this particular branch of the Government is a clearing house for the other twenty-five-odd film agencies. If funds are not appropriated for this agency, the work will not be carried on; and, if that happens, the other agencies which are now making films will have no means through which to distribute the films.

I ask the distinguished Senator in charge of the bill [Mr. McKELLAR] why this particular item was singled out, and why none of the other 27 or 28 film services has been singled out for annihilation.

Mr. McKELLAR. Mr. President, I shall be very happy to tell the Senator. I think the House is entirely correct. There is no law providing for a United States Film Service. None has ever been passed. I do not think it was ever the intention of the Congress to set up a film industry as a part of our Federal Government.

The Senator asks me why this particular item was singled out.

I have been on the Appropriations Committee now for more than 20 years, and this is the first time that an appropriation for film service has ever come to light. Governmental agencies have obtained such appropriations in a clandestine kind of way. I do not mean wrongfully, and perhaps "clandestine" is too strong a word; but, as a matter of fact, money which has been appropriated for work relief has been used for film service and for building up a United States Film Service. Remarkable to tell, we find it in a number of departments. I did not know it was so.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. Mr. President, I have yielded to the Senator in charge of the bill to answer a question which I myself propounded. In a moment I shall be glad to yield to the Senator from Massachusetts.

Mr. McKELLAR. I am willing that the Senator yield now to the Senator from Massachusetts.

Mr. LODGE. Mr. President, I wish to ask the Senator from Tennessee whether it is not true that the relief money which has been used to make films has not resulted in the employment of relief labor in making the films?

Mr. McKELLAR. That is entirely true according to the testimony submitted to the committee. I will say to the Senator from Oklahoma that I was absolutely astounded to find that in the Office of Education there had been built up a $409,000 business in the making of films.

I call the attention of the Senator to page 251, of the hearings, from which I read the following:

Senator McKELLAR. Wait 1 minute, and let him explain where he got the rest of the money. What other money did you get?
Mr. MERCEY. There were two other sources of funds which came to us for the purpose of financing pictures to be made by two other different agencies.
Senator McKELLAR. Yes.
Mr. MERCEY. The Rural Electrification Administration.

I am a strong supporter of the administration, but I do not want it to spend its money to build up a film industry.

Senator McKELLAR. How much?
Mr. MERCEY. And the Agricultural Adjustment Administration.
Senator McKELLAR. How much from each?
Mr. MERCEY. From the Rural Electrification Administration $28,000, and from the Agricultural Adjustment Administration $50,000.
Senator McKELLAR. Is that all you had?
Mr. MERCEY. That totals——
Senator McKELLAR. What is the total?
Mr. MERCEY. Four hundred and nine thousand dollars.

It struck me as monstrous to be transferring appropriations from one agency to another when there is a prohibition in the W. P. A. law against using the money except for work relief. Admittedly this money is not used for work relief, and yet under the work-relief law they set up a film industry. That is why I say to my distinguished friend from Oklahoma, whom I admire so greatly, that was the first I knew of the establishment of a film industry by the United States, though I have long suspected it, because I am a great moving-picture goer; I am very fond of the moving pictures; I spend a good deal of time, very profitably and certainly very delightfully, at the moving-picture shows. But I am not in favor of the United States Government building up a moving-picture industry.

Mr. THOMAS of Oklahoma. Mr. President, I should like to ask the distinguished chairman of the subcommittee another question.

Mr. McKELLAR. I will be glad to answer if I can.

Mr. THOMAS of Oklahoma. Would the Senator from Tennessee, as a Senator, favor a proposal denying funds to any agency for the purpose of making films?

Mr. McKELLAR. I will be perfectly frank with the Senator. I would have to pass on that when it came up. I would want a bill for that purpose brought before the Senate and enacted into law. After there had been passed a law setting up a Federal industry or a Federal operation of this sort, if the Congress should pass such a law, and the matter were brought before the Appropriations Committee, I should certainly vote for appropriations in accordance with the law; but many of these agencies have certainly taken not one short cut but many short cuts engaging in this line of work and keeping it under cover, so to speak, for a number of years. It has been going on, I think, for perhaps 15 or 20 years.

Mr. THOMAS of Oklahoma. Since 1912, I will say to the Senator.

Mr. McKELLAR. Since 1912. That is quite a long time. Insidiously, apparently secretly, not asking for funds for film service, but asking for funds under other pretexts, various agencies have been using appropriations for film purposes to the extent perhaps of half a million dollars a year, and I imagine a great deal more than a half a million dollars, for film services. I think we ought to have a law authorizing it before we appropriate any more money for film services in any department.

Mr. THOMAS of Oklahoma. Mr. President, answering the argument just made, only a few years ago the Office of Education requested legislation authorizing it to employ a specialist in motion pictures and radio. That was done 9 years ago, or in 1931. At that time this question came before

the Appropriations Committee, and I am advised that the chairman of the subcommittee advised the proponents of that legislation that the language of the basic law was ample to justify appropriating money for a special radio and film artist.

Mr. McKELLAR. Oh, no; the Senator is entirely mistaken. The specific question then up was the one affecting library service in one of the departments. I think I was wrong about the opinion I gave at the time; further investigation has rather led me to believe that I was mistaken at that time about it; the question involved was not about film service, because, so far as I can recall, we have not had the question of film service before the Appropriations Committee at all in a number of years—and if there are any members of the Appropriations Committee present, they will confirm what I say—and we have not provided appropriations for film service specifically, but always under other heads.

Mr. THOMAS of Oklahoma. The record is clear that we have been making appropriations since 1912, not only to build up but to expand the film service among the several agencies of the Government. The record is clear, because I have a list of these services, and I shall place them in the RECORD very shortly. I shall place in the RECORD now, Mr. President, the language under which some of these agencies claim that they have the right to produce, buy, and distribute films. For example, the United States Housing Authority has a film service. The language of the law creating the United States Housing Authority contains specific language authorizing the use of films. I quote from that law:

> The Authority may publish and disseminate information pertinent to the various aspects of housing.

Under that broad authorization the Housing Authority has requested funds, not only for the establishment but for carrying on film service, and funds are now being provided for a film service by that agency.

Take, for example, the Bureau of Mines. The organic act of the Bureau of Mines, which is taken as authority to make motion pictures, says:

> And to disseminate information concerning these subjects in such manner as will best carry out the purposes of this act.

Under that broad authority the Congress makes appropriations to carry on a film service in the Bureau of Mines.

Now, Mr. President, I desire to place in the RECORD at this point the several film agencies which the United States sponsors and for which since 1912 the Committee on Appropriations has been making appropriations in an ever-increasing amount, not only to build up these services but to maintain and carry them on. In the Department of Agriculture we find the Farm Credit Administration maintaining a film service.

In the Department of Commerce we find the Bureau of Foreign and Domestic Commerce carrying on a film service.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I am glad to yield to the Senator from Michigan.

Mr. VANDENBERG. Can the Senator state the appropriations that are being expended for these purposes as he proceeds through the departments?

Mr. THOMAS of Oklahoma. No; I regret that I cannot do so. The departments are wide and some of the appropriations are concealed. It would take some one from the budget office of the Department of Agriculture to ferret out the exact sums which they desire to use for film service. An expert could take the budget and go through the Agricultural Department items and ascertain what positions and what expenses are to be paid from other appropriations for the maintenance and expansion and carrying on of film service in that Department. I do not have the figures.

Mr. VANDENBERG. Has the Senator any general estimate of the total the Government is spending on the silver screen?

Mr. THOMAS of Oklahoma. No; each one of the several agencies has the same amount as requested by this amendment, for which the Budget Bureau estimates $106,000. The total may be ascertained by multiplying that figure by about 27. It would be somewhat less than $3,000,000.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McKELLAR. I will say to the Senator from Michigan and the Senator from Oklahoma and to others who are interested in the matter that the other day, when this very remarkable situation arose in the committee, and it developed that we were appropriating for this purpose, and had been in the habit of doing so for some years, large sums which evidently were concealed by the various departments, the committee adopted a resolution directing the chairman to write a letter to each department asking them to inform the committee what sums were being spent, so that when the next appropriation bill comes around we may treat all exactly alike, and whatever is being done may either be done hereafter in the open or not done at all. I think there was no disagreement upon the part of any member of the committee that there ought to be the fullest publicity as to the expenditure of these funds.

Mr. KING. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. I should like to make an inquiry of my friend the chairman of the subcommittee. In view of the revelations which he has brought to the attention of the Senate, and his contention that these appropriations—to use his expression—were clandestinely used, I ask the Senator whether he does not think the situation could be best met by offering an amendment to this effect:

> *Provided*, That none of the appropriations herein contained shall be used for the manufacture or disposition or utilization of films.

In that way we could reach all the 20 or 30 agencies which have been diverting money for film purposes.

Mr. McKELLAR. No; they are not all in this bill, and if we tried to reach those outside this bill the amendment would be legislation, and subject to a point of order. Whether or not it would be subject to a point of order, I should not object to such an amendment; but, if the Senator will permit me a moment, the House committee has made this statement, which seems to me to be very proper:

> Two estimates, one in the amount of $40,000 and one in the amount of $106,400, were before the committee, involving the establishment, on a permanent basis, of a radio service and a film service, respectively.

By the way, they are building up a radio service in the same way.

Mr. THOMAS of Oklahoma. That is for the $40,000 item. My amendment does not cover that.

Mr. McKELLAR. I know that.

> The committee, after consultation with parliamentary authorities, has concluded that there is at the present time no existing law that would authorize the carrying on of these services. The sums named have, therefore, been eliminated from the bill. The committee reserves judgment on the merit of the two activities and in the event enabling legislation is passed, will review the estimate of need for funds to carry on any work under these heads in the light of then existing conditions.

I do not remember the exact vote in the committee on this matter; but by a majority vote the committee thought the House was right, and we left out these items. That is all we can do at this session, unless the Military Establishment subcommittee or the District of Columbia subcommittee have similar appropriations concealed in those two bills. Certainly they were concealed in the earlier bills. I do not think they ought to be adopted, and I hope the Senate will not adopt them.

Mr. THOMAS of Oklahoma. Mr. President, there is no illusion about this matter. It is nothing new. It is at least 25 years old. Each bill carries funds available for the dissemination of information. The Congress does not give the departments specific instructions as to how information may be disseminated. The Congress does not say that information shall be disseminated by postal card or by letter, or by handbills, or by any other particular method. That is left to the discretion of the Department.

Mr. TAFT. Mr. President——

Mr. THOMAS of Oklahoma. I yield.

Mr. TAFT. I can understand how the Department of Agriculture might send out films showing how to control insects, or something of that sort.

Mr. THOMAS of Oklahoma. I shall come to that in a moment.

Mr. TAFT. But what possible function has the Office of Education in sending out films? These films have no relation to education.

Mr. THOMAS of Oklahoma. The answer is plain. This is the central distributing agency for all governmental film services. It is a clearinghouse, so to speak. This is the agency which has cataloged all the films made by all the several agencies, and this is the department which receives applications, sends out the films under instructions, keeps control of them, keeps track of them, gets them back, and sends them out to some other point.

Mr. TAFT. Then, why has it a director of distribution, and why has it spent $150,000 in producing its last film? What has that to do with the distribution of films through other departments of the Government?

Mr. THOMAS of Oklahoma. I shall come to that matter in just a moment. It is true that this Department did make the film called The River, and I understand that that film has been shown in all the States of the Nation. It has been seen by multiplied millions; and if it cost only the amount of money stated by the Senator from Ohio, it is one of the cheapest films to have that much circulation that has ever been produced in America.

It is now estimated that to produce a modern film it costs $1,000,000, $2,000,000, $3,000,000, or multiplied millions. The film which shows the destruction of property by floods, called The River, of especial interest along the Mississippi and other rivers where there are floods, did not cost any such sum as that; and it is this particular agency, this clearinghouse called the United States Film Service in the Office of Education, which not only distributes those films but distributes all the other films produced which are worth distribution.

Mr. President, at this point I desire to make the record complete by placing in the RECORD the names of the other agencies which maintain film services.

The Department of the Interior has, first, a Division of Information, with a film service.

It has a Bureau of Mines, with a film service.

The Department of Justice, acting through the Bureau of Prisons, has a film service.

The Department of Labor, first, has a film service in the Children's Bureau; second, it has a film service in the Division of Labor Standards; and, third, a film service in the Women's Bureau.

The Department of the Navy has a film service.

The Department of the Treasury has a film service in connection with Coast Guard activities.

The Federal Loan Agency has a film service in the Federal Housing Administration, to which I alluded just a moment ago.

The Federal Security Agency has numerous film services. First, the National Youth Administration has a film service. The Social Security Board maintains a film service. The United States Film Service is the one I am talking about. It is the central agency which serves all the other agencies in distributing and making available these films to schools and clubs and groups and organizations throughout the United States.

The United States Public Health Service maintains a film service.

The Federal Works Agency has two services—one the United States Housing Authority, to which I have alluded, and the other the Work Projects Administration.

The Pan American Union has a film service.

The Post Office Department has a film service.

The Tennessee Valley Authority has a film service.

The United States Marine Corps, the United States Maritime Commission, the Veterans' Administration, and the War Department have film services.

Then, several of the departments have film strips and lantern slides; making, I think, a total of about 27 separate and distinct film services among the various Federal institutions for which we make appropriations.

Mr. VANDENBERG. Mr. President——

Mr. THOMAS of Oklahoma. I yield.

Mr. VANDENBERG. What is the purpose of these films and their distribution? Is it to popularize the work of the various bureaus, so that they in turn may build up a popular appeal to expand their functions, and get more money with which to operate?

Mr. THOMAS of Oklahoma. Let me place in the RECORD the titles of some of the films prepared by the Department of the Interior. As I put them in the RECORD I shall make probably a line of comment, as I shall be reading from the report prepared by the particular organization—the United States Film Service—for which I am now offering my amendment.

The Department of the Interior has made a film called Alabama Highlands, showing the development of the State park system in the mountainous section of Alabama.

They have made a film called Alaska Fur Seals, illustrating the life history and habits of the fur seals.

They have a film called Beaver Farming, showing the method of handling beavers, both in pens and in fenced preserves.

They have another film called Beavers at Home, showing beavers at work repairing dams and felling trees, also showing beaver houses, and studies of baby beavers.

Another film produced by this Department is called Big Bend National Park Project. It shows a trip through the Big Bend region of Texas, recently made a national-park project, featuring the mountainous area bordering on the Rio Grande, with sequences on Texas natural resources.

The Interior Department has another film entitled "Boulder Dam." It shows the construction of the world's highest dam from start to finish, spectacular work shots, desert and water scenics, and significance of the project.

They have another film known as Carlsbad Caverns (New Mexico). This film shows the geological story of the caverns in animation, with interior scenes of the caverns showing natural formations, and exterior views of the surrounding national-park area.

They have another film entitled "C. C. C. Accomplishments in Pennsylvania." It shows the C. C. C. boys at work in the State parks of Pennsylvania, with sequences on historic, topographic, and civic features of the State.

They have another film known as C. C. C. in a Crisis. It shows the C. C. C. boys building levees and assisting in rescue and flood-control work at various points on the Ohio and Mississippi Rivers during the 1937 flood.

They have another film, put out by this one agency, known as C. C. C. in Great Smoky National Park. It shows the C. C. C. boys working in the national park in the Blue Ridge Mountains of North Carolina and Tennessee, with scenes of the highest peaks east of the Mississippi, mountain streams and wild flowers, and life of the southern mountain people.

Mr. President, the Interior Department have published something like 50 of these films. They are available through this agency to the schools of the United States. They are available to clubs of the United States and groups of the United States.

By means of these moving pictures the people of the United States living away from the cities, in the rural districts, have the opportunity of witnessing scenes in other sections of the Nation. I understand that seeing the film to which I have just referred is really like taking a trip through the Big Bend section of Texas.

I will read the titles of a number of these films, so that the members of the Senate may see the wide scope of the films made by the Department of the Interior.

First there is the film Cooperative Wool, From Fleece to Fabric. That shows how wool is handled by cooperative wool-marketing associations, and shows also wool-production activities on range and farm.

There is a film called The Cougar Hunt, showing the methods followed by Government hunters in predatory animal-control work, with special reference to mountain lions.

There is a film called Cradle of the Father of Waters. That shows the C. C. C. boys in north central Minnesota, with sequences of historic, topographic, and civic features of the State.

There is a film called Day in Virginia Camps.

There is another called Death Valley National Monument.

Another is Down Mobile Way, which shows the C. C. C. development of the State park system in the coastal sections of Alabama.

Another film issued by the same Department is entitled "Duck Sickness—a Menace to Western Waterfowl." That film shows how workers of the Biological Survey discovered the true cause of the disease that has killed millions of waterfowl and shore birds and shows the means of controlling the disease.

Another film is called Evangeline's Haven of Peace, which is a Louisiana production.

There is another film entitled "Fairy Fantasies in Stone," which pictures a trip through the Bryce National Park of Utah, showing examples of erosion by sand, wind, and rain on rock formations.

There is a film entitled "Fish, From Hatchery to Creel." This film shows work in connection with the hatching of fish, stocking rivers, lakes, and streams.

I shall now read for the benefit of the Senate the names of other films, and Senators can draw their own conclusions:

Flyways of Migratory Waterfowl.

For a Changing Empire. That relates to the great State of Georgia.

Another film is entitled "For the People." It relates to the national parks, and the benefits they afford that part of the general public which has the advantage of visiting the national parks.

There is another film entitled "Forest Playground."

Another is entitled "Four Little Mice." This film illustrates the habits and control of meadow, pine, deer, and house mice.

Another is entitled "Glimpses of the National Parks"; another "Grand Coulee"; another "Heart of the Confederacy," the latter taken in Alabama.

Another film is entitled "Home Rule of the Range." It shows the protective measures and the restoration of stock ranges in the West as provided for in the Taylor Grazing Act.

Another film is entitled "How and Why of Bird Banding."

Another is How to Get Rid of Rats. That must be an important film. It is certainly desirable to exterminate rats. The wording following this film is:

> This film shows how we perform the practice of extinction of rats. It gives some unusual views of wild rats in their local habitats and how they are dealt with, how they are eradicated, how they are exterminated.

I should think that film would be of value to some sections of the United States.

Another film is entitled "How to Handle Foxes." This film shows the improved methods of catching and holding as practiced on fox farms. It is of special interest to veterinarians.

There is a film entitled "Human Crop." This is a film which shows the development of organized camping and general recreational facilities on lands unsuited for agricultural or industrial purposes; featuring the 15,000-acre Chopawamsic area between Washington and Richmond.

Another film is entitled "Indian Villages of Antiquity."

Another is entitled "In the Wake of the Buccaneers." It is a travelog.

Another film is entitled "Know Your Coal." It is the story of bituminous coal, from mine to consumer, showing the scientific methods of testing for efficiency.

Another film is entitled "Land of Ten Thousand Lakes." I seem to have heard of that before somewhere. It relates to a very beautiful and entrancing place in Minnesota, and I am certain that the State of Minnesota has had great benefit conferred upon it through the showing of this film throughout the United States.

Another film is entitled "Land of the Giants." It relates to California. It was produced to show the C. C. C. State park developments in California and the areas covered. It shows the California Redwood, Humboldt Redwood, Calaveras, Mount Tamalpais, the San Jacinto Mountains, Rubicon, Prairie Creek, Big Sur, Cuyamaca, Moro Bay, and Russian Gulch State Parks.

Another film is entitled "Looking Back Through the Ages." It is a detailed presentation of the archeological story of the cliff dwellers who formerly inhabited the Mesa Verde region in the great Southwest.

We have the Morristown National Park shown in films. We have the National Conservation reels, which illustrate the work of the Department of the Interior in the conservation of natural resources. Then there are the following reels: Nation-wide System of Parks, Natives of Glacier, Natives of Yosemite.

Old Danish Sugar Bowl is a reel showing the revival of the cane-sugar industry on the island of St. Croix, in the Virgin Islands, one of our Caribbean possessions.

There is a reel entitled "Old Lands—New Uses," taken in South Carolina. It shows the C. C. C. work in the State parks of South Carolina, with sequences on historic, topographic, and scenic features of the State.

I could proceed and read the remainder of the pages of names of reels issued by one agency, an agency in the Department of the Interior.

Mr. President, if it is the desire of the Congress to eliminate and stop the production and distribution of these films that can be accomplished perfectly by refusal to adopt the amendment now pending before the Senate.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Oklahoma yield to the Senator from Michigan?

Mr. THOMAS of Oklahoma. I yield.

Mr. VANDENBERG. Is there any film available showing the Treasury Department, and the legerdemain by which money comes out with none going in?

Mr. THOMAS of Oklahoma. An inquiry of the Treasury Department will no doubt bring an answer to that question. The Coast Guard is the only Department of the Treasury which has a film service, and I doubt whether there is any film service which depicts and portrays the nonexistent fact of which the Senator from Michigan speaks.

I may state that at this time the Treasury is carrying a balance in excess of a billion dollars. When this administration came into power some 7 years ago there was no money in the Federal Treasury.

Mr. BYRNES. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BYRNES. In connection with the question asked by the Senator from Michigan, let me suggest to the Senator that such a film as that to which he refers would have to be taken here, under the dome of the Capitol, instead of in front of the Treasury.

I wish to ask the Senator from Oklahoma a question with reference to the appropriation. He seems to have investigated the subject most thoroughly. On page 261 of the record of the hearings before the Senate committee, this statement was made by a representative of the Office of Education:

> I would like to suggest to the Senator that there are about 400 films listed here by the Government, and one of the purposes of the Film Service is to see that films are made better; that fewer are made and less total money is spent for motion pictures. I think that the expenditures for the Film Service would be only a fraction of what might be saved during the next fiscal year for Government motion pictures.

Am I to understand from that, and from what the Senator has stated, that already we have appropriated funds to the various departments, which are available for their use in

the preparation of and the distribution of films, and that money is sought now by the Office of Education for the purpose solely of trying to bring order into the preparation and distribution of films by the various agencies, so as to perform in a better way the educational purposes they have in mind? Is that the object?

Mr. THOMAS of Oklahoma. Mr. President, if the films which are being made by the various agencies may have value, scenic value, educational value, or value along any other line, they are of no value whatever unless someone sees them. The finest film in the world would be of no benefit whatever unless some agency were provided to distribute it, some central agency to which a school or a club or a group or organization could write suggesting a film they want, or suggesting that they want a film covering a certain subject.

Unless there is some place from which they can get such a film, all the money we are spending for agencies is entirely wasted. It may serve a purpose in providing employment, but, so far as the result is concerned, it is a wasted work. So this particular agency for which the committee failed to provide is the one agency which makes available the work of all the other agencies, and if this money is denied, then the other services, some 25 of them, will continue to make films, but will have no way to release them, and no way of getting them before the country, unless they are appealed to directly, in which event they would make the films available.

Mr. BYRNES. I do not recall having seen any of the films, but I notice in the RECORD that the New York Herald Tribune of March 7, 1940, and the New York Herald Tribune of March 10, 1940, were very enthusiastic in their praise of the films which have been issued recently, and similar enthusiastic praise appears in the New York Times. Can the Senator tell us when the Office of Education began the work of supervising the distribution of films by the various agencies? I desire to know whether these films which have attracted such favorable comment have been issued under the auspices of the Office of Education, or whether they have been issued by various other agencies.

Mr. THOMAS of Oklahoma. Let me lead up to the answer. The Government started making films in 1912, some 28 years ago. From time to time different agencies have used funds appropriated to them to start a film service; no doubt, in order to help accomplish the work of the agency. In 1938 the President established the Film Service as a division of the National Emergency Council for the purpose of furnishing to Government agencies such facilities as planning, production, distribution, and so forth. I have already read the President's statement that this function should be under the Office of Education. He transferred this agency to the Office of Education.

Mr. BYRNES. This has nothing to do with the radio service?

Mr. THOMAS of Oklahoma. No; I am not pleading for a continuation of the Radio Service.

Mr. BYRNES. It relates only to the Film Service.

Mr. THOMAS of Oklahoma. Yes.

Mr. BYRNES. The money is spent for Federal agencies in any event?

Mr. THOMAS of Oklahoma. Some 27 of them are spending money, first to make films, and then if they have any outlet for them of course they distribute them.

Mr. President, if the amendment is not agreed to, if the Film Service is discontinued, there will still be 26 other agencies engaged in this work, but there will be no central office to distribute the films. This is the central agency. This is the one agency that makes available to the people the films of the other agencies.

Mr. TAFT. Is it not true that each department distributed its own films up to 1938?

Mr. THOMAS of Oklahoma. They can do that.

Mr. TAFT. Did they not actually do it?

Mr. THOMAS of Oklahoma. They can do that, but they do not stress that work, as I understand. This particular agency has published a little booklet, containing over 30 pages, and on each page from 20 to 30 films are briefly described. This publication was issued, March 1940, by the Federal Security Agency, United States Office of Education, Film Service, so the publication is available. It is the instrument used for advertising the films of the various services. Of course, it was paid for with money from this appropriation. A portion of the proposed $106,000 appropriation would be used for personnel expenses, and a portion for the production of films, printing material, and supplies.

So the $106,000 which the committee eliminated from the bill would cover the personnel, as I stated, as well as supplies. If it is not restored to the bill the personnel now engaged in this work will, of course, be dismissed and the money appropriated for supplies will be discontinued. Then we will have some 26 or 27 agencies making films with no perceptible outlet.

Mr. President, this matter has never been brought up in the Senate to my knowledge, but the people know about this service. I read from a statement which has been placed in my hands:

> The United States Film Service was established in part as a production agency for the various Federal agencies which wish to employ the motion picture for educational purposes. The superb record made by the first two films, The Plow That Broke the Plains and The River, indicated the need for a production unit which could produce films on a service basis.
>
> The Film Service has just completed a feature-length film on child welfare and maternal health, showing some of the incidents of health and living conditions in the tenement areas of a great city. This film is called The Fight for Life and is based on the maternal-welfare chapters of the book of the same name by Paul de Kruif, famous writer on science and author of such works as Microbe Hunters, Men Against Death, Hunger Fighters, and several others.
>
> The Fight for Life has drawn almost unparalleled praise from newspapers and magazines for its excellent exposition of the problem of maternal health and child welfare. Some of the comments which indicate the quality of the production are:
>
> The New York Times (March 7, 1940):
>
> "We wish there were some form of Pulitzer award for the kind of cinema journalism Mr. Lorentz has been doing."
>
> New York Herald Tribune (March 7, 1940):
>
> "* * * a stirring and eloquent drama, as well as a document of profound significance. Here is a memorable tribute to the medical profession, accented by challenging social overtones * * * it is a film like no other you have ever seen. It is one you are not likely to forget soon."

On the same date the New York Post had the following to say about the film entitled "The Fight for Life." This film was made by the particular agency which the committee, in reporting the bill, attempted to kill.

The New York Post said:

> The Fight for Life is a film which in certain respects goes beyond anything this reviewer has seen on the screen. It is a tremendous fight, the most thrilling one in the world.
>
> There will be no better motion picture made in 1940.

If that be the case, this particular agency which is now dangling here almost lifeless, will not be able to produce other films of a similar character. They have produced this film, which has received favorable comment from the great newspapers of New York City.

Time magazine of March 25, 1940, has the following to say:

> In its realism it sustains the suspense luckily caught a few minutes each year on epic news reels.

The Nation, in its issue of March 16, 1940, has this to say:

> The Fight for Life is for many reasons the most exciting picture I have seen since I began conducting this column. * * * Again, as with The River, the United States Film Service and Pare Lorentz have made film history.

The publication known as the National Board of Review magazine of March 1924, commented on this particular picture. I am not advertising the picture. I am simply telling what the newspapers have said about one picture that has just been produced by this Service. The National Board of Review magazine has the following to say:

> Pare Lorentz' The Fight for Life is the first feature-length documentary film to be released to the American public, and it is therefore of great importance not only to the career of this talented director but also in the development of the documentary film in this country.

The statement from which I have read continues:

The Film Service has in production a short subject on the use of electric power on the farm. This picture is being made for the Rural Electrification Administration, and indicates some of the problems of farms without electricity. The work of the agency in cooperation with public and private agencies to bring more electricity to the American farm will be shown.

A feature length film of America's No. 1 problem—unemployment—is in production. This film is designed to show some of the problems which society faces in its effort to find jobs for employable wage earners.

Mr. President, unless the Government maintains some agency or agencies to disseminate information about what the Government is doing, the people will soon be placed in darkness, where they will remain until some future Congress provides the funds to continue this educational program. It may be that some of the activities of the Government should remain in the dark; I will not discuss that proposition; but the good things that are being done should be made public.

Every appropriation bill carries funds for the dissemination of information, and the several agencies have decided that the film is perhaps the best means of getting their activities, their problems, and their remedies before the public. This particular agency is the one agency which makes this service available to the public.

Personally, I think perhaps we have two many agencies in the film business, but the action taken by the committee is not the way to attack this problem. If it is not desired by the Congress to have all these agencies, then a bill should be passed providing for the establishment of one or more Federal film agencies. Such agencies should be highly developed, so that any Federal bureau desiring the service of a film agency can make application to it, and have the film made by the best machinery available, by the most competent operators available, and have the production turned out in the best possible manner.

If I had handled the matter I certainly would have curtailed the activities of a number of agencies, and would have provided one or more high class, efficient, highly developed agencies, to which the bureaus of the Government might appeal for this service. Then, of course, if they showed the authorities that the particular thing wanted to be filmed was of public interest, the film might be made and distributed.

Mr. President, I submit the amendment is not subject to a point of order, because it merely increases an appropriation already carried in the bill. In the event the appropriation is made in the sum of $106,000 it will be spent exactly in accordance with the break-down in the Budget. Every dollar of the $106,000 will go exactly where the Budget specifies that it may go. I have placed the break-down in the CONGRESSIONAL RECORD. It is evident where the money will be spent. The Budget, as I stated, carries the item. Not only does the Budget carry the item, but the President—we do not quote the President very much on the floor—but the President, in a letter to the chairman of the Senate Committee on Appropriations, requested the inclusion of this item in the bill.

After the House rejected the appropriation and the bill came to the Senate, it was considered to be of sufficient importance, in the opinion of the President, to cause him to address the chairman of the committee and make a request that items covering this specific service be placed in the bill as an amendment.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. Can the distinguished Senator from Oklahoma advise me what agencies, or how many other agencies of government, are using film service?

Mr. THOMAS of Oklahoma. About 27; but this agency is the central agency which keeps in touch with all the other agencies, and gathers together their films, and makes them available to the public.

Mr. LUCAS. Have appropriations heretofore been made by the Congress for the continuation of the other 27 agencies?

Mr. THOMAS of Oklahoma. Yes. This is the first one which has been attacked.

Mr. LUCAS. Why is there a distinction between this particular agency and the others, when appropriations have been made for all the others?

Mr. THOMAS of Oklahoma. I can tell the Senator the reason. In the other appropriation bills the appropriations have been concealed. Appropriations have been made for the distribution of material and the dissemination of information; and under that broad authority Departments other than this one have produced and distributed films. Unfortunately, the appropriation for this agency came before the Congress in a separate estimate.

It raised its head above the surrounding crowd; and the moment this agency raised its head where it could be seen the Senator from Tennessee [Mr. MCKELLAR] and others saw fit to take a shot at it. Otherwise, had this item been buried and concealed, I presume no one would have known that there was such an agency. No question would have been raised, the appropriation would have gone through, and we should all have been happy. But when the Budget Bureau submitted a special estimate for the United States Film Service, the House proceeded to consider it as a special department of the Government and held that it was not authorized to act as a special Federal agency.

In that opinion I concur. However, as a part of the Office of Education I construe the language of the basic act creating the Office of Education to be sufficiently broad to authorize the appropriation of funds to disseminate information by means of films.

Mr. LUCAS. Is this item provided for in the Budget?

Mr. THOMAS of Oklahoma. Definitely so. It is on page 131 of the Budget. The language is clear, and the break-down is complete. Of the $106,000, approximately $71,000 is for personnel throughout the country, and the remaining $34,000 is for equipment and material—very largely, I presume, for printing.

Mr. LUCAS. How long has this agency been using films, and how long has the Government been appropriating money for that purpose?

Mr. THOMAS of Oklahoma. The Government started in the film business in 1912. That was about the beginning of the film industry. As the film industry became more proficient and more popular, more agencies began to make films; and in 1938 the President organized the United States Film Service to make available to the public the films of the other 25 or 26 agencies. This agency is a clearing house. As I have said, it has produced two films, both of which have been very popular, but that is not its main function. Its main function is to act as a clearing house for the products of the other 25, 26, or 27 film agencies. This is the one which is sought to be denied.

Mr. LUCAS. How long has this particular agency been in existence?

Mr. THOMAS of Oklahoma. It was organized under the National Emergency Council. I think it was placed under that Council in 1938. Later, under the Reorganization Act, the President transferred it from the National Emergency Council to the Office of Education, under the Federal Security Administration.

Mr. LUCAS. And each year appropriations have been made for its continuation?

Mr. THOMAS of Oklahoma. That is correct, until this year, when it came out in the open, and Members of Congress began to shoot at it.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. SHIPSTEAD. What are the various agencies which produce films?

Mr. THOMAS of Oklahoma. I have already put that information in the RECORD. Practically every Federal agency maintains a film service. I have already read into the RECORD a list of them.

Mr. SHIPSTEAD. Can the Senator tell us how much they spend for films?

Mr. THOMAS of Oklahoma. I do not know, because the items are covered by the phrase "dissemination of information." One hundred and six thousand dollars is asked for

this particular agency. If each of the other agencies is as expensive as this one the total is 27 times $106,000, or approximately $3,000,000. However, the items are covered up. We do not know where they are. It would require a Philadelphia lawyer, probably supplemented by some other lawyers, to go through the Budget and the appropriation bills and find out where the money is. The several departments would know, but the information is concealed.

Mr. SHIPSTEAD. Does not the Senator think the Congress should know?

Mr. THOMAS of Oklahoma. Yes. A while ago I stated that if I had this matter under my jurisdiction I should advocate legislation providing for the creation of a central film department or agency. I should have one agency, equipped with the best machinery, the best operators—producers, so to speak—the best material, and the best workmen to put the films in shape for public use. Then if the Interior Department, the Federal Housing Administration, or any other department, desired a picture made, it would make application to the central agency, in which event the central agency could send out an efficient machine and a competent operator with proper equipment, and turn out a good job.

Mr. SHIPSTEAD. Can the Senator tell us of other funds which are hidden in this way, so that Congress does not know where they go?

Mr. THOMAS of Oklahoma. Mr. President, earlier in this discussion I said that the Congress appropriates multiplied billions with respect to which the Congress has no knowledge of where the money goes, or what use is made of it. The items are concealed. Perhaps some Member of the Congress knows about one particular item, but the Congress as a whole does not know, because the items are not analyzed so that the Congress can know where they are. Even the members of the Committee on Appropriations, which recommends appropriations amounting to many billion dollars, and the committee itself, have no conception of where the money is to go. The items are concealed; they are covered up; and we do not know for what we are spending the money.

Mr. SHIPSTEAD. Does the Senator think it would be unreasonable for an analysis of such expenditures to be given to the Congress by the various departments, for the information of Congress?

Mr. THOMAS of Oklahoma. If some Member of Congress should see fit to prepare and introduce a bill on the subject, proposing to consolidate all film agencies in one Federal agency, hearings could be held, and all agencies having film services could be brought in to testify. The hearing would disclose the necessity for film agencies, and the kind of agencies needed; and from that hearing the Congress could develop the facts upon which it could act. However, in this instance we are presuming this afternoon to deny a distributing system for all such agencies, but the agencies themselves are to be continued.

No distribution system is provided. I am objecting to that procedure until we can understand the whole matter and the need for the whole thing. It occurs to me that so long as we are making appropriations to maintain the other 26 or 27 agencies, we should maintain this agency to make possible the distribution of the products of the other agencies to the people of the United States. The films are exhibited free of charge. The only cost is the expense of producing the film.

Mr. SHIPSTEAD. It seems to me the Committee on Appropriations should know where the funds go.

Mr. THOMAS of Oklahoma. I think I can answer that suggestion. The mind of man is not of sufficient caliber to fathom and analyze the expenditure of $8,000,000,000. It simply cannot be done. In the short time the Committee on Appropriations has to give to the matter, it is impossible for the committee to know where all the money goes. We have to depend upon someone to ask for the money and to see that it is wisely expended.

The best the committee can do is to go into the matter as fully as possible. When an item such as this shows up, of course, it should be given consideration. Had this item not appeared as a special item, no time would have been taken this afternoon on this issue, but when the Budget Bureau submitted it as a special item, for what appeared to be a special agency, that agency reared its head above the others, and it is getting the ax.

Mr. SHIPSTEAD. I do not want to reflect on the Appropriations Committee of the Senate, but I wish to say that this confession is an astounding and pathetic one. I hope the Appropriations Committee will come forward with some suggestions so that when funds are voted by the millions of dollars for unknown purposes they may be analyzed, and Congress may at least have some little understanding of where the money goes.

Mr. THOMAS of Oklahoma. Let me make another statement, answering an implied question from the Senator from Minnesota.

Mr. SHIPSTEAD. If I may complete my statement, we have been accused of issuing blank checks. The Senator's statement is the best evidence of the truth of that charge. I say again that I think it is a very pathetic state of affairs.

Mr. THOMAS of Oklahoma. Mr. President, each year the Treasury pays out many hundreds of millions of dollars in interest on the public debt and other payments. That sum is not carried in an appropriation bill, yet the Treasury Department pays interest items on the public debt and other indebtedness which the Congress has created.

I think such items amount to a billion dollars, or perhaps more than a billion dollars. They are not carried in an appropriation bill, but we must raise the money by taxation. The matter never comes before the Congress, yet the money appears in the general expenses of the Government. Those items of interest never come before the Congress, which includes, of course, the Senate.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Ohio.

Mr. TAFT. Is the Senator advised as to the kind of organizations to which the films are distributed?

Mr. THOMAS of Oklahoma. They are distributed to any one who applies for them—mainly to and through high schools, colleges, public schools, lodges, churches, and various other groups.

Mr. TAFT. Is it not true that they are also distributed to motion-picture theaters?

Mr. THOMAS of Oklahoma. I cannot answer that question definitely. I think some of the pictures are distributed to motion-picture theaters.

Mr. TAFT. I suppose the Agricultural Department distributes films to granges and other farm organizations of various kinds.

Mr. THOMAS of Oklahoma. That is true.

I will say, Mr. President, that if this appropriation is denied, in my judgment there will be complaints from various organizations which have heretofore received films, but which hereafter will not receive them.

Mr. TAFT. Mr. President, this amendment is in the form of an increase in existing appropriations. Of course, it is in that form, for if it were presented in the form in which it was presented in the House of Representatives, it would be subject to a point of order, for no legislative authority can be found for the function being performed by the United States Film Service. The Film Service started originally in the Resettlement Administration, which produced the picture called The Plow That Broke the Plains, in June 1935.

The Farm Security Administration produced a film called The River, and the last production by the United States Film Service is called The Fight for Life, to which the Senator from Oklahoma referred, a film which cost $150,000, the money coming largely out of relief funds but partly out of this appropriation.

This has not been a distribution agency only; that has been one of its functions; but I am advised that many of the Government departments still distribute their own films to those who are particularly interested in certain subject matter.

The question here is whether or not we want to continue this agency. The employees are set out in the House hearings

on page 288, and they include an Assistant Director, a chief of distribution, and various other officers, some connected with distribution and some connected with production. For instance, last year, one man, the Director, received $10,000; then there was a production consultant at the rate of $25 a day, who got altogether $9,000; a technical consultant also at $25 a day, who likewise actually received $9,000. So far as I can see, the Department has been much more interested in the question of production of these large films than it has been in the distribution of films. I think it is perfectly clear that there is no legislative authority for that particular function.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. TAFT. Certainly.

Mr. McKELLAR. Something has been said about how far back this has gone on. I read from a letter of the President of the United States dated July 1, 1939. He says:

On August 13, 1938, I directed the executive director of the National Emergency Council—

Which is a temporary organization—

to coordinate the production, distribution, and exhibition of motion picture dramatizing certain aspects of the work-relief program, in order that these functions might most effectively and economically serve the purposes for which the films were instituted. Under the authority of that letter, and of my letter dated September 20, 1938, the United States Film Service was established as a division of the National Emergency Council for the purpose of coordinating the motion-picture activities of the Federal Government.

I read that for the purpose of showing that this was all temporary and not authorized by law. It was merely for the purpose of that temporary emergency council and was a function directed by the President to be performed by that temporary activity. So it has not been established for a long time—that is, insofar as the Members of Congress knew about it—and it is only recently that we found out about it at all.

Mr. TAFT. Mr. President, the section to which the Senator from Oklahoma referred as authority for the Department of Education doing this character of work provides that that Department's functions are:

To collect statistics and facts showing the condition and progress of education in the several States and Territories, and to diffuse such information respecting the organization and management of schools and school systems, the methods of teaching as shall aid the people of the United States in the establishment and maintenance of efficient school systems, and otherwise promote the cause of education throughout the country.

The Office of Education, in other words, only has to do with the study of methods of education. To promote the cause of education is a general term. If it is broad enough to cover the production of a film such as this, and the distribution of motion pictures, it is broad enough to authorize the Department to establish schools in every county and every city in the United States. Those words obviously are simply intended as a general catch-all clause to carry out the specific functions of the Office of Education in studying the problems of education and assisting the general educational systems of the United States. I do not see that there is any possible authority in law for this proposal, and I somewhat doubt whether, even if the amendment should be adopted, the Comptroller General would permit the money to be used by the Office of Education for any such purpose.

Mr. President, I do not know about the use of films in many of the departments. I cannot say that they are not useful. I should think it might be somewhat questionable whether a film showing the general method of getting rid of rats, referred to by the Senator from Oklahoma, is the best way to teach people to get rid of rats. I should think there might be much more effective methods and that, perhaps, it would be a waste of money to send films of that kind around the country.

I doubt somewhat the value of a film put out by the Department of Agriculture called Better Days for Dixie, an animated cartoon illustrating the function of the A. A. A. program in the Cotton Belt.

I believe the whole business has been greatly expanded beyond any real value in relation to the functions of the Federal Government. There may be cases in which the use of films is the proper method. I think particularly that farm organizations can use films on particular technical subjects. Perhaps a farmer can be taught things about his farm by pictures better than by instruction by books and direct literature, but I somewhat doubt it. Insofar as films are used simply for general education to provide moving pictures for everybody, I think it is far beyond the functions of the Federal Government, and it is particularly dangerous when films are produced which only in a general way illustrate functions of the Federal Government.

I do not care who is controlling the Government, if it is to produce films and put them out, they are bound to become propaganda for the particular department and the particular work of the department that happens to be covered by the film. There are many instances in literature actually disseminated to show that when such power is given it is used for propaganda purposes, and it is bound to be so used. If the Republicans were given power, it would be used to advance particular measures in which they might be interested. It is true, certainly, also of the present administration.

The pamphlet Study Guide, "The River," United States Documentary Film, describes what a United States documentary film is. That is the kind of film that the Film Service puts out. The River is really in behalf of the cause of conservation, which is a worthy purpose. It is said to be "a persuasive indictment of our practices of the past, together with a dramatic presentation of what we should do in the future" if we are to avoid the disasters of soil and lumber loss and the effects of floods. I notice in a booklet issued by the Federal Security Agency that—

The Russians found this new film form admirable for use in the U. S. S. R. Such epics as October, Potemkin, and Turksib represent some of the best work of the Russians.

In other words, a United States documentary film is a United States propaganda film. I do not care how good the purpose of that kind of a film may be, I do not believe it is an undertaking in which the Federal Government should engage. It may encourage private citizens to do it. There certainly is no objection to some kinds of propaganda by private organizations, but the Federal Government itself ought to stay out of it. For instance, if we offer a service such as the national parks to the people, I do not see why the Federal Government should be engaged in advertising to everybody in the country where all those parks are located. We ought not to have to spend money sending out films to do so. If the parks are not worthy of the attention of the people, and if they do not get attention on their own merits, I do not believe that additional propaganda advertising by the Federal Government is going to make them any more attractive.

The Fight for Life is a picture showing the experiences of a young interne in delivering babies in the slums. It is probably good from an artistic point of view, and probably teaches correctly a great social lesson. However, all it does and all it is intended to do is to convince audiences that slums should be removed, and by a particular program, I might say, or that there should be better medical care for the poor, and by a particular program. The Fight for Life cost over $150,000 of relief money, and no relief workers were employed to produce it. One scene in the picture shows a person getting food from a garbage can. It occurs to me that $150,000 spent in seeing that the man got proper food instead of illustrating a picture of a man getting food from a garbage can would be a more effective use of the particular $150,000.

The Children's Bureau in the Department of Labor has a film called Prenatal Care. It is a picture that is related directly to the subject of the proper method of taking care of babies and the proper method of delivery. It probably cost about $1,000, instead of $150,000 for the other technical picture, and is probably of at least as much educational value. The other kind of film is a propaganda film. I do not care how good the subject is, or how good the purpose for which that particular film is being used. That is the whole issue here.

We find the same kind of thing in a number of books. Here is a book called Let Freedom Ring, with radio script. When one reads it through, it is found to be propaganda for particular things. In some cases it is entirely shameless.

I notice in one case a character called Prindle, the next Republican Congressman, and then there is a note in the book which says that Prindle should be portrayed as the typical politican, hand-shaking, backslapping, and so forth. It is propaganda to show that every party—the Communist Party and every other kind of party—should be allowed to go on the ballot with a very small percentage of the total vote. Correct perhaps, but why should the Federal Government take a position on a Florida statute.

There are other scripts. There is one relating to the conviction of Mooney and the pardoning of Mooney, in which, of course, the person who believes that Mooney should have been released on a writ of habeas corpus is given by far the best of the argument.

Those are only examples. This whole business of film service and radio service for the Government not only has been used for purposes of propaganda, but it is bound to be so used. I believe that when we have a chance to vote on it—and this is the first chance we have had to vote on this kind of thing—we ought to say to the bureaus of the Government that the time has come when they should attend to their particular business, and they should not be out spreading propaganda. We should not provide money to stir up our constituents to come and lobby with us to do the things which we ought to do without any lobbying and without any propaganda.

Mr. McKELLAR. Mr. President, I am very anxious to have a vote on this amendment; and I shall take only a moment or two to state to the Senate what the proposal is.

Fortunately, we put in the record the functions of this central organization, which was apparently set up in a temporary agency in 1938.

1. To study Government motion-picture activities with a view to making recommendations for improvement of quality of product and methods of distribution.

I doubt the efficacy of that, and I cannot see any reason for it.

2. To compile, from the best Government products, a film library under topical organization which would be of great value to educational institutions.

I imagine they already have that. Why set up this establishment for that purpose?

3. To continue distribution of the documentary films, The Plow That Broke the Plains, and The River.

Those two films have been seen by the entire country, and I doubt whether there is any reason for continuing their distribution.

4. To operate a relay system of servicing schools with all films through the National Emergency Council as central clearinghouse.

I see no reason for that.

5. To provide a central information office on all Government film activities.

This is the first time films were ever known to be made of governmental activities. No money was appropriated for that purpose. Such moneys as have been used for it were secretly used under appropriations made for other purposes. The money appropriated for those purposes was transferred to the film industry.

6. To provide publications and study aids to schools and colleges, which would improve the usefulness of Government films.

"Of Government films!"

7. To act as a service agency for the production of high quality documentary films comparable to The Plow That Broke the Plains and The River.

8. To act as consultant to all Federal agencies on matters of production and distribution for purposes of improving movie activities.

9. To act as a liaison between the Federal Government and the theatrical motion-picture industry.

Mr. President, I very much doubt whether there is constitutional authority for those things. It will be remembered that Mr. Jefferson advocated an amendment to the Constitution to give the Federal Government jurisdiction of education. At present there is no such provision in the Constitution. If we are going into the moving-picture business, as outlined by the Senator from Oklahoma [Mr. THOMAS], a bill for the purpose should be introduced and passed. Let us see exactly what we are doing. When we appropriate money, let us not appropriate it without knowledge on our part of the purposes for which it is to be used. Let there be no dissimulation in the matter of appropriation.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Indiana.

Mr. MINTON. The Senator from Ohio [Mr. TAFT], who is one of the outstanding candidates for the nomination for President on the Republican ticket, running every day, expressed some concern about this movie activity on the part of somebody, perhaps the Government, propaganda movies. I wonder if he is concerned because he fears competition with the G. O. P. movies that we read about in last week's News Reel.

I see that last week's News Reel features G. O. P. movies that depict boys out in the barnyard who are very much puzzled about the New Deal administration. They cannot quite figure it out. I wonder whether or not the Senator from Ohio has any concern about the competition that might come to the Government from the G. O. P. movies that are being shown, or will be shown, out through the country.

Mr. McKELLAR. Mr. President, I hope this question will not be settled on any political basis. I think this is an appropriation which ought not to be made.

First, the House committee refused to appropriate for this purpose. Then the House itself refused to appropriate for this purpose. Then the Senate committee refused to appropriate for this purpose. We found all these concealments of the use of appropriations for this purpose, apparently of the most studied kind. I have been able to find only one department—and I have made a somewhat careful examination—which has ever come out in the open in regard to this matter, and that is the Department of Agriculture.

That Department did ask for some $46,000 for use in making films of certain things within its jurisdiction. Every other one of the 27 Government agencies has concealed the use of money for this purpose. It has been consistently concealed through all these years, if it has been done through all these years. It has now for the first time come out in the open; and it comes out for the purpose of consolidating all the other agencies that have grown up secretly, without specific appropriations.

If it is right that we should have moving pictures in the Government service, then, for heaven's sake, let someone who believes it is right introduce a bill directing what organization there shall be, what it shall do, how it shall be done, and the amount of money to be appropriated for doing it. Whenever that is done, I am quite sure the Appropriations Committee of the Senate will be willing to appropriate the money. Certainly I hope, however, this amendment will not be adopted; and when we receive information as to the activities along this line in the other departments we will look after them when the bills providing for them are before us.

Mr. ASHURST. Mr. President, the one attitude I desire not to occupy would be one that might be construed as other than friendly to motion or sound pictures. I am of the opinion that the drama is the dearest to the people of all the arts save music.

Mr. McKELLAR. Mr. President, may I interrupt the Senator?

Mr. ASHURST. Certainly.

Mr. McKELLAR. I do not want to be put in that attitude, either, because the Senator knows that I am one of the most consistent and regular attendants on the moving pictures of this city and of my home city. I know the Senator from Arizona feels the same way about the matter, because I frequently meet him at moving-picture theaters.

Mr. ASHURST. The able Senator from Tennessee is, as usual, correct.

As I was about to say, the drama is coextensive with the people; and of all the arts save music, it is probably the dearest to the human race. The stage is akin to poetry in that it is a great expression of human emotion. The stage is a vision of the romance inseparable from every human life; it is a magical place, breathing the inspiration of color and sound; a place for high thoughts, splendid truths, and beautiful words, for objects vividly observed and gorgeously imagined. The Senator from Tennessee and I are probably the Senate's greatest movie "fans." I will say in passing that it requires courage to take the position which is taken by the Senator from Tennessee on measures looking toward reducing appropriations; but I arose to talk about the subject as presented in another phase.

No one will overtly assail the Bill of Rights. No one will make a direct attempt to overthrow our system of government; such attempts, if made, will be by indirection. The small foxes will gnaw the vines. It will be done by silent, secret, almost unobserved attrition.

I do not recall who said this, but whoever did uttered a truism, to wit, that the time to resist the aggressor is when you locate him, and the time to resist aggression is when aggression is made.

The honorable Secretary of the Interior—and I mention his name with respect—on April 20 issued order No. 1472, reading as follows:

Before any motion or sound picture may be filmed, except by amateurs and bona fide news-reel photographers, on any area under the jurisdiction of the Department of the Interior (except on areas administered by the Office of Indian Affairs, where the taking of sound and motion pictures shall be governed by the special provisions set forth below), authority must first be obtained, in writing, from the official in charge of the particular area involved. Application for such authority should be submitted substantially in accordance with the attached form.

More bureaucracy. Silently, quietly, sedately, and quite successfully taking away from Congress the authority and the power which constitutionally belongs to Congress—

Charges shall be made only for the taking of feature motion or sound pictures involving sets, professional casts, and technical crews.

The amount of the fee to be paid or of the donation to be made shall be determined in each case by the proper official in accordance with the following formulas:

I. On areas administered by the General Land Office, the Bureau of Biological Survey, the Bureau of Reclamation, and the Grazing Service:

A fee of $100 for each motion or sound picture, where the cast comprises more than 25 persons, without regard to the equipment used or the time or extent to which the area is to be utilized.

II. On areas administered by the Office of Indian Affairs:

In all cases throughout the Indian country any maker of pictures, including Government employees on tribal lands, must consult the superintendents beforehand. Limitations which they may impose must scrupulously be regarded.

The photographing, for whatever purpose, professional or amateur, commercial or otherwise, of (1) ceremonial performances, dances, etc., and (2) places or persons within any of the pueblos of New Mexico and Arizona is subject to the consent of the governing officers of such pueblo.

In the case of the pueblos of New Mexico, where consent, in writing, by the governing officers of a pueblo has been obtained and has been registered with the superintendent in charge of the jurisdiction, a permit from any other source is not requisite.

Any charges made by the Indians and any schedules of wages or salaries to be paid to any Indians who may be employed by the permittee must be approved by the superintendent or other official in charge of the area or areas involved.

III. On areas administered by the National Park Service:

Fifty dollars per day for a cast of less than five persons, and when domestic animals, equipment, or sets are or are not used.

Two hundred and fifty dollars per day for a cast of 5 to 25 persons, and when domestic animals, equipment, or sets are or are not used.

Five hundred dollars per day for a cast of over 25 persons, and when domestic animals, equipment, or sets are or are not used.

There is other matter in the order which I need not now read.

Mr. President, if a bill giving the Secretary authority to issue such an order as this should come before Congress, I should vote against it. Does Congress desire to transfer to the Secretary of the Interior such power?

Do the Members of Congress wish to sit here as staid statues while the Secretary of the Interior usurps power? Under what law does the honorable Secretary presume to claim authority to make such charges. The honorable Secretary presumes, and probably correctly presumes, that we have for so long, under the guise of some sort of an emergency, been silent and acquiescent as to these aggressions, these assumptions of power.

Mr. President, the policy of a free government should always be, yield nothing to aggressors. The time to resist aggression is when aggression is made.

I recently offered a resolution asking the Senate Committee on Public Lands and Surveys to make an inquiry to ascertain under what law the Department of the Interior may charge fees, be they large or small, to make motion or sound pictures on lands under the jurisdiction of the Department of the Interior.

Mr. President, to permit the Secretary of the Interior to charge such fees without authority from Congress, is what might be called short-circuiting the appropriating power of Congress or the power to levy and collect taxes. If the Secretary of the Interior possesses the power to levy a fee of $5 a day or $100 a day, we do not need a Congress to make appropriations for carrying on the functions of the Federal Government. Nothing is said in the order as to the likelihood of the continuance of this order, or a possible increase in the fees, as the Secretary may desire.

Mr. President, I measure my words when I say, examine the record of bloody Joe Stalin and you cannot find such an arbitrary, unnecessary, irritating order as to lands.

Under what provision of the Constitution does the Secretary claim the power to levy a charge for making sound or motion pictures on the lands of the United States? There are some good lawyers in the United States Senate. True it is, that after useful men are gone their fame increases. Lord Bacon well said that worthy men receive their abuse during life and their praise and fame after death. But I believe that in the Senate today there are lawyers just as able as the lawyers who served here in bygone days, and there is not a lawyer here who will give it as his opinion that the Constitution gives the Secretary of the Interior the power to enforce such an order as this one. It is wholly ultra vires and void, it is offensive, and in my judgment Congress will sink to a low estate if such orders are allowed to be promulgated and enforced without authority from Congress.

It may be that I exhibit a little heat in this matter, because the moving picture is so dear to my heart, but if this order were directed at an object or an energy in which I had no interest or sympathy I should still feel it my duty to protest.

Mr. President, for more than 50 years unnumbered thousands of persons have been charmed by the melodious airs and the clever rhymes of the Gilbert and Sullivan light operas, and within the past 4 or 5 years millions of persons throughout the West have been charmed by the friendly rivalry going on between the Secretary of the Interior and the Secretary of Agriculture as to which should have this or that jurisdiction, and which department should be entitled to have a courtesy title placed on a sound or motion picture taken on lands belonging to the United States.

Those who sing melodious airs or write clever rhymes relieve the tedium of life, and next to Gilbert and Sullivan's light operas, the opera bouffe conducted by and between the Secretary of the Interior and the Secretary of Agriculture as to who shall have credit for this or that, and who shall administer this or that function, rivals Gilbert and Sullivan's light operas. [Laughter.]

Mr. President, I am informed—I am informed by gentlemen upon whose sagacity and judgment I have been accustomed to rely—that the honorable Secretary of Interior saw a picture that had been filmed on lands under the jurisdiction of the Secretary of the Interior, but the courtesy line of which gave credit to the Secretary of Agriculture. Forthwith the Secretary of Interior set to work to see what he could do toward having the proper courtesy titles placed

on such pictures as are taken on lands under his jurisdiction. Indeed, the order contains, among other things, the following language:

And, on condition that the permittee shall give credit to the Department of the Interior in an appropriate courtesy title if any of the scenes photographed are used in travelogs or motion pictures taken for educational purposes.

Mr. President, I am not going to try to belittle the efforts of the Secretary of the Interior, I am not in any sense muckraking, such a performance does not appeal to me. The honorable Secretary was a success in the Republican Party; he was a success in the Progressive Party; he is a success in the Democratic Party. [Laughter.] So far from feeling any resentment toward the Secretary, I respect his ability. He is a clean man. I do not believe that an unclean penny has ever clung to his hand or will ever cling to his hand. But, it is not sufficient to say that a man is honest. He must also be willing to be guided by reason and law.

When I say that a Senator is honest, that is taken for granted—or ought to be. [Laughter.] I may say that a public man is honest, but that is certainly taken for granted. That, however, is not the whole question. The question also embraces: Is he coherent? Is he fair? Does he obey the Constitution? Is he seeking unauthorized power? I have said here, and I say again, that with the possible exception of alcohol, power enlarges the ego more than any other thing. Power is the headiest wine known. You may select a modest man; temperate, well raised, cultured man; select if you will one who is excessively modest; given power enough he will develop and create an appetite for more and more power. The more power you grant, the more power will be demanded, and the reason I inveigh today against this order issued by the honorable Secretary of the Interior, who is presuming to say by his ipse dixit what shall be done with the lands of the United States, is because the power to say what shall be done with lands of the United States is by the Constitution lodged with Congress.

If the Congress desires to charge $500 a day for the privilege of taking pictures on the public lands, so be it.

If the Congress desires to charge $50 a day for the privilege of filming the ground upon which the Capitol Building is located, that would be execrably bad taste, but it would be lawful. There exists no man in the Government whose ipse dixit can require the charging of a fee for taking pictures of the Capitol Building or of the Supreme Court Building, and so forth.

I shall appear possibly at unwelcome times before the Senate Committee on Public Lands and Surveys and before the Committee to Audit and Control the Contingent Expenses of the Senate, to urge an appropriation of a small sum to investigate the legality and propriety of this order of the Secretary of the Interior.

This question may seem small, Mr. President. Senators may say, Why, in these closing hours of Friday afternoon, vex and harass the Senate with such questions? Mr. President, great questions arise from small ones.

Mr. President, throughout our lifetime we hear of the fall of the Roman Empire, and we are told that the barbarians came down from northern forests and eastern plains and overwhelmed the Roman Empire. We hear that until it becomes trite. No such thing happened. The barbarians of the north or the east did not come down and by prowess, strength, and valor overwhelm the glittering culture of the Roman Empire. The Roman Empire grew so internally weak and corrupt, the Roman rulers grew to be so grasping for power, the Empire grew so devastating in its raids upon the individual citizens of the Empire that when the men from the north and the east came to invade the Empire the Roman soldier did not fight. He did not flee. He simply said to the invaders, "Come and take us. We would be happier under the barbarians of the forests of the north and the plains of the east than we are under the tax gatherers here in Rome."

Mr. President, I am not predicting the fall of any government. But I am saying that we have a solemn responsibility here to see to it that these small things that insinuate themselves into a government, that destroy a little liberty here, that add a little more arbitrary power to a bureau there, shall be stopped in their tracks.

Mr. President, in order that my remarks today, which are rather disjointed, shall not be merely a brutum fulmen—a harmless thunderbolt—I shall offer an amendment to this bill. Doubtless it is subject to a point of order, and I am frank enough to say so; and if a Senator sees fit to make the point of order, he will be secure from my prejudice; but it is my duty to offer it. It is as follows:

Provided, That no fee, rental, commission, or charge shall be levied or collected for taking and filming of sound or motion pictures on lands belonging to the United States within the jurisdiction of the Department of the Interior and administered by the General Land Office, the Bureau of Biological Survey, the Bureau of Reclamation, and the Grazing Service.

Mr. McKELLAR. I was going to suggest that that will not be in order until after the pending amendment is acted upon.

Mr. ASHURST. The Senator from Tennessee is correct.

Mr. President, to use the phrase of a celebrated phrase maker, Theodore Roosevelt, I wish not to occupy the attitude of muckraking anybody. I have already testified to the personal respect I bear to the Secretary of the Interior. I think when many of us are forgotten he will be remembered as an able, courageous official. But neither ability nor courage is an apology for an attempt to usurp authority.

There is no attribute of a man that is an excuse or an alibi for the usurpation of power. We are the guardians of power. If we were the treasurers of our respective counties it would be our duty to guard the county funds. We are here in charge of something surely as precious as the funds of any county. We are here as the guardians of the rights of the people of the United States and we must begin to resist these aggressions by departments.

The fact that some aggression upon the rights of citizens is made, is not dignified or strengthened forsooth because it may be made by an able, prominent Cabinet member, a President, or a court.

Therefore, Mr. President, I say again that at the appropriate time I will offer this amendment. I ask to have printed in the RECORD at this point a copy of the order of the honorable Secretary of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

The order is as follows:

ORDER NO. 1472

UNITED STATES DEPARTMENT OF THE INTERIOR,
Washington, April 20, 1940.

Order No. 1445 of February 7, 1940, is hereby amended to read as follows:

Before any motion or sound picture may be filmed, except by amateurs and bona fide news-reel photographers, on any area under the jurisdiction of the Department of the Interior (except on areas administered by the Office of Indian Affairs, where the taking of sound and motion pictures shall be governed by the special provisions set forth below), authority must first be obtained, in writing, from the official in charge of the particular area involved. Application for such authority should be submitted substantially in accordance with the attached form.

Charges shall be made only for the taking of feature motion or sound pictures involving sets, professional casts, and technical crews.

The amount of the fee to be paid or of the donation to be made shall be determined in each case by the proper official in accordance with the following formulae:

1. On areas administered by the General Land Office, the Bureau of Biological Survey, the Bureau of Reclamation, and the Grazing Service:

A fee of $100 for each motion or sound picture, where the cast comprises more than 25 persons, without regard to the equipment used or the time or extent to which the area is to be utilized.

II. On areas administered by the Office of Indian Affairs:

In all cases throughout the Indian country any maker of pictures, including Government employees, on tribal lands must consult the superintendents beforehand. Limitations which they may impose must scrupulously be regarded.

The photographing, for whatever purpose, professional or amateur, commercial or otherwise, of (1) ceremonial performances, dances, etc., and (2) places or persons, within any of the pueblos of New Mexico and Arizona, is subject to the consent of the governing officers of such pueblo.

In the case of the pueblos of New Mexico, where consent, in writing, by the governing officers of a pueblo has been obtained and has

been registered with the superintendent in charge of the jurisdiction, a permit from any other source is not requisite.

Any charges made by the Indians and any schedules of wages or salaries to be paid to any Indians who may be employed by the permittee must be approved by the superintendent or other official in charge of the area or areas involved.

III. On areas administered by the National Park Service:

Fifty dollars per day for a cast of less than 5 persons, and when domestic animals, equipment or sets are, or are not, used.

Two hundred and fifty dollars per day for a cast of 5 to 25 persons, and when domestic animals, equipment, or sets are, or are not, used.

Five hundred dollars per day for a cast of over 25 persons, and when domestic animals, equipment, or sets are, or are not, used.

Where an area administered by the National Park Service is involved, the charge shall be paid in the form of a donation to the national park trust fund.

GENERAL

Permission to take a motion or sound picture will be granted by the proper field official in his discretion and on condition that the permittee shall furnish a bond, or make a deposit in cash or by certified check, in an amount to be set by that official, to insure against damage to the area involved and to assure a clean-up after filming has been completed; on condition that the permittee shall refrain, in accordance with the act of the Congress approved on March 3, 1917 (39 Stat. 1106), from offering any gratuity of whatsoever nature to any employee of the Government in connection with the exercise of the privilege granted; and on condition that the permittee shall give credit to the Department of the Interior in an appropriate courtesy title if any of the scenes photographed are used in travelogs or motion pictures taken for educational purposes.

Motion or sound pictures of wildlife on any area administered by a bureau or division of the Department of the Interior shall be permitted only when such wildlife is shown in its natural state.

When a feature motion or sound picture is to be filmed, the official in charge of the area concerned shall report to Washington immediately, through channels, that a permit authorizing it to be taken has been issued and its terms and conditions.

Upon completion of the filming by the permittee, it shall be the duty of the official in charge of the area to submit a full report to Washington, through channels, specifying the number of days the filming required, and giving, in general, the scope of the picture and the manner in which it was taken.

A copy of the approved application, accompanied by a copy of the required bond or by a statement that a deposit has been made, shall accompany the report.

HAROLD L. ICKES,
Secretary of the Interior.

Application for permission to take a motion or a motion and sound picture under Department order No. ------, dated ------, ------

Date ------.

To the ------ (title) ------, ------ (area) ------:

According to the authorization of the Secretary of the Interior contained in the above-mentioned order, it is proposed, with your approval, to film a motion or a motion and sound picture in the above-named area under the conditions stated in order No. ------, the scope of filming and manner and extent thereof to be as follows (an additional sheet should be used if necessary):

1. We will commence filming on or about ------, and estimate it will take approximately ------ days, weather conditions permitting.

2. If any of the scenes filmed are used in travelogs or for use in motion pictures for educational purposes, credit will be given to the Department of the Interior in an appropriate courtesy title.

3. The filming will be strictly in accordance with the applicable regulations of the Department of the Interior, and we will abide with any special instructions given to us by the official in charge of the above-named area. In addition, we will exercise the utmost care to see that no natural features are injured and that the area is left in a condition satisfactory to the official in charge of it.

4. We will refrain, in accordance with the provisions of the act of the Congress approved on March 3, 1917 (39 Stat. 1106), from offering any gratuity of whatsoever nature to any employee of the Government in connection with the exercise of the privilege herein authorized and will furnish to the official in charge of the above-named area, upon request, any additional information relating to the taking of the motion or motion and sound picture covered by this application.

------ (Applicant) ------

Approved: ------ (Date) ------. For ------ (Company) ------

Fee or donation: $------; ------ (title) ------- ------- ------- (address) -------.

Bond requirement $------. ------ (area) -------.

Mr. LODGE. Mr. President, as a member of the subcommittee which considered this appropriation it may be incumbent upon me to say a brief word giving the reasons why I support the position of the Senator from Tennessee in opposing an increase in this appropriation for the film and radio service of the Office of Education. I am impressed that the authority for it is doubtful. I was struck during the hearing by the following statement made by the Senator from Tennessee on page 238:

Mr. Jefferson very early and actively supported an amendment, tried to get an amendment through, putting the education of the people within the Constitution, so that the National Government could take a part therein; but it was voted down. The country has never agreed to that.

I also am impressed by the fact that there is very little of this work which could not be done just as well, if not better, by the existing private industry. Dr. Studebaker, responding to a question of mine on page 150 of the hearings, in which I asked him to describe the nature of these radio programs, stated as follows:

Dr. STUDEBAKER. We have had for the past 4 years now educational programs. The first was Education in the News, in which we attempted each week to give to the people of the country news about organized education.

Another one was a program called Have You Heard? It was on the scientific developments as revealed in the functions of various governmental agencies.

Another one, which might be regarded as a forerunner of Professor Quiz and Information Please, was a little program in which we experimented with a new technique. It was called Answer Me This. It was a question-and-answer technique in educational radio.

Mr. President, referring to that illustration, I think anyone who has listened to Information Please on the radio, or who has listened to Professor Quiz, or to any similar programs, knows that that is a field of activity in which participation by the Government is simply superfluous. In my judgment the reasons for radio programs and film programs fall into two categories. Either they are under the heading of entertainment or they are under the heading of education. I do not believe any Senator will support the contention that it is the business of the Government to go into the field of entertainment. So far as education is concerned, I heartily agree with the Senator from Tennessee that that is a matter which ought to be done directly. If the Government of the United States is going to put out a propaganda film endeavoring to show that the Republicans are good and the Democrats are bad, or vice versa, it ought to be done subject to a considered and deliberated and matured policy.

In my judgment a bill on the subject should be introduced, and we ought to approach this question in a direct way, and not in a furtive way.

I personally have great doubt of the wisdom of placing the Government in the educational field at all, but certainly if we do place it in that field we ought to do so with our eyes open.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. THOMAS of Oklahoma. Mr. President, my amendment seeks to increase the item for the Office of Education in the sum of $106,000. The money is to be spent to maintain the United States Film Exchange for the distribution of the films made by the several Federal agencies. The item is budgeted. The Budget is broken down into specific items; so, if the amount is increased, the money will be spent in accordance with the outline or break-down of the Budget Bureau.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. There has been considerable discussion of a general nature about the film business, but it seems to me that some information is still lacking as to the details of this work.

The Senator from Arizona [Mr. ASHURST] spoke of charging a fee, about which I know nothing, and upon which I shall make no comment. However, it has always been my understanding that these films have been used to advise the people of the activities of agencies of the Government. As I understand, the activities to which the Senator has referred and to which his amendment applies are not commercial activities. There is no question of any rivalry or competition with private films. With two exceptions I believe no

plays have been made. I recall the picture which I believe was called The River. There is one other, which I suppose hundreds of thousands of people saw and enjoyed, and which enlightened them with respect to a certain activity of our Government.

Am I correct in assuming that the $106,000 carried in the Senator's amendment is for an exchange or clearing house for all film activities of the various departments, and that its expenditure would be limited to the dissemination of information to the people as to the activities of Government, as displayed in pictures? Is that correct?

Mr. THOMAS of Oklahoma. I think the Senator has correctly analyzed the amendment. I am sure the motive behind the amendment is as stated by the Senator from Kentucky.

The picture entitled "The River" showed the devastation of property and human life by floods. No doubt that picture was devised by someone as an excuse for building levees or showing the necessity for building levees and other flood-control works so as to prevent the exact condition which is shown in the picture. It may be a justification for the enormous expenditures which we incur in building levees, dikes, ditches, and dams for the control and prevention of floods. As explained by the Senator from Ohio [Mr. TAFT], the picture entitled "The Fight for Life" is certainly a matter of general interest to many people in the country.

I do not agree with the Senator from Tennessee that the Government should not carry on any sort of service through films. It is my opinion that we can reach more people more effectively through a display of certain scenes or activities by films than in any other way. The people can sit in places where they are comfortable, and see something which is interesting. At the same time they can learn a lesson from the film. I entirely disagree with the statement that the Government should cease such activities.

Mr. BARKLEY. Mr. President, will the Senator yield for another question?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. Are the films which are produced by Government agencies, portraying Government activities of various kinds, shown in public theaters throughout the country as a part of the program?

Mr. THOMAS of Oklahoma. That is true.

Mr. BARKLEY. Or are they shown only in auditoriums where the Government is in control, as in Washington?

Mr. THOMAS of Oklahoma. I am advised that they are often shown in connection with commercial films; but they are labeled, and the public understands that they are Federal or national products.

Mr. BARKLEY. I am almost as devoted a motion-picture fan as are the Senator from Tennessee [Mr. MCKELLAR] and the Senator from Arizona [Mr. ASHURST]. I enjoy motion pictures. They are now almost our only form of theatrical entertainment. In order to see a real play we must go to New York, unless a play comes to Washington to be tried out on us, later to go to New York and elsewhere if it is successful. However, the motion picture is now about the only form of entertainment we have from the theatrical viewpoint. I recall on numerous occasions having seen some of the educational pictures which have been thrown on the screen as a sort of prelude to a picture produced by a commercial motion-picture company. I have always derived considerable information and inspiration from such pictures. As a rule, I think no American citizen can observe one of these pictures without feeling somewhat proud of the activities of the Government. It may be more enlightening and more entertaining than merely reading about it in a book, pamphlet, or newspaper.

I think there is much to be said for the suggestion that the Congress ought to know more about what is being done with the money it appropriates. It may be our fault, and probably is our fault, that that matter has not been inquired into heretofore; but it is a little difficult for me to make up my mind to hit at this one agency, which, so far, is the only one that has come out into the open by asking for an appropriation. The appropriation is recommended by the Budget Bureau, and is requested by the President, who has approved the Budget and sent it to Congress. If we could overhaul all the film agencies at one time in one bill, so as to know what is going on, it might be a good thing to do; but I hesitate to do it with respect to this particular agency, especially when it is designed to coordinate all the activities of all the film-producing agencies of the Government.

For that reason I feel very much inclined to support the Senator's amendment.

Mr. THOMAS of Oklahoma. Mr. President, the Senator from Kentucky has used the word "coordinate." I desire to read one paragraph from a letter addressed to the chairman of the committee, the senior Senator from Virginia [Mr. GLASS], and signed by the President. The letter is dated April 18, just a few days ago. This is the reason the President gives for requesting that the Senate place this item in the bill:

> The continuance of such services in the Office of Education is of particular importance in order to provide for the proper coordination of these activities. The continuance of the film service is of importance to the State Department at this time as indicated in the attached letter of the Under Secretary, dated April 10, 1940.
>
> I, therefore, urgently request that these items which were eliminated by the House be restored.

I rise at this time merely to advise Senators who came into the Chamber after the amendment was offered what the amendment is.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Lodge	Schwellenbach
Ashurst	Danaher	Lucas	Sheppard
Austin	Davis	McKellar	Shipstead
Bankhead	Ellender	McNary	Smathers
Barbour	Frazier	Mead	Smith
Barkley	George	Miller	Stewart
Bilbo	Gerry	Minton	Taft
Bone	Gillette	Murray	Thomas, Idaho
Brown	Gurney	O'Mahoney	Thomas, Okla.
Bulow	Hale	Overton	Thomas, Utah
Byrnes	Hayden	Pittman	Truman
Capper	Hughes	Reed	Wagner
Caraway	Johnson, Calif.	Reynolds	Wheeler
Chandler	Johnson, Colo.	Russell	White
Clark, Idaho	King	Schwartz	Wiley

The PRESIDING OFFICER. Sixty Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS]. On that question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCNARY (when his name was called). I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to the junior Senator from Vermont [Mr. GIBSON], and will vote. I vote "nay."

Mr. SHIPSTEAD (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS]. I am informed that if he were present he would vote as I shall vote, so I am at liberty to vote. I vote "nay."

Mr. STEWART (when his name was called). I have a pair with the Senator from Oregon [Mr. HOLMAN]. I am advised that if present he would vote "nay." As I desire to vote in the same way, I am at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. MCKELLAR (after having voted in the negative). I find that the senior Senator from Delaware [Mr. TOWNSEND], with whom I have a pair, has not voted. I transfer my pair with him to the junior Senator from Rhode Island [Mr. GREEN], and will allow my vote to stand.

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the junior Senator from Oklahoma [Mr. LEE] who, I

am advised, if present and voting, would vote "yea," and will vote. I vote "yea."

Mr. MINTON. I announce that the Senator from Florida [Mr. ANDREWS], the Senator from Nebraska [Mr. BURKE], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Ohio [Mr. DONAHEY], the Senator from California [Mr. DOWNEY], the Senator from Pennsylvania [Mr. GUFFEY], the Senators from West Virginia [Mr. HOLT and Mr. NEELY], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. LEE], the Senator from Minnesota [Mr. LUNDEEN], the Senator from Connecticut [Mr. MALONEY], the Senator from Nevada [Mr. MCCARRAN], the Senator from Florida [Mr. PEPPER], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS] are detained from the Senate on public business.

The Senator from Virginia [Mr. GLASS], the Senator from Rhode Island [Mr. GREEN], and the Senator from Mississippi [Mr. HARRISON] are unavoidably detained.

The Senator from North Carolina [Mr. BAILEY], the Senator from Missouri [Mr. CLARK], the Senator from New Mexico [Mr. HATCH], and the Senator from Iowa [Mr. HERRING] are attending committee meetings and are unable to be present.

The Senator from Illinois [Mr. SLATTERY] and the Senator from Massachusetts [Mr. WALSH] are detained in Government Departments.

Mr. AUSTIN. I announce the following general pairs:

The Senator from Michigan [Mr. VANDENBERG] with the Senator from Maryland [Mr. TYDINGS];

The Senator from North Dakota [Mr. NYE] with the Senator from Pennsylvania [Mr. GUFFEY]; and

The Senator from New Hampshire [Mr. TOBEY] with the Senator from Virginia [Mr. BYRD].

I am not advised how any of these Senators would vote on this question.

The Senator from Michigan [Mr. VANDENBERG], the Senator from North Dakota [Mr. NYE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Delaware [Mr. TOWNSEND], the Senator from Oregon [Mr. HOLMAN], the Senator from Vermont [Mr. GIBSON], and the Senator from New Hampshire [Mr. BRIDGES] are necessarily absent.

The result was announced—yeas 24, nays 36, as follows:

YEAS—24

Barkley	Clark, Idaho	Mead	Sheppard
Bilbo	Connally	Minton	Thomas, Okla.
Bone	Gillette	Murray	Thomas, Utah
Byrnes	Hayden	O'Mahoney	Truman
Caraway	Hughes	Schwartz	Wagner
Chandler	Lucas	Schwellenbach	Wiley

NAYS—36

Adams	Davis	King	Russell
Ashurst	Ellender	Lodge	Shipstead
Austin	Frazier	McKellar	Smathers
Bankhead	George	McNary	Smith
Barbour	Gerry	Miller	Stewart
Brown	Gurney	Overton	Taft
Bulow	Hale	Pittman	Thomas, Idaho
Capper	Johnson, Calif.	Reed	Wheeler
Danaher	Johnson, Colo.	Reynolds	White

NOT VOTING—36

Andrews	Gibson	Holt	Pepper
Bailey	Glass	La Follette	Radcliffe
Bridges	Green	Lee	Slattery
Burke	Guffey	Lundeen	Tobey
Byrd	Harrison	McCarran	Townsend
Chavez	Hatch	Maloney	Tydings
Clark, Mo.	Herring	Neely	Vandenberg
Donahey	Hill	Norris	Van Nuys
Downey	Holman	Nye	Walsh

So the amendment of Mr. THOMAS of Oklahoma was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ASHURST. Mr. President, I offer the amendment to which I adverted a while ago, and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Arizona will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert a new section, to read as follows:

SEC. —. No fee, rental, commission, or charge shall be levied or collected for taking and filming of sound or motion pictures on lands belonging to the United States within the jurisdiction of the Department of the Interior and administered by the General Land Office, the Bureau of Biological Survey, the Bureau of Reclamation, and the Grazing Service.

Mr. ASHURST. Mr. President, as to national parks and Indian reservations, in a sense Congress has surrendered to the Secretary of the Interior its jurisdiction over national parks. Bear in mind that a national park may not be created except by act of Congress. Therefore, inferentially, if not actually, Congress has more or less surrendered its jurisdiction over the national parks. That is one of the reasons why I have not included national parks in the prohibition. There are other reasons which might be argued, but I shall not press them at this time.

As to the Indian reservations, Congress, in many instances, has surrendered its jurisdiction, not its sovereignty, over many of the Indian reservations, sometimes by treaty, sometimes by act of Congress, thereby at least inferentially, if not actually, giving to the Secretary of the Interior authority over Indian reservations. These are some of the reasons, among others, why I did not include in the prohibition national parks and Indian reservations.

Mr. BARKLEY. Mr. President, will the Senator from Arizona yield?

Mr. ASHURST. I yield.

Mr. BARKLEY. I am seeking information only. I do not know anything about this matter, and until the Senator made his remarks today, I had no information at all as to these charges. While probably the amendment is subject to a point of order, I understand the committee is not making the point, and I certainly shall not, because it will go to conference anyway.

If the amendment should be enacted into law anyone in this country for his own pleasure, or for commercial purposes, could go on public land and take motion pictures without having to make any contribution whatever toward the public land or the activities of the agency involved. In other words, would it be possible for anyone, without the consent of anybody else, to go on these lands and take pictures and then commercialize them throughout the country on the screen? Or what would be the effect of the amendment?

Mr. ASHURST. First, let me say that I am proud to serve under the able Senator from Kentucky as leader. I do not see how any one man could grasp so many different points. He has demonstrated his leadership on a hundred different occasions. I desire to compliment him not only because of his ability but because of his toleration.

Mr. BARKLEY. I thank the Senator for his very generous remarks.

Mr. ASHURST. My opinion is that the Secretary of the Interior has heretofore been granted the authority to make rules and regulations, and even to charge fees—fees such as he might see fit to charge for using the national parks. In fact, in many national parks an entrance fee of $10 for an automobile is charged.

We gave up our jurisdiction over the Indian reservations years ago, and I can well understand that the Secretary of the Interior has the authority and power to administer those lands. He is trustee for the Indians. We have made him such. He may charge fees. Indeed, even so eminent a citizen as the Senator from Kentucky could not cross some of the reservations without a permit. Although the Senator is a sovereign, a great citizen of a great country, he could not cross or enter upon the vast domain of some of the reservations, a domain larger than the great State of Rhode Island, without a permit to do so.

The amendment refers to what we call the public lands; and that is a technical term. Public land is land which has not been reserved for some other purpose, but we sometimes employ the term "public land" indiscriminately, and sometimes incorrectly.

I opposed the Taylor grazing law, but I am not rehearsing that old fight. I am not bringing up old ghosts. The grazing lands are tremendous in area. Some of their areas are larger than the areas of entire States.

To answer the Senator, I do not perceive why the honorable Secretary of the Interior should be granted the power to charge fees and commissions to enter upon such lands as I have described; that is, lands under the jurisdiction of the honorable Secretary, but administered by the General Land Office, the Bureau of Biological Survey, the Bureau of Reclamation, and the Grazing Service.

I should like to extend my amendment, and have the prohibitions go further, but it would not be good strategy, and I do not want to overdo my task. There will be plenty of time in the future after further study.

Mr. BARKLEY. This matter came up wholly unexpectedly, and I do not know what reason the Department of the Interior has for making these charges, but it was running through my mind that, of course, while the public lands have been reserved or withdrawn from the public domain, as the Senator defined them, for some specific purpose, nevertheless, they are a charge on the Government, and the Government supervises them, of course. I suppose it employs numerous people to look after them.

Mr. ASHURST. Not particularly the public lands.

Mr. BARKLEY. Do any of these public lands contain forests, which the Government has to protect from fires and other hazards?

Mr. ASHURST. The able Senator will observe that I have not included the forests, because the national forests are under the Department of Agriculture.

Mr. BARKLEY. Still, the public lands under the Department of the Interior contain some forests, I believe.

Mr. ASHURST. I say to the able Senator, and I beg other Senators from the West to assist me in this, if I stumble, almost all of the forest lands, the real forest lands of the United States, are now in national forests, and are administered by the Department of Agriculture. I am quite within the bounds of conservatism, when I say that nearly all the true forest lands, to wit, those containing any so-called saw timber, are already set apart as national forests, and are administered by the Department of Agriculture.

Mr. SCHWARTZ. Mr. President, if I may interrupt, is it not also true that in addition to forest lands, vast acres have been reserved containing no timber whatever?

Mr. ASHURST. I thank the able Senator from Wyoming. I wish to err on the side of conservatism, if I err at all. Not only have almost all the forests been included in forest reserves—that is, national forests—but many thousands of acres of land, indeed, many scores of thousands, have been included in national forests even though they have no timber at all, and still more thousands of acres have been included into forest reserves where there are only scraggly and infrequent trees.

Mr. BARKLEY. Scrub trees.

Mr. ASHURST. Scrub trees. In other words, under authority granted under the law, they have taken pains to include all the forest lands and much that is not forest land, and are like the man who said, "I am not selfish. All I want is my own land and that which adjoins mine."

Mr. BARKLEY. If the Senator will permit me, and I wish to conclude——

Mr. ASHURST. I do not want the Senator to conclude. His questions are searching and proper, and I feel that he is doing a public service. My zeal might lead me——

Mr. BARKLEY. I understand; the Senator's zeal is very admirable and commendable, and I always enjoy it. Frequently I feel inspired by it.

Mr. ASHURST. I thank the Senator.

Mr. BARKLEY. We have not heard the Department's side of this matter. They must have some reason for making these charges. I do not know what it is, but I assume there is a reason why they make this charge, and it occurs to me that the Department ought to be given an opportunity to be heard with respect to it.

Mr. ASHURST. The Senator is correct.

Mr. BARKLEY. If the Senator's amendment goes into the bill, and it goes to conference, while they do not have hearings in the conference on the differences between the two Houses, I certainly feel that the conferees ought to give the Department of the Interior the opportunity to show why this charge is assessed.

Mr. ASHURST. That is but an additional proof of the Senator's fairness, and I myself, if this amendment goes to conference, so far as I have any power or authority, shall suggest to the conferees that they ask the representatives of the Department of the Interior to make statements to the conferees. I wish no quick-trigger action.

Mr. SMITH. Mr. President, I know of nothing which is more shorn of all possible harm than the taking of pictures. Here are vast domains owned by the Government. The idea of charging a man for the privilege of taking a picture on public lands, no matter what kind of picture it is, is obnoxious to the spirit of a free people.

When the Secretary read the figures as to what the Secretary of the Interior was charging—I take it for granted that the amount was as the Senator stated, but be that as it may—I was shocked at the idea that a citizen with his camera, taking pictures for his own pleasure, or going out and taking pictures for commercial purposes, should be charged a fee from the Government. Why should not we state that so far as moving pictures are concerned, or any kind of pictures, that anyone who wants to take them on the public lands is at liberty to do so?

Mr. President, we are coming to the point when I do not know whether I am at liberty to go out of here and walk down the street unless I get a license to do it. We are just sitting here and allowing bureaus and Government agents to gerrymander us to a point where an American citizen does not know whether he is free or not.

When the Senator was reading the figures earlier in the afternoon I started to ask him a question with respect to those who are boring from within and destroying the Constitution of the United States. Of course, the Constitution is temporarily submerged. We do not pay any attention to it. I want to say, Mr. President, that the bill is almost entirely unconstitutional. There is not a Senator present who would vary our written Constitution, but Senators know that the bill is absolutely unconstitutional. Mr. President, it provides for taking care of children, providing for social security, and a thousand other things that we a few years ago would absolutely have scorned doing. Yet we have got so in the habit of hoping that by adopting certain amendments and passing certain bills we will get some votes, that we are willing to damn the Constitution and be governed by men and not by law.

Mr. ASHURST. Mr. President, I welcome the interruption of the able Senator from South Carolina, and I do not use the word "able" merely as a parliamentary gesture. He is an able Senator. I do not wish, however, to be drawn away from the main question. I wish to confine myself as nearly as possible to the present situation.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. ASHURST. I am glad to yield to the Senator from Wyoming, who I believe knows more about public land than I do, and probably as much if not more than any other Senator in this body.

Mr. SCHWARTZ. I thank the Senator, but I will have to confess my ignorance, because I want to ask the Senator a question. I want to ask him what effect his amendment will have on wildlife refuges; whether the adoption of his amendment will permit moving in on wildlife refuges or not.

Mr. ASHURST. No; it will not.

Mr. SCHWARTZ. As I understand, wherever the Secretary does have the power to act at all the Senator's amendment would not prevent him from exercising the power to keep anyone off wildlife refuges?

Mr. ASHURST. That is the purpose of my amendment.

Mr. President, no Senator would be forgiven at this hour of the day for speaking at length, but in conclusion let me say that Arizona has an area of 113,956 square miles. It is nearly a hundred times the size of Rhode Island.

Senators, remember that of that vast area, according to the figures of 1931, 72 percent of the lands of that State

are under the Federal Government. The State holdings are about 14 percent of the total area of that State, and the private holdings only 14 percent.

Some years ago a healthy event took place. As a rule we have a Senator from the West to be chairman of the Senate Committee on Public Lands and Surveys, but by the evolution the able Senator from New York [Mr. WAGNER], one of the keenest thinkers and one of the most authentic scholars of the Senate, became, by dice of destiny, the chairman of the Senate Committee on Public Lands and Surveys. He did the proper thing. Not being a western man, he visited the West. He went to the national parks, and other reserved lands, as was his duty. We are grateful to him. I am sure he must have been amazed to find various things, such as the fact that the State of Arizona has 72 percent of its area administered from Washington.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona [Mr. ASHURST].

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendments, the question is on the engrossment of the amendments, and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (H. R. 9007) was passed.

Mr. McKELLAR. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. RUSSELL, Mr. McCARRAN, Mr. BANKHEAD, Mr. O'MAHONEY, Mr. LODGE, and Mr. BRIDGES conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Megill, one of its clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 199) amending Public Resolution No. 112 of the Seventy-fifth Congress and Public Resolution No. 48 of the Seventy-sixth Congress.

PROTECTION OF CERTAIN FOREIGN PROPERTY WITHIN THE UNITED STATES

Mr. WAGNER. Mr. President, I move that the Senate proceed to the consideration of Senate Joint Resolution 252, Calendar No. 1550.

Mr. JOHNSON of California. Mr. President, is there any intention on the part of the Senator to proceed with the joint resolution tonight?

Mr. WAGNER. I shall not ask for its consideration until Monday morning.

Mr. McNARY. That is the understanding.

Mr. WAGNER. Yes.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. Joint resolution (S. J. Res. 252) to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New York.

The motion was agreed to; and the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Banking and Currency without amendment.

Mr. DANAHER. Mr. President, the Senator from New York [Mr. WAGNER] yesterday discussed Senate joint resolution 252. I think the Senator from New York and all other Senators interested should properly have before them the—shall I call it the concentration of wisdom on the part of many with whom I have spoken? I intend to send to the desk certain proposed amendments, that they may lie on the table and be printed.

One amendment would limit the provisions of sections 1 and 2 of the pending joint resolution in such fashion as that they would not apply to American citizens.

Another amendment would transpose language appearing on page 2 of the pending joint resolution in this way: On page 1, line 11, it is proposed to insert the following:

> The acts under which any foreign state or a national or political subdivision thereof, as defined by the President, has any interest, following, to wit:

Therefore it would require that there be stricken from page 2, lines 6, 7, and 8 the words:

> In which any foreign state or a national or political subdivision thereof, as defined by the President, has any interest.

The third proposed amendment would limit all power conferred by Senate Joint Resolution 252 in amending existing law, in such fashion that the measure, as amended, would terminate on May 1, 1941.

Mr. President, I send the three amendments to the desk and ask that they be printed and lie on the table.

The PRESIDING OFFICER. The amendments proposed by the Senator from Connecticut will be printed, and will lie on the table.

AMENDMENT TO PATENT STATUTES

Mr. BARKLEY. Mr. President, the Senator from Washington [Mr. BONE] has a matter which will require only a minute or two. I ask unanimous consent that the unfinished business be temporarily laid aside in order that the Senator from Washington may proceed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. BONE. Mr. President, let me explain that on August 1 of last year Senate bill 2688 was before the Senate. It was one of a group of bills which came to the Senate as a result of the findings and activities of the Temporary National Economic Committee. All those bills save two were passed. To be more correct, five of them were passed without any question. The sixth was passed by the Senate on August 1 of last year, but question was raised by the Senator from Ohio [Mr. TAFT], who suggested some change in language, which was adopted on the floor, and the bill passed without any discussion and without any opposition.

The following day the Senator from Montana [Mr. WHEELER] having some question in his mind about certain language in the bill, asked that it be reconsidered, and so it is now on the Senate Calendar under motion for reconsideration. It is my desire at this time to bring up the bill. It will require only a moment to dispose of it. I shall make certain motions for the purpose of the RECORD, Mr. President.

I wish to explain that I have discussed the matter with the Senator from Montana, who has suggested certain language which I submitted to the Commissioner of Patents. That language is almost identical with that which was selected last year, and which met the approval of the Senator from Ohio [Mr. TAFT]. So, apparently there is now no objection to the bill. It is the so-called 20-year-patent bill.

Mr. AUSTIN. Mr. President, is there a request for unanimous consent?

Mr. BONE. I am about to make certain motions. The first is that we reconsider the vote by which the bill was passed.

Mr. AUSTIN. Mr. President, I do not understand the nature of the request.

Mr. BONE. Mr. President, on the 1st of last August the Senate passed one of a group of bills which had been reported from the Committee on Patents. All of them received the approval of the Senate. On August 1 the last of these bills, which had met the approval and obtained the blessing of the Temporary National Economic Committee, was passed. The Senator from Ohio [Mr. TAFT] was in doubt about some of the language, and an amendment which embodied his ideas was offered on the floor and agreed to, and the bill was passed without objection.

The next day the Senator from Montana [Mr. WHEELER], having some doubt in his own mind due to a letter which he had received from a lawyer in Chicago, asked that the vote by which the bill had been passed be reconsidered; and so the bill is now on the motion calendar for reconsideration.

It had been my purpose to talk to the Senator from Montana about the bill, but because of my injury I was unable to do so until I returned to the Senate. Language has now been drafted which is substantially that of the amendment which I offered on the floor and which was adopted by the Senate. It meets the approval of the Senator from Montana, who was the only one who raised any objection. Apparently there is no objection to the bill.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. BARKLEY. I understand that pending the motion to reconsider, which was entered by the Senator from Montana [Mr. WHEELER], all parties have got together and agreed on the language.

Mr. BONE. Yes. There is now no disagreement.

Mr. BARKLEY. The Senator wants the vote by which the bill was passed reconsidered?

Mr. BONE. I wish to go through the necessary parliamentary procedure to dispose of the bill at this time. It will take only a moment.

I now move to reconsider the vote by which Senate bill 2688 was passed.

The motion to reconsider was agreed to.

Mr. BONE. I now move to reconsider the vote ordering the engrossment and third reading of the bill.

The motion to reconsider was agreed to.

Mr. BONE. I now move to reconsider the vote agreeing to the amendment offered by me on the 1st of last August.

The motion to reconsider was agreed to.

Mr. BONE. In lieu of the matter in the amendment adopted on August 1, 1939, I send to the desk the language of another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In lieu of the amendment agreed to on August 1, 1939, it is proposed to insert the following on page 2, line 5, after the word "patent":

Provided, however, That the Commissioner of Patents may, in his discretion before the patent issues, extend such 20-year period to compensate for unavoidable delays during the pendency of the application shown to the satisfaction of the Commissioner not to be chargeable to the applicant; and in the case of any application which has become the property of the Government of the United States or any office or agency thereof, and which has been certified as important to the armament or defense of the United States as provided by Revised Statutes 4894 (U. S. C., title 35, sec. 37), such 20-year period shall be extended by adding thereto any period or periods of delay authorized by said Revised Statutes 4894.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers for appointment as general officers in the Regular Army.

He also, from the same committee, reported favorably the nominations of sundry officers for appointment, by transfer, in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read the nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That concludes the calendar.

JUDGE OF POLICE COURT, DISTRICT OF COLUMBIA

Mr. KING. Mr. President, from the Committee on the Judiciary I report favorably the nomination of George D. Neilson, of the District of Columbia, to be judge of the police court for the District of Columbia, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be received. Is there objection to the present consideration of the nomination? The Chair hears none. Without objection, the nomination is confirmed.

Mr. KING. Mr. President, in view of the fact that there is some congestion in the police court, and it is important to relieve the congestion, I ask that the President be notified, so that Mr. Neilson may take his position as soon as possible.

The PRESIDING OFFICER. Without objection, the President will be notified.

UNITED STATES MARSHAL—ARKANSAS

Mr. MILLER. Mr. President, from the Committee on the Judiciary I report favorably the nomination of Henry C. Armstrong to be United States marshal for the western district of Arkansas, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be received. Is there objection to the present consideration of the nomination? The Chair hears none. Without objection, the nomination is confirmed.

Mr. MILLER. Because of the situation existing in the western district of Arkansas, on behalf of my colleague [Mrs. CARAWAY], I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be notified.

RECESS TO MONDAY

Mr. BARKLEY. As in legislative session, I mave that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate took a recess until Monday, April 29, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 26 (legislative day of April 24), 1940

JUDGE OF DISTRICT OF COLUMBIA POLICE COURT

George D. Neilson, of the District of Columbia, to be judge of the police court for the District of Columbia, vice Hon. Edward M. Curran, resigned.

UNITED STATES MARSHALS

Henry C. Armstrong, of Arkansas, to be United States marshal for the western district of Arkansas, vice John C. Riley, term expired.

Arthur D. Fairbanks, of Colorado, to be United States marshal for the district of Colorado. He is now serving in this office under an appointment which expired April 1, 1940.

POSTMASTERS

ARKANSAS

Rowan Moody Sankey Butner to be postmaster at North Little Rock, Ark., in place of J. A. Horton, deceased.

Leola Garner to be postmaster at Plainview, Ark., in place of Leola Garner. Incumbent's commission expired January 20, 1940.

Wendell H. Gorman to be postmaster at Strong, Ark., in place of W. H. Gorman. Incumbent's commission expires May 9, 1940.

CALIFORNIA

Alfred A. True to be postmaster at Barstow, Calif., in place of A. A. True. Incumbent's commission expired July 24, 1939.

Alma B. Pometta to be postmaster at Benicia, Calif., in place of A. B. Pometta. Incumbent's commission expired March 25, 1940.

Frederick Kneale Smith to be postmaster at Crestline, Calif., in place of F. K. Smith. Incumbent's commission expired January 23, 1940.

George L. Clare to be postmaster at Guerneville, Calif., in place of G. L. Clare. Incumbent's commission expired March 25, 1940.

Alfred E. Harwood to be postmaster at La Verne, Calif., in place of A. H. Abbott, deceased.

Flora E. Dahl to be postmaster at Mokelumne Hill, Calif., in place of F. E. Dahl. Incumbent's commission expired July 1, 1939.

Rose C. Tarwater to be postmaster at Murrieta, Calif., in place of R. C. Tarwater. Incumbent's commission expired April 25, 1940.

Mary A. Roels to be postmaster at Point Reyes Station, Calif., in place of M. A. Roels. Incumbent's commission expired March 25, 1940.

Harold E. Rous to be postmaster at Yucaipa, Calif., in place of H. E. Rous. Incumbent's commission expired April 25, 1940.

COLORADO

Adelbert E. Humeston to be postmaster at Collbran, Colo., in place of A. E. Humeston. Incumbent's commission expired March 11, 1940.

Harry K. Balvin to be postmaster at Elizabeth, Colo., in place of H. K. Balvin. Incumbent's commission expired April 25, 1940.

James Fenolia to be postmaster at Louisville, Colo., in place of James Fenolia. Incumbent's commission expired April 25, 1940.

James M. Brown to be postmaster at Mancos, Colo., in place of J. M. Brown. Incumbent's commission expired March 11, 1940.

John Oral Clement Lutener to be postmaster at Rico, Colo. Office became Presidential July 1, 1939.

CONNECTICUT

Walter B. Johnson to be postmaster at Seymour, Conn., in place of W. B. Johnson. Incumbent's commission expired February 9, 1939.

DELAWARE

James L. Smith to be postmaster at Greenwood, Del., in place of J. L. Smith. Incumbent's commission expires April 28, 1940.

FLORIDA

Chauncey Smith Daniel to be postmaster at Tavares, Fla., in place of C. S. Daniel. Incumbent's commission expired February 5, 1940.

GEORGIA

Carl M. Simonton to be postmaster at Franklin, Ga., in place of C. M. Simonton. Incumbent's commission expired February 27, 1940.

Estelle B. Willis to be postmaster at Hardwick, Ga., in place of Estelle Willis. Incumbent's commission expired March 25, 1940.

Augustus H. Flake to be postmaster at Lithonia, Ga., in place of A. H. Flake. Incumbent's commission expired March 18, 1940.

D. Alton Willis to be postmaster at Meigs, Ga., in place of D. A. Willis. Incumbent's commission expired April 25, 1940.

Andy G. Clements to be postmaster at Rhine, Ga., in place of A. G. Clements. Incumbent's commission expired March 18, 1940.

ILLINOIS

L. Janet Merkle to be postmaster at Brocton, Ill., in place of L. J. Merkle. Incumbent's commission expired February 27, 1940.

Helmer D. Carlson to be postmaster at Fox Lake, Ill., in place of H. D. Carlson. Incumbent's commission expired June 27, 1939.

Elma L. South to be postmaster at Hammond, Ill. Office became Presidential July 1, 1939.

Loy Bagby to be postmaster at Olmsted, Ill., in place of Loy Bagby. Incumbent's commission expired February 27, 1940.

Henry H. Strahan to be postmaster at Roxana, Ill. Office became Presidential July 1, 1939.

INDIANA

Bessie L. Gage to be postmaster at Ashley, Ind., in place of B. L. Gage. Incumbent's commission expired February 4, 1940.

Nathan P. Lewis to be postmaster at Campbellsburg, Ind., in place of N. P. Lewis. Incumbent's commission expired April 24, 1940.

Merlyn R. Elliott to be postmaster at Dale, Ind., in place of M. R. Elliott. Incumbent's commission expired April 28, 1940.

Matthew Halbig to be postmaster at Haubstadt, Ind., in place of Matthew Halbig. Incumbent's commission expired April 24, 1940.

Eugene W. Felkner to be postmaster at Milford, Ind., in place of E. W. Felkner. Incumbent's commission expired April 28, 1940.

Ruth B. Flinn to be postmaster at Roann, Ind., in place of R. B. Flinn. Incumbent's commission expired March 20, 1940.

IOWA

George P. Rounds to be postmaster at Clermont, Iowa, in place of G. P. Rounds. Incumbent's commission expired March 20, 1939.

Anna L. Meyer to be postmaster at Everly, Iowa, in place of A. L. Meyer. Incumbent's commission expired August 22, 1939.

Thelma Allen to be postmaster at Harris, Iowa, in place of Thelma Allen. Incumbent's commission expired July 1, 1939.

Violet A. Shirk to be postmaster at Linn Grove, Iowa, in place of V. A. Shirk. Incumbent's commission expired June 18, 1938.

Noah T. Nixon to be postmaster at Lorimor, Iowa, in place of N. T. Nixon. Incumbent's commission expired January 23, 1940.

Nellie C. Burk to be postmaster at Milford, Iowa, in place of N. C. Burk. Incumbent's commission expired August 22, 1939.

Daniel C. Norris to be postmaster at Prairie City, Iowa, in place of D. C. Norris. Incumbent's commission expired April 3, 1940.

Charles W. Tigges to be postmaster at Sutherland, Iowa, in place of C. W. Tigges. Incumbent's commission expired April 2, 1938.

Edward B. Wittrig to be postmaster at Wayland, Iowa, in place of E. B. Wittrig. Incumbent's commission expires April 28, 1940.

Bernice Green to be postmaster at Winfield, Iowa, in place of Bernice Green. Incumbent's commission expired April 28, 1940.

KANSAS

Mattie L. Binkley to be postmaster at Brewster, Kans., in place of M. L. Binkley. Incumbent's commission expired March 4, 1940.

Roy E. Wetherall to be postmaster at Cunningham, Kans., in place of R. E. Wetherall. Incumbent's commission expired May 10, 1940.

Jay F. Higbee to be postmaster at Formoso, Kans., in place of J. F. Higbee. Incumbent's commission expired March 11, 1940.

Otis Barngrover to be postmaster at Hamilton, Kans., in place of Otis Barngrover. Incumbent's commision expired April 24, 1940.

Ada S. George to be postmaster at Lebo, Kans., in place of A. S. George. Incumbent's commission expired April 27, 1940.

Joseph M. Steffen to be postmaster at Neodesha, Kans., in place of J. M. Steffen. Incumbent's commission expired April 24, 1940.

Harold Goble to be postmaster at Riley, Kans., in place of Harold Goble. Incumbent's commission expired May 17, 1938.

Mary Gertrude Goddard to be postmaster at Rolla, Kans., in place of Gertrude Goddard. Incumbent's commission expired April 1, 1940.

Harry D. Burke to be postmaster at Severy, Kans., in place of H. D. Burke. Incumbent's commission expired April 24, 1940.

James E. Gay to be postmaster at Spring Hill, Kans., in place of J. E. Gay. Incumbent's commission expired March 11, 1940.

KENTUCKY

Charles L. Hollingsworth to be postmaster at Smithland, Ky., in place of C. L. Hollingsworth. Incumbent's commission expired February 14, 1940.

LOUISIANA

Inez McDaniel to be postmaster at Hackberry, La. Office became Presidential July 1, 1939.

MAINE

Lyman Ellis to be postmaster at Canton, Maine, in place of Lyman Ellis. Incumbent's commission expired April 21, 1940.

Carlton R. Barlow to be postmaster at East Boothbay, Maine, in place of C. R. Barlow. Incumbent's commission expired February 4, 1940.

Norman E. Willis to be postmaster at Harmony, Maine, in place of N. E. Willis. Incumbent's commission expired April 1, 1940.

Elgie M. Nichols to be postmaster at Kingfield, Maine, in place of G. D. Vose. Incumbent's commission expired January 7, 1936.

Grace L. Harriman to be postmaster at Searsport, Maine, in place of G. L. Harriman. Incumbent's commission expired February 14, 1940.

Mildred A. Holbrook to be postmaster at Wiscasset, Maine, in place of M. A. Holbrook. Incumbent's commission expired April 21, 1940.

MARYLAND

Kathryn T. Schaefer to be postmaster at Chesapeake City, Md., in place of K. T. Schaefer. Incumbent's commission expired January 20, 1940.

Ernest A. Loveless to be postmaster at Clinton, Md. Office became Presidential July 1, 1939.

Victor F. Cullen to be postmaster at State Sanatorium, Md., in place of V. F. Cullen. Incumbent's commission expired January 20, 1940.

MASSACHUSETTS

John J. Pendergast to be postmaster at Centerville, Mass., in place of J. J. Pendergast. Incumbent's commission expired April 1, 1940.

John A. Bell to be postmaster at Leicester, Mass., in place of J. A. Bell. Incumbent's commission expires April 27, 1940.

Henry A. Dainty to be postmaster at Monument Beach, Mass., in place of P. G. Swain, resigned.

Robert M. Urann to be postmaster at Westwood, Mass., in place of R. M. Urann. Incumbent's commission expired February 15, 1940.

MICHIGAN

Fred Weaver to be postmaster at Dorr, Mich. Office became Presidential July 1, 1939.

George W. Penglase to be postmaster at Grosse Ile, Mich., in place of G. W. Penglase. Incumbent's commission expires May 9, 1940.

James N. Mulvenna to be postmaster at Hudson, Mich., in place of J. N. Mulvenna. Incumbent's commission expired January 20, 1940.

Arthur E. O'Neill to be postmaster at Saline, Mich., in place of A. E. O'Neill. Incumbent's commission expired January 20, 1940.

MINNESOTA

Hugh P. Griffin to be postmaster at Cold Spring, Minn., in place of H. P. Griffin. Incumbent's commission expired August 27, 1939.

Elmer Reseland to be postmaster at Fertile, Minn., in place of N. O. Nelson, removed.

Herman Herder to be postmaster at Jordan, Minn., in place of Herman Herder. Incumbent's commission expires April 30, 1940.

Teresa C. Franta to be postmaster at Wabasso, Minn., in place of T. C. Franta. Incumbent's commission expired August 22, 1939.

MISSISSIPPI

Mrs. Willie M. Windham to be postmaster at Lena, Miss., in place of W. M. Windham. Incumbent's commission expired April 12, 1940.

Nannie Stuart to be postmaster at Morton, Miss., in place of D. E. Lasster, resigned.

MISSOURI

William P. Carskadon to be postmaster at Dalton, Mo., in place of W. P. Carskadon. Incumbent's commission expired March 4, 1940.

Forrest Beason to be postmaster at Fair Play, Mo., in place of Forrest Beason. Incumbent's commission expired August 27, 1939.

Harold S. Bradley to be postmaster at Hickman Mills, Mo., in place of H. S. Bradley. Incumbent's commission expired January 23, 1940.

Hirsty C. McKee to be postmaster at Iberia, Mo., in place of Walter Morrow, removed.

Katherine B. Mitchell to be postmaster at Manchester, Mo., in place of F. M. Lauer, resigned.

Arvella C. Bennett to be postmaster at Rockville, Mo., in place of A. C. Bennett. Incumbent's commission expired August 27, 1939.

Mary Virginia Babka to be postmaster at Valley Park, Mo., in place of J. J. Henderson, removed.

Nadine H. Glascock to be postmaster at Waverly, Mo., in place of Nadine Glascock. Incumbent's commission expired April 2, 1940.

MONTANA

Leslie L. Like to be postmaster at Drummond, Mont., in place of L. L. Like. Incumbent's commission expired March 21, 1940.

Albert Hole to be postmaster at Wheeler, Mont., in place of Albert Hole. Incumbent's commission expired March 21, 1940.

NEBRASKA

Oda D. Adkins to be postmaster at Arthur, Nebr., in place of O. D. Adkins. Incumbent's commission expired April 1, 1940.

Robert L. Isham to be postmaster at Chadron, Nebr., in place of R. L. Isham. Incumbent's commission expired March 15, 1939.

Merwyn C. Johnson to be postmaster at Hyannis, Nebr., in place of M. C. Johnson. Incumbent's commission expired April 24, 1940.

Rose C. Dolan to be postmaster at Maxwell, Nebr., in place of D. A. Crawford, deceased.

NEW HAMPSHIRE

Paul A. Richard to be postmaster at Hudson, N. H., in place of P. A. Richard. Incumbent's commission expired January 20, 1940.

William H. Pascoe to be postmaster at West Ossipee, N. H., in place of W. H. Pascoe. Incumbent's commission expires April 29, 1940.

NEW JERSEY

Walter E. Riddle to be postmaster at Sayreville, N. J., in place of W. E. Riddle. Incumbent's commission expired March 25, 1940.

NEW MEXICO

Henry A. Harber to be postmaster at State College, N. Mex., in place of H. A. Harber. Incumbent's commission expired January 23, 1940.

NEW YORK

John M. O'Keefe to be postmaster at Addison, N. Y., in place of J. M. O'Keefe. Incumbent's commission expired June 25, 1939.

William McMichael to be postmaster at Annandale-on-Hudson, N. Y. Office became Presidential July 1, 1939.

Joseph S. Annable to be postmaster at Bayport, N. Y., in place of J. S. Annable. Incumbent's commission expired January 31, 1938.

Helena F. Cuatt to be postmaster at Mohegan Lake, N. Y., in place of H. F. Cuatt. Incumbent's commission expired February 4, 1940.

William F. Riordan to be postmaster at Newark Valley, N. Y., in place of W. F. Riordan. Incumbent's commission expired August 21, 1939.

Thomas F. Carroll to be postmaster at Oriskany, N. Y., in place of T. F. Carroll. Incumbent's commission expired January 20, 1940.

Leonard S. Cole to be postmaster at Ovid, N. Y., in place of L. S. Cole. Incumbent's commission expired February 14, 1940.

James F. Cronin to be postmaster at Portville, N. Y., in place of J. F. Cronin. Incumbent's commission expired March 10, 1940.

Timothy V. O'Shea to be postmaster at Rome, N. Y., in place of T. V. O'Shea. Incumbent's commission expired April 1, 1940.

Patrick A. Murphy to be postmaster at White Plains, N. Y., in place of P. A. Murphy. Incumbent's commission expired January 20, 1940.

NORTH CAROLINA

Carl V. Bundy to be postmaster at Jamestown, N. C., in place of C. V. Bundy. Incumbent's commission expired January 28, 1940.

Woodrow McKay to be postmaster at Lexington, N. C., in place of Woodrow McKay. Incumbent's commission expired March 28, 1940.

Fred H. Holcombe to be postmaster at Mars Hill, N. C., in place of F. H. Holcombe. Incumbent's commission expires April 29, 1940.

James H. McKenzie to be postmaster at Salisbury, N. C., in place of J. H. McKenzie. Incumbent's commission expired March 18, 1940.

Charles O. Cooper to be postmaster at Saluda, N. C., in place of C. O. Cooper. Incumbent's commission expires April 29, 1940.

William H. Shannon to be postmaster at Spencer, N. C., in place of W. H. Shannon. Incumbent's commission expired June 13, 1938.

NORTH DAKOTA

Genevieve Gregor to be postmaster at Dawson, N. Dak., in place of Genevieve Gregor. Incumbent's commission expired February 27, 1940.

Winnifred D. Flaten to be postmaster at Edinburg, N. Dak., in place of W. D. Flaten. Incumbent's commission expires May 5, 1940.

Hugh H. Parsons to be postmaster at Fessenden, N. Dak., in place of H. H. Parsons. Incumbent's commission expired April 21, 1940.

Richard T. Burke to be postmaster at Langdon, N. Dak., in place of R. T. Burke. Incumbent's commission expires May 9, 1940.

Leta L. Davis to be postmaster at Lansford, N. Dak., in place of L. L. Davis. Incumbent's commission expired March 28, 1940.

Ethel L. Powers to be postmaster at Lawton, N. Dak., in place of E. L. Powers. Incumbent's commission expires May 9, 1940.

Veronica F. Bimler to be postmaster at Munich, N. Dak., in place of V. F. Bimler. Incumbent's commission expired February 4, 1940.

John C. Black to be postmaster at Plaza, N. Dak., in place of J. C. Black. Incumbent's commission expired March 11, 1940.

Carl L. George to be postmaster at Sarles, N. Dak., in place of C. L. George. Incumbent's commission expired February 4, 1940.

Chase E. Mulinex to be postmaster at Tolley, N. Dak., in place of C. E. Mulinex. Incumbent's commission expires May 9, 1940.

Albert H. Baumann to be postmaster at Westhope, N. Dak., in place of A. H. Baumann. Incumbent's commission expires May 9, 1940.

Janette O. Gray to be postmaster at Wilton, N. Dak., in place of J. O. Gray. Incumbent's commission expired February 7, 1940.

OHIO

Marvin L. Sollmann to be postmaster at Anna, Ohio, in place of M. L. Sollmann. Incumbent's commission expired April 21, 1940.

Orville T. Castor to be postmaster at Arlington, Ohio, in place of O. T. Castor. Incumbent's commission expired April 25, 1940.

Walter J. Miller to be postmaster at Beach City, Ohio, in place of W. J. Miller. Incumbent's commission expired April 24, 1940.

Robert Waugh to be postmaster at Brilliant, Ohio, in place of Robert Waugh. Incumbent's commission expired April 25, 1940.

Lee F. Beveridge to be postmaster at Butler, Ohio, in place of L. F. Beveridge. Incumbent's commission expired January 20, 1940.

Joseph W. Johnston to be postmaster at Coshocton, Ohio, in place of J. W. Johnston. Incumbent's commission expires May 3, 1940.

Walter M. Dill to be postmaster at Fredericktown, Ohio, in place of W. M. Dill. Incumbent's commission expired April 1, 1940.

Thomas G. Smith to be postmaster at Glendale, Ohio, in place of T. G. Smith. Incumbent's commission expired January 20, 1940.

Mary J. Rosebraugh to be postmaster at Hebron, Ohio, in place of M. J. Rosebraugh. Incumbent's commission expired April 25, 1940.

George W. Blessing to be postmaster at Jeffersonville, Ohio, in place of G. W. Blessing. Incumbent's commission expired March 25, 1940.

Blanche L. Geiger to be postmaster at Lakeview, Ohio, in place of B. L. Geiger. Incumbent's commission expired April 25, 1940.

Herman C. Doellinger to be postmaster at Marysville, Ohio, in place of H. C. Doellinger. Incumbent's commission expired April 25, 1940.

Roy C. Walker to be postmaster at Milan, Ohio, in place of R. C. Walker. Incumbent's commission expires April 27, 1940.

Ralph M. Connolly to be postmaster at Milford Center, Ohio, in place of R. M. Connolly. Incumbent's commission expires April 25, 1940.

Clarence A. Goller to be postmaster at Ney, Ohio. Office became Presidential July 1, 1939.

May C. Eldridge to be postmaster at North Olmsted, Ohio, in place of M. C. Eldridge. Incumbent's commission expired April 1, 1940.

Irvin H. Menter to be postmaster at Pemberville, Ohio, in place of I. H. Menter. Incumbent's commission expires April 25, 1940.

Alfred W. Kalb to be postmaster at Port Clinton, Ohio, in place of W. L. Zeis. Incumbent's commission expired March 3, 1940.

Lawrence J. Heiner to be postmaster at Rutland, Ohio, in place of L. J. Heiner. Incumbent's commission expired April 1, 1940.

John Daniel O'Sullivan to be postmaster at Sharonville, Ohio, in place of J. D. O'Sullivan. Incumbent's commission expired January 20, 1940.

Glen C. Rine to be postmaster at Utica, Ohio, in place of G. C. Rine. Incumbent's commission expired March 12, 1940.

Charles A. Conry to be postmaster at Wakeman, Ohio, in place of C. A. Conry. Incumbent's commission expired April 24, 1940.

OKLAHOMA

Vivienne C. Ford to be postmaster at Billings, Okla., in place of V. C. Ford. Incumbent's commission expired June 12, 1938.

James R. Hankla to be postmaster at Geary, Okla., in place of J. R. Hankla. Incumbent's commission expired February 5, 1940.

Robert H. Walton to be postmaster at Muldrow, Okla., in place of R. H. Walton. Incumbent's commission expired August 13, 1939.

George E. Raouls to be postmaster at Picher, Okla., in place of G. E. Raouls. Incumbent's commission expires May 8, 1940.

Blaine M. Skidmore to be postmaster at Vici, Okla., in place of B. M. Skidmore. Incumbent's commission expires May 8, 1940.

OREGON

Blanche E. North to be postmaster at Bonneville, Oreg., in place of B. E. North. Incumbent's commission expires April 25, 1940.

Floyd B. Willert to be postmaster at Dayton, Oreg., in place of F. B. Willert. Incumbent's commission expired April 1, 1940.

Gaphart D. Ebner to be postmaster at Mount Angel, Oreg., in place of G. D. Ebner. Incumbent's commission expired February 14, 1940.

Ruth N. Johnson to be postmaster at Sheridan, Oreg., in place of R. N. Johnson. Incumbent's commission expired April 24, 1940.

PENNSYLVANIA

Elsie Mae Moffett to be postmaster at Buck Hill Falls, Pa., in place of S. J. Van Vliet, removed.

Kathryn L. Monahan to be postmaster at Centralia, Pa., in place of K. L. Monahan. Incumbent's commission expired April 9, 1940.

James L. Schmonsky to be postmaster at Clarendon, Pa., in place of J. L. Schmonsky. Incumbent's commission expired March 20, 1940.

Ferdinand O. Niebauer to be postmaster at Fairview, Pa., in place of F. O. Niebauer. Incumbent's commission expires May 9, 1940.

William F. Dewey to be postmaster at Frackville, Pa., in place of C. A. O'Donnell, removed.

Mary G. Wilson to be postmaster at George School, Pa., in place of M. G. Wilson. Incumbent's commission expired April 6, 1939.

Isaac W. Edgar to be postmaster at Glenshaw, Pa., in place of I. W. Edgar. Incumbent's commission expired January 28, 1940.

Bernice W. Webb to be postmaster at Jamestown, Pa., in place of B. W. Webb. Incumbent's commission expired August 27, 1939.

John M. Zarkoski to be postmaster at Kulpmont, Pa., in place of J. M. Zarkoski. Incumbent's commission expired August 27, 1939.

Ray E. Wagner to be postmaster at Millerstown, Pa., in place of R. E. Wagner. Incumbent's commission expired August 27, 1939.

Jay C. Watts to be postmaster at Millville, Pa., in place of J. C. Watts. Incumbent's commission expired August 22, 1939.

Margaret C. Souders to be postmaster at Mount Holly Springs, Pa., in place of M. C. Souders. Incumbent's commission expires April 30, 1940.

Lester D. Sedam to be postmaster at Muncy, Pa., in place of L. D. Sedam. Incumbent's commission expired July 3, 1939.

James Mosco Ott to be postmaster at Orbisonia, Pa., in place of J. M. Ott. Incumbent's commission expired January 28, 1940.

Stephen G. McCahan to be postmaster at Saxton, Pa., in place of S. G. McCahan. Incumbent's commission expired January 28, 1940.

Frank M. Severns to be postmaster at Southampton, Pa., in place of F. M. Severns. Incumbent's commission expired August 27, 1939.

Gordon H. Fish to be postmaster at South Montrose, Pa., in place of G. H. Fish. Incumbent's commission expired April 9, 1940.

Charles Kline to be postmaster at Sunbury, Pa., in place of J. N. Zimmerman, deceased.

RHODE ISLAND

Edgar J. Peloquin to be postmaster at Manville, R. I., in place of E. J. Peloquin. Incumbent's commission expired February 7, 1940.

Ina M. Gwynn to be postmaster at Warwick Neck, R. I., in place of I. M. Gwynn. Incumbent's commission expired August 27, 1939.

SOUTH CAROLINA

George B. Patrick to be postmaster at Bowman, S. C., in place of G. B. Patrick. Incumbent's commission expired February 15, 1940.

Charles A. Potter to be postmaster at Cowpens, S. C., in place of C. A. Potter. Incumbent's commission expired January 20, 1940.

Palmer White Johnson to be postmaster at Marion, S. C., in place of B. B. Gasque, deceased.

TENNESSEE

William Davis Dulaney to be postmaster at Blountville, Tenn., in place of W. D. Dulaney. Incumbent's commission expired April 24, 1940.

George P. Brummitt to be postmaster at Gleason, Tenn., in place of G. P. Brummitt. Incumbent's commission expires May 9, 1940.

Arthur Terrell Jones to be postmaster at Jellico, Tenn., in place of A. T. Fine, deceased.

Joe L. Richardson to be postmaster at Lewisburg, Tenn., in place of S. E. Prosser. Incumbent's commission expired July 18, 1939.

Hugh Doak to be postmaster at Manchester, Tenn., in place of C. V. O'Neal, resigned.

Lee N. Alley to be postmaster at Oakdale, Tenn., in place of L. N. Alley. Incumbent's commission expired August 26, 1939.

Charles Atkins Boone to be postmaster at Trenton, Tenn., in place of C. A. Boone. Incumbent's commission expires May 9, 1940.

Loraine Adkins to be postmaster at Wartburg, Tenn., in place of Loraine Adkins. Incumbent's commission expired June 8, 1938.

TEXAS

Homer Dewey Thompson to be postmaster at Devine, Tex., in place of H. D. Thompson. Incumbent's commission expired January 31, 1940.

Nellie G. Magowan to be postmaster at Mathis, Tex., in place of Nellie Magowan. Incumbent's commission expired March 13, 1940.

Frank P. McCabe to be postmaster at Rio Hondo, Tex., in place of F. P. McCabe. Incumbent's commission expired February 27, 1940.

John W. Ledbetter to be postmaster at Round Rock, Tex., in place of J. W. Ledbetter. Incumbent's commission expired January 31, 1940.

Grover C. Stephens to be postmaster at Sierra Blanca, Tex., in place of G. C. Stephens. Incumbent's commission expired March 13, 1940.

Robert O. Rockwood to be postmaster at Wharton, Tex., in place of R. O. Rockwood. Incumbent's commission expires May 9, 1940.

UTAH

Earl T. James to be postmaster at Bingham Canyon, Utah, in place of M. L. James, resigned.

VERMONT

Richard Harlie Standish to be postmaster at Montpelier, Vt., in place of R. H. Standish. Incumbent's commission expired June 18, 1939.

VIRGINIA

Hattie C. Barrow to be postmaster at Dinwiddie, Va., in place of H. C. Barrow. Incumbent's commission expired April 12, 1940.

Ross V. Martindale to be postmaster at Sweet Briar, Va., in place of R. V. Martindale. Incumbent's commission expired January 20, 1940.

WASHINGTON

Emery L. Morsbach to be postmaster at Bucoda, Wash. Office became Presidential July 1, 1939.

Aaron W. Wilson to be postmaster at Clarkston, Wash., in place of A. W. Wilson. Incumbent's commission expires April 30, 1940.

Robert Kinzel to be postmaster at Entiat, Wash., in place of Robert Kinzel. Incumbent's commission expires April 30, 1940.

Selma Peterson to be postmaster at Marcus, Wash., in place of Selma Peterson. Incumbent's commission expires April 30, 1940.

WYOMING

Ann D. Keenan to be postmaster at Pine Bluffs, Wyo., in place of A. D. Keenan. Incumbent's commission expired April 2, 1940.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 26 (legislative day of April 24), 1940

JUDGE OF THE POLICE COURT FOR THE DISTRICT OF COLUMBIA

George D. Neilson to be judge of the Police Court for the District of Columbia.

UNITED STATES MARSHAL

Henry C. Armstrong to be United States marshal for the western district of Arkansas.

POSTMASTERS

KENTUCKY

Walter B. Sisk, Fleming.
Fanny L. Scott, Florence.
Beulah A. Foley, Ravenna.
Morgan B. Johnson, McRoberts.

LOUISIANA

William F. Roy, Jr., Arabi.
James O. Brouillette, Marksville.

OHIO

Nathan A. McCoy, Sr., Columbus.

UTAH

Dora N. Dennison, Castle Dale.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 26, 1940

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Behold, what manner of love the Father hath bestowed upon us that we should be called the sons of God. Thou art able to do exceeding abundantly above all that we ask or think; therefore do Thou work within us the purpose and the pleasure of Thy holy will. We rejoice that the zone of Thy Fatherhood in its sympathies, provisions, and invitations is as wide as the races of men. All glory, honor, and majesty be unto Thee, O Lord most high. Spare us from life's sorest loss, a loving and a believing heart. Almighty God, as human life is so manifold and so inglorious today, making its cries heard around the world, have mercy, have mercy. The cross, with its meaning and purpose, is but faintly gleaming in the minds of men. O stay Thou the flood of terror generated by the insanity of war. Draw near to all who are contesting their way in this burdened world, overtaken by fear, disaster, and death. Be with us, O Good Shepherd, make plain the pathway of duty, and Thine shall be the praise. In the blessed name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6264. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BAILEY, Mr. SHEPPARD, and Mr. MCNARY to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that Mr. FRAZIER be appointed as an additional conferee on the part of the Senate to the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3800) entitled "An act to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended."

BOARD OF VISITORS, UNITED STATES COAST GUARD ACADEMY

The SPEAKER pro tempore laid before the House the following communication, which was read:

APRIL 25, 1940.

Hon. WILLIAM B. BANKHEAD,
Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: Hon. LINDSAY C. WARREN, Member of Congress from North Carolina, an appointee of the Board of Visitors of the United States Coast Guard Academy for the calendar year 1940, will be unable to attend the meeting of the Board at New London, Conn., on May 4. Therefore, by authority of Public, No. 183, Seventy-sixth Congress, first session, amending section 7, of Public, No. 38, Seventy-fifth Congress, first session, I have appointed Hon. JAMES A. O'LEARY, Member of Congress from the State of New York, as a member of the Board of Visitors in the place and stead of Mr. WARREN.

Yours very sincerely,

S. O. BLAND,
Chairman, Committee on Merchant Marine and Fisheries.

RIVER AND HARBOR APPROPRIATIONS, 1941

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Chair appointed the following conferees, Mr. MANSFIELD, Mr. GAVAGAN, Mr. DEROUEN, Mr. SEGER, and Mr. CARTER.

EXTENSION OF REMARKS

Mr. TAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a decision of the Supreme Court of the United States, rendered by Chief Justice Hughes the other day, concerning the respective water rights of the States of Colorado and Wyoming.

The SPEAKER pro tempore. Is there objection?

Mr. RANKIN. Mr. Speaker, I reserve the right to object, though I shall not do so, but I rise to express the gratification of the House upon having the distinguished chairman of the Committee on Appropriations back with us, sound and well. [Applause.]

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado.

There was no objection.

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an editorial from a New York newspaper.

The SPEAKER pro tempore. Is there objection?

There was no objection.

VETO OF TRAVEL PAY BILL

Mr. GUYER of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GUYER of Kansas. Mr. Speaker, I want to call the attention of the House to the remarks of the gentleman from Washington [Mr. SMITH], on pages 5030, 5031, and 5032 of yesterday's RECORD, in which he discusses the issues involved in the overriding of President Roosevelt's veto of the travel-pay bill for certain soldiers who took part in the Philippine Insurrection. Included in his remarks is the report of the Committee on War Claims. This will amply justify the vote of the House of 274 to 82 to override the President's third veto of this just bill, which was intended to right an ancient wrong, for there was never a more just claim against the Government. It is more than a just claim; it is a sacred obligation incurred by the responsible heads of the Government in a very serious crisis.

I ask the Members of the House to look over that extension of remarks, so that they may justify their vote of yesterday.

EXTENSION OF REMARKS

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include letters which I have in my possession and a quotation from the CONGRESSIONAL RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. THORKELSON. Also, Mr. Speaker, I ask unanimous consent to extend my own remarks and to include editorials on aviation from the Washington News.

The SPEAKER pro tempore. Is there objection?

There was no objection.

AREA OF PRODUCTION

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to extend my remarks in the RECORD at this point.

The SPEAKER pro tempore. That was done once here yesterday, but I cannot agree to have that done any more. I made a statement upon the floor of the House 2 months ago in which I said that objection would be made to an extension of remarks before the legislative program of the day was taken up, and I shall have to object to the gentleman's request.

Mr. JOHNS. Very well, Mr. Speaker; I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. JOHNS. Mr. Speaker, I do this to call attention to a telegram which I have received from Edward A. O'Neal, president of the American Farm Bureau Federation, and a letter received from Charles W. Holman, secretary of the National Cooperative Milk Producers' Federation. They are in favor of the Barden amendments to the Wage and Hour Act, because they feel that is the only way they can come out whole on the cost of their products, where their markets have been taken away from them, they claim, by the trade treaties, and the amount of trouble they have during the rush season in many processing industries.

I ask unanimous consent to extend my remarks in the RECORD by inserting the telegram and letter referred to.

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my remarks in two particulars; in one to print a letter having to do with the rights of seamen, and the other having to do with the wage and hour law.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that on Monday next, following the legislative program of the day and any other special orders, I may be allowed to address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent for two extensions of my remarks: One to extend my remarks on the bill H. R. 289, and the other to extend my remarks and include a letter from the Air Line Pilots' Association.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

WHAT THE COMMON PEOPLE THINK

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, I hold in my hand a little piece of paper about 2 inches wide and 3 inches long. It is a letter that was sent to me by one of my constituents who is one of the common people and a coal miner and small farmer. I want the Congress to know what the common people think and what they say. On this paper is written a great speech. On it is written a most profound sermon; and if I can read it within the time, I will do so. It is as follows:

MR. JENKINS: There are a lot of people that can and would make their own way if the Government would just let them alone. Too much dictatorship in the Government now. A man can't dig and sell a ton of coal on his own farm without having vendor license and make out reports and have them notarized and make yearly reports, and get bushels of Government paper telling him what to do. We don't want the Government to discourage all small and large business. Let the American flag mean to us what it did 60 years ago, a free country. Let's vote it straight Republican; and if that don't make it better, I will give up. I may be wrong, but don't think I am. Do all you can for the poor that can't help themselves.

[Applause.]

Mr. Speaker, I am glad to bring this bit of safe statesmanship and correct economy and sound theology to your attention. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks and include two letters.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mrs. NORTON. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mrs. NORTON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 87]

Alexander	Disney	Lea	Shafer, Mich.
Allen, Ill.	Douglas	McMillan, Clara	Sheppard
Boren	Durham	Martin, Ill.	Sheridan
Buckley, N. Y.	Fitzpatrick	Merritt	Short
Burgin	Gilchrist	Miller	Smith, Ill.
Caldwell	Goodwin	Moser	Smith, Va.
Casey, Mass.	Hancock	Murdock, Utah	Starnes, Ala.
Chapman	Hendricks	Oliver	Steagall
Claypool	Hennings	Osmers	Sweeney
Connery	Hill	Plumley	Voorhis, Calif.
Crowther	Jarman	Reece, Tenn.	Wheat
Culkin	Johnson, Ind.	Rogers, Okla.	Whelchel
Darrow	Keller	Schulte	White, Idaho
Dies	Kirwan	Seccombe	White, Ohio

The SPEAKER pro tempore. Three hundred and seventy-four Members have answered to their names, a quorum.

Mr. COOPER. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

PRIVILEGES OF THE HOUSE

Mr. HOFFMAN. Mr. Speaker, a point of order. I rise to a question of the privilege of the House.

The SPEAKER pro tempore. The gentleman will state the point of order.

Mr. HOFFMAN. Mr. Speaker, I rise to a question of the privilege of the House and will offer a resolution which I will send to the Clerk's desk.

Mr. Speaker, on yesterday, April 25, while the House was in session and had under consideration House Resolution 289, the gentleman from the Second Congressional District of Georgia, under the rules of the House, had the floor.

The official transcript shows that, at that time and while speaking to said resolution, certain proceedings occurred in the House during which certain remarks were made by the gentleman from the Second District of Georgia, which had reference to the gentleman from the Twelfth District of Michigan.

That, thereafter, the gentleman from the Twelfth District of Michigan demanded that the words of the gentleman from the Second District of Georgia be taken down; that the words which had been used were taken down; that they were reported by the Clerk of the House to the House; that the Speaker of the House thereupon made a ruling with reference thereto, and that, thereafter, a motion was made by the gentleman from the Twelfth District of Massachusetts; that said motion was put by the Speaker; that a vote was taken thereon and that the Speaker announced that said motion was adopted and that, thereafter, proceedings of the House were taken in accordance with said motion; and that all of the proceedings hereinbefore referred to are a part of the official records of the House, except such parts thereof as were properly withdrawn under a unanimous-consent request made by the gentleman from the Second District of Georgia—RECORD, p. 5052—when the following occurred:

> Mr. COX. Mr. Speaker, in view of the ruling of the Speaker pro tempore, I ask unanimous consent that I may withdraw certain remarks I made this afternoon to which objection was raised.
>
> The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia [Mr. COX]?
>
> There was no objection.

It further appears from the CONGRESSIONAL RECORD, pages 5046 to 5647, that the CONGRESSIONAL RECORD, which is the official record of the House, does not contain the demand of the gentleman from the Twelfth District of Michigan that the words uttered by the gentleman from the Second District of Georgia be taken down. It does not contain the report of the Clerk of the House. It does not contain the ruling of the Speaker thereon.

It does not contain the motion of the gentleman from Massachusetts. It does not contain the record of the vote on said motion. It does not contain the announcement of the Speaker of the result of said motion nor the action of the House thereon.

That the omission of said matters to which reference has just been made results in an inaccurate record of the proceedings of the House on yesterday, April 25; that the omission reflects upon the integrity of the records of the House and that the record, as printed, is not a true, accurate record of the proceedings of the House as of yesterday and, if permitted to stand as the record of the House, will, in view of the fact that the public is aware that the CONGRESSIONAL RECORD is not now a true and an accurate statement of the proceedings of the House as of yesterday, tend to bring the House into disrepute.

Now, Mr. Speaker, we have had examples——

Mr. RANKIN. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. RANKIN. When a Member rises to a question of the privilege of the House he must first offer a resolution before addressing the Chair. I make the point of order that this has not been done.

The SPEAKER pro tempore. That, of course, is correct.

Mr. COX. Mr. Speaker, if the gentleman will yield to me——

The SPEAKER pro tempore. Does the gentleman from Michigan yield to the gentleman from Georgia or not?

Mr. COX. If the gentleman will yield to me we can probably clear up the situation to his satisfaction—if he will yield to me for a brief statement.

Mr. HOFFMAN. I yield for a statement.

Mr. COX. Mr. Speaker, a copy of the remarks I made in the House on yesterday came to my office late in the afternoon, about the time I was going out with friends for dinner. I did not undertake to correct them until later in the evening. I hurriedly went over them and when I came to this part of the address I noticed that the proceedings to which the gentleman refers had been stricken out. I did not strike them out. As a matter of fact, I did not go over that part of the RECORD. I simply accepted what somebody else had done and passed on over the remainder of my remarks.

In view of what the gentleman says, I wish he would yield to me to ask unanimous consent to reinsert in the RECORD the entire proceedings with the exception of my remarks which were held to be out of order—and, I am willing to admit, properly so—to withdraw which I obtained unanimous consent later in the afternoon.

Mr. SCHAFER of Wisconsin. Mr. Speaker, reserving the right to object, in view of the statements of the gentleman from Georgia and the gentleman from Michigan, I believe the House should find out who did strike the remarks in question before we ask that they be reinserted.

Mr. HOFFMAN. Mr. Speaker, I refuse to yield further at this point.

Mr. COX. I made a perfectly honest statement about it.

The SPEAKER pro tempore. The Chair will state——

Mr. HOFFMAN. I would like a ruling on my question.

The SPEAKER pro tempore. A ruling cannot be made yet, for no resolution has been offered.

The Chair remembers very definitely that the gentleman from Georgia asked unanimous consent after we got back in the House yesterday to strike from the RECORD his remarks concerning the gentleman from Michigan.

Mr. COX. I felt that the House should grant that request on my part particularly because of the ruling of the Chair. But the gentleman is unquestionably right in the position he takes this morning. There are certain parts of the RECORD that should not have been deleted, and I am asking unanimous consent that the entire proceedings be put back in the RECORD, other than the deletion of my remarks.

The SPEAKER pro tempore. The gentleman from Georgia submits a unanimous-consent request. Is there objection?

Mr. HOFFMAN. I object, Mr. Speaker. I ask a ruling on the question of the privilege of the House I have raised.

Mr. RANKIN. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman from Michigan has not offered any resolution yet.

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOFFMAN. Must I offer a resolution in order to have the question of the privilege of the House passed upon?

The SPEAKER pro tempore. In order to raise that question a resolution must be offered. The gentleman from Mississippi has made the point of order that no resolution has been offered.

Mr. HOFFMAN. Very well, I offer such a resolution.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

> Whereas the CONGRESSIONAL RECORD of April 25, 1940, is not, on pages 5046 to 5051, inclusive, a true and accurate record of the proceedings that took place on the floor of the House on yesterday, in that there is omitted therefrom a demand which was made on the floor of the House by the gentleman from the Twelfth Congressional District of Michigan that certain words uttered on the floor of the House by the gentleman from the Second District of Georgia be taken down, and, there is omitted therefrom, the ruling of the Speaker upon such demand, and there is omitted therefrom a motion which was made by the gentleman from the Twelfth District of Massachusetts, and there is omitted therefrom the vote taken on

said motion, and there is omitted therefrom the result of said vote and the subsequent direction of the Speaker to the gentleman from Georgia to continue: Now, therefore, be it

Resolved, That the RECORD of the House be corrected and that the proceedings above referred to be printed therein.

Mr. HOFFMAN. Mr. Speaker, I demand recognition on the resolution.

The SPEAKER pro tempore. The gentleman is recognized.

Mr. HOFFMAN. For how long?

The SPEAKER pro tempore. For 1 hour if the gentleman desires.

Mr. HOFFMAN. Mr. Speaker, it is a strange procedure where after for more than 3 or 4 or almost 6 years, during which this House has been asked to delegate its power to the administration or the executive branch of the Government, where after the executive branch had made an assault upon the courts and endeavored to influence the judicial procedure of the courts——

Mr. RANKIN. Mr. Speaker, I make the point of order that the gentleman from Michigan [Mr. HOFFMAN] should confine his remarks to the resolution.

The regular order was demanded.

The SPEAKER pro tempore. The gentleman from Mississippi is seeking to make a point of order.

Mr. RANKIN. Mr. Speaker, I make the point of order that the gentleman from Michigan has no right to go out of his way and attack the administration. He must confine his remarks to his resolution.

Mr. HOFFMAN. I recognize that fact, but since when in this country is a Member of the House denied the right on the floor of the House to attack the opposition? Such a denial of the right of criticism is the correct procedure in Russia and in Germany, but I am not aware that that is the proper procedure here in this House.

The SPEAKER pro tempore. The point of order is well taken, and the gentleman from Michigan [Mr. HOFFMAN] will proceed in order.

Mr. HOFFMAN. That is what I am trying to do.

Mr. COX. Will the gentleman yield to me?

Mr. HOFFMAN. Not now. I am calling the attention of the House to the seriousness of this question of procedure. Where in a country which is supposed to be free, where in a country after 7 years it is almost impossible for a man to carry on his business, where the Supreme Court of the United States has said that the remedy, if there is a remedy, when a man's business is destroyed, rests with Congress.

Note the language from the decision of the United States Circuit Court of Appeals for the District of Columbia in *Fur Workers Union, Local No. 72, et al.*, v. *Fur Workers Union, No. 21238, and H. Zirkin & Sons, Inc.* (decided March 27, 1939, and reported in 105 Fed. (2d) 1, and afterward affirmed by the United States Supreme Court on December 11, 1939). This is the language of the circuit court of appeals:

> The argument is that unless injunction can issue in such a situation, the employer may well, for lack of other remedy, see his business destroyed. * * *
>
> It is clear further that in such a situation there is no remedy for the employer under the National Labor Relations Act. * * *
>
> The result is an inequality before the law as between an employer and employees in this particular, namely, that while the employer has a substantive right to carry on his business, he lacks a legal remedy for protecting the same against injury through the struggle of competing unions.

And the court then said:

> Such argument of hardship must be addressed to Congress.

The circuit court of appeals, in a decision affirmed by the United States Supreme Court, having told us that a man's business might be destroyed; that the Court could not, or at least would not, protect him; and that his remedy was with Congress, is it not incumbent upon us to protect the record of our proceedings? To insist that the CONGRESSIONAL RECORD shows what happens here in Congress day by day? That it be a truthful account of the doings of the representatives of the people?

Mr. SABATH. Mr. Speaker, I make the point of order that the gentleman is not confining himself to the resolution.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. HOFFMAN] will proceed in order.

Mr. HOFFMAN. I regret very much that the gentleman, who comes from that very, very small district in the city of Chicago, and who represents so very, very few people in Illinois, should object to a statement of the reasons why it is important that the RECORD of the House should truthfully set forth the proceedings of the House. When interrupted, what I was trying to say was this: When, after the Supreme Court in two decisions has stated that under the legislation passed by this body the business of a man—and they stated it in a case which involved a Washington resident—might be ruined and taken from him, and that the courts had no authority or no power to extend aid and that the remedy rests with Congress——

Mr. BULWINKLE. Mr. Speaker, I dislike to make a point of order, but the House has certain rules, and the gentleman who is trying to enforce the rules of the House should be governed by the rules of the House.

Mr. HOFFMAN. I agree, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. HOFFMAN] was not proceeding in order when the gentleman from North Carolina [Mr. BULWINKLE] made the point of order.

Mr. HOFFMAN. You mean in laying the foundation, in attempting to show the necessity of the RECORD of the House being a true and an accurate account of the proceedings of the House, I am not in order?

The SPEAKER pro tempore. The Chair has ruled and does not desire to argue with the gentleman.

Mr. HOFFMAN. I beg the Chair's pardon. I do not want to argue, I only want to state the reasons for the introduction of the resolution, the purpose which it seeks to accomplish, the necessity for the House taking action on the matter.

The SPEAKER pro tempore. The gentleman was not proceeding in order and the Chair now asks for the third time that the gentleman proceed in order.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. HOFFMAN. In just a minute. All I am attempting to do, and I hope I may have intelligence enough to proceed in order——

Mr. BULWINKLE. I hope so, too.

Mr. HOFFMAN. Is to show—I object to the gentleman interrupting me, when he violates the rules of the House by speaking without recognition from the Chair and at a time when I had not yielded to him.

Mr. SCHAFER of Wisconsin. Mr. Speaker, the gentleman from North Carolina [Mr. BULWINKLE] is out of order.

The SPEAKER pro tempore. The gentleman is out of order. The Gentleman from Michigan [Mr. HOFFMAN] will proceed in order.

Mr. SCHAFER of Wisconsin. Will the gentleman yield for a question?

Mr. HOFFMAN. I yield for a question.

Mr. SCHAFER of Wisconsin. The question raised by the gentleman is a highly important one, particularly from the viewpoint of those who believe in our American constitutional system of Government. Of course, the New Deal bureaucrats who want to regulate everything used or done by man from the cradle to the grave, with or without constitutional sanction, might not think so. In view of its importance and in view of the fact that our colleague, the gentleman from Georgia [Mr. COX], has indicated that he had nothing to do with striking out vital parts of yesterday's daily CONGRESSIONAL RECORD, do you not think it would be well for the gentleman from Michigan to yield now to ascertain whether any other Member of this House had anything to do with striking out those vital parts? The RECORD today reveals that the gentleman from Georgia [Mr. COX] had nothing to do with it. He is an honorable gentleman and we do not want these proceedings to directly or indirectly indicate he did, because we know that he believes in our American constitutional system of government,

even though John L. Lewis, who has some people in his vest pocket, apparently does not.

Mr. MAY. Will the gentleman yield for a parliamentary inquiry?

Mr. HOFFMAN. I decline to yield.

In reply to the observation of the gentleman from Wisconsin, there is no intimation on my part, none whatever, that the gentleman from the Second District of Georgia left these remarks out of the RECORD. I made no such charge because I know that the gentleman from Georgia, who is always speaking in favor of constitutional government, the integrity of the courts and the records of the courts, would not think of such a procedure. I have not the slightest doubt he would be the first, had he noticed it, to raise the question, showing that the RECORD of the House as printed this morning is not a true record of what happened. The point which I wish to call to the attention of the House is this, that in this day and age when we have so much information as to what is happening in this Government of ours, and when we have so many of what to many of us seem to be strange rulings of the departments, of administrators; and when we have the governmental agencies making rulings which have the force of law——

Mr. RANKIN. Now, Mr. Speaker, I make the point of order that the gentleman is out of order.

Mr. HOFFMAN. Which are in fact legislation, that it is highly important, it is of supreme importance, and I hope the gentleman from Mississippi understands what I am trying to say—which is that the RECORD of the House should be a true statement of motions made and votes taken in the House—which the printed RECORD this morning is not.

Mr. RANKIN. No; I never have understood what the gentleman is trying to do, I am sorry to say.

Mr. HOFFMAN. He would be the first to insist that the daily RECORD——

Mr. RANKIN. That is what I am trying to do.

Mr. Speaker, I renew my point of order. The gentleman has a resolution. He has the right to speak to that resolution only, and not to go outside and attack the administration and to make a political speech. I make the point of order that he is out of order and has violated the ruling of the Chair.

The SPEAKER pro tempore. The Chair once more desires to call the attention of the gentleman from Michigan to the fact that he must proceed in order and speak to the matter at hand. The Chair trusts that under the rules that is all that will be necessary for the Chair to say. The gentleman will proceed in order and discuss his resolution.

Mr. COX. Mr. Speaker, will not the gentleman yield to me at this moment?

Mr. HOFFMAN. Not at this time.

Mr. Speaker, I am trying to proceed in order and discuss the resolution. If the only way that a resolution can be discussed is to repeat the words of the resolution, then that is a new method of debate to me. I had always supposed that, when a resolution was offered, you could go back and show the facts on which it was based, the reasons for the resolution, and the purpose of the resolution.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I will yield to the gentleman from Wisconsin for a brief question.

Mr. KEEFE. May I say to the Members of the House and to the gentleman that I think it is the general consensus of opinion of every Member of the House that the point of order and the question of privilege raised by the gentleman from Michigan is very sound, and that the question involved is highly important, in order that the integrity of the CONGRESSIONAL RECORD may be maintained. Now, it seems to me that the gentleman from Michigan has very clearly presented the issue, and I do not believe that more can be accomplished than to have the opinion of the House clearly manifested by restoring the RECORD so that it will show clearly and exactly what transpired yesterday in the proceedings of this House. I trust that the House will speedily adopt this resolution so that the RECORD may clearly demonstrate the proceedings which took place.

Mr. GAVAGAN. A point of order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GAVAGAN. Mr. Speaker, the gentleman from Michigan yielded to the gentleman from Wisconsin for a point of order, but instead of——

Mr. HOFFMAN. Oh, no.

Mr. KEEFE. Oh, no.

The SPEAKER pro tempore. As the Chair understood it, the gentleman from Michigan yielded to the gentleman from Wisconsin for a statement.

Mr. HOFFMAN. A question.

Mr. GAVAGAN. I understood the gentleman from Wisconsin to ask the gentleman to yield for a question. Instead, he is making a speech.

The SPEAKER pro tempore. The time is under the control of the gentleman from Michigan, and he can yield to whom he pleases.

Mr. KEEFE. May I ask the gentleman from Michigan at this time whether or not the purpose of his question of privilege will not be served by having the House speedily adopt this resolution and restore the RECORD to its position as it took place on the floor of the House yesterday, or by adopting the unanimous-consent request of the gentleman from Georgia?

Mr. COX. Mr. Speaker, will the gentleman yield to me? Will my friend from Michigan yield to me?

Mr. HOFFMAN. Not just now.

Mr. COX. I think you ought to yield at this time.

Mr. HOFFMAN. I know you and I sometimes disagree. I regret I cannot yield now.

Mr. COX. Not always.

Mr. HOFFMAN. No; just once in awhile we disagree.

Mr. COX. And we are not in disagreement on the point which you raise.

Mr. HOFFMAN. I am sure of that.

Mr. MICHENER rose.

Mr. HOFFMAN. I yield to the gentleman from Michigan.

Mr. MICHENER. I have not read the resolution; I heard it read. It seems clear that there is nothing in the resolution but what is proper, and there is nothing in the resolution but what the Speaker will find is correct. That being true, will not the gentleman yield to me or to someone to ask unanimous consent that the RECORD be corrected according to what transpired?

Mr. HOFFMAN. In answer to the gentleman, I recall that not so long ago we had another question before us involving the integrity of the House, and that after that question had been referred to a committee certain proceedings were taken and the objectionable matter was withdrawn, but later the same matter was referred to again on the floor of the House, and later part of it found its way into the newspapers. It seems to me that if the House really wants the RECORD to show what actually happened, action by the House should be taken. I hope there is no misunderstanding now, and I, too, think that the best interests of everyone will be served if we get to a speedy determination. I am going to contribute something toward that idea.

Let me here restate the matter which was omitted from the RECORD. From yesterday's proceedings on the floor was omitted, first, a demand which was made on the floor of the House by the gentleman from the Twelfth Congressional District of Michigan that certain words uttered on the floor of the House by the gentleman from the Second District of Georgia be taken down; second, the ruling of the Speaker upon such demand; third, a motion which was made by the gentleman from the Twelfth District of Massachusetts; fourth, the vote taken on said motion; and, fifth, the result of said vote and the subsequent direction of the Speaker to the gentleman from Georgia to continue.

Does the House realize that out of the RECORD was left the vote on the motion made in the House and adopted? If from the printed RECORD of the proceedings of the House may be omitted a motion made in the House, the vote by which that motion was adopted, then there is no reason why it would not

be proper to omit from the proceedings of the House the motion to adopt the resolution which was adopted yesterday, and the roll call on that resolution, or any other motion or resolution or vote thereon.

It does seem to me that the House should express itself on this resolution, and therefore I will ask for a vote, and I move the previous question on the resolution and demand the yeas and nays on it.

Mr. COX. Now, Mr. Speaker, will the gentleman yield to me before he yields the floor?

The SPEAKER pro tempore. The gentleman from Michigan moves the previous question on his resolution.

The question was taken; and on a division (demanded by Mr. HOFFMAN) there were—ayes 102, noes 139.

So the previous question was rejected.

Mr. COX. Mr. Speaker, may I have recognition?

The SPEAKER pro tempore. The gentleman from Georgia is recognized.

Mr. COX. Mr. Speaker and my colleagues, blame properly attaches to me for not having examined that part of the RECORD which was stricken when my remarks came to me. If I had gone over it, of course, I would have recognized that there were parts that were stricken out that should have remained. I concede, of course, that the gentleman from Michigan is correct in the position he takes; that is, that there are parts of the RECORD deleted that should have remained in and ought to be in. It was for that reason that I asked unanimous consent that the entire proceedings be restored with the exception of my remarks which were withdrawn, and, as I stated to the House, I asked unanimous consent to withdraw them because of the ruling of the Chair and, therefore, felt that I owed that much to the aggrieved party and to the House, and I do now. Mr. Speaker, I ask unanimous consent to restore the matter stricken from the RECORD.

Mr. HOOK, Mr. RANKIN, and Mr. MAAS reserved the right to object.

The SPEAKER pro tempore. Let the Chair put the question. The gentleman from Georgia asks unanimous consent that the matter referred to be restored to the RECORD. Is there objection to the request of the gentleman from Georgia?

Mr. HOOK and Mr. MAAS reserved the right to object.

The SPEAKER pro tempore. The Chair will recognize the gentleman from Michigan [Mr. HOOK].

Mr. RANKIN. A parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. RANKIN. As a matter of fact, and under the rules of the House, without going through all this hullaballoo, could not this have been corrected if the gentleman from Michigan had merely made a point of order that this material should go into the permanent RECORD and should not have been inadvertently stricken out?

The SPEAKER pro tempore. It would have taken some action by the House and the gentleman from Georgia made a request which would have done it. The gentleman from Georgia has the floor and the gentleman from Michigan [Mr. HOOK] has reserved the right to object.

Mr. HOOK. Reserving the right to object, Mr. Speaker, and I shall not object, it seems as though this controversy here involves a situation that arose concerning myself, and certain remarks by the gentleman from Georgia [Mr. COX]. You are well aware of the action of the speaker with regard thereto. Now, I feel this way about it. I am ready and willing to adopt the Golden Rule and do unto others as I would expect others to do unto me, even though that rule was not applied on a previous occasion in which I was also the center of the storm. I hope that the controversy over this affair will not reach the low level that was reached at that time. It is my honest opinion that this resolution was brought in here for the purpose of bringing about further discussion of the controversy that happened yesterday. I am not a party to this resolution. I think it is an unnecessary interruption of the business of the House. This controversy should be ended right now. I therefore will not object to the request. Hereafter let the rules of the House be adhered to and avoid such affairs as this.

Mr. MARTIN of Massachusetts. Mr. Speaker, I believe the gentleman from Michigan should confine himself to the facts and not to what he believes.

The SPEAKER pro tempore. The gentleman from Michigan will proceed in order.

Mr. HOOK. I therefore shall not object.

Mr. MAAS. Reserving the right to object, Mr. Speaker, does the gentleman from Georgia know who did strike out the pertinent parts of the RECORD?

Mr. COX. I have no more idea than the gentleman himself.

Mr. MAAS. Can the gentleman tell us who it was that initialed the copy prior to the gentleman receiving it?

Mr. COX. I do not recall.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

Mr. SCHAFER of Wisconsin. Mr. Speaker, I reserve the right to object. Does not the gentleman believe that the House should determine who attempted to sabotage yesterday's CONGRESSIONAL RECORD?

Mr. COX. I think that question might properly be brought up under a resolution to investigate.

Mr. SCHAFER of Wisconsin. It is a very important question to determine.

Mr. COX. Probably so. I am sure that nobody intended to do anything wrong.

Mr. SCHAFER of Wisconsin. I am very glad that the gentleman had nothing to do with it and I shall not object to his request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER pro tempore. Does the gentleman from Michigan withdraw his resolution?

Mr. HOFFMAN. Mr. Speaker, inasmuch as unanimous consent is granted and it accomplishes the same purpose, I see no object in pressing the resolution. I withdraw the resolution.

PHOSPHATE RESOURCES OF THE UNITED STATES

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 199, amending Public Resolution Numbered 112 of the Seventy-fifth Congress and Public Resolution Numbered 48 of the Seventy-sixth Congress, and consider the same at this time.

The SPEAKER pro tempore. The gentleman from Florida asks unanimous consent to take from the Speaker's table Senate Joint Resolution 199 and consider the same. The Clerk will report the joint resolution.

The Clerk read as follows:

Resolved, etc., That the life of the committee provided for by Public Resolution No. 112 of the Seventy-fifth Congress, creating a Joint Congressional Committee to Investigate the Adequacy and Use of the Phosphate Resources of the United States, and Public Resolution No. 48 of the Seventy-sixth Congress, and the time for making its final report, is extended to January 15, 1941.

The SPEAKER pro tempore. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. As I understand it, this merely continues this investigation.

Mr. PETERSON of Florida. That is correct.

Mr. MARTIN of Massachusetts. And the committee has not expended the fund?

Mr. PETERSON of Florida. No. The original report states that we have expended none of the funds, and we will keep within the amount allowed.

Mr. MARTIN of Massachusetts. I have no objection.

Mr. CASE of South Dakota. Mr. Speaker, further reserving the right to object, is it not true that the only reason that the committee was prevented from completing its work and making its report was because of the special session last fall?

Mr. PETERSON of Florida. Yes; otherwise we would have completed our work.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. SABATH. Mr. Speaker, I reserve the right to object.

Mr. PETERSON of Florida. Mr. Speaker, this resolution was reported out originally by the gentleman's committee. We have kept within the funds allowed. In fact, we have not spent any of the funds, and we are merely asking that the date be moved up within which to make a report. The Senate passed this Monday last.

Mr. SABATH. What resolution is it?

Mr. PETERSON of Florida. It merely extends the time within which we may make our report.

The regular order was demanded.

The SPEAKER pro tempore. Is there objection?

Mr. SABATH. Mr. Speaker, I reserve the right to object.

The SPEAKER pro tempore. The regular order is demanded. Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on the third reading of the Senate joint resolution.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MAAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a telegram from Pilot Ted Jonson, of the American Air Lines.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in connection with the memorial exercises for Representative CLYDE H. SMITH, of Maine, and to include therein the tributes paid to his service at the exercises in his memory at Skowhegan, Maine; also an address delivered by Representative SMITH as a young man of 21, when a member of the Maine Legislature, at memorial exercises for Hon. Thomas B. Reed, a former Representative from Maine and a former Speaker of the House.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in two respects.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article from the magazine American Mercury, by Stanley High.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House, by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On April 23, 1940:

H. R. 2041. An act for the relief of Tom Kelly.

On April 25, 1940:

H. R. 6039. An act to amend laws for preventing collisions of vessels, to regulate equipment of certain motorboats on the navigable waters of the United States, and for other purposes;

H. R. 6693. An act to amend provisions of law relating to the use of private vehicles for official travel in order to effect economy and better administration; and

H. J. Res. 289. Joint resolution to amend section 5 of Public Law No. 360, Sixty-sixth Congress.

EXTENSION OF REMARKS

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject of flood control, soil, and water conservation.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

OBSERVANCE AND COMMEMORATION OF AMERICAN CITIZENSHIP DAY

Mr. SUMNERS of Texas. Mr. Speaker, I call up the conference report on the resolution (H. J. Res. 437) authorizing the President of the United States of America to proclaim Citizenship Day, for the recognition, observance, and commemoration of American citizenship.

The Clerk read the title of the House joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the Joint Resolution (H. J. Res. 437) authorizing the President of the United States of America to proclaim Citizenship Day for the recognition, observance, and commemoration of American citizenship, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the Senate amendments, and agree to the same.

HATTON W. SUMNERS,
SAM HOBBS,
U. S. GUYER,
Managers on the part of the House.

ALBERT B. CHANDLER,
JNO. E. MILLER,
ALEXANDER WILEY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 437) authorizing the President of the United States of America to proclaim Citizenship Day for the recognition, observance, and commemoration of American citizenship, submit the following explanation of the effect of the action agreed upon in conference, and recommended in the accompanying conference report:

The Senate amendment to the preamble simply omitted the word "voting" before the word "age", in the first paragraph of the preamble. The House agrees to this amendment.

The Senate amendment to the joint resolution added after the word "citizenship" at the end of the first paragraph, the following: ", and the day shall be designated as 'I Am an American Day.'"

The House conferees were of the opinion that this amendment was not objectionable because the prime purpose of the joint resolution is to emphasize the privileges and responsibilities of being an American citizen. The House agrees to this amendment.

The Senate amendment to the title merely conformed the title of the joint resolution to the designation "I Am an American", and the House agrees to this amendment.

HATTON W. SUMNERS,
SAM HOBBS,
U. S. GUYER,
Managers on the part of the House.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

Mr. CASE of South Dakota. Mr. Speaker, I would like to ask the chairman of the Judiciary Committee if any consideration was given by the committee to the fact of the day that is designated. As I understand it, this calls for the setting aside of a certain day as Citizenship Day. It occurred to me when reading the debate in the RECORD that some consideration should have been given to the setting of some day other than Sunday.

Mr. SUMNERS of Texas. I had assured the Speaker that this matter would not take up any time. I will ask the gentleman from Alabama [Mr. HOBBS] if he will make a statement for the gentleman.

Mr. HOBBS. Mr. Speaker, as requested by the distinguished gentleman from South Dakota [Mr. CASE], I am happy to make this statement with reference to the date fixed for "I am an American Day."

This matter was given consideration not only by the authors of the bill, but also by the subcommittees, the full committees, by the Senate and by the conferees. So much so, in fact, that the date was changed several times. But

the changes of the date were not for the reason which the careful and conscientious legislator from South Dakota has just told me, actuated his interrogation.

He rose because of his doubt of the wisdom and propriety of prescribing Sunday as the day for the observance.

I honor him for raising the question.

The Lord's day is not ours to use for secular purposes. It is a holy day—not a holiday. It must not be desecrated.

Nor should we be unmindful of our traditional and honored American doctrine of separation of church and state.

But none of us who have worked on this bill believes for a moment that there is even the possibility of desecration implicit in the observance here ordained. We hold, rather, that this observance will prove a hallowed and deeply religious exercise. It must, if the ideology back of it governs. It means consecration—not desecration.

Separation of church and state has never meant that the influence of the church was not desired in affairs of state. Nothing is more so. In truth, that uplifting influence working in the hearts and lives of all men is the only hope of the world.

The Constitution inhibits only the establishment of religion by law. It guarantees religious freedom—not that religion shall be aloof from life.

The author of the Virginia statute for religious freedom proved by his hope of divine guidance of our Nation by joining Franklin and Adams in designing our first currency with the pillars of cloud and of fire prominently depicted thereon.

Every nation needs statesmen who are churchmen; churchmen who are statesmen; a citizenship that means what our coinage proclaims, "In God we trust."

So, by all means, let us not secularize Sunday but use its holy power to uplift and consecrate citizenship. There must never be here a state church nor a church state, but let us invite, welcome, and utilize the help of every church in building a better state.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an address delivered by Senator BRIDGES, of New Hampshire.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks and include a telegram from Moss Peterson Southwestern Division Air Congress of America.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter addressed to me by Prof. Comfort A. Adams, former dean of the Harvard School of Engineering.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a resolution passed by the Western Association of Highway Officials.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

INCREASE OF PENSIONS TO CERTAIN WIDOWS OF VETERANS OF THE CIVIL WAR—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 710)

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States, which was read by the Clerk:

To the House of Representatives:

I am returning herewith, without approval, H. R. 6901, entitled "An act granting increase of pensions to certain widows of veterans of the Civil War."

The bill provides increased pensions to 362 widows of veterans of the Civil War at rates in excess of those provided for these widows by existing public or private laws.

The Veterans' Administration was not requested to furnish a report to either committee of the Congress having jurisdiction of this bill during its consideration by the committees.

Several of the widows named in the bill have been granted increases by reason of attaining age 70 under the provisions of existing public law since this bill was first reported in 1939. A small number will become eligible in the future for increases under the same conditions. As to the private act cases which would be increased to $30 per month, eligibility under existing service pension laws does not exist because of the delimiting marriage date.

The existing service pension law provides a $50 monthly pension for a Civil War veteran's widow provided she was the wife of the veteran during his Civil War service. The bill would provide increases from $40 to $50 per month for 346 widows who are not eligible for such $50 rate under public law and who are receiving $40 per month because of attainment of age 70.

It is quite evident that the Congress was impressed by the advanced age, economic condition, and physical infirmities of this group. Such considerations incite the greatest sympathy and would be impelling were it not for the fact that this group of 362 widows is only a small part of the total number of 50,017 Civil War widows on the rolls March 31, 1940, many of whom would no doubt be found to be in similar circumstances and merit equal consideration and treatment. To single out this small group for special consideration would cause dissatisfaction and disappointment unless equal treatment were afforded similar meritorious cases.

To advance the 346 widows of veterans to the $50 rate who were not married to the veterans when they served will, at this late date, depreciate the status the Congress has seen fit in the past to grant to a very meritorius group. Further, the rate of $50 per month exceeds the highest rate granted to widows of veterans who have died in combat or otherwise as the result of service-connected disabilities, which, I believe, cannot be justified, no matter how impelling our sympathies may be for those who would benefit by this proposed legislation.

The increased annual cost of this bill is insignificant standing alone but the principle involved and inequalities created are of much importance. Should the bill be approved, to be fair, it would be necessary to grant similar increases to many more on the rolls.

In my opinion, our Government has been fairly generous in providing pensions for the Civil War group through the enactment of public laws providing standards under which all veterans and dependents are treated alike under similar circumstances. I do not feel that individuals should be granted benefits to which they are not entitled under the public laws unless it is clearly shown that the facts and circumstances surrounding the individual case are unique and justify special consideration.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 25, 1940.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal, and the message and bill printed as a House document.

The question is, Will the House on reconsideration agree to pass the bill, the objections of the President to the contrary notwithstanding?

Mr. LESINSKI. Mr. Speaker, as chairman of the committee which recommended this legislation to the House, I believe it is my duty to offer an explanation of the contents of the bill.

The SPEAKER pro tempore. If the gentleman insists, the Chair will certainly recognize him.

Mr. LESINSKI. Mr. Speaker, in justice to the committee and the Members of the House, I believe that I should make such explanation.

The SPEAKER pro tempore. The gentleman is recognized for 1 hour.

Mr. LESINSKI. Mr. Speaker, H. R. 6901, which was the subject of the veto message, was passed by this House on July 5, 1939. The Senate passed this bill with amendments on April 10, 1940. The House concurred in the Senate amendments on April 15, 1940. This legislation had for its purpose the granting of increase of pensions to certain widows of veterans of the Civil War.

The reason for these increases is that the present law provides that the widow of a Civil War veteran shall receive a pension of $30 and when she attains the age of 70 years the amount is increased to $40 per month. That is the maximum they can receive unless they were married to the veteran during his Civil War service; in such cases they are entitled to $50 per month. I might add that the $30 and $40 rates are paid under the service-pension laws to widows who married the veteran prior to June 27, 1905.

In years past Congress has enacted special acts for such widows who were not capable of caring for themselves and who needed special attention because of mental or physical disabilities. These acts have increased their pensions to $50.

The original House bill carried 341 private bills involving a total cost of $41,148. Already deaths of widows who would be beneficiaries have reduced the cost to $40,428, even before it was considered by the Senate. The Senate amendments added 31 additional pensioners. This brought the cost for the first year of operation to $44,148.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. COCHRAN. The gentleman has referred to the cost of this bill. The President specifically stated in his message that the cost was insignificant. The President lays stress upon the principle involved. The bill takes care of 362 widows out of a total of 50,017. That seems to be the present objection, not the cost.

Mr. LESINSKI. Answering the gentleman from Missouri, I may say that I called on the President last year before any type of bill was considered by the committee. At that time the President very specifically stated that he did not favor general legislation and that meritorious cases could be taken care of by private bills and would be less expensive. That is the reason this bill was presented to the House. As a matter of fact it contained only 341 private bills when it was reported by the committee.

Let us see what increases in pension this bill makes in the case of the widows benefited. One is increased from $15 to $30, 2 increased from $20 to $30, 1 from $26 to $30, 13 from $30 to $40, 2 from $30 to $50, and 322 from $40 to $50.

The majority of these beneficiaries are of advanced age. Of the 341 individuals named in the original bill as reported to the House 264 have attained the age of 80 years or more. Of this group 196 are between the ages of 80 and 89; 66 are between the ages of 90 and 99; and 2 of them are aged 100 years.

The committee in its wisdom felt that people who had reached the age of these widows and who needed special care and attention were entitled to a little higher pension than the existing law provided.

This type of bill has received the approval of the Congress from time to time for the past 40 years and establishes no precedent. I ask that the House do not sustain the President's veto of this very meritorious legislation.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. JOHNSON of Oklahoma. As I understand this bill does not add any names to the list of those now receiving pensions but merely increases the mere pittance they now receive to take care of themselves in their old age.

Mr. LESINSKI. That is correct.

Mr. BOLLES. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. BOLLES. Is it not a fact that whatever amount is appropriated by this bill will be constantly diminished in size?

Mr. LESINSKI. That is correct.

Mr. BOLLES. For instance we cannot expect these 100-year-old widows to live very long.

Mr. LESINSKI. That is correct.

Mr. BOLLES. The same applies to those between 80 and 99.

Mr. LESINSKI. Certainly.

Mr. BOLLES. This action taken by the Committee on Invalid Pensions was taken for the sole purpose of correcting those cases which had been overlooked heretofore.

Mr. LESINSKI. That is correct.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. ROBSION of Kentucky. As I understand the chairman of the committee, all of these persons are now on the pension rolls.

Mr. LESINSKI. That is correct.

Mr. ROBSION of Kentucky. What is the age of the youngest person included in the bill?

Mr. LESINSKI. I am sorry that I cannot give you that information, but the average age of these proposed beneficiaries is 84 years.

Mr. ROBSION of Kentucky. And what is the age of the oldest person?

Mr. LESINSKI. Exactly 100.

Mr. ROBSION of Kentucky. So this applies to a class of people now on the rolls between the ages of 80 and 100 years of age?

Mr. LESINSKI. Correct.

Mr. ROBSION of Kentucky. Are they all needy persons?

Mr. LESINSKI. The committee has a set rule that unless a person is needy we do not recommend an increase in the rate of pension they are receiving.

Mr. ROBSION of Kentucky. Your committee was convinced that every one of these persons between the ages of 80 and 100 are in needy circumstances.

Mr. LESINSKI. That is correct.

Mr. ROBSION of Kentucky. I want to say one word to commend the chairman of this committee and his committee for the fine attitude they take toward the Civil War veterans and other veterans and their dependents. I think his attitude is splendid. I am very much in favor of this bill.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. DONDERO. I will add my commendation to that of the gentleman from Kentucky. I want to ask the gentleman one question. The President seems to think that this bill will open the door to the granting of similar increases to many more widows. Is there anything to that?

Mr. LESINSKI. That is not true because this bill does not set a precedent. The precedent was established 40 years ago.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. SCHAFER of Wisconsin. As a minority member of the committee I want to congratulate the gentleman for bringing to the attention of the House the facts with regard to this meritorious bill. This bill was reported out by a unanimous vote of the committee after thorough and extensive consideration, was it not?

Mr. LESINSKI. That is true.

Mr. SCHAFER of Wisconsin. The President states in the last line of his veto message:

> I do not feel that individuals should be granted benefits to which they are not entitled under the public laws unless it is clearly shown that the facts and circumstances surrounding the individual case are unique and justify special consideration.

Mr. LESINSKI. We believe these cases are justified by the facts set forth in the individual reports which accompanied the bill.

Mr. SCHAFER of Wisconsin. Has not the committee carefully studied all of the bills contained in this omnibus bill?

Mr. LESINSKI. It has.

Mr. SCHAFER of Wisconsin. And the committee has found that these are cases which are unique and justify special consideration?

Mr. LESINSKI. That is correct.

Mr. SCHAFER of Wisconsin. Therefore, following the last line of the President's veto message, this bill should be passed over the President's veto by unanimous vote?

Mr. LESINSKI. I am of the same opinion.

Mr. LUDLOW. Will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Indiana.

Mr. LUDLOW. Under nature's mortality tables, in all probability quite a number of these aged people will pass away before long?

Mr. LESINSKI. The average now is about 13 percent a year and it increases quite rapidly when you get to the widows in the higher-age brackets. I doubt whether many of those named in this bill will live over 2 or 3 years longer.

Mr. LUDLOW. Assuming they all do live, what would be the total charge on the Treasury?

Mr. LESINSKI. It would be $44,148 the first year, and as they die off, of course, it will decrease.

Mr. COSTELLO. Will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from California.

Mr. COSTELLO. Is it not a fact that this pension, as the President states, is going to be far in excess of what any widow of a World War veteran who was killed in the war is receiving at the present time? Do not such widows receive only $30 a month?

Mr. LESINSKI. The widows of World War veterans receive $45 a month if they are past 50 years of age. That was increased not long ago. The widows of World War veterans are not 80, 90, or 100 years old and they do not, as a general rule, need special care.

Mr. COSTELLO. But widows of World War veterans may have far greater expenses than a person who is 80 or 90 years old. While the gentleman states there are only a few affected by this legislation, is it not a fact that there are going to be forty thousand or fifty thousand of these widows who will also come in for the same treatment and the ultimate cost will be very high?

Mr. LESINSKI. I do not agree with the gentleman, because these widows die off in the low-age brackets just as fast and sometimes faster than those in the higher brackets. The record shows that 823 widows of Civil War veterans died this past month.

Mr. COSTELLO. But there is still a large group of them.

Mr. LESINSKI. There is, but the list keeps going down and down.

Mr. BOLLES. There is a constant attrition.

Mr. LESINSKI. Yes.

Mr. BOLLES. And 10 years from now under the mortality tables there will be but one-third of those on the roll left?

Mr. LESINSKI. I personally do not believe there will be one-third.

Mr. BOLLES. We checked that out and found that is the fact.

Mr. IZAC. Will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from California.

Mr. IZAC. Will the gentleman explain to the House how it happens that so many of these widows receive as low as $15 a month?

Mr. LESINSKI. There is only one widow receiving $15 per month in this bill and that rate was granted her by a special act of Congress approved in 1926.

Mr. IZAC. It is obvious these widows have been underpaid all these years?

Mr. LESINSKI. That is true, some of them have.

Mr. VAN ZANDT. Will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. By "private establishment" the gentleman means the Regular Army, Navy, and Marine Corps in times of peace?

Mr. LESINSKI. That is right.

Mr. ROBSION of Kentucky. The President in vetoing H. R. 6901, granting an increase of pension to certain widows of veterans of the Civil War, again in my opinion showed his lack of sympathy for the defenders of our country and their widows and orphans.

The President stated in his veto message that he did not feel that individuals should be granted benefits to which they are not entitled under the public laws unless it is clearly shown that the facts and circumstances surrounding the individual case are unique and justify special consideration.

None of these widows of Union Civil War veterans are receiving more than $40 per month. Some of them are receiving as low as $30 per month. The minimum age of these widows is 80 years, and two of them that would be included in this bill are 100 years old—that is to say, not one of them is less than 80 years of age and two of them are as much as 100 years old. They are all persons in needy circumstances, according to the evidence produced before the Invalid Pensions Committee. They are in need of the aid and attendance of another person. It would be difficult to find a group of aged people more deserving than these aged Civil War widows.

This bill provides a pension of $50 per month for each of them. That will mean very little expense to the Government. Perhaps half of them will be dead within a year, and more than likely none of them will be living in 4 or 5 years from now. It certainly is clearly shown that the facts and circumstances surrounding these individual cases are unique and justify special consideration, and if we follow the language of the President, these widows certainly are entitled to this consideration and the veto of the President should be overruled and the bill passed notwithstanding his veto. It is my pleasure to so express myself and vote to override the President's veto.

This administration has created a very large number of bureaus and commissions and has added approximately 400,000 Federal officeholders. As much as a million dollars has been paid to a single corporation not to produce sugar and cotton. More than $200,000 has been paid to each of a large number of corporations and big landowners not to produce hogs, wheat, corn, cotton, and so forth. It seems to me the small amount carried in this bill to care for the helpless and dependent widows of those who gave their lives or offered their lives to preserve this great Nation should have received the approval of the President instead of his veto. This administration has wasted and squandered billions, and then denies a few thousands of dollars to the widows and orphans of veterans.

The SPEAKER pro tempore. The question is, Will the House on reconsideration agree to pass the bill, the objections of the President to the contrary notwithstanding? The Clerk will call the roll.

The question was taken; and there were—yeas 218, nays 142, not voting 70, as follows:

[Roll No. 88]

YEAS—218

Allen, Ill.	Dworshak	Jennings	Polk
Andersen, H. Carl	Eaton	Jensen	Powers
Anderson, Calif	Elliott	Johns	Rabaut
Anderson, Mo.	Elston	Johnson, Ill.	Reed, Ill.
Andresen, A. H.	Engel	Johnson, Okla.	Reed, N. Y.
Andrews	Englebright	Jones, Ohio	Rees, Kans.
Angell	Evans	Jonkman	Risk
Arends	Fay	Keefe	Robsion, Ky.
Arnold	Fenton	Kelly	Rockefeller
Austin	Fernandez	Kennedy, Martin	Rodgers, Pa.
Ball	Flaherty	Kinzer	Rogers, Mass.
Barnes	Flannagan	Kocialkowski	Routzohn
Barton, N. Y.	Flannery	Kunkel	Rutherford
Bates, Ky.	Ford, Leland M.	Lambertson	Sandager
Bates, Mass.	Fries	Landis	Sasscer
Beam	Gamble	Larrabee	Schaefer, Ill.
Bender	Gartner	Lea	Schafer, Wis.
Blackney	Gearhart	Leavy	Schiffler
Bolles	Gehrmann	LeCompte	Schuetz
Bolton	Geyer, Calif.	Lemke	Secrest
Boykin	Gifford	Lesinski	Seger
Bradley, Mich.	Gillie	Lewis, Ohio	Shanley
Brewster	Goodwin	Ludlow	Shannon
Brown, Ohio	Graham	McAndrews	Smith, Conn.
Buck	Grant, Ind.	McArdle	Smith, Ohio
Buckler, Minn.	Gross	McCormack	Smith, Wash.
Burdick	Guyer, Kans.	McDowell	Spence
Byrne, N. Y.	Gwynne	McGregor	Springer
Cannon, Mo.	Hall, Edwin A.	McKeough	Stearns, N. H.
Carlson	Hall, Leonard W.	McLeod	Stefan
Carter	Halleck	Maas	Sumner, Ill.
Cartwright	Hancock	Maciejewski	Sutphin
Case, S. Dak.	Harness	Magnuson	Sweet
Chiperfield	Hart	Maloney	Taber
Church	Harter, N. Y.	Marcantonio	Talle
Clason	Harter, Ohio	Marshall	Tenerowicz
Clevenger	Hartley	Martin, Iowa	Thill
Cluett	Havenner	Martin, Mass.	Thomas, N. J.
Coffee, Wash.	Hawks	Mason	Thorkelson
Cole, N. Y.	Hendricks	Massingale	Tibbott
Connery	Hess	Michener	Tolan
Corbett	Hinshaw	Mitchell	Treadway
Crawford	Hoffman	Monkiewicz	Van Zandt
Crosser	Holmes	Mott	Vreeland
Crowe	Hook	Mundt	Walter
Crowther	Hope	Murdock, Ariz.	Wheat
Culkin	Horton	Murdock, Utah	Wigglesworth
Cummings	Houston	Murray	Williams, Del.
Curtis	Hull	Myers	Winter
Dempsey	Hunter	O'Brien	Wolcott
Dingell	Izac	O'Connor	Wolverton, N. J.
Dirksen	Jacobsen	Oliver	Woodruff, Mich.
Ditter	Jarrett	Parsons	Youngdahl
Dondero	Jenkins, Ohio	Pittenger	
Dunn	Jenks, N. H.	Plumley	

NAYS—142

Allen, La.	Drewry	Kleberg	Richards
Allen, Pa.	Duncan	Knutson	Robertson
Barden, N. C.	Durham	Kramer	Robinson, Utah
Barry	Eberharter	Lanham	Romjue
Beckworth	Edelstein	Lewis, Colo.	Ryan
Bland	Edmiston	Luce	Sabath
Boehne	Ellis	Lynch	Sacks
Brooks	Ferguson	McGehee	Satterfield
Brown, Ga.	Folger	McLaughlin	Schwert
Bryson	Ford, Miss.	McLean	Sheridan
Byrns, Tenn.	Fulmer	McMillan, John L.	Smith, Va.
Byron	Garrett	Mahon	Snyder
Camp	Gathings	May	Somers, N. Y.
Cannon, Fla.	Gavagan	Miller	South
Casey, Mass.	Gibbs	Mills, Ark.	Sparkman
Celler	Gore	Mills, La.	Sullivan
Clark	Gossett	Monroney	Sumners, Tex.
Cochran	Grant, Ala.	Moser	Tarver
Coffee, Nebr.	Gregory	Nichols	Terry
Colmer	Griffith	Norrell	Thomas, Tex.
Cooley	Hare	Norton	Thomason
Cooper	Hobbs	O'Day	Tinkham
Costello	Johnson, Luther A.	O'Neal	Vincent, Ky.
Courtney	Johnson, Lyndon	O'Toole	Vinson, Ga.
Cox	Johnson, W. Va.	Pace	Vorys, Ohio
Cravens	Jones, Tex.	Patman	Wadsworth
Creal	Kean	Patrick	Ward
Cullen	Kee	Patton	Warren
D'Alesandro	Kefauver	Pearson	Weaver
Darden, Va.	Kennedy, Md.	Peterson, Ga.	West
Davis	Kennedy, Michael	Pfeifer	Whittington
Delaney	Keogh	Poage	Williams, Mo.
DeRouen	Kerr	Ramspeck	Wood
Dickstein	Kilburn	Rankin	Zimmerman
Doughton	Kilday	Rayburn	
Doxey	Kitchens	Rich	

NOT VOTING—70

Alexander	Bloom	Boren	Buckley, N. Y.
Bell	Boland	Bradley, Pa.	Bulwinkle
Burch	Gilchrist	Mouton	Smith, Ill.
Burgin	Green	Nelson	Smith, W. Va.
Caldwell	Harrington	O'Leary	Starnes, Ala.
Chapman	Healey	Osmers	Steagall
Claypool	Hennings	Peterson, Fla.	Sweeney
Cole, Md.	Hill	Pierce	Taylor
Collins	Jarman	Randolph	Voorhis, Calif.
Darrow	Jeffries	Reece, Tenn.	Wallgren
Dies	Johnson, Ind.	Rogers, Okla.	Welch
Disney	Keller	Schulte	Whelchel
Douglas	Kirwan	Scrugham	White, Idaho
Faddis	McGranery	Seccombe	White, Ohio
Fish	McMillan, Clare	Shafer, Mich.	Wolfenden, Pa.
Fitzpatrick	Mansfield	Sheppard	Woodrum, Va.
Ford, Thomas F.	Martin, Ill.	Short	
Gerlach	Merritt	Simpson	

So (two-thirds not having voted in favor thereof) the veto of the President was sustained, and the bill was rejected.

The Clerk announced the following pairs:

General pairs:

Mr. Woodrum of Virginia with Mr. Short.
Mr. Hennings with Mr. Wolfenden of Pennsylvania.
Mr. Dies with Mr. Seccombe.
Mr. Collins with Mr. Reece of Tennessee.
Mr. Burch with Mr. Gilchrist.
Mr. Boland with Mr. Douglas.
Mr. Mahon with Mr. Johnson of Indiana.
Mr. Bulwinkle with Mr. Osmers.
Mr. Nelson with Mr. White of Ohio.
Mr. Chapman with Mr. Murray.
Mr. Randolph with Mr. Fish.
Mr. Faddis with Mr. Darrow.
Mr. Jarman with Mr. Gerlach.
Mr. Starnes of Alabama with Mr. Shafer of Michigan.
Mr. Steagall with Mr. Jeffries.
Mr. Mansfield with Mr. Welch.
Mrs. Clara G. McMillan with Mr. Simpson.
Mr. Caldwell with Mr. Alexander.
Mr. O'Leary with Mr. Green.
Mr. Sweeney with Mr. Keller.
Mr. McGranery with Mr. Bell.
Mr. Mouton with Mr. Claypool.
Mr. Bloom with Mr. Pierce.
Mr. Boren with Mr. Martin of Illinois.
Mr. Peterson of Florida with Mr. Bradley of Pennsylvania.
Mr. Burgin with Mr. Cole of Maryland.
Mr. Schulte with Mr. Harrington.
Mr. Merritt with Mr. Scrugham.
Mr. Wallgren with Mr. Disney.
Mr. Fitzpatrick with Mr. Hill.
Mr. Kirwan with Mr. Voorhis of California.
Mr. Sheppard with Mr. Taylor.
Mr. Healey with Mr. Buckley of New York.

Mr. GROSS and Mr. HOFFMAN changed their votes from "nay" to "yea."

Mr. GARRETT changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The message and the bill, together with the accompanying papers, were referred to the Committee on Invalid Pensions and ordered printed. The Clerk will notify the Senate of the action of the House.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—ALASKAN INTERNATIONAL HIGHWAY COMMISSION (H. DOC. NO. 711)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed with accompanying illustrations:

To the Congress of the United States:

In accordance with the provisions of the act of Congress "to create a commission to be known as the Alaskan International Highway Commission" approved May 31, 1938, I transmit herewith for the information of the Congress, the report of the Commission.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 25, 1940.*

EXTENSION OF REMARKS

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MCCORMACK asked and was given permission to extend his own remarks in the RECORD.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to revise and extend in the RECORD the remarks I expect to make today on the amendments to the Fair Labor Standards Act of 1938 and include therein certain extracts from letters.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ANNOUNCEMENT

Mr. RICH. Mr. Speaker, on the last roll call I had a pair with the gentleman from Illinois, Mr. KELLER. I do not know how he would have voted. I inadvertently omitted withdrawing my vote. I wish to make this statement to the House.

AMENDMENTS TO FAIR LABOR STANDARDS ACT OF 1938

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5435) to amend the Fair Labor Standards Act of 1938; and pending that, I ask unanimous consent that the time for general debate be extended to run throughout the day, the time to be equally divided and controlled by the gentleman from California [Mr. WELCH] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, then we can take it that there will be no effort made to read the bill or have any voting on amendments today?

Mrs. NORTON. Absolutely not.

Mr. MARTIN of Massachusetts. I have no objection, Mr. Speaker.

Mr. LESINSKI. Reserving the right to object, Mr. Speaker, would the gentlewoman agree to extend the 3 hours of debate provided under the rule to 5 hours, so everybody may have a chance to speak on this bill?

Mrs. NORTON. I am perfectly willing to stay here as long as the Members care to speak. I would say we ought to be able to finish about 5:30. The time originally set was 3 hours of debate, which would bring us up to 4 o'clock, or 10 minutes past 4, and an hour and a half longer, I believe, will probably be sufficient.

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent that the time for general debate may be extended from 3 hours to 5 hours.

The SPEAKER pro tempore. The Chair, in his individual capacity, must object to that request.

The Chair may state that the rule provides for 3 hours of general debate. If, under the request of the gentlewoman from New Jersey, the House should sit until 5:30, that would be an extension of an hour and a half, and if the House sits until 6 o'clock, that would practically be an extension of 2 hours.

Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The question is on the motion of the gentlewoman from New Jersey.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5435, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mrs. NORTON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I know that there probably is nothing much more tiresome to Members who are not interested in a bill than to listen to its explanation; nevertheless it is absolutely important that the chairman of the committee at least try to explain the bill before the Committee of the Whole. I may say that if there are any in the Chamber who are really not interested in hearing an explanation of the bill, we might proceed much more rapidly if they would just leave the Chamber.

Some of the remarks in debate yesterday seemed to indicate that I am a particularly arbitrary sort of person. The truth really is that my position is a very difficult one. Nobody would like more than I to help all of my colleagues who come to me and ask that amendments be considered that would help them in their respective districts. I know exactly what that means, and I should like to be able to grant their requests, but you know that is quite impossible for the reason that I have a duty to discharge to myself, to my conscience, and also to the Committee on Labor, of which I am the chairman.

You Members all know that the Committee on Labor was especially designed to protect labor. Therefore, if at times I appear to be arbitrary, let me say to you that it is only because I am trying to do for the working people of the country what is very necessary for their protection.

Now that we have voted for this unusual rule, and therefore for consideration of amendments, I trust you will follow the debate attentively, as we who are trying to protect the cause of labor hope to show clearly and definitely the untold hardships and the many injustices which would be worked by the adoption of the amendments and, particularly, those relating to agriculture contained in H. R. 7133, the so-called Barden bill.

During this long struggle to secure consideration of the necessary amendments to the Wage and Hour Act I have come to the inescapable conclusion that my job to protect the working men and women in this country only began with the passage of the Fair Labor Standards Act. It is far more difficult to defend the law against attack than to secure its enactment, I have found.

For those of you who are not familiar with the history of the fight to enact the Fair Labor Standards Act into law I would like to refresh your minds a little and go back a bit into the history of that legislation. Let me take you back more than 2 years, when the wage and hour bill was introduced in the House of Representatives.

I particularly address my remarks to the Members who have come into the Seventy-sixth Congress and are not familiar with exactly what we tried to do when we first attempted to enact this legislation for the benefit of labor.

For the first time in the history of America, those workers of the country who had been paid starvation wages and were worked fantastically long hours by chiseling employers were by law given a small part of what they justly deserved in the form of minimum wages and maximum hours to be worked.

After months of hearings a wage and hour bill was reported to the House by the Committee on Labor in the summer of 1937 and a rule was sought to bring the bill before the House for its consideration.

May I say right here that in this morning's New York Times, I think it was, attention was called to the fact that this wage and hour bill would have been so much better if industry committees had been appointed for the different sections of the country, as is now contemplated for Puerto Rico. I now want to say to you that that is exactly what was in the first bill, which was recommitted to the Labor Committee by the House. When that bill was recommitted to the committee, I recall my friend from Georgia [Mr. RAMSPECK] on the floor of the House telling those who opposed it that they would live to regret having voted it down. I think his prediction has been well justified since that time.

The Rules Committee refused to grant a rule. The result was a petition, signed by 218 Members of the House—the necessary number to override the Rules Committee and requiring consideration of the bill by the House. Due to strenuous opposition on the part of those opposed to all wage and hour legislation, the bill was recommitted to the committee by a vote of the House. Then ensued a long period of further consideration by the Labor Committee and finally another bill emerged and again the Rules Committee refused to grant a rule that would bring the bill to the floor of the House for consideration. For the second time a petition was resorted to and history was made, for within 2 hours and 21 minutes, 218 names were attached to it by the membership. Therefore, it is evident that the majority of the membership

of the House demanded consideration and action on this legislation. The bill was then passed by a large majority, although considerable opposition was offered even at that time.

When Congress assembled in January 1939, Mr. Andrews, then administrator of the Wage and Hour Division, brought to the attention of the Committee on Labor, various inequalities in the law and certain difficulties that had been encountered in the administration of it. After due consideration by the committee, the bill, carrying the number H. R. 5435, was reported favorably to the House by the committee vote of 16 for and 2 against. It should be understood that this bill contained only those amendments necessary for the proper administration of the act and the alleviation of certain unnecessary hardships imposed by the original law.

May I say to you that at that time, and I am sure the gentleman from Georgia [Mr. Cox] will recall the conversation, I felt that we were in very great danger if we opened up the subject at all, of having amendments introduced that would probably tend to emasculate the act. I told him of my difficulty and said that I knew I could count on the gentleman from Illinois [Mr. SABATH] and asked "Do you think if I ask the Rules Committee for a closed rule so we can bring before the House only such amendments to the Wage and Hour Act as would help strengthen it—that we could secure such a rule?" I had this conversation with the gentleman from Georgia [Mr. Cox] because even then I was fearful of bringing this bill to the House.

I felt that the act had not been tested sufficiently. It had been in operation only about 6 months, and we were fearful of amending it at that stage; however, at the same time we thought it was necessary, because real hardship cases had come to our attention. The gentleman from Georgia [Mr. Cox] said to me then, "I am sure we will be able to do that for you." We thereupon immediately started consideration of amendments. What happened is history, and I am not going into it. But at the time the committee reported H. R. 5435 to the House it did so, as I said, with a certain amount of trepidation. I present this brief history of the act to show the long and hard struggle of the proponents of this legislation against a small but very well-organized opposition, whose aim was and always will be to defeat all labor legislation, and here I think it might be wise to refresh your memories as to the details of the struggle to secure consideration of the amendments by the House. Even before H. R. 5435 was actually reported to the House, I was instructed by the committee to consult the leaders of the House and determine the best course of action for consideration of the bill by the House. It was agreed at that time that the only way we could be sure of preserving the act from destruction was to bring the bill up under suspension of the rules, since under that parliamentary procedure no amendment could be offered to it.

This was done, and on June 5, 1939, I called the bill up under suspension of the rules. A second was demanded, and that was objected to. Tellers were demanded, and the House refused by a vote of 110 to 167 to order a second, thereby refusing consideration of the bill. That was a rather unusual proceeding, you will have to admit. Even then forces alien to the interests of labor were exerting their influence in the House. Following the report of the bill by the Labor Committee, the gentleman from North Carolina [Mr. BARDEN], an able member of the committee, and one who was partly responsible for some of the truly valuable contributions to the original act, introduced another bill to amend the wage-hour law. This bill contains such broad so-called agricultural exemptions as to actually defeat the purposes of the act, and it was immediately championed by the opposition groups, who, unfortunately for the laboring men and women in this country, have several strong friends on the Rules Committee. Such was the influence of the foes of the act that the Rules Committee met and voted a rule for the consideration of the Barden bill, although that bill, H. R. 7133—and I repeat it again—was never considered by the Labor Committee. I appeared before the Rules Committee, as did several others, in opposition to granting a rule for H. R. 7133, but to no avail; and thus we find ourselves in the midst of the present confused situation.

In passing, may I say this about my friend, the gentleman from North Carolina [Mr. BARDEN]: I believe that the gentleman from North Carolina [Mr. BARDEN] is perfectly sincere in what he is trying to do, just as I am sincere in what I am trying to do. The difference between us is not very great. The difference between his agricultural exemptions and mine is that he wants to exempt industrial workers who should not be exempted. Many of the people exempted in his bill are exempted in my bill from the hours, but not from the wage provisions of the bill. I contend that $12.60 a week is a pittance for any family to live on. You Members know perfectly well that it is a disgrace to expect any man or woman to live on $12.60 a week.

That is really the basis of our present conflict, whether or not the Congress of the United States wants to go on record as believing that $12.60 is sufficient for the ordinary American worker. I do not feel that the membership of this House will support so disgraceful a proposal. I have the greatest faith in my colleagues, and I do not believe when our checks come in every month for $833 we would be able to face our own conscience if we voted for a bill that would deny to the workers of America a miserable $12.60 for a workweek.

I refuse to believe that when such a bill comes up for a vote you are going to support it.

Now I shall proceed with an analysis of some of these amendments..

In the administration of the law, the Administrator has found that its rigid application to Puerto Rico and the Virgin Islands has created hardship. It is factually true that working conditions in those territories are vastly different, are governed by climatic conditions, living conditions, and general economic factors at distinct variance with those in continental United States. It is impossible to prescribe rigid standards for working conditions in the territories such as are suitable for continental United States. This problem has been one of the most distressing to the Administrator. The Labor Committee, has, therefore, brought before you an amendment to relieve this situation. We are advocating the appointment of industry committees for each industry in Puerto Rico and the Virgin Islands to determine the minimum wages to be paid. This minimum may be—and in practical effect no doubt will be in many instances—less than that prescribed in section 6 of the act. However, such wage rate cannot be prescribed without taking into consideration certain standards set forth in the amendment. We could not, and do not suggest, the offering to the territories of any competitive advantage, but rather hope to equalize, by this amendment, any now existing inequalities.

One of the hardest problems to beset the Administrator was that of defining "area of production." As you all know, I am sure, we used that phrase as a basis for the exemption of workers engaged in the production of agricultural products. It defies fair definition and has created many unfair as well as ridiculous situations. The Labor Committee has decided, therefore, to eliminate entirely the use of the phrase "area of production" and instead lists specifically the branches of agriculture and the work to be performed therein which will be subject to the exemptions from the hours provisions, the wage provision, or both. By so stating the exemptions we feel that no employer or employee can be uncertain of his participation or nonparticipation under the act. By referring to section 3 of H. R. 5435, you will find the operations which we have totally exempted from the hours provisions of the act for 14 weeks in the year and have exempted from the hours provisions up to 60 hours a week for all other weeks. Surely this exemption must eliminate any hardship created by the act in taking care of seasonal or perishable agricultural products. The committee feels it has granted exemptions where and when they are necessary and we are satisfied that justice is being done to both the employer and employee. To insure the practicality of our proposed legislation we have extended to employees engaged

in the handling, tying, drying, stripping, grading, redrying, fermenting, stemming, or packing of leaf tobacco and the storing of it from both the wage and hour provisions of the act. This we have done at the insistence of the industry and its employees. We, of course, do not wish to deny the benefits of the act to anyone, but in some cases it has seemed only practical and just to do so. We have also extended this exemption to employees employed in the preparing, packing, cleaning, or grading of fresh fruits and fresh vegetables in their raw or natural state when such operations are performed immediately off the farm. The farmer, as you know, is exempt now under the provisions of the act. This extends the exemption to employees who are still purely agricultural but whose work is performed just off the farm. The committee in this provision intends to exempt from both wages and hours only such employees as were employed in the cleaning, packing, grading, or preparing of fresh fruits and vegetables in their raw or natural state when such operations are performed in the immediate locality of the farm where produced. It was only intended to take care of the small fresh fruit and vegetable packing operation often carried on by a few farmers for the purpose of packing their own products. We have also extended this exemption to all employees engaged in the ginning of cotton.

Another factor which has caused considerable confusion among both employers and employees is the fact that the Administrator lacks the power to make valid rules and regulations. I believe it is a tribute to the conscientiousness and willingness to cooperate of the American employer to realize that almost 90 percent of the employers of this country are living up to the provisions of the law. These honest employers should not be penalized by competing with cutthroat competition. There are, as you know, many cases in which employees and employers are not sure of their coverage by the act. All the Administrator can do when questioned by interested parties is issue an interpretive bulletin. This is not binding under the law nor does compliance with it protect an individual legally. In order to correct this situation we are proposing in section 4 of H. R. 5435 to authorize the Administrator to make rules and regulations to carry out any of the provisions of the act. This section will also give him the right to define terms used in the act and make special provisions with respect to industrial home work.

As the act is now written it is extremely doubtful whether the wage and hour standards which it establishes can be enforced as to industrial home workers. Under present practice in industrial home work industries, the Administrator is unable to secure proper records on wages and hours of home workers. Business concerns relying on home work for their labor do not ordinarily deal directly with the home workers but turn over the goods or articles on which the work is to be done to contractors who employ the home workers. If time permitted, I could give you concrete examples of cruelty in this field. Section 4 of the amendments would give the Administrator the necessary authority to cope with this situation.

We believe that this section on the whole will quiet much of the unrest which has grown up as the result of the lack of definiteness of the act when applied to an individual business. This change has been approved by the Administrator as most necessary for effective administration of the law.

In section 5 (a) of the proposed amendments your committee contemplates the exemption of employees employed at a guaranteed monthly salary of $200 a month or more. The necessity for this exemption has arisen because under the present act only employees engaged in executive or administrative or professional capacities are exempt by virtue of their positions. It has been found that there are many persons whose work is not clearly administrative or executive but who are high-salaried workers with necessarily flexible hours. Their inclusion has created some hard problems for the Administrator and caused real hardship in many cases. Of course you realize there is nothing in this act which limits the application of this exemption to clerical or so-called "white collar" workers. If a ditch digger received $200 a month he would be similarly exempt under this provision.

In section 5 (b) your committee has taken care of the employees in small telephone exchanges. This has, however, already been enacted into law by Congress in the last session and will be stricken from this bill at the proper time.

In section 6 we have exempted employees employed under the jurisdiction of part 1 of the Railway Labor Act. This affords a similar exemption to employees of refrigerating cars, and so forth, as is now extended to all other branches of the railroad industry under the present act.

In section 7 the committee deals with two very difficult problems—messenger boys and home work in rural areas.

Your committee does not wish to deny the benefits of the act to messengers. However, anyone at all familiar with the telegraph companies knows that they will not be able to pay the highest minimum—40 cents—without great hardship and perhaps even financial ruin. We are therefore offering an amendment which would give the Administrator the power to prescribe wages lower than those set forth in section 6 of the act if certain standards can be met. However, in no case has the Administrator the power to lower the wage below 25 cents an hour.

The difficulty of compliance with the law by home workers in rural areas is, I believe, familiar to most of you. This work bears no resemblance to industrial home work in cities, and its elimination often means the difference between butter on his bread or plain bread to many a farmer. We propose to give the Administrator the power to prescribe wages lower than the minimum set forth in the act.

Section 8 is intended to protect the innocent purchaser of so-called "hot" goods if he can show that at the time he purchased the goods he had no knowledge or reason to believe that they had been produced in violation of wage and hour provisions. This amendment would avoid hardship to innocent purchasers and promote the free movement of goods.

Section 9 of the committee amendments, which amends section 15 (a) (2) of the act, is a technical amendment which is necessary if section 4 is adopted, so that the violation of appropriate regulations will be prohibited. In addition, there is a prohibition against violations of the provisions of any wage order issued by the Administrator pursuant to section 8. This latter prohibition clarifies the act as now written.

Section 10 proposed to give to learners, apprentices, handicapped workers, messengers, and home workers the same right to sue for unpaid minimum wages and unpaid overtime compensation which the act now accords all other employees covered by the act.

Section 11 of the committee amendment would amend section 17 of the act to provide that civil actions to restrain violations of the act may be brought in any district where the defendant is found, or is inhabited, or transacts business. By thus allowing suits against corporations where they are doing business, the amendment will save both defendants and the Government the expense of bringing witnesses many miles from the place of business to the State of incorporation of the business.

Section 12 of the committee amendment prohibits the transportation of prison-made goods in interstate commerce except the transporting of goods from a Federal prison for the use of the Federal Government. This provision is in line with but goes beyond the Ashurst-Sumners Act.

In conclusion, I would like to call your attention to a letter I received yesterday from Mr. Early, secretary to the President, in which he quotes the President as saying:

THE WHITE HOUSE,
Washington, April 25, 1940.

MRS. MARY NORTON,
House of Representatives, Washington, D. C.

DEAR MRS. NORTON: It appears that the following statement made by the President in a letter which he wrote recently to a friend very accurately presents his position in the matter of the Barden amendments and the existing Wage and Hour Act. In this letter, the President said:

"The Wage and Hour Act is in an evolutionary stage where we are learning by practical experience in the field as to whether and how it should be amended. It is too early to form definite conclu-

sions except to note that on the whole the principle and objective are excellent and have done much to stabilize wages and hours and to bring wages up for the lowest-paid workers.

"It is being administered with discretion and no substantial groups of employers have been damaged.

"Farm labor is not affected by the act. In view of all the circumstances I think it would be a great mistake to adopt the Barden amendments. By another year we shall know a great deal more about the subject."

I give you the above-quoted statement by the President as a matter of information. You are at liberty to use it on the floor of the House of Representatives or to release it in the form of an announcement to the press, or both.

Very sincerely yours,

STEPHEN EARLY,
Secretary to the President.

I have probably taken up much more time than I should, but I do want the Members to know that the Labor Committee has tried in every way to meet the valid objections of people presenting their cause to us. We have done all that we can to assist them except to adopt amendments that we felt would destroy the effect of the act. That we shall positively and definitely refuse to do. [Applause.]

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. JOHNS. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTON. Mr. Chairman, I yield myself 5 additional minutes.

I will be glad to yield to the gentleman from Wisconsin.

Mr. JOHNS. I am very much interested in just the interpretation that your committee puts on this language in section 1 under the subject of dairy products. The language is "the making of dairy products." Do I understand that that limits that just to the production of milk and putting it in the cans, or does that extend to the delivery of it to delivery stations?

Mrs. NORTON. I believe that it might in some cases extend to the delivery of it to delivery stations.

Mr. JOHNS. Does it include the employees who might be at the receiving station to receive this milk and to transport it?

Mrs. NORTON. No; they are considered to be industrial workers once it reaches the point for which it is destined.

Mr. JOHNS. Does it include the truckmen who happen to be delivering this from the farm to the station?

Mrs. NORTON. It is my understanding that it does.

Mr. KEEFE. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTON. I will be glad to yield.

Mr. KEEFE. In this subsection 1, to which the gentleman from Wisconsin [Mr. JOHNS] has referred, you except the making of dairy products, except ice-cream mix, ice cream, malted milk, and processed cheese. Do I understand it is the intent of the committee to exclude, in those exemptions, those large plants which are engaged in the business of making condensed milk or powdered milk?

Mrs. NORTON. Yes; if they are what we call "on the farm" or "adjacent to the farm."

Mr. KEEFE. Well, I am speaking of the plant to which the farmers haul their milk.

Mrs. NORTON. I think the gentleman will probably get some time of his own, and I cannot conscientiously take any more of that allotted to my side as it has all been promised. I would be glad if the gentleman would take that up later.

Mr. KEEFE. I am favorably impressed with this bill. I am simply asking that for information, if I can get the information. I do not get it from the report. I would like to be sure just how far that exemption is presumed to extend.

Mr. RAMSPECK. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTON. I will be glad to yield to the gentleman from Georgia.

Mr. RAMSPECK. As I understand it, such a plant as that could not be exempted.

Mr. KEEFE. Where is there anything in the law that justifies that interpretation?

Mr. RAMSPECK. Because that is a plant that has no relationship to a farm. We are talking as I understand it of a plant that makes powdered milk or condensed milk off of the farm.

Mrs. NORTON. Mr. Chairman, under permission to extend my remarks in the RECORD, I include herewith a letter from Mr. Stephen Early, secretary to the President of the United States, concerning amendments to the Wage and Hour Act; also a letter from Mr. Henry Wallace, Secretary of Agriculture; also a letter from Miss Mary Dublin, general secretary to the National Consumers League; and one from Mr. Walter White, secretary to the National Association for the Advancement of Colored People.

THE WHITE HOUSE, *April 25, 1940.*

Hon. MARY T. NORTON,
House of Representatives, Washington, D. C.

DEAR MRS. NORTON: It appears that the following statement made by the President in a letter which he wrote recently to a friend very accurately presents his position in the matter of the Barden amendments and the existing Wage and Hour Act. In this letter the President states:

"The Wage and Hour Act is in an evolutionary stage, where we are learning by practical experience in the field as to whether and how it should be amended. It is too early to form definite conclusions except to note that on the whole the principle and objective are excellent and have done much to stabilize wages and hours and to bring wages up for the lowest-paid workers.

"It is being administered with discretion and no substantial groups of employers have been damaged.

"Farm labor is not affected by the act. In view of all the circumstances, I think it would be a great mistake to adopt the Barden amendments. By another year we shall know a great deal more about the subject."

Sincerely yours,

STEPHEN EARLY,
Secretary to the President.

DEPARTMENT OF AGRICULTURE,
Washington, April 24, 1940.

Hon. MARY T. NORTON,
House of Representatives.

DEAR MRS. NORTON: During our conversation this morning you asked whether this Department had received any complaints from farmers, or groups of farmers, against the operation of the wage-hour law, as modified.

A review of our files discloses a limited number of letters on the general subject, but these are nearly all in the nature of inquiries. Uncertainties as to the method and extent of application naturally arise in the minds of persons concerned with the inauguration of any new program, but, to the best of my knowledge, those persons engaged in agriculture who have written to me with possible objections in mind on this issue have been satisfied upon being furnished proper explanation of the intent and expected effects of the law. I am unable to recall more than a few isolated instances of direct complaint, and certainly I can say positively that protests from farmers have been so negligible as to be of no practical significance in the present controversy.

We have had from some farmers indications of their hearty approval of the efforts of this administration to stabilize labor's income and purchasing power. In my observation, the net reaction of true agriculture throughout the country has been one of sympathetic understanding and cooperation.

In connection with the present controversy you might be interested in the following statement I made in discussing the Wage and Hour Act over station WRC Tuesday, April 22: "If every factory using farm products in any way were exempted, nearly half of all factory workers would be taken out from under the Wage and Hour Act, and farmers would lose, rather than gain, if wages were cut in those industries."

Sincerely yours,

H. A. WALLACE, *Secretary.*

NATIONAL CONSUMERS LEAGUE,
New York, N. Y., April 24, 1940.

DEAR REPRESENTATIVE NORTON: The undersigned 750 men and women, well known in public life, are convinced that passage of the Barden bill to amend the Fair Labor Standards Act would emasculate a law which has rescued hundreds of thousands of defenseless wage earners from hunger and want.

The act would be a mere sham were it to be amended to apply only to those workers who already receive more than the wage rates prescribed by the act. Yet that is what the Barden bill proposes to do in exempting over 1,000,000 workers most in need of its coverage. These men and women, in the lowest paid industries in the country, can in no sense be called agricultural workers. It was to protect just such employees as these that the act was passed, and there is no reason in having the law unless it applies to those most in need.

We believe the Barden bill would seriously injure the farmer. By returning over a million workers to starvation wage levels, the farmer would be deprived of an essential market for his products.

In subjecting them to unfair competition, the measure is equally injurious to the interest of all employers who today maintain fair

standards. Further, it would discriminate against many employers engaged in businesses similar to those the bill exempts. For example, canning establishments engaged exclusively in canning fresh fruits and vegetables have a complete wage exemption, but canneries which can fresh fruits and vegetables and also can "dry lines," such as pork and beans and soup, receive no wage exemptions.

The Barden bill runs counter to consumer interest. In the food-processing industries even a 25-percent rise in wages above the present level set by the act, would not add 2 cents on the dollar in costs to the consumer. Fair wages will not add to food costs. On the other hand, unfair wages cast immense burdens upon the community. In the words of Supreme Court Justice Hughes, "What these workers lose in wages the taxpayers are called upon to pay. The bare cost of living must be met. * * * The community is not bound to provide what is in effect a subsidy for unconscionable employers. The community may direct its law-making power to correct the abuse which springs from their selfish disregard of the public interest."

In the interest of health, decency, and fair play, we urge you to vote against the Barden bill. Give the Fair Labor Standards Act a chance to prove itself that hundreds of thousands of pitifully underpaid workers may have an opportunity to earn at least the meager living the act assures.

Respectfully yours.

Mary Dublin, general secretary; Dr. Harold Aaron, New York City; Etheldred Abbot, Illinois; Charlotte E. Abbott, Nebraska; Mrs. Paul Abelson, New York City; George A. Ackerly, Washington, D. C.; M. W. Ackeson, Jr., Pennsylvania; Adeline E. Ackley, Connecticut; Dr. Thomas Addis, California; Mary V. Alexander, New York; Elizabeth C. Alling, Illinois; Mrs. Frederick S. Allis, Massachusetts; Mrs. Mary P. Ames, New Jersey; Mrs. G. E. Andrus, Colorado; Robert C. Angell, Michigan; J. B. Anthony, New York; Mrs. M. S. Armstrong, Wisconsin; Sinclair W. Armstrong, Rhode Island; Mary Arnold, New York City; Jacob B. Aronoff, New York City; Joseph Aronstam, New York City; Louise Autz, New York City; Rabbi Michael Alper, New York City; Helen S. W. Athey, Maryland; Jessie M. Austin, Illinois; Ruth Baker, New York City; Roger Baldwin, New York City; Alexander Baltzly, New York City; Frances Barnes, New York City; Fred Asa Barnes, New York; Mrs. Richard R. Barrett, Virginia; Oskar Barshak, New York City; Harriet M. Bartlett, Massachusetts; Anna Baumgarten, New York City; Mabel Baumgarten, New York City; Mrs. John P. Beach, California; Louise L. Beachboard, Pennsylvania; Elfie R. Beale, California; Emma B. Beard, New York; Minna D. Behr, New York; L. Ames Beigen, New York City; Alice E. Belcher, Wisconsin; Harriet J. Bender, Ohio; Fanny E. Benjamin, Missouri; Arthur F. Bentley, Indiana; Sidney J. Berger, New York City; Viola W. Bernard, New York City; Frederick Bernheim, North Carolina; Bernice Bernstein, New York City; Alfred Bettman, Ohio; Anthony Billini, New York City; Alfred M. Bingham, New York City; William J. Blanneman, New Jersey; Anne Ames Bliss, New York; Mary C. Bliss, Massachusetts; Anita Block, New York City; S. John Block, New York City; G. Blood, Pennsylvania; Margaret Blossom, New York City; R. E. Blount, Illinois; Ida Blucher, Michigan; Hyman J. Blumstein, Connecticut; Franz Boas, New York City; Marion P. Bolles, New York City; Irene K. Bondy, New York; Mrs. Stephen Bonsal, Washington, D. C.; Alexina G. Booth, Kentucky; Gratia Booth, Connecticut; Elizabeth G. Bowerman, New York; Mrs. W. Russell Bowie, New York City; LeRoy E. Bowman, New York City; Dr. Leopold Brahdy, New York City; Anne Cary Bradley, Maine; Elizabeth Brandeis, Wisconsin; Mrs. Jules Brenchard, New York City; Prof. Paul F. Brissenden, New York City; Prof. Emily C. Brown, New York; James L. Brown, New York; Mabel P. Brown, Connecticut; Thomas K. Brown, Jr., Pennsylvania; Eleanor O. Brownell, Pennsylvania; Mrs. W. Buckner, New York City; Richard Bunch, Indiana; Prof. Arthur R. Burns, New York City; Gertrude E. Bussey, Maryland; J. R. Butler, Tennessee; Harold S. Buttenheim, New Jersey; Evelyn Gray Cameron, Massachusetts; Kingsland Camp, New York City; Annie Campbell, Ohio; Mrs. Henry White Cannon, New York City; Mary G. Cannon, Connecticut; Mrs. A. Morris Carey, Maryland; James B. Carey, New York City; Mrs. Winslow Carlton, New York City; Mary Casamajor, New York; Warren Catlin, Maine; Central Conference of American Rabbis, Maryland; Herbert M. Chalmas, New York; Mrs. Allan Knight Chalmers, New York City; Russell Chew, Pennsylvania; Ruth L. S. Child, Massachusetts; Gerard Chiora, New Jersey; Olive E. Clapper, Maryland; Mrs. Charles E. Cliff, Pennsylvania; Peggy Cobb, New York City; O. P. Cochran, Connecticut; Hetty S. Cohellen, Massachusetts; Frederick Cohen, Massachusetts; Naomi S. Cohn, Virginia; John Coleman, Pennsylvania; Mabel A. Colter, Minnesota; Daniel H. Colton, New York City; Olive A. Colton, Ohio; Laetitia M. Conard, Iowa; Morton S. Conrad, New York; Pauline K. Connell, New Jersey; Consumers League of Cincinnati, Ohio; Leonore Cook, Massachusetts; Morris Llewellyn Cooke, Pennsylvania; Mrs. Francis R. Cope, Jr., Pennsylvania; Mrs. Walter Cope, Pennsylvania; Grace M. Cortis, New York City; Mrs. Edward P. Costigan, Colorado; Maud W. Costigan, California; Cornelia C. Coulter, Massachusetts; Jerome Count, New York City; Agnes Cowing, New York City; Grace L. Coyle, Ohio; Alberta J. Crombie, Connecticut; Weldon L. Crosman, Massachusetts; Elizabeth Crother, Massachusetts; Harriet B. Crump, New York City; Dorothy T. Cummings, New York; Edmund Ely Curtis, Massachusetts; Muriel S. Curtis, Massachusetts; Mrs. W. E. Cushing, Massachusetts; Leif Dahl, New York City; Louise Dahl-Wolfe, New York City; Rev. E. LeRoy Dakin, Wisconsin; Irving Davidson, New York; Betsey B. Davis, New York; Helen E. Davis, Washington, D. C.; Helen H. Davis, Massachusetts; Horace A. Davis, New York City; Paul J. Davis, Pennsylvania; Margaret W. Davis, California; Florence W. Davol, Massachusetts; Lillian A. Dean, Iowa; C. C. Delafield, Jr., New York City; Eleanor Deming, New York; A. DeNeysin, New York City; N. E. Derecktor, New York; Mrs. N. E. Derecktor, New York; Edward T. Devine, New York City; Mary W. Dewson, Maine; Mrs. Robert H. Dibble, Pennsylvania; Harriet A. Dillingham, California; Esther M. Dixon, California; Effie E. Doan, Illinois; Mrs. Richard E. Dodge, Connecticut; Mrs. Henry H. Donaldson, Pennsylvania; Laura R. Donnell, New York City; Prof. Dorothy W. Douglas, Massachusetts; Ruth N. Dow, Massachusetts; Ella J. Draper, Massachusetts; Mary E. Dreir, New York City; Amos Dublin, New York City; Mrs. S. Naudan Duer, Pennsylvania; Cressida C. Durham, Illinois; Commissioner Martin P. Durkin, Illinois; Catharine H. Dwight, Massachusetts; Lucia K. Dwight, New York; Mrs. C. A. Duvall, New York; Lucy P. Eastman, New York City; L. C. Edson, New York City; Mrs. Tracy Edson, New York City; Bertha J. Ehrich, Indiana; Mrs. Walter L. Ehrich, New York City; Dorothy Meigs Eidlitz, New York City; C. Emanuel Ekstrom, Rhode Island; Deborah Elton, Connecticut; Frances Elton, New York; Augusta C. Ely, Massachusetts; Mrs. Annie H. Emerson, Massachusetts; Helen T. 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NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE,
New York, April 24, 1940.

MRS. MARY T. NORTON,
Chairman, Committee on Labor, House of Representatives, Washington, D. C.

DEAR MRS. NORTON: H. R. 7133 which comes to the floor of the House on Thursday, April 25, is one of the most serious of several recent efforts to destroy laws protecting labor without actually repealing these laws. The Barden amendments propose to exempt from the benefits of better wages or shorter hours or both more than a million and a quarter of the poorest paid American workers, among whom are hundreds of thousands of Negroes. These amendments strike at employees engaged in canning, packing, and otherwise processing agricultural products, at workers in the lumber industry and at transportation relating to these industries. Negroes in large numbers are employed in these fields and in some areas they constitute a majority of the workers who would be affected.

In addition, Negro workers, along with all others, are seriously threatened by section 10 of the bill which would prevent an employee from suing his employer for failure to pay minimum wages at any time more than 6 months after the right had accrued. Since the employee often does not learn of his rights until many months after violation, this is a particularly hurtful provision. If such a restriction were now in effect it would bar the right of station porters (red caps) to sue for wages denied them prior to October 1939.

The exemptions which the bill would create are particularly hurtful to Negro workers. All industrial operations in the preparation and processing of agricultural products from the time they leave the farm until they reach the retail seller would be excluded from the protection of the wage and hour law. Thus, some 68,000 workers engaged in tying, drying, stripping, stemming, crating, and packing of leaf tobacco, of whom a substantial portion are Negroes, would lose the protection which they now have. Similarly cotton ginning, compressing and storing in which a large part of the 130,000 workers are Negroes, would be excluded from the act. Protection in the matter of hours would be withdrawn from the meat-packing industry where between fifteen and twenty thousand Negroes are engaged in slaughtering, dressing, and packing meat. A substantial number of the more than 50,000 Negroes in other affected food industries would lose rights which they now enjoy.

Census figures indicate that there are some 20,000 Negro lumbermen, raftsmen, woodchoppers, and sawyers. These, too, would lose their protection if the Barden amendments should be enacted. In addition, of the 100,000 Negroes in saw and planing mills, those who work in small establishments employing not more than 15 persons would be denied all protection.

In addition the bill would permit exemptions and differentials for the Virgin Islands of the United States. No economic justification for the discrimination against a community in which the working population is almost entirely composed of Negroes has been shown. But experience with other sectional differentials used to cloak racial discrimination, for example, under the N. R. A., has shown how vicious such differentials would be.

In such circumstances a vote in favor of the Barden amendments must be construed as a vote against labor generally and against the Negro in particular, since he would be so great a loser as a result of any such legislation. Negroes are looking to party leaders to use full force of their leadership in opposition to this hurtful legislation.

Respectfully,

WALTER WHITE,
Secretary, N. A. A. C. P.

[Here the gavel fell.]

The CHAIRMAN. The time of the gentlewoman from New Jersey has again expired. The gentlewoman from New Jersey has consumed 25 minutes.

Mr. WELCH. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, yesterday during the consideration, or rather the intended emasculation, of the wage and hour laws this House developed a new leader—a coalition antilabor leader. I refer to the able and forceful gentleman from Georgia [Mr. Cox]. This coalition should be known as Cox's army, whose object is to deprive a million and one-half workers of the protection of a law which requires the payment of a meager 30 cents an hour, $12 a week, and reenslave them to a starvation wage of 5 and 10 cents an hour.

This army should not be confused with Coxey's Army, which came to Washington years ago to plead the cause of the underprivileged. The enrollees in the gentleman from Georgia's army will have much more to answer for than the misguided, but well-intended, enrollees in the one-time Coxey's Army.

My colleagues, this issue cannot be confused by the condemnation of organized labor leaders with the unorganized, underpaid industrial workers who are beneficiaries under the wage and hour law.

Mr. Chairman, I was unalterably opposed to the adoption of the hydro-headed rule, which is almost without precedent in the parliamentary procedure of this body, and permitted these three bills to come before the House of Representatives for action.

Only one of these three measures was ever considered and reported to the House by the Committee on Labor, namely, H. R. 5435, known as the Norton bill. Thorough and complete hearings over an extended period of time were held on H. R. 5435, and the Committee on Labor reported to the House a bill which, in my judgment, is more than commensurate with the facts discovered. But under this rule, either the Ramspeck bill, H. R. 7349, or the Barden bill, H. R. 7133, neither of which has been properly considered, can be offered as substitutes for the Norton bill, which is reported as the result of mature and careful consideration by the committee you have appointed to handle such matters.

The issues in this matter are clear-cut. There is no logical manner by which any Member of the House can avoid them. Either he favors the continuation of a legislative policy already established that there shall be a minimum wage of 30 cents an hour—a meager $12 per week—or he favors the return to the despicable conditions of 5 and 10 cents per hour as they prevailed for hundreds of thousands of workers before the enactment of wage and hour legislation. Either we shall go down in history as a humanitarian legislator or "5-and-10-cent" legislator.

It is difficult to believe that men having the best interests of the most humble of our citizens at heart—the lowest-paid wage earners—would resort to such tactics as to bring before Congress ill-advised legislation in an effort to rob the lowest-paid workers in the United States of the small measure of comfort brought to them through the humanitarian wage and hour law, which grants such a meager minimum wage of 30 cents per hour, simply $12 for a week of 40 hours, or $52 for a full month's work.

Selfish and powerful groups representing packing, tobacco, canning, lumber, and other large and greedy interests would, through the so-called Barden bill, return hundreds of thousands of workers to despair. Using the welfare of the farmers of the United States as a camouflage, some of these groups would emasculate or even repeal the law. They make the farmer their Charlie McCarthy, ignoring completely that all farm labor is specifically excluded from the provisions of the Fair Labor Standards Act. They know that Congress will not emasculate and destroy this law unless through farm pressure. These selfish interests make the claim that if they are required to pay 30 cents per hour minimum wage—which is almost invariably the maximum wage for this labor even under the law—it will be reflected by a reduction in the price paid to the farmer for his products. When, let me ask, did these selfish groups become so solicitous of the farmer?

Mr. Chairman, I was born and lived my early youth on a farm and my sympathies have always been with the farmer. My record of 15 years in this body will show that though I represent a large city—San Francisco—my vote on legislation beneficial to the farmers of the country will compare favorably with Members of Congress representing farm districts.

The selfish profit-seeking groups who are the prime movers of the assault on this humanitarian law never have been the real friend of the farmer and would not give him a penny more for his products if the wage and hour law were never heard of; they are simply using the farmer to accomplish their purpose which is to destroy the law and return to the 5-cent and 10-cent starvation wage. This wrecking crew should not be allowed to confuse the issue by using the farmer as a stalking horse. Congress only has one question to determine. Is 30 cents an hour too much for a woman working in a cannery who, in many cases, has a family to support? Is 30 cents an hour too much for a laborer in a packing plant, whose work only lasts during the harvesting season? Is 30 cents an hour too much to pay workers in the sugar, lumber, tobacco, and other industries represented by this group? What would be the reaction of any Member of this body if conditions were different and he received 30 cents an hour for 40 hours' work and then went home to his wife and family with $12 in his pocket, knowing that the Congress of the United States was considering legislation that would even reduce that meager pittance by more than one-half or two-thirds? Yet many good American men and women, as good as you or I, with families to support, sit down at the end of the week to make up the family budget out of $12. Members of Congress, is it possible that you are thinking seriously of reducing this already inadequate compensation by voting for the Barden bill?

If this bill should become law and the protections of the Fair Labor Standards Act are removed from more than a million and a half low-paid workers, their ability to buy the products of the farm would be practically destroyed and the farmer would be the sufferer. The farmers of this country, who, in the final analysis, receive tremendous benefits from the higher standards of living the law now brings, are not seeking the destruction of the humanitarian wage and hour law either directly or indirectly. There are exceptions, of course; some farm areas having processing plants. But it is evident that those representing these exceptions have raised such a loud clamor that a perspective of the great good of this legislation is lost. These same selfish groups have been "sniping" at the Fair Labor Standards Act on every possible occasion. They attempted to destroy the enforcement of the law by reducing its appropriations for enforcement.

At that time I pointed out that farmers, with rare exception, have common cause with wage earners. The fair-minded farmers, who are in the overwhelming majority, are conscious of the fact that there are about 34,000,000 men and women in nonagricultural employment in the United States. They also know that since 1932 Congress has appropriated in excess of $6,000,000,000 for farm relief in one form or another. Every intelligent farmer is appreciative of the proportionate amount the nearly 34,000,000 nonagricultural workers of this country have contributed to this enormous sum without a murmur. The farmers also realize that the nonagricultural workers and their families are by far the largest group of consumers of products of the farm and that the amount of their products consumed is measured entirely by wage earners' purchasing power.

Mr. Chairman, these few adversaries of the humane wage and hour law have been working overtime, resorting to all kinds of propaganda, to poison the minds of unsuspecting people by stressing its inequalities and so-called ambiguities. Had they the genuine interest of the farmers and wage earners at heart they would lend their intelligence to constructively strengthening the law. But they would rather emasculate or repeal the law and throw the underpaid workers back into the pool of despondency; they have been totally blind to the graver inequalities that actually existed for years prior to the enactment of this law. Before its enactment 45,000 women were engaged in the textile and other light industries in a nearby State. They received $5 and $6 a week, and in many cases worked 9 and 10 hours a day. Textile workers in one of the Southern States received from $2.50 to $7.50 a week. Cases of this kind could be multiplied hundreds and hundreds of times, yet there are still those narrow-visioned or selfish individuals who complain of this law.

It is even difficult as the law now stands to give protection to high-minded American employers of labor who believe in paying a wage scale that will raise the standards of living in this country. That they are again subject to cutthroat competition by violators of the law is a proven fact, as court records will show.

I again invite the attention of the House of Representatives to some of the irrefutable facts that definitely show the urgent need for and the value of the Fair Labor Standards Act—facts some of which I stated when the appropriation bill was under consideration, and which speak more eloquently than I can hope to against the enactment of such ill-advised legislation as the Barden bill.

There were 380,000 people engaged in interstate commerce or in the production of goods for commerce earning less than 25 cents an hour when the Fair Labor Standards Act went into effect on October 24, 1938. That means 380,000 working 40 hours per week for less than $10 a week.

This figure does not include an additional 200,000 industrial home workers, the exploitation of whom is one of the blackest spots in the economic life of America. Only a few weeks ago a group of knitwear manufacturers signed a consent decree with the Wage and Hour Division agreeing to make restitution of wages estimated at $250,000 to 10,000 of these home workers, mostly in rural districts of the East and South.

In the Federal court of Brooklyn, N. Y., a manufacturer pleaded guilty to paying his home workers as low as 4 cents an hour. He was fined $1,500 and ordered to make restitution of $4,500 to these employees. The sums that each of

these poor workers drew in restitution were more than equivalent to all the pitiable wages paid them for the full first year of the operation of the Fair Labor Standards Act.

Following an investigation by the Wage and Hour Division, a Chicago hairpin manufacturing company agreed to pay $110,000 in restitution to more than 300 families whose children had worked long hours mounting hairpins on cards when they should have been at play.

In Georgia a county relief investigator reported to the Wage and Hour Division that there was an employer, a runaway shop from New York, who paid his 100 workers such low wages—from $4 to $8 per week—that every family who was represented on its pay roll was on county relief.

In Baltimore a few weeks ago a Federal judge had before him two brothers who manufacture men's clothes. They had been indicted on charges of paying 175 women coat makers 10 cents an hour and less. There was one woman, a widow with three small children to support, who lived in a basement, who worked long hours, and who still could not earn enough to keep her family from the verge of starvation. These men not only failed to pay them the minimum wage set up in the wage and hour law but pleaded guilty to the charge of falsifying their records in an effort to make it appear that the women were earning 25 cents an hour.

A pecan shelling company in San Antonio, Tex., applied to the Wage and Hour Division to employ between 2,500 and 3,000 learners at a rate of 15 cents an hour. In the hearings held on this application it was shown that this company, which made a net profit of $500,000 in 2 years, paid wages as low as $3 and $4 per week, which was supplemented by the employment of 10-, 12-, and 15-year-old children.

Mr. Chairman, it has been admitted that there are inequalities in this law which should be amended by constructive and not destructive amendments; that this law is approved and popular with a vast majority of people in this country was indicated in a Gallup poll taken January 3, 1939—71 percent in favor of the law.

In conclusion I will state there has been a change in the administration of the wage and hour law, and the new Administrator, Colonel Fleming, is being highly commended by every fair-minded employer of labor for the efficient and impartial manner in which he is conducting the office. Congress should encourage rather than hamper the Administrator in his efforts to further demonstrate what this humanitarian law means to the underprivileged of this country. In due time, no doubt, he will submit to Congress such amendments as will correct any inequalities in the law.

Mr. Chairman and my colleagues, as stated before, the issue is clean-cut—whether any group of workers should be deprived of the protection of a law which requires the payment of 30 cents per hour or be forced back under the provisions of the Barden bill to the starvation wage of 5 cents and 10 cents per hour. [Applause.]

Mrs. NORTON. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Chairman, in the Appendix of the CONGRESSIONAL RECORD, page 2260, the gentlewoman from New Jersey inserted an analysis of the three bills made in order by this rule. I think it would be very informative to every Member if he or she would study this comparison.

In view of the fact that the rule has now been made a wide-open rule, I wish to advise the House that it is not my intention to offer H. R. 7349, which is the bill that bears my name. The only purpose for introducing that bill last year was because we had reached a stalemate in the controversy between the Norton bill and the Barden bill and I wanted to make an effort to take the noncontroversial items which were identical in both bills out of controversy and pass them at that time. The effort was not successful. In view of the fact that the rule is now an open rule, I see no necessity for presenting the bill which bears my name. I may say to the Committee frankly that there is another reason why I do not desire to present it, and that is that I do not want any bill bearing my name to carry any exemptions from a 30-cent-an-hour wage. [Applause.] I do not expect to vote for any such exemption.

In order to understand this controversy you must understand some things about the original act. In the first place, you will find in the original act a definition of the word "agriculture." "Agriculture" is defined to include farming in all of its branches, and, among other things, includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodity, including commodities defined as agricultural commodities in section 15 (g) of the Agricultural Marketing Act, as amended, the raising of livestock, bees, fur-bearing animals, or poultry, and any practices, including forestry or lumbering operations, pursued by a farmer or on a farm as an incident to or in conjunction with such farming operations, including preparation for market delivery to storage or to market, or to carriers for transportation to market. So whenever anybody tells you that the wage and hour law brings farmers or persons employed by farmers in farming operations under the law they just do not know what is in the law. They are not included under this law, never have been, and it never was intended that they should be. There are three other very pertinent sections of this law that you ought to understand.

Section 6 of the law is the one which imposes minimum wages.

Section 7 of the law is the section that imposes the maximum-hour limitation.

The exemptions to the act from both wages and hours are contained in section 13.

The difference been the Norton bill and the Barden bill, to put it in simple language and in a short space of time, in the main, is this: The gentleman from North Carolina [Mr. BARDEN] proposes to exempt from both wages and hours, that is, from both sections 6 and 7 of the present wage and hour law, many operations which are generally referred to as being the processing of agricultural products, on the theory, as I understand his argument and those who support him, that the increased cost due to the wages prescribed in the hour limitation and involved in the wage and hour law are reflected back in a reduction of the purchase price which the farmer receives for his product. That is the argument for the Barden bill, as I understand it. On the other hand, the Norton bill undertakes to eliminate, as does the Barden bill, the area of production that is contained in section 13 of the present law and to eliminate, not from the wages provided in the law any of these operations but to extend the hours of the workers who process agricultural commodities to 60 hours per week as opposed to the 42 hours now in effect under the present law. In a nutshell, that is the controversy which is raging here today. You can eliminate from your minds the bill I have introduced because everything in it, with the exception of one proposition having to do with the western mining situation, is included in both the Norton and Barden bills.

The question you have to determine here when we get to the amendment stage is whether or not you want to vote to exempt from the 30-cent minimum wage, $12.60 per week under the present law, people who work in canning factories and in processing factories dealing with agricultural commodities throughout this Nation. Insofar as I am concerned, I am not going to vote to exempt those people unless it can be shown to my satisfaction that the entire cost of imposing the 30-cent wage is paid by the farmer himself and to meet that test in very few instances has anybody been able to bring any facts which satisfy my mind that the wages paid in canning plants and in other processing factories that deal in agricultural commodities are reflected back in a reduction of the amount received by the farmers. On the contrary, I want to point out to you that the farmer has no place to sell his product except to the people who work in industrial plants and who work in commercial places in cities and in towns. They do not sell back to the farmers themselves.

I come from what is generally called the deep South. I occupy a position here that is perhaps different from some

of my colleagues from my own State and my own section and what I have to say about this bill I do not wish to have construed as a reflection upon the attitude of any other gentleman who is a Member of this House. All of us have our own responsibilities here, and we must meet them in the light of our own consciences and our own understanding of our duty here; but I am one of those from the South, now representing a district in this body, who believes that the time has come when the South can no longer live on a strata of economic life different from that existing in other sections.

I believe the time has come when, as rapidly as we possibly can, without too greatly disturbing the existing conditions, we must undertake to bring our economic levels up to an equality with those of other sections of the United States. I think we have to have parity in everything with the other sections of the country if we are to have prosperity in the South; therefore, as one Member of Congress, I am not willing to take the position in this House that because we are largely an agricultural section, and because it has been the custom in the South since time immemorial to pay people lower wages than they pay in other sections, we must forever continue this policy in our part of the country. [Applause.]

Mr. Chairman, it is true that the income of the people of our section of the country is below that of any other section of the United States. That is true of our farmers compared with the farmers of the West, and the East for that matter; it is true of our lawyers; it is true of our doctors; it is true of our business executives; they all get less money for the same service, because the South has been on a lower economic level than the remainder of the country. I am one of those who wants to see that condition corrected, and I believe under this law we will take a step, and have taken a step, in a direction which will be more beneficial to the South perhaps than any other section of the United States. Mr. Chairman, 30 cents an hour is too little for anybody to be paid for his work in this day and generation, but that is what we have in this statute, and I do not believe that any of us can go home to our constituency and justify an exemption from that kind of wage scale on any other theory except that it is paid by a farmer who himself cannot control the prices of his commodities from which he gets his income. That is the test which must be placed in front of me before I will vote for an exemption of any operation under this law from the 30-cents-an-hour wage.

Mr. DIES. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Texas.

Mr. DIES. Is it not a fact that when there is an increase in the price of any farm implement growing out of an increase in wages that that is passed on to the farmer? What is the difference between a canning factory and a cultivator factory, or any other factory?

Mr. RAMSPECK. Of course, an increase in the price of anything the farmer buys is a disadvantage to him. There is no question about that.

Mr. DIES. What is the difference between a cannery on the one hand and a cultivator factory on the other?

Mr. RAMSPECK. There is not any.

Mr. DIES. The whole thing is passed on to the ultimate consumer eventually?

Mr. RAMSPECK. Yes. The difference would be in favor of the man making farm machinery, because the farmer does buy machinery. He does not buy canned goods. He cans his own if he gets any, and most of them in my section of the country cannot buy any. I would like to see their income raised down there, if there is any way to do it.

Mr. WOOD. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Missouri.

Mr. WOOD. Is it not a fact that the wages paid by the International Harvester Co. and these other manufacturers of farm machinery have nothing to do with the price of the machinery?

Mr. RAMSPECK. The gentleman may be correct. Certainly there is nothing in this bill that would warrant an increase in the prices of the things he mentions because they have always paid more than the minimum prescribed in this act.

Mr. MICHENER. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Michigan.

Mr. MICHENER. Did I understand the gentleman to say that the cost of producing a thing has not anything in the world to do with the sales price of that article?

Mr. RAMSPECK. I do not believe he said that.

Mr. MICHENER. That is what he said.

Mr. WOOD. What I meant to convey is that the wage cost in the production of a thresher or a binder used on a farm is a very small part of the cost of that machine to the farmer. It is not 1 percent, nor one-half of 1 percent.

Mr. MICHENER. I would like to have the gentleman put the figures in the RECORD.

Mr. RAMSPECK. You may discuss that in your own time.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Kentucky.

Mr. MAY. Either I misunderstood the gentleman from California [Mr. WELCH] or I misunderstand this debate. I understood the gentleman to say a while ago that there was evidence before the Committee on Labor that someone in this country was paying as low as 4 cents an hour wages. Is this true or is it not true?

Mr. RAMSPECK. I do not recall the exact figures. We have had evidence of some very low wages, and I believe perhaps we did have some testimony about some home-work operation where that was true.

I must finish my statement now.

I wish to urge the Members of this House to study the comparison of these bills shown in parallel columns in the Appendix of the RECORD, page 2260, because I find there is a great deal of lack of understanding of what the Norton bill proposes to do. I think it goes just as far as we ought to go in amending this law. I do not believe we ought to make further exemptions from the wages provision of the act, which now provides 30 cents an hour for a 42-hour week. The most that can be imposed under this law today is $16 a week. Insofar as the operations that are involved in this controversy are concerned, $12.60 a week is the maximum the law requires today, because no industry committees have fixed higher wages, as they might do if that procedure were followed.

We are faced with this situation: We have to choose between a bill which completely exempts from both wages and hours people who to my mind are nothing in the world but industrial workers processing agricultural commodities in packing plants and in canning plants and in plants like the Borden Milk Co., places of that sort, where they make cheese and things which this Norton bill does not exempt. I wish to say here that perhaps I was in error about my reply to the gentleman from Wisconsin a while ago, that perhaps canned milk is given a 60-hour week under this act.

I hope the Committee will see fit to vote down the Barden bill and limit these exemptions to hours alone. [Applause.]

[Here the gavel fell.]

Mr. BARTON of New York. Mr. Chairman, will the gentleman take 1 minute from this side to answer a question?

Mr. RAMSPECK. Yes; I will take more, if you will give it to me.

Mr. CASE of South Dakota. In view of the gentleman's statement with respect to his own bill, and the particular section in his bill with reference to mining, what does the gentleman propose to do? I have compared the bills and I believe the section in the gentleman's bill on mining is extremely important.

Mr. RAMSPECK. I intend to offer an amendment either to the Norton bill or the Barden bill, or both, containing that amendment in the language which appears in H. R. 6406, which limits it to mines which are inaccessible due to high altitude or remoteness from cities and towns. The amendment I propose to offer is one in which the gentleman from Colorado [Mr. LEWIS] and others are interested, and it is, I think, a perfectly sound amendment. [Applause.]

The wage and hour law, in my opinion, by raising the income of the workers who are lowest paid, will help to bring better health to these citizens.

To show that this may be true, I include herewith a part of a statement made by the Surgeon General of the United States.

[From Alliance (Ohio) Review of April 12, 1940]

NEW TYPE OF FAMINE IN UNITED STATES

CAMBRIDGE, MASS., April 12.—A new kind of starvation—due to faulty nutrition—is gripping more than one-third of the Nation, Dr. Thomas Parran, Surgeon General of the United States Public Health Service, said today.

Declaring "more than 40 percent of the people of the country are not getting a diet adequate to maintain good health and vigor," he said in a lecture at Massachusetts Institute of Technology that improved nutrition should be recognized as a "national problem."

"The new kind of starvation," said he, "may be even worse in its ultimate social effect than the ancient famines which periodically killed off a large part of the population."

The foods of which the Nation has an apparent surplus, he said, "are those in which the national dietary is deficient—milk and milk products, citrus fruits, green vegetables, and meats."

It seems to me that one certain result of increasing wages to those in the lowest income brackets is to increase their consumption of farm products.

In support of this statement, I include with my remarks an article by Charles G. Ross, which is as follows:

[From the St. Louis Post-Dispatch of March 4, 1940]

WASHINGTON LETTER

(By Charles G. Ross)

HOW THE FARM PROBLEM IS LINKED WITH INDUSTRIAL UNEMPLOYMENT—"SURPLUSES" SEEN AS ONLY "A SMUG NAME FOR A SHOCKING AMOUNT OF UNDERCONSUMPTION"

WASHINGTON, March 4.—The problem of what's the matter with the country, from whatever angle you view it, gets down in the end to the matter of unemployment. Along with the new ideas and the new tools of government that this administration will hand along to the next, there will go this terrible legacy—barring an economic miracle—of some 10,000,000 unemployed. Till the deep-seated ailment represented by these figures is cured, or at least greatly alleviated, there can be no real health in our economy. If the evil of unemployment can be ended, we shall have no trouble in taking care of the lesser of our ills.

These are truisms, and precisely because they are, there is danger that their significance will be overlooked or forgotten in our preoccupation with the side shows of the political campaign, and, at the moment, with foreign affairs. No national candidate seeking the favor of the people should be allowed to dodge the great underlying domestic issue of unemployment.

What has brought this problem of unemployment to the top of the writer's mind is a speech which Milo Perkins, president of the Federal Surplus Commodities Corporation, made recently to a farm institute at Des Moines. We are accustomed to think of the farm problem as one thing, and the problem of getting men back to work in industry as something entirely different. Mr. Perkins shows vividly how interrelated are the two.

He approaches the subject from the angle of the farmer. The farmer's troubles stem from his production of more than he can sell in the present market at a profit. There are three reasons behind this condition. One is the fact that scientific methods have enabled the farmer, without extra labor, to make two blades of grass grow where one grew before. He doesn't know where to sell that additional blade.

The second reason pointed out by Mr. Perkins is the dislocation of our foreign trade. Incidentally, he says that the present war is certain to hurt our agricultural exports in the long run, and he fears that after the war things will be even worse. This is the unhappy prospect because the Allied nations, fighting fire with fire, are going more and more on a totalitarian basis and adopting centralized controls of their foreign trade. After the war, Mr. Perkins thinks, we are likely to find ourselves in a world reluctant to give up its barter economics.

The third great cause of farm surpluses has to do with the 10,000,000 unemployed. Here is where the plight of the farmer and the plight of the jobless industrial worker are seen to be integral parts of the same problem. For the term "surpluses," as Mr. Perkins says, is simply a "smug, polite name for a shocking amount of underconsumption."

He states the case very simply and very graphically. Notwithstanding the fact that industrial production rose last December to the 1929 level, we continued to have an army of unemployed not much smaller than that of the bleak days of 1932–33. The reason for this was twofold: The growth of population and the increased output per worker—something like 20 percent in the last 10 years. We have been smart enough to make amazing mechanical improvements. Are we going to be smart enough to provide jobs for the jobless? Mr. Perkins does not exaggerate when he says that "on our answer to that question—not in words, but in jobs—hangs the future of our industrial democracy. In other lands it has lost its race against time; if we have the courage to make it work here, then we shall be in truth a chosen people."

We can produce almost anything. The problem is to learn how to distribute what we produce so that we can wipe out this black plague of the twentieth century—underconsumption. Ahead of us is a job of national pioneering which has barely been started.

The trade-agreements policy of Mr. Hull is excellent; we need all the foreign outlets we can get, both for our farm and our industrial products. But, there's a tremendous potential market here at home beside which the foreign market, at its best, shrinks into insignificance. Mr. Perkins tells some of the possibilities from the viewpoint of the farmer with the miscalled "surplus." A few of his figures will illustrate the point.

In 1935–36, nearly two-thirds of all the families in the United States had incomes of less than $1,500. The average for this group was $826 a year—$69 per month for the whole family. "That," says Mr. Perkins, "is the story of underconsumption in one figure."

Some Utopian figures could be given, but let's see what would happen if all the families getting less than $100 a month in 1935 had been able to raise their incomes to that level. The increase in expenditures for food would have been $1,900,000,000. The national food bill would have been increased more than 14 percent, farmers would have received directly nearly a billion more in income, the extra demand would have increased their income by a large additional amount, the improvement in the farmers' status would have contributed to the general well-being, industrial unemployment would have been decreased.

To provide jobs for the jobless in private industry and so end underconsumption—that's the crux of the great economic problem that bedevils us, and none of those holding or seeking national power should be allowed to forget it.

Mr. Chairman, if we can improve the health of the workers who are paid low wages, and can enable them to buy more food and clothing, we will have brought assistance to the unemployed and to the farmer.

As I have stated, the farmer must sell his products largely to the citizens of the cities and towns. They can buy only from the wages received for their labor. Therefore the farmer is interested in seeing that industrial workers are properly paid.

Persons employed in canning factories, packing plants, and in similar activities, which the Barden bill seeks to exempt from wages as well as from hours, need the protection of this law.

I cannot give my consent to vote to exempt these people who now are required to be paid only 30 cents per hour. How can any Member of Congress, making as we do a sum equal to 2 weeks' wages for them for each day, face those people and say that they do not need to be protected from a situation which places their meager earnings in competition? Wages that low should not be a matter of competition.

The Norton bill keeps the floor under these low wages. It gives longer hours to take care of the small plants. The large plants work under contract with labor unions, so their employees are protected.

It seems to me that the Norton bill is an answer to any valid criticism in the present law as to these processors of agricultural commodities. The Barden bill goes too far.

[Here the gavel fell.]

Mr. BARTON of New York. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, the remarks you have just heard coming from a Democrat from the South ought to have a great deal of effect on the minds of those who are at least on the borderline and who have retained an open mind on whether they would support this humanitarian legislation or whether they would oppose the whole wage and hour law, not only because he comes from the Southland but because he comes, I assume, from an agricultural district. I, too, come from an agricultural district of the North, and I voted for the wage and hour bill. I believed then it was sound and meritorious legislation. I believed it was constitutional, although I knew at the time it was an invasion of the rights of the States. I am convinced that most of the American people have made up their minds now that it was proper and needed legislation; that it was constitutional; and that it was in the interest of all the American people and particularly in the interest of what we are apt to term the forgotten men and women, the millions of wage earners who are not organized, who have no voice and little representation, including

the colored people who are not represented here from Southern States.

I have the highest respect for the gentleman from Georgia [Mr. Cox]. He is a distinguished Member of this House, and has the courage of his convictions. He is a first-rate fighting man, and there is hardly a better one in the House. He is honest and sincere in his opposition and I do not impugn his motives. He is opposed to the entire program of wages and hours. He opposed it when the bill was up. Therefore, when he comes before the House and leads a fight to amend the bill I advise the Members of the House to remember that old story about Greeks bearing gifts. To my mind, this Barden proposal is the Trojan horse that the opposition are trying to insert in the walls to break down, to undermine, and to ruin and destroy the wage and hour law that was enacted by the Congress of the United States to lift up the wage scale of those unfortunate American wage earners who were receiving 5 and 10 cents an hour and to give them, little enough, 30 cents an hour.

If I have any criticism of this bill it is that it should have been enacted years and years ago to maintain a proper American standard of wages and of living. I do not agree with some of my friends on the Republican side, even from my own State, who have opposed the bill from the beginning. We on the Republican side have always stood for an American standard of wages and of living, and when we refuse to vote at least a 30-cent-an-hour wage we are certainly not upholding that great ideal of the Republican Party which we have adhered to for so many years, the protective tariff which aims at establishing a proper and an adequate American wage scale and standard of living.

I hope my Republican friends listened attentively to the remarks of this Democrat from the South. I, too, come from an agricultural district of the North and do not believe that there is any discrimination against American farmers in upholding a $12-a-week wage scale.

Mr. COX. Mr. Chairman, will the gentleman yield to me?

Mr. FISH. Certainly, I yield to the gentleman.

Mr. COX. The gentleman to whom the speaker refers as coming from an agricultural district of the South is the one Representative who comes from the great city of Atlanta, of which the South is proud.

Mr. FISH. I am glad to be corrected.

Mr. COX. Of course, I join with the gentleman in the compliment he pays my colleague, whose friendship I appreciate and as to whose understanding and fine patriotism I gladly testify. Now, it has become somewhat of a habit on the part of members of the Labor Committee to make me the object of attack. They seek to point me out as a labor baiter, altogether opposed to the doing of anything that might improve labor. The constant attack made upon me by the chairman of the Labor Committee, and the ranking minority member of the committee, the gentleman from California [Mr. WELCH], reminds me of a story. When I was a small boy living far out in the country, my mother had an old hen that was always sitting. She had, however, a most contrary disposition. We would duck her, but she would go back on her nest. However, in indulging her disposition to quarrel she somewhat neglected her nest, and the eggs grew cold and never hatched. We had also an old rooster. He was the handsomest thing in the barnyard. [Laughter.] He was always crowing in response to the cackle of the hens, but in all the years that he reigned in the barnyard there was never a chick that looked like him. [Laughter and applause.]

Mr. FISH. I have never questioned the gentleman's motives and do not propose to do so now. I commend the gentleman from Georgia because he has the courage of his convictions to oppose this type of legislation on every occasion, and there are those on our side who have opposed this legislation likewise, but I feel that the American people themselves have already determined that this is sound and wise humanitarian legislation and is deserving of the support of all the Representatives in Congress who want to maintain American standards of wages and living.

Now, as I said yesterday, I believe in certain modifications and in certain amendments to this bill, particularly as far as seasonal hours are concerned. Up in New York State, where they grow tomatoes, and the tomatoes get ripe at a certain time, of course, there must be an amendment to the bill so that those canneries can operate without paying overtime. Such amendments are proper and should be in order, and no Member should oppose them.

The reason I have risen here today is simply to insist that the Members on both sides realize that an attack is being made on the whole fabric of the bill. The opposition is seeking to undermine, destroy, and ruin the wage and hour bill. This is the last chance to undermine and wreck this humanitarian legislation, and every kind of amendment will be offered with the sole purpose of breaking down and ruining the wage and hour law, which is based on the principles of social and industrial justice in the United States.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. FISH. For a brief question, yes.

Mr. MAY. The gentleman understands, of course, that there is a division between certain labor groups in this country and quite a controversy. I have got the impression from the reports that come in here and the way these bills have come to the floor of the House, as well as from the debate, that the Norton amendments are aimed at heading off the Barden amendments and that the Barden amendments are aimed at the wrecking of the bill.

Mr. FISH. I think the gentleman from North Carolina [Mr. BARDEN] can speak for himself. He is going to follow me, I believe, but the Labor Committee has reported out the Norton bill which carries the amendments that they think are meritorious and would be helpful.

Mr. MAY. And they have reported two other bills.

Mr. FISH. No; the Committee on Labor has reported out only the Norton bill. They have considered this issue for a long time and they have reported that bill out by either a unanimous vote or a very large and substantial vote. Therefore, if they are for this bill, it certainly should have the right of way ahead of the Barden bill.

What I am arguing about is this—not that we should not amend the law in certain instances, but we want to make sure that those who are trying to destroy the bill shall not creep in under a Trojan horse and destroy the whole bill by their efforts to go too far and sabotage and wreck existing law.

Mr. MAY. Does the gentleman mean to say that the Rules Committee did not report out the Barden amendment?

Mr. FISH. I was talking about the Committee on Labor.

Mr. MAY. I was talking about the Committee on Rules.

Mr. FISH. The Rules Committee reported all three out, but there have been no hearings on the Barden bill or on the Ramspeck bill. The only hearings that I know of were held on the Norton bill, and that is the bill that I am supporting today, and I hope that those amendments will go through and that Members of the House will not try to enlarge on them and add to the amendments so that wage earners who are not farmers, who are not agriculturalists, who are in no sense tillers of the soil, but who are industrial workers, will be excluded from the provisions of this law. I am in favor of any honest, fair, and needed amendment, but I oppose right here and now any and all efforts to destroy this sound and humane legislation, which I think is the fairest, soundest, and best piece of legislation that the New Deal has enacted into law.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. SCHAFER of Wisconsin. In order to make this Wage and Hour Act effective, will the gentleman favor an amendment which will require that imports from foreign countries under the Hull New Deal American sell-out trade treaties, to be produced under the same wage and hour limitation? Many of those imports from foreign countries are produced by people who work 20 hours a day and who receive much less than 5 or 10 cents an hour.

Mr. FISH. I think the Republicans are all agreed to that proposal—that we have to protect the American wage scale

against the sweatshop and pauperized labor of Europe and Asia.

Mr. SCHAFER of Wisconsin. We should not permit low-wage and long-hour foreign imports to continue. The workers in many foreign countries work 20 hours a day and for as low a wage as 1 cent an hour. If we continue to import the products which they produce we are really hitting the American workers in competing industries below the belt and doing far more damage than we will ever correct by the Wage and Hour Act.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. CASEY of Massachusetts. The gentleman pointed out that there should be some seasonal exemptions, for example, in the tomato-processing industry in his State.

Mr. FISH. Yes.

Mr. CASEY of Massachusetts. May I suggest that the Fair Labor Standards Act already has a seasonal exemption of 60 days, so far as time and a half is concerned.

Mr. FISH. That is what we are primarily concerned with, the time and a half, and not the wage scale. I think the objections on this side from the farming districts are probably all on the time-and-a-half proposition and not on the wage scale, but the amendments in the Barden bill are on the wage scale, and more than 1,000,000 wage earners would be exempt from the minimum-wage scale if that bill is adopted. In conclusion, as far as any amendments are concerned, I do not propose to vote for an amendment to the existing law that lowers the wage scale by as much as 1 cent. That ought to be the test of all amendments. If any amendment lowers the wage scale, then I think those in favor of this legislation ought to vote it down. If the amendments have to do with seasonal hours, that is a different matter, and they ought to be considered upon their merits.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. BATES of Massachusetts. Having in mind the position of the gentleman from New York, as well as myself, and I have favored the wage and hour bill from its very inception, does the gentleman believe that the purpose of this bill is to include the higher-brackets-income people or is it promoted for the purpose of taking care of the low-wage-scale people?

Mr. FISH. Oh, the higher brackets ought to be excluded.

Mr. BATES of Massachusetts. The great mistake that we are making is to force that proposition in the higher brackets.

Mr. FISH. That ought to be excluded. This law is meant to lift up the wage scale of millions of low-paid and impoverished people in America, both North and South, and if we Americans do not believe that an American citizen is worth 30 cents an hour, then we have not very much faith in America or in American citizens. If $12.60 a week is too much for an American worker, in the greatest and richest country in the world, then we have not much faith in our own country, in its citizens, or in its great destiny. The main defect in the bill, I think, is that it does not increase the wage scale to more than 30 cents an hour, or $12 a week, immediately.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. COFFEE of Nebraska. The gentleman is familiar with the exemption from overtime penalties that were granted in the original bill to the livestock processors for 14 weeks during the year, in the aggregate. In that industry they pay from 60 cents to $1.27 per hour, but the wage and hour Administrator's ruling has nullified that exemption.

The shipper who ships cattle or hogs or lambs to the processor cannot pass that extra cost on to the consumer.

Mr. FISH. Well, all I can say is I am in favor of doing away with all of these inequalities and injustices. I would favor any such amendment to do away with them. [Applause]

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN of North Carolina. Mr. Chairman, this is a matter in which I am very, very sincerely interested. I never have on this floor, nor do I now, propose to indulge in personalities or in questioning the motives of anyone. I like to regard this House as a body of men and women who are here with the sincere purpose of representing, to the best of their ability, the people of this country. For my part I am willing to account to my people or my Maker for my conduct in that respect.

There has been some bitterness about this bill. Why I do not know. There has been much confusion.

Mr. Chairman, this is not a question of cutting someone below $12.60 a week. Lord knows $12.60 a week is too small for any family to live on during these times, but I am sorry to report to this House that there are millions who have to live on less than that.

Why did they leave the farmers out to begin with? [Applause.] Somebody answer that question in an intelligent manner. Was it because his income was so small from the products that he feeds the folks of this Nation that he could not pay a pittance of $12.60 per week? Yes, my friends, I have them in my district who are making 4 cents, less than 4 cents, per hour. I visited my courthouse recently and there the walls are plastered with notices by the Federal land bank, the joint-stock land banks, money lenders, banks, and otherwise foreclosing these homes. Why? Listen to me. Why? Because the people of this country have been eating their products and paying them approximately nothing for them.

Now, let us get to the practical side of this thing. I, opposed to $12.60 a week? I despise the thought of it, as a principle; but I say to you if you are going to put a floor under those who handle agricultural products, then for God's sake do not put the farmer under the floor. [Applause.] Where is the floor under him? Oh, yes. You like ice cream with strawberries. You like strawberry shortcake. You like strawberries with cream. Here is a report of what those berries cost the man, just from the bush: Two cents a quart to pick them and to examine them and to pack them and to put them in the crate; 40 cents for the crate. What does it cost him to take a crate of berries from the bush to the platform? It costs him $1.42, and they were selling for $1.50 to $1.75 and $2 in my district, and I represent the greatest strawberry-producing district in the United States.

Pray tell me how is he going to pay for the fertilizer, the hoes, plows, and other supplies and equipment that he buys from the manufacturing companies? Every time you add handling charges to those products, whether it be strawberries or vegetables or other agricultural products, you do not put them under the farmer; you put them on top of him. Now, let somebody deny that. You have only to refer to the fact that in 1937 we were 21 percent above the 1910–14 level on agricultural prices. In 1938 down we went 26 percent. In 1939, 7 percent more. How long can the farmers endure that?

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. BARDEN of North Carolina. I would like so much to go along with my statement.

Mr. DIES. I want to get a little information.

Mr. BARDEN of North Carolina. Please let me go along with my statement.

Take a quart of strawberries. Do you know that when the price of strawberries reach 15 or 20 cents a quart, people will not pay another penny for them; yet that quart of berries brings 3 or 4 or 5 cents or possibly 8 cents down where it is grown. You can add on all the handling charges to that quart of strawberries that you want to, but when New York wires down to their buyers on that market, they say "Pay $1.75 for berries this morning," and that is all they pay, my friends. All the handling charges deducted and the farmer gets what is left. When the "ducks" get through with him, the "ducks" have got it all. Now, that is a general proposition.

I am very serious about this. I represent a district 200 miles in length and approximately 100 miles in width. It is populated with agricultural people, rural people, honest, hard-working people; yet the farmer can sit up 24 hours a day, day and night, curing his tobacco, and when he takes it to the warehouse the man will come in there at 8 o'clock and make more money on his tobacco from 8 o'clock to 4 o'clock than the farmer will make in a week. And tell me they do not pass that on to that farmer; why, they walk right up to the window. Over here is all the handling charges. Over here is what the tobacco brought. Right in front of his eyes they deduct that from the price of his tobacco and he gets what is left. Now deny that.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. BARDEN of North Carolina. No, I do not care to yield at this time.

The CHAIRMAN. The gentleman from North Carolina declines to yield.

Mr. BARDEN of North Carolina. With regard to the large cities I would say that New York City, Philadelphia, Baltimore, and Washington have taken more from my people and paid less for it than any group of people in the world today. I recall getting up one frosty morning thinking I would make a little money. I cut 22 baskets of nice lettuce and shipped them to Philadelphia. I started cutting at about 3:30, and finally got them on the train at 7. A week and a half later I got a check for 16 cents—16 cents. They might have paid me 1 penny a basket for a 50-pound basket of iceberg lettuce, it seems to me, but I got only 16 cents.

Mr. Chairman, they, the farm producers, are the folks I am talking about. Maybe I am wrong. If I am, God knows I have never been more sincere and honest in a conviction in my life.

I want to say this about these amendments: I wiped out of the law the term "area of production," yes. I challenge any man or woman in this body to justify the Administrator's interpretation of area of production; I challenge any man or woman in this House to justify leaving the term "area of production" in the law in such way that the Administrator can make it 10 miles this week, 5 miles next week, or 30 miles next month. How can an industry, in which 32,000,000 people in America are engaged and working, survive any such uncertainty?

I do not want to hurt the industrial worker. I deplore the statement. I deny it emphatically. There is no disposition on my part to want to hurt the industrial worker. But, Mr. Chairman, it does not sound well to me to be told that they are paying $1.80 an hour to the person who cuts up the hog that my folks sell for 4 cents a pound. In 3 hours the man in the factory cutting up a 100-pound hog can earn enough to buy one, a hog that it took a farmer 6 months to grow. And then we want to keep adding on and adding on. I do not see how we can do it.

I wiped out the term "area of production." I thought it was the only safe thing to do.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BARDEN of North Carolina. Just briefly.

Mr. COOLEY. The gentleman made the statement that he wiped out "area of production." Is it not a fact that they wiped it out down in the Department, that they struck it out by administrative interpretation?

Mr. BARDEN of North Carolina. They wiped out the exemptions which were granted by Congress and by Congress put in the bill.

Mr. COOLEY. That is what I mean.

Mr. BARDEN of North Carolina. I just struck out "area of production" in my amendment. [Applause.]

Mr. Chairman, let me say that I do not believe this body wants to leave the destiny of agriculture and the agricultural people in the hands of any one man who is an Army colonel and does not even pretend to be an agricultural man. We passed an act which, among its provisions, stated that the Administrator was to report to this body and recommend amendments to this act. Congress expected that amendments would be needed. Why should I be maligned and abused for suggesting the very thing the House ordered the Administrator to do when the act was passed, to make recommendations to this body as to how the act should be changed? I suggest you read the act.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. BARDEN of North Carolina. I am advised that my time has expired. Would the gentleman from California grant me a little more time? I have been working an awfully long time on this.

Mr. WELCH. I may be able to later in the day, but I cannot do it now.

Mr. BARDEN of North Carolina. May I not have just 5 more minutes?

Mr. WELCH. I cannot disappoint Members whom I have already promised time, much as I would like to accommodate the gentleman.

Mr. BARDEN of North Carolina. Will the gentlewoman from New Jersey grant me a little time?

Mrs. NORTON. I am sorry; I have not even a minute left that I can grant. I am sorry.

Mr. BARDEN of North Carolina. I am awfully sorry. I have worked about a year and a half on this. I would like to discuss my amendments individually, for it is rather difficult to try to cover a subject like this in a few minutes.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Time for debate has been fixed.

Mr. BARDEN of North Carolina. I thank my colleagues for their attention. [Applause.]

Mr. WELCH. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. BARTON].

Mr. BARTON of New York. Mr. Chairman, I receive a good many letters and telephone calls congratulating me on the enlightened statesmanship I have shown in proposing my amendments to the Fair Labor Standards Acts. I also receive in the same mail an equal number of letters and telephone calls accusing me of wanting to trample down the lowest and most unprotected workers in the United States. Just to make it clear for the RECORD, I think I ought to start by stating that I am the Mr. BARTON of New York who in this particular instance is supporting the bill and upholding the hands of the chairman of the Committee on Labor, and not the Mr. BARDEN of North Carolina who is causing her such mental and spiritual anguish. [Laughter.] On many other matters the gentleman from North Carolina [Mr. BARDEN] and I find ourselves in agreement; and I am convinced that if we went back far enough we would discover that we had a common ancestry and that probably one of our ancestors, his or mine, just did not know how to spell.

Mr. Chairman, my quarrel with the New Deal administration is not at all with respect to its so-called social objectives. I have been sometimes criticized within the ranks of my own party for being too sympathetic with and too friendly toward those objectives. My quarrel has to do, first, with what I regard as the grave danger involved in the New Deal's unsound and extravagant fiscal policies which I believe are jeopardizing the credit of the Nation, and will eventually harm most seriously the very people—the poor and the weak—whom it is the professed object of the administration to help. My second quarrel with this administration is that it is so much enraptured with reform that it has altogether too little interest in sound administration.

Now, I want to say, in all justice to the administration, that when it came to finding an administrator for the Wage and Hour Act, the President of the United States made an honest, earnest effort to get the ablest men who could possibly be put in that position. I happen to know something about that, because curiously enough through a mutual friend my help was enlisted to see if we could not persuade one of the leading business executives of this country, who was persona

grata to labor, industry, and agriculture, to become administrator of the Wage and Hour Act. Unfortunately it was impossible to secure him because of commitments he had already made to his associates. In his place the President appointed Mr. Andrews. Subsequently, the gentleman who had been first approached, had a conversation with Mr. Andrews, in which he put forth some very sound advice. He said:

> My suggestion to you, Mr. Andrews, is this, and it is what I would do if I were in your place—go in there and apply this law at the beginning to just as few people as you possibly can. Start slowly; build your organization slowly. The law was enacted to get rid of sweatshops, child labor, and chiselers. Clean out those sore spots first, then feel your way along, and do not try to stretch out and include everybody at once.

Now, I believe that Mr. Andrews was well intentioned, but he had the misfortune to find himself surrounded in the division of wages and hours by a group of lawyers with a pretty rigid legalistic turn of mind. Many of us here in the House who had to do with the administration during his incumbency discovered how difficult it was to get any sort of reasonable rulings out of the Wage and Hour Division. My own mail, last year, was loaded with complaints and pleas for amendment to this law. I cannot speak for any other Member, of course, but my own experience, peculiarly enough this year, has been that I have received almost no complaints as contrasted with the overwhelming volume that poured in on me last year. I attribute this in part, and I think rightly, to the fact that Colonel Fleming came into the administration of the Division and brought a more flexible attitude, a better understanding of the problems of industry as well as of labor, and is trying earnestly to iron out the sore spots even in advance of the enactment of these amendments which the Labor Committee has proposed.

Specifically I know that a study is now going on seeking to arrive at a more workable definition of "seasonable industry." It may well be possible to liberalize this definition in such a way as to provide reasonable exemptions to the smaller canning and processing industry, not in the matter of wages, which nobody proposes to do, but in the matter of hours. For example, a plant canning cherries in the spring might be exempted also as to the canning of apples later in the season. A plant in the citrus-fruit country might be granted 14 weeks' exemption from the hours regulations during the season of certain early oranges and a similar exemption during the season for grapefruit or some other kind of oranges. In other words, by redrawing the definition of "seasonal industries" not in terms of plants, but in terms of products, it may be easily possible to remove many of the hardships against which there has been most complaint and without dangerous amendments to the law. I know also that studies are taking place looking toward a redrafting of the definition of those workers employed in executive, administrative, professional work, or as outside salesmen, or in a retailing capacity. These definitions the former administrator made unnecessarily tight. Hearings are presently being held, for example, as to the application of these definitions to the wholesale distributing trade, with every promise of a sensible and satisfactory agreement by all parties concerned.

Of course, it was never intended under this act that the $5,000 or $10,000 or the $20,000 a year executive should be punching a time clock. The whole argument in 1937, as those of you know who were then in the House, was that we should once and for all eliminate child labor and the chiselers, as well as the sweatshops from this country.

In reassurance to the House, from my experience with the Division, which has been very close, I say again that I am impressed with Colonel Fleming's desire to be reasonable, cooperative, and willing to deal with situations in an open-minded way. He must have made this impression on both business and labor, for I understand his administration is entirely satisfactory to the leaders of organized labor; and certainly the complaints of industry and the pleas for relief which so loaded my own mail during the last session have largely disappeared.

My position in regard to the proposed amendments is clear. I favor the Norton amendments, which were worked out with painstaking care and after long deliberation in the Labor Committee. They remove hardships without weakening the act. Further than these amendments I am not willing to go.

The Barden amendments would, in my judgment, exempt hundreds of thousands of the poorest paid and most helpless workers, including large numbers of Negroes and other underprivileged white workers, especially in the South, for whose protection the act was especially designed.

Mr. BARDEN of North Carolina. Will the gentleman yield?

Mr. BARTON of New York. I yield to my cousin from North Carolina.

Mr. BARDEN of North Carolina. I am most highly complimented. I notice in the gentleman's figures, and I notice in the report which has been put in the RECORD that I am charged with exempting 325,000 "white collar" workers. In my provision it says if they have a guaranteed salary of $150 a month or a guaranteed yearly salary of $1,800 and are not required to work any minimum number of hours—in other words, they work when they please and keep their own time—then they are exempt. Does not the gentleman agree that there is considerable merit in that provision?

Mr. BARTON of New York. I may say to the gentleman from North Carolina I entirely agree with him on that.

Mr. BARDEN of North Carolina. This bill was passed to protect people working in sweatshops and the industrial workers generally, was it not?

Mr. BARTON of New York. That was the plea under which it was enacted. May I say in that connection that in the Norton bill the exemption is $200 a month, while in the Barden bill the exemption is $150 a month.

Mr. BARDEN of North Carolina. The fellow down in my country who gets $200 a month is a big shot.

Mr. BARTON of New York. I understand that.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. BARTON of New York. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman from North Carolina in his speech pointed out the sufferings of the farmer and the disadvantages under which the farmer labors. Does the gentleman from New York agree with the position taken by the gentleman from North Carolina by implication that the way to solve these ills is by taking it out on labor in this country?

Mr. BARDEN of North Carolina. The gentleman did not understand me to say that.

Mr. BARTON of New York. May I say to the gentleman from New York that I believe he must have misunderstood the inquiry addressed to me by the gentleman from North Carolina; he asked about the provision in respect of executives.

Mr. MARCANTONIO. I was not referring to a statement in his inquiry, I was referring to the implications that were to be drawn from the speech the gentleman from North Carolina made on his amendments.

Mr. BARTON of New York. I would rather have him explain the implications of his speech.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BARTON of New York. I yield to the gentleman from Pennsylvania.

Mr. RICH. If this bill had in the first place been drawn right for the benefit of labor in this country, why did they not include farm labor and why did they not include labor employed in establishments employing less than eight people, so that all the people would be taken under the bill, and thus make it the right kind of a bill in the first place?

Mr. BARTON of New York. We are trying to make it a better bill now.

Mr. McCORMACK. Mr. Chairman will the gentleman yield?

Mr. BARTON of New York. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The answer to that is very simple, that we recognized the special plea of labor on the farm. We also exempted those employed on the farms from the Social Security Act.

Mr. BARTON of New York. You also exempt from the Social Security Act, do you not, concerns having less than eight employees?

Mr. McCORMACK. From some aspects of it; yes.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. BARTON of New York. I yield to the gentleman from Virginia.

Mr. ROBERTSON. The language on page 15 of the Norton bill in subsection 12 reads as follows:

Any employee employed in the cleaning, packing, grading, or preparing of fresh fruits and fresh vegetables in their raw or natural state when such operations are performed immediately off the farm.

May I ask the gentleman if the word "immediately" refers to time or distance or both?

Mr. BARTON of New York. I should say both, subject to correction.

Mr. ROBERTSON. Then to what extent would that make this bill conform to the statement of Colonel Fleming published in the Appendix of the RECORD, page 2260, that the Norton bill eliminates the area of production under which, as I understood, the clear intention of the Congress to exempt those rural workers engaged in packing fresh fruits and vegetables from the operation of the bill, they were brought under the bill by saying the area of production was 10 miles. Now, when you say, "immediately," have you not made a tighter area of production than we have under the present law? How far is "immediately"? Would it be 10 miles or would it be 100 feet?

Mr. BARTON of New York. I would like permission to discuss that when we reach that point in the bill.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. BARTON of New York. I yield to the gentleman from Michigan.

Mr. MICHENER. I might suggest as a yardstick that the gentleman inquire of the Secretary of Labor, who fixed the locality or the vicinity under the Walsh-Healey bill as including 13 States.

Mr. BARTON of New York. Summing it all up, I believe we have now and can congratulate ourselves on having a reasonable, intelligent, and cooperative Administrator who appreciates the problems of both employer and employee. For this reason I favor adopting the conservative amendments recommended by the committee and giving him another 6 months or a year to deal with such individual situations as can be ameliorated by changes in the regulations and definitions. At our next session the Administrator, who, under the act, is directed to make recommendations from time to time to the Congress, may have discovered certain other ways in which the act can be perfected and unnecessary hardships and criticisms removed. But such changes, I believe, will be minor. Neither the next session of Congress nor any session will be willing either to repeal or undermine this legislation. It has commended itself to the social conscience of our people and has even in these few months been cheerfully accepted by the overwhelming majority of forwarding-looking employers throughout the land. [Applause.]

Mrs. NORTON. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. WOOD].

Mr. WOOD. Mr. Chairman, I believe this issue is very clear in the minds of most Members. We have now come to a time when we can vote either to destroy the Fair Labor Standards Act or preserve the law in its present form.

In order that the record may be clear and so there will be no misunderstanding as to where the American Federation of Labor stands on this measure, I desire to state that I am just in receipt of a letter from Mr. Hushing, the national legislative representative of the American Federation of Labor, which encloses a copy of a letter that President William Green wrote to the gentleman from North Carolina [Mr. BARDEN]. The letter of Mr. Green reads as follows:

A study of the amendments which you have proposed to the Fair Labor Standards Act leads me to write you and frankly state that most of the amendments you propose are highly objectionable to the American Federation of Labor.

For instance, one amendment to the Fair Labor Standards Act which you propose provides that all wage earners who earn $150 per month would be excluded from the provision regulating the hours of labor which is embodied in the Fair Labor Standards Act.

Such a provision is economically unsound because at the present time most thinking people agree that the number of hours worked per week must be lessened if we are to overcome widespread unemployment. We must distribute the amount of work available among a larger number of people. That objective can only be realized through a reduction in the number of hours worked per day and per week.

The section which provides for the incorporation of the 44-hour week in the Fair Labor Standards Act cannot be regarded as unreasonable. It provides a uniform, standard workweek for all who are subject to the provisions of the law. If we are to exempt a large number of workers from this provision of the Fair Labor Standards Act, we will suffer indefinitely from unemployment.

It is my opinion that the Fair Labor Standards Act should at least remain as it is. Time will demonstrate the soundness of the provisions of this social-justice statute. It has only been in operation about 1 year. Sufficient time has not yet elapsed in order that we might test the soundness and practicability of the regulatory provisions of this act.

I wish to register in behalf of the membership of the American Federation of Labor and in the name of the American Federation of Labor our opposition to the amendments which you offer to the Fair Labor Standards Act.

Mr. Chairman, I also have a letter from the Railway Labor Executives' Association, which reads as folows:

RAILWAY LABOR EXECUTIVES' ASSOCIATION,
Chicago, Ill., April 19, 1940.

DEAR CONGRESSMAN: The Railway Labor Executives' Association composed of the 20 standard railroad labor organizations, representing approximately 1,000,000 employees, is unalterably opposed to H. R. 7133, and some of the outstanding reasons are:

This bill practically destroys the real spirit and intent of the original scope to protect the lower paid and also to reduce excessive hours. In our railroad employee groups are approximately 90,000 who receive less than 40 cents per hour—certainly not a decent American wage standard.

To enact the provisions of H. R. 7133 into law will tear down every vestige of progress made under a law which, in any event, has as yet not been thoroughly tested by experience.

Sane reasoning always justifies allowing experiences to govern. Our association has found itself in vexing and unreasonable positions again and again by some one or groups advocating something new or different prematurely, and in all such instances opposition and defeat of these movements have served to the best interests of the vast majority.

The Railroad Retirement Act, for example, has had many amendments offered to it, some meritorious and others detrimental, but since the meritorious amendments offered were completely overshadowed by those obnoxious and of greater evil than good, the correct position to take has been, and with success, to await time to learn from a fuller experience the correct avenue to follow to keep the Railroad Retirement Act whole.

Fair logic convinces us that the viciousness of H. R. 7133 leads in the direction to destroy rather than to constructively build and improve on that now in effect.

We urge that H. R. 7133 be defeated and that you will use your good judgment to accomplish that purpose.

Very truly yours,

J. G. LUHRSEN,
Executive Secretary.

The question has been asked, Why should we not include the farmers in this legislation? The Members of this Congress know that all social legislation passed by any State in the Union or by this National Congress affects the industrial worker. The agricultural workers are always exempted, because it is not intended to cover agricultural workers. There have been some very brilliant assertions made on the floor of this House in behalf of the farmers of this Nation, but I am sorry that those same impassionate speeches could not be made when the question comes before us of parity prices for farmers, low-interest rates, and legislation enabling farm tenants to purchase farms and homes. I have not heard any of those impassioned orations when such legislation was being considered by the House. I have not received one single letter from a farmer in my district in opposition to the Fair Labor Standards Act. The farmers who are talking about it belong to that type of farmer who farms the farmers.

Here is a letter I have from the Federal Cold Storage Co., of St. Louis, and I have hundreds of letters from like institutions. The letter reads as follows:

My advice is that the Barden bill, H. R. 7133, may come up for consideration in the near future. It is urged that this bill amending the Fair Labor Standards Act of 1938 be favorably acted upon for the benefit of the individuals and companies engaged in the handling and marketing of agricultural and horticultural products.

These are the people that an effort is being made to exempt from the operations of this law. If the Barden bill is passed, it will exempt from the operations of this law probably one million and a half workers now under the law. There will not be a packing house in this Nation or a processing firm or milk producer under the law. The Borden Milk Co. and many other similar companies will not come under the law. There will not be a single one of those manufacturing institutions under the law, and a million and a half workers will be deprived of the benefits of the Fair Labor Standards Act.

The Labor Committee endeavored to arrive at some reasonable amendment to this act, because there was a hue and cry for amendment; but the Labor Committee went further than I wanted to go, and I will say to you that I cannot support this bill. I cannot support either the Barden bill or the Norton bill, because they have allowed home work to creep into this law, and by an amendment they have legalized that dastardly system of sweating by allowing the Administrator, by order or regulation, to investigate home work in so-called rural communities; and if it be found that the elimination of home work curtails work opportunities, the Administrator is authorized and empowered to issue an order allowing home work to be done, a thing we have been fighting to eliminate in this country for the past 40 or 50 years.

I cannot see any reason for the adoption of either bill. The committee bill, the so-called Norton bill, extends the hours of some million and a half workers. The main object and reason for the passage of the Wages and Hours Act was to raise the standard of living and to spread the work and to eliminate unemployment. There is no other reason for reducing hours of labor from 44 to 40 hours a week or from 54 to 40 hours a week except to spread employment.

Now, here is the type of farmer who is affected by this law, and they are really not farmers. They are processors rather than farmers. I have in my district several processing institutions that have contracted with their employees and the hourly provision in the wage agreement is in accordance with the limitation of the Wage and Hour Act, but it provides that in case the Wage and Hour Act is repealed or processing institutions exempted from the operations of the law, then the hourly workweek will automatically be increased to 54. There are three such wage agreements that I know of in my district that affect some 700 or 800 employees that have never before been able to sit down across the table and negotiate with their employers for a wage agreement. So, if we relax the hourly provisions, we will merely create more unemployment, and we will force an additional burden on a million and a half or two million workers who are now being protected.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. WOOD. I yield to the gentleman.

Mr. HEALEY. Does the gentleman think that white-collar workers receiving $150 a month ought to be exempted from the hour provisions of the act?

Mr. WOOD. I do not think the so-called white-collar workers, just because they are called white-collar workers, should be exempted, whether they receive $150 or $200 a month. The bank clerks and many other so-called white-collar workers are among the most sweated people in some instances. There is no industry that requires its employees to work longer hours than some bankers require their bank clerks to work. They should be privileged to be protected by this Fair Labor Standards Act.

Mr. HEALEY. Just one question further, if the gentleman will permit.

Mr. WOOD. I will be pleased to yield to the gentleman.

Mr. HEALEY. And such an exemption would defeat one of the purposes of the act, namely, the spread of employment, would it not?

Mr. WOOD. Of course, it would. I am glad the gentleman contributed that. The main purpose of the Wage and Hour Act is to spread employment, to bring more enjoyment to those underprivileged, and raise their standard of wages to somewhere near a living wage.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. ZIMMERMAN. I live in a district where there are small banks, and I do not think any bank has much more than $100,000 capital stock. I have a great number of young men who have entered the banks with a view of learning the banking business who have told me that under the operation of this law they did not have the opportunity of learning the business, but were required to do a specific job, which they were employed to do. They stated to me that unless this law was changed they would have to go out and find something else to do, because there was no future in banking if you are going to post a machine all of your life.

Mr. WOOD. Oh, that is a stock argument that I have heard for 20 years before I came here, before the Missouri State Legislature, when we were going to pass a woman's 9-hour law. Since that time we endeavored to pass a woman's 8-hour law. Invariably the manufacturing associations, the State chambers of commerce, would bring a number of women to the legislature who would beg to be allowed to work 9 hours a day, and they would also say that if they passed this 9-hour law it would destroy their business. They have been working 8 hours for the past 7 or 8 years and they are still doing business at the same old stand.

Mr. ZIMMERMAN. I bring this point up, not because it is a stock argument but because young people in my district have come to me and called attention to it and they have protested against the regulations which prevent them from making progress in banks. That is the only reason that I mention it.

Mr. WOOD. I would not be so seriously opposed to that amendment standing alone.

Mr. ZIMMERMAN. I am very glad to hear the gentleman say that, but to pass that amendment together with the homework proposition and the relaxing of hours of the workweek, relaxing the law for a million and half workers in processing industries, would be wrong. To require them to work more than the required workweek under the law is wrong, and we should not encourage home work.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. SACKS. Is it not true that after all, these arguments are merely subterfuges by those who would like to destroy the principle behind the legislation?

Mr. WOOD. They are merely subterfuges.

Mr. SACKS. Which the employers are merely setting forth because they do not want that principle established, but they want to go back to the old days where they could control the hours and the wages and everything else.

Mr. WOOD. I would say to the gentleman that a great many employers in my district who were in opposition to the wage and hour law before it was enacted, are now in favor of the law. Many of the garment manufacturers in my home town and in other places in the district, and other manufacturing institutions, have come to me and have said that this law is a benefit to them, because it has enabled them to compete with cheaper districts in the South and other places, and it has enabled them to carry on their business and now they are for the Fair Labor Standards Act. They are the very same manufacturers who wrote to me 2 years ago saying they were against the law. They are importuning me to protect the law as it is.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WELCH. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I think I can speak on this bill probably as a man closer to the soil than most of the men here. Speaking of exemptions from the wage-hour law, Puerto Rico, I notice, shall have a complete exemption under the proposed legislation. That has been made possible, I understand, because of a $150,000 lobby. It so happens that the farmers in the Federal Land Bank of Baltimore are also carrying along Puerto Rico. This is unfair. We can find the answer to our problem in the application of just plain common sense.

I am very happy to know how many friends farmers have here on this floor who live in the heart of the great cities.

I wonder how many of them ever stood around a cannery in the evening with a load of corn, peas, beans, or tomatoes when the whistle blew to find that they had to let their load stand there, go home, and come back the next morning to find that the load of produce had heated or the tomatoes rotting, and take heavy dockage, which was a serious loss.

I wonder whether they know that we farmers harvest only once a year.

I wonder if they know how light tomatoes are when they sell for $1 a bushel and how heavy tomatoes are when they sell for 10 cents a bushel.

I wonder how many of them ever had cattle or hogs in the stockyards on a Monday when the run was double the normal run, to find that the wage and hour law prevented a packer from buying more than he could use; to have their livestock lying around at the yards for several days until the packer could adjust himself and use them and find that they had a heavy charge for corn at $2 a bushel, or hay at $40 a ton, regardless of market price. To find that they had a terrific shrinkage in weight, and, in many cases, particularly in hogs, some deaths, until the packers could take them at $1.00 per hundredweight near the week end.

These things could be amended by minor amendments to this law.

An exemption in the hours would help here.

Then there are thousands and thousands of piece workers, particularly in the cigar industry, who always work on a piece-work basis. If they had an exemption on wages the fast worker would have the privilege of really going ahead and the slow worker would have the opportunity to keep at his job and off of relief.

Area of production has always been a thorn in the flesh. No one seems to know where to draw the line.

Here, again, the application of common sense would help.

These farm commodities are generally the property of the farmer until—as in the case of milk it goes into the bottle; and in the case of livestock it goes into the cooler; and in the case of farm crops when they enter the package or state in which they are finally passed on to the consumer. It then leaves the farmer's care and his interest and becomes a commercial product, and its entire status changes and then, and only then, can it enter into any kind of a market and transaction without affecting the farmer.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I have not the time. Secretary Wallace is tremendously interested in this bill. Why was he not interested last summer when we were threshing our wheat and selling it at 60 cents a bushel? When we farmers wanted to hold it he was shouting surplus and urging us to sow less, and killed our beliefs that we could get more, and just as soon as it passed out of the farmer's hands we saw that price advance. Today wheat is selling above a $1 a bushel—when the farmer has none to sell.

Now it does not make any difference under what administration or what rule a farmer loses money. He is just simply licked.

I remember when I put 6,000 pounds weight on a bunch of steers and sold them for $40 less than first cost. That was under Hoover. But I remember that in 1937, when the New Deal had pegged up the price of beef to where the consumer began to squeal and we farmers had loaded up with fat cattle, that at the instigation of the Department of Agriculture here in Washington a meat strike was declared and 5,000 butcher shops closed in New York in a single night, and we lost again.

Now, it does not make any difference whether a farmer losses $1,000 under a Republican administration or whether he loses $1,000 under the New Deal. The cold fact exists—he is licked.

What the farmer needs today is encouragement and an opportunity to produce, and the American market.

When times are hard and prices are low the farmer does not put into effect the John Lewis method of striking. He has a lot of fixed obligations to meet. He is an honorable man, and the lower the prices get the harder he works, the more he plants in order to meet his obligations. Knowing full well that it does not get him a single dollar to put in the bank, but just to keep his credit good so that he can look his creditors in the face and feel happy.

It is not the Department of Agriculture or the New Deal that keeps the farmer in his job. It is his abiding faith in God—his loyalty to the Government—his love for his work, and the eternal hope that next year will be better.

If the farmer was not kept at his work by these high motives, he and America would starve.

The Labor Committee, of which I am a member, operated for many months under a determination to do nothing. And refused to hear the appeal of the agricultural leaders of the country. More time was spent listening to the lobbyists for the New Deal—paid employees of the Government, who claim that their calendars were so full that they needed increased personnel to catch up. They always had time to crowd the Labor Committee and help the leadership to stagnate our work.

How well I recall that the leadership of the committee declared that no bill could go out of the committee before that "pack of wolves"—meaning this House.

There is no man in this House that believes more in labor unions than I do. There is no man in this House that wants to see the American working man receive higher wages any more than I do. But I want those same opportunities afforded to the farmers of this country.

I know that $1.50 a day is not enough for the working man. But here again I would employ common sense, and if it is the case of $1.50 a day or nothing, then I am for the $1.50.

These workers in our canneries that work a few weeks or a few months each year are not concerned about hours. They are usually occupied at some other things most of the time and look forward to this opportunity each season to earn money on the side to pay their winter's coal; buy shoes for the children, or pay rent, and so forth. And while we are told that they are sacrificing, they are willing to sacrifice in order to get that. These are honest, hard-working people, good at heart, and willing to make what they can and resent being interfered with or this privilege taken away from them.

The application of just plain common sense, a few minor amendments to the wage and hour law, will remedy the evils that I have referred to.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes.

Mr. CRAWFORD. I point out in connection with the gentleman's statement about Puerto Rico that Puerto Rico has about 1,800,000 people down there, and that in the last 5 or 6 years the Treasury of the United States has forwarded $160,000,000 to that island. There are probably 250,000 workers who are out of jobs today. The Wage and Hour Act put about 70,000 people out of work. You will either let the Puerto Ricans work for themselves or feed them from the Federal Treasury and place the burden on the backs of the farm people of this country. Which does the gentleman want to do? The lobby had nothing to do with that. The Congress of the United States failed to carry out its duty to the Puerto Rican people.

Mr. GROSS. I was in Puerto Rico last fall and I do not believe all the money we could appropriate, whatever we do, will help those people.

Mr. CRAWFORD. Let them go back to work and help themselves and quit feeding them out of the Treasury of the United States.

Mr. GROSS. That is right.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mrs. NORTON. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. BRADLEY]

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I am sorry there has been so much sectionalism introduced into the debate on this bill. I deplore the fact that the gentleman from Georgia [Mr. Cox] yesterday discussed the pending legislation from a sectional standpoint. I do not intend to say anything that would in any way inject any bitter sectionalism into the debate upon this bill. There are too many Members of this House from the same section of the country as the gentleman from Georgia who have been kind and generous to me in my associations with them as a Member of this House. Too many of them have given me their friendship to permit me to say anything that would give personal offense to them. The chairman of my own committee, the Naval Affairs Committee, Mr. VINSON, is from the same State as Mr. Cox, and he has been more than kind in extending cooperation with regard to matters of interest to the people of my city and my district.

Secondly, I do not think this is a sectional issue. We have as many chiselers in the industries of Pennsylvania as there are in any other State in the Union.

I must, however, pay some attention to the remarks of the gentleman from Georgia [Mr. Cox] when he discussed the political complexion of this House in his speech of yesterday. He said the House was composed of Republicans, Democrats, and so-called Democrats. I infer that he places those of us who defend the wage and hour legislation in the classification of "so-called Democrats." I do not know what claim he has that his democracy is more simon pure than ours. I know that I and many of my colleagues from the eastern industrial States have been Democrats for years in districts where it was impossible for us to seek political office with any chance of success.

The gentleman from Georgia [Mr. Cox] has been a Member of this Congress for some 15 years. I do not want to quarrel with him about his democracy, but I wonder if he would have been a Democrat if he were geographically situated differently during those 15 years. I wonder if, for instance, his democracy would have stood the test the same as ours has, when we were willing to battle for the ideals and principles of Jefferson and Jackson, knowing that we had no hope during those years of reaching a position wherein we could look for reward in holding political office, because there was no chance of our being elected to one.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. No; not now. I think perhaps because the philosophy of the gentleman from Georgia is so much different than ours, if he were in our locality, perhaps he might have found that his views were more in sympathy with those who control the Republican Party in our State. If so, he would find himself in the company of Mr. Pew and Mr. Grundy, president of the Pennsylvania Manufacturers Association, who is a bitter opponent of wage and hour legislation; and if he found himself in the political company of those men he would, I fear, have to accept all their philosophy, too.

Mr. COX. Will the gentleman yield to me?

Mr. BRADLEY of Pennsylvania. Not at the moment. The gentleman had an hour yesterday. I have only a few minutes.

Mr. COX. I was wondering if the gentleman assumed to speak for Pennsylvania democracy?

Mr. BRADLEY of Pennsylvania. I am speaking for my own democracy and the democracy of many of my colleagues from Pennsylvania, and it has stood a more severe test than has the democracy of the gentleman from Georgia [Mr. Cox]. [Applause.]

I am not going to discuss this thing along sectional lines, because, as I said, there are just as many chiselers in Pennsylvania as there are in Georgia, North Dakota, North Carolina, or anywhere else in this Nation. If there were not, we would not need any enforcement agencies in the State of Pennsylvania. God knows, we need more inspectors and investigators to prevent these exploiters from chiseling in Pennsylvania than we now have. That is the reason why I favor the wage and hour law; why I view with apprehension any attempt to emasculate it in order to return to the conditions which existed prior to its passage. I want to tell you ladies and gentlemen of this House that you make a mistake if you think the sentiment of the people of this country, no matter whether from the East, the South, the North, or the West, is not for the wage and hour law. The Gallup poll of a year ago showed that 71 percent of the people of the United States approved of the Wage and Hour Act. It showed that 56 percent of the employers were in favor of it, and showed that 59 percent of the people in the southern part of the United States favored the wage and hour law.

The Barden amendment is designed to help agriculture. I do not question the motives of the gentleman——

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. Not now.

Mr. SCHAFER of Wisconsin. On the Gallup poll; the gentleman is wrong.

Mr. BRADLEY of Pennsylvania. I only have 10 minutes, I do not think so. I have correctly stated the Gallup poll on this question.

The amendments of the gentleman from North Carolina are designed, he says, to aid agriculture. I do not wish to question his motives, but you and I know it is merely going to open the door; it is going to throw it wide open.

It is going to lead to emasculatory amendments or to amendments that will nullify many of the provisions of the present act. I ask you men and women of the House, Democrats and Republicans, to face the situation squarely whether you favor 30 cents an hour or whether you favor a return to conditions which enable the exploitation of employees and the forcing of men and women to work for longer hours and at wages of 5, 10, and 15 cents an hour. I hope the answer of the membership will be that this Congress will not turn the people back to these wolves but that they will be allowed to have the continued protection of this beneficial law, that industry in all parts of the country will be on an equal basis and that all employees will receive fair consideration.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. I yield if I have time.

Mr. KEEFE. Does the gentleman favor the enactment of the Norton amendments?

Mr. BRADLEY of Pennsylvania. There may be certain of the Norton amendments which have merit. I believe the Norton amendments should be discussed on their own merits, each and every one. I certainly do not favor the Barden amendments. There may be some necessary changes that we should make with regard to certain provisions of the wage-hour law, but we should approach it with the idea of ironing out the known difficulties that exist and not with the intent of allowing conditions to revert to their former state where exploitation was rampant in certain industries.

Mr. KEEFE. I agree with the gentleman's philosophy, but can he point out what there is in the Norton bill that he objects to specifically?

Mr. BRADLEY of Pennsylvania. I have not said I object to anything specifically. The gentleman asked me if there was any merit in the Norton bill.

Mr. KEEFE. I asked the gentleman if he favored the Norton bill.

Mr. BRADLEY of Pennsylvania. At the present moment I cannot say that I favor each and every provision of the Norton bill, but as the debate goes on and I hear different provisions explained I may be influenced one way or the other. I want to be fair, but I want to see the law continued in

operation because it has brought good to the low-paid workers of this country.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. I yield.

Mr. SACKS. Yesterday in the debate the impression was given to the House that business, little business, was opposed to the wage-hour bill and to the Fair Labor Standards Act. Is that true?

Mr. BRADLEY of Pennsylvania. That cannot be true because I have received more communications from businessmen in my district emphatically saying that they favored the wage-hour law than I have from labor organizations. And these have come from many men who originally had stated their opposition to it. They have seen its beneficial effects, however, and are now giving their active cooperation, and they have united with labor in supporting it.

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, this matter has been threshed over pretty thoroughly. I shall not attempt to begin at the beginning and follow through with what might be termed an "orderly discussion of the whole issue," but later will call your attention to certain things which I think stand out in this controversy. At the risk of being charged with bad taste in bringing in my own personal experiences—let me say that my business is farming—and with a little better luck than I have had the last 6 or 7 years, I hope to stay in it the rest of my life.

I have watched these industries engaged in the processing of agricultural products for 40 years. It has fallen to my lot to be deeply interested in them, because I sell products to them in my home neighborhood. When the proposal was first made that we should have a so-called wage-hour law, I doubted that it could ever be successfully enforced or applied evenly to the whole United States, regardless of the character of the vocations in which people are engaged. There is such a remarkable difference between the method of life in the country and the method of life in the city and in the industrial centers that I doubt if it is possible for any legislative body to draft a law which will place all of those vocations and occupations in a single strait jacket. My dread from the beginning of this discussion, which started about 3 years ago, was that the attempt to enclose all these people, all these groups, all these communities in a single strait jacket would develop conditions unexpected and inflict injury in places which most people did not realize could be injured by the enactment of the law.

There can be no doubt about it that the Congress, when it passed this act, intended to exempt from its provisions what I might term "the country industries," the industries in the rural districts, or closely adjoining the rural districts, engaged in the processing of agricultural products. The language of the act made perfectly plain the intent of Congress. It provided, in effect, that the act shall apply—

> To any individual employed within the area of production as defined by the Administrator engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for markets or in making cheese, or butter, or other dairy products.

Most of you are familiar with the interpretation made by the Administrator of the phrase "area of production." He defined it in effect as meaning the farm upon which the agricultural products were produced. If the plant at which the man was employed was not situated on the farm upon which the crop was produced, then the plant should not be exempt. That, of course, completely destroyed the intent of Congress. I think no one will deny that. It denied the whole exemption with one stroke of the pen, and the Members will remember that when that interpretation was announced protests spread throughout the country districts and reached many Members of Congress, and many Members from both sides of the aisle hastened to Mr. Andrews' office to endeavor to point out to him the intent of Congress and how his interpretation absolutely destroyed it. Hearings were held before him or some of his examiners, but no ground was gained apparently until finally an amended interpretation was brought out. I shall not read it all to you, but it is headed "Area of production as used in section 13 (a) of the Fair Labor Standards Act," and it proposes to exempt from the operation of the law a person if he performs those operations on materials all of which come from farms in the general vicinity of the establishment where he is employed and the number of employees engaged in those operations in that establishment shall not exceed seven. Of course, again, that denied exemption to any establishment worthy of the name. If they must be down as low as seven employees, then I could not find an establishment within 20 miles of my farm that could handle the crops I want to sell to them and have processed. What the number of employees has to do with area of production passes my comprehension. The Congress did not say anything with reference to the number of employees as the guiding rule, but he makes it the guiding rule. If the plant employs eight men it is subject to the law. If it employs less than seven it is not. As a matter of fact, you cannot find plants worthy of the name that operate with so few employees.

I greatly regret that the Congress or the men interested in this matter should find it necessary to bring before the House a piece of legislation like the so-called Barden bill. The author of that bill and those who helped him have perforce tried to make up a list or catalog of those avocations or industries, great or small, which shall be specifically exempt under certain circumstances. The author of the Barden amendment had to have recourse to that type of bill because apparently no matter what the Congress intended in the original act, the Administrator does not intend to admit it. He just throws it out. He has done it twice. That is perfectly apparent. So while some of us may regret, as I do, the procedure under which we are acting, those of us who are convinced that this thing is doing a great injury, and certainly doing no good anywhere upon the face of the earth, and I refer to these rulings, have no other recourse; thus we have to bring to you a list of these industries engaged mostly in the processing of agricultural products and ask you specifically to exempt them under certain circumstances. So much for the cause of all the disturbance. The whole disturbance, if I may say so, or nearly all of it, has been caused by the Administrator. I dare say that the author of this bill was just as much surprised as I was by his interpretation of the words "area of production."

Mr. PATRICK. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Alabama.

Mr. PATRICK. Does the gentleman feel that the Barden amendment defines "area of production" or does the thing which gets away from the necessity of defining "area of production"?

Mr. WADSWORTH. The Barden amendment does not refer to any "area of production." We do not dare do so. The Administrator has destroyed it twice by his interpretations; so we have abandoned any effort to use the phrase "area of production." The Norton bill, I notice, uses a most peculiar phrase that some of these people shall be exempt from the operation of the law if the products are processed "immediately off the farm." Who in the heavens knows what that means? What is "immediately off the farm"? I do not know. I suppose 1 foot away, perhaps 10 feet away, perhaps the adjoining farm only, not the second adjoining farm. Nobody can tell.

Mr. WOOD. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Missouri.

Mr. WOOD. Does the gentleman believe there is any method by which you can define "area of production"?

Mr. WADSWORTH. Yes.

Mr. WOOD. I would like to have the gentleman's views on that.

Mr. WADSWORTH. I had not intended to go into that.

Mr. WOOD. We have been unable to do it or to arrive at any conclusion in the last 2 years and I would like to have the gentleman's views on that.

Mr. WADSWORTH. I had not intended to inflict this on the Committee. I really preferred to omit it in the interest of brevity but on June 13, 1939, I took it upon myself to write a letter to Mr. Andrews, Administrator, protesting against his first interpretation of the term "area of production," and after reciting the act as it stands, including the phrase "area of production," I went on to say:

Omitting any discussion of your exemption of persons employed in plants with less than seven employees, which exemption has nothing whatsoever to do with area, but rather the mere size of the plant, let me take up for discussion as briefly as possible the meaning of the phrase "area of production," and the intent of the Congress in using it.

The debate in the House of Representatives, held at the time when the matter of exemptions was before that body (May 24, 1938, CONGRESSIONAL RECORD, pp. 7401 to 7423) is illuminating in the extreme. A reading of that debate makes the intent of the supporters of the exemption and, finally, of the Congress itself in enacting it, perfectly clear. Several amendments relating to the exemption of persons employed in plants, processing agricultural products of one kind or another, were offered upon the floor. While these particular amendments were not adopted, nevertheless the language in which the exemption was expressed in the final enactment of the bill carries out almost exactly the intent of the amendments considered in the House, so that the explanation of those amendments during the House debate and the contentions of their supporters throw a very clear light upon the intention of the Congress in finally enacting paragraph 10 of section 13a.

Let us see what the Members had in mind when they offered these amendments, and what the Congress had in mind when it finally approved the contention of these same Members by enacting the language of paragraph 10. Member after Member, in referring to conditions prevailing in country districts, explained the intimate relationship which must ever exist between the farmer who produces and the neighborhood plant which processes certain products of the soil. While it was not contended that the farmers in any way own or control the neighborhood plant, it was pointed out again and again that governmental regulation of the plant would and must have an immediate and direct effect upon the farmer. The customs and practices of the farmers, and the customs and practices of the plants, the subjection of both to weather conditions, the fact that the work of both is seasonal, were all pointed out. Moreover, labor conditions in the plants were described in some detail and the near impossibility of the regulation of hours of labor (including overtime) pointed out. All of these amendments and the pleas of their supporters were based upon the contention, first, that there is no need whatsoever, from the standpoint of good public policy, to include these country plants under the provisions of the act; and, second, that their inclusion would be highly injurious not only to the plants but to the farmers themselves. In adopting the language found in paragraph 10 the Congress very clearly intended to exempt the typical country canning factory, refrigerator warehouse, milk plant, bean-picking plant, and similar rural institutions now in existence and serving in the normally and generally understood way the men who till the soil. In using the words "area of production" the Congress envisioned a stretch of country from which the farmer normally, and in obedience to his necessities, hauls his crop to the plant where it is to be processed. The picture which the Congress had in mind can be found in the rural areas all over the United States. The picture is essentially that of a neighborhood, and when the Congress used the phrase "area of production" it used it as descriptive of the circumstances and conditions with which it intended to deal. That this picture has not been envisioned by the Administrator, that this intent has not been recognized by him, is a matter of great surprise to all of us who took part in those discussions in the House. It has been more surprising to me, due to the fact that my business is farming; that I raise sweet corn and peas, and sell them to the neighboring factory; that ordinary common sense drives me to the conviction that my farm, upon which the sweet corn and peas are raised, is situated in the area of production surrounding the plant. If my farm is not in the area of production, where is it?

I do not know. It does not make any difference how many men are employed in that little factory up there. Of course, there are more than seven men employed. It makes no difference how many men are employed. The question is, Is the factory in the area of production of the goods? The Administrator could have gone around this country, region by region, with no reference or attention paid whatsoever to the number of people employed in a plant, and he could have described the regions by metes and bounds, or in some other way. Finally, after experience, running perhaps over some few years, he could have worked out a reasonable interpretation of what "area of production" was, instead of which he destroys the whole thing above the seven-man limitation.

I have done my best to give you my ideas as to what the definition should have been. I have answered the gentleman's question to the best of my ability. May I proceed with an attempt to show the practical effect of this thing?

In the first place, let the men who live in the great cities and industrial centers get it out of their heads that there is any sweat-shopping in these country plants. There is no such thing as sweat-shopping there. There is no such thing as chiseling or oppression of labor. How do these plants run? There are five canning factories in the valley in which I live. They can peas, sweet corn, tomatoes, carrots, beets, spinach—yes, spinach—succotash, and lima beans. The plant that has run the longest over the past 10 years has averaged only 20 weeks a year, 20 weeks out of the 52. The average of the remaining four is only 14 or 13 weeks a year. There is no sweat-shopping about it. The conditions of labor are exceedingly healthy. Most of the work is done in open-sided sheds. The work is not heavy. Nearly all the heavy work is done by machinery. If you ever go through a vegetable-packing plant you will see that uncanny machinery does nearly all the work.

The time comes, however, when a crop becomes ripe. The sunshine has been bright and hot for a couple of days. The superintendent of the factory, who must be an expert on the condition of crops as well as an expert in the management of the plant, sends word to me, "WADSWORTH, we will have to have your peas cut and brought to the factory by day after tomorrow. They are getting ripe, and they must not go beyond day after tomorrow."

What do I do? I have to hustle. Perhaps I have to hire a couple of extra trucks. Those peas are mowed with a mowing machine and pitched green on the truck and hauled to the factory. Twenty to fifty other farmers get the same message. Obviously the factory cannot schedule them on a 40-hour week. It cannot be done. There are times, 2 or 3 days in a week, occasionally, when they have to go beyond the normal workday, and everybody in the factory understands it. They are all country people. They know that the sun and the wind and the rain are our masters. They make no complaint about working overtime. They rather welcome it, because they get more money in their 14 weeks' period of work. There is nothing oppressive about it. And it has to be done.

Would any opponent of the Barden bill insist that agriculture itself go on a 40-hour week? Think it over. Can anybody run a farm on a 40-hour week, doing no work at all on Saturday or Sunday and only 8 hours on the other 5 days? Let us not be silly. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Chairman, being a member of the Labor Committee since 1933, I have served with Billy Connery through the hearings on all the acts which have been enacted. The Labor Committee at that time, the same as today, at least certain members, feel the same way, that the act should not be amended. I realize that there are certain portions of that act which could be corrected, but with the attitude of the House what it has been shown to be just a little while ago, in cutting down the appropriations for enforcing this act, I personally cannot see any reason why we should not vote down not only the Barden amendments but all amendments.

The act itself has not had time to prove where the inequalities are. Industry, of course, wants the act to be emasculated, that is, certain portions of industry. They not only have not complied with the act but they have carried cases to the Supreme Court, and when they lost there they have still refused to comply with the act.

Only last Saturday, April 20, a headline in the Washington Times-Herald stated very plainly—

Brutality laid to Ford firm by N. L. R. B. aide—Union men beaten and threatened, he says.

The Washington Post, in a headline the same day, stated—

Ford chiefs fought unions, aide tells N. L. R. B., charging "brutality"—Examiner urges rehiring of two after Dallas hearing.

At the bottom of the article appear certain questions which were put to the attorneys of the Ford Motor Co. and some of the men who are in charge of the plant. They are as follows:

Question. What do you mean, "Gave them a working over"?
Answer. We would whip them; beat them up.
Question. With what?
Answer. Put the fear of God in them, as they put it.
Question. What would you whip them with?
Answer. Some with fists, some with blackjacks.
Question. Anything else?
Answer. One or two of them we whipped with a regular whip we had made out of rubber with cord and some of them—one of them—was whipped according to whether we thought he could take it or not, with brushes off of trees, limbs.

Then at the end of the article is a statement by the Ford attorneys.

Mr. Chairman, I happen to have the Ford motor plant in my district. I happen to know certain things about their service department. First, when this act was enacted, the Ford Co. organized a company union. That did not work out.

In answer to the attorneys from Dallas, Tex., who are defending the Ford Motor Co., I will state that when this act became law one of the first companies who refused to abide was the Ford Motor Co. They attempted to organize a company union, which, of course, the law forbids, and then they organized another union called the Liberty League, which was organized by Judge Leo Schaefer, who did all of the attorney work for this organization, under the direction of Harry Bennett, of the Ford Motor Co.

During the campaign last fall, when the judge was running for reelection, there were many rumors circulated that he organized the Liberty League, and where did the money disappear? It has also come out through the campaign that the money was handled by Harry Bennett's brother, and about $90,000 was supposed to have disappeared. This alone shows what the Ford Motor Co. has attempted to do as far as the act is concerned.

Harry Bennett heads the service department of the Ford Motor Co. and many of his service men are disbarred attorneys, convicts, and anyone who could be used to intimidate labor. These men are used to spy on the workers, and if any of them attend a political meeting which is not to the liking of the Ford Motor Co. or Mr. Bennett, they are discharged from their employment by merely being told that their department is being shut down and that they will be called back to work later, but they are never called back. They even go to the extent that if a man attended a labor meeting, they would immediately brand him a Communist, and if a man carried the name of Communist in the Ford Motor Co., he is unable to get a job anywhere else because the employment departments of other companies interchange their data on their employees.

Mr. WELCH. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. LANDIS].

Mr. LANDIS. Mr. Chairman, this is not the Wagner Act or the National Labor Relations Act, it is the Wage and Hour Act, and labor is not divided on this act. The American Federation of Labor and the C. I. O. are against the Barden amendments to this act.

Before we begin to destroy the Wage and Hour Act let us forget about the leaders of our great labor organizations and think about the millions of wage earners in America. We jump on the poor American wage earner that makes 30 cents an hour. If you reduce these low-wage earners' pay 5 or 10 cents an hour, you will reduce farm income just that amount. It is impossible for him to buy many farm products at that wage scale.

It may not be consistent to have a wage and hour law when our American laboring men and farmers have to compete with cheap foreign labor. If I had my way, they would not have to compete with cheap foreign-made goods.

We lend millions to foreign countries to buy our goods. Most of these loans are never paid back. Why not spend some of these millions in solving the unemployment problem? We have from ten to twelve million unemployed today. At this rate, it will not be long until we will have fifteen or twenty million unemployed.

We should begin at the source of the unemployment problem. We should see that the youth of our land has the opportunity to become a skilled or semiskilled worker. This is one way to raise incomes which, in my estimation, is sound educational philosophy combined with economic sense.

Why jump on those poor workers who are only getting three square meals a day? Why not find a way to care for the other millions that are undernourished and ill-clad?

I would like to read you just one paragraph about the Norton amendments, which to my mind will take care of the agricultural situation. It sets forth in detail the operations in connection with the movement of agricultural and horticultural commodities from the farm, including their preparation for market, which are to be exempt from the hour provision of the act. This exemption is limited to 60 hours a workweek unless overtime compensation is paid except that for a period of 14 workweeks such hours exemption is complete and the 60-hour workweek limitation is inapplicable.

Indiana canners of fruits and vegetables would be placed at a serious disadvantage with respect to their competitors in Maryland, Virginia, and other States if the Barden bill should pass, as the canning industry in these States had a considerably lower wage scale prior to the Fair Labor Standards Act than prevailed in Indiana. It is to be expected that these substandard wage levels which prevailed prior to the act will be reestablished should this bill, granting complete exemption from the act's wage standards, became law.

Examples: Indiana canned tomatoes compete for a market with tomatoes canned in Maryland, Virginia, and Texas, and other States. Indiana cannery workers averaged more than 29 cents an hour in earnings in 1938 prior to the effective date of the act (October 24, 1938) as compared with 23 cents in Maryland, 17 cents in Virginia (1939) and 20 cents in Texas (1939). More than 92 percent of the Maryland tomato-cannery workers earned less than 30 cents an hour in 1938 as compared with 45 percent in Indiana.

Farm labor is exempt as long as the farmer engages in farming. The question here is whether a farmer is a farmer when he works in a canning factory or in an industrial concern. The strawberry farmer is exempt from the bush to the platform, and I would like to give my interpretation of "immediately off the farm." By "immediately off the farm," according to my opinion, is meant that the farmer would be allowed to cultivate and produce his goods and to pack them, take them to the packing plant, and, if a dozen farmers wanted to get together and pack the apples or pack the peaches or pack anything else, they would have that right under this law.

There is another question involved in all three bills, and that is the question of Puerto Rico. We grant a special exemption to Puerto Rico for wages and hours. Is it a discrimination between the farmers of Puerto Rico and the farmers of America?

Most of the canning people I have talked with are satisfied with the hour exemption, and they will stand for the wages.

The farmers in America today have to compete with W. P. A., which is on a higher scale than the Wage and Hour Act.

A situation that may come up in our district next year is this: Take a glass manufacturing concern, as an example, that works four 6-hour shifts, 7 days a week, making a total of 42 hours a week. That comes under the wage-hour provisions today, but next year if they change it back to 40 hours, there should be some leeway in the glass-manufacturing industry.

It is impossible to solve the farm problem by repealing the Wage and Hour Act. In my opinion, if you want to help the American farmers, you will preserve the American markets and let him alone and let him run his own business. [Applause.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. LANDIS. Yes; I yield.

Mr. AUGUST H. ANDRESEN. I am glad to hear the gentleman make that statement, but the way the laws are being

administered today, our farmers are being compelled to compete with cheap foreign labor that does not have any wage and hour law and, consequently, our farmers are being destroyed when they are forced to operate under the laws that we have in this country. I believe the gentleman will also agree that in addition to that protection, if we can get it, we should see to it that they have laws under which they can live and successfully operate in this country.

Mr. LANDIS. I thank the gentleman for his observation. I also believe, to be consistent with the wage and hour law, we should have a tariff to protect the American employer and the American farmer and the American employee against 25 cents a day labor in Japan or other foreign countries. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I now yield to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Chairman, in the past 7 years, under the Roosevelt regime, many constructive, progressive, and humanitarian laws have come into existence. One of these is the Fair Labor Standards Act. I take great pride in the fact that I had the opportunity of being one of the members of the Labor Committee who reported the measure to the House for consideration. I was happy when I learned that President Roosevelt had signed this bill. I was happy because I knew that such an act would go far in abolishing child labor and sweatshops throughout our country. Ever since its enactment, efforts have been made to change the act in order to give many big corporations exemptions from the law—in other words, permit them to operate their factories at a slave wage. The minimum wage—30 cents an hour—which is now provided in the act for employees is, in my opinion, insufficient compensation, nevertheless it has laid a foundation on which a permanent structure can be built. Prior to the enactment of this law it was known that many industrial establishments throughout our Nation paid as low as 5 and 10 cents an hour to their employees. These conditions were outrageous, especially in a country like ours, where there is a great abundance of everything that is necessary to promote the welfare of mankind. I do hope that instead of exempting people from this act that we will be able to perfect it by increasing the wage scale to that point where every man and woman who is required to labor for a livelihood will obtain an adequate wage.

Mr. RAMSPECK. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I am opposed to the Barden amendments.

They strike at the very heart of wage-hour legislation, which has for its purpose the setting of reasonable hours at reasonable wages in all industry.

The Barden amendments would strike out the working-hour limitations, and make it possible for an employer to work his employee any number of hours in a day without paying the overtime specified in our present wage-hour law. They would prevent that wider spread of work for which we are striving in all of our legislation.

Before coming to this session, I spoke with representatives of some of the large canning industries in my section.

In line with other enlightened employers, certain canners have worked out schedules so that they are able to operate on a 40-hour-week basis, except for a period less than 16 weeks each year, when they must work overtime in order to take care of perishable products. The present wage-hour legislation permits this necessary exemption.

As long as the wage-hour board sees fit to allow such necessary exemptions under the present act, together with present area of production regulations, these employers have nothing to gain by any such amendments as those proposed in the Barden bill.

The canners further advise that they have consistently paid higher wages than are required under the present wage-hour legislation. The minimum in one plant is 40 cents an hour. The average is 50 cents.

No matter what action is taken by Congress, these employers will not voluntarily go back to lower standards because they have proved to themselves that a fairly paid worker, laboring reasonable hours is a better investment than a poorly paid workman laboring excessive hours. They also have an interest in seeing that a maximum number of people in their communities are employed.

What the Barden amendments would do to all progressive and enlightened employers is easy to understand. It would place them in direct and ruinous competition with other less scrupulous canners in other sections who would have no hesitancy in taking every advantage of their exemptions from provisions of the Wage and Hour Act.

This is the situation in my district. It is much the same in regard to the entire State of Ohio.

The minimum wage rate required by the Wage and Hour Act is 30 cents an hour—while the act provides for the advance of this rate in 1945 to 40 cents an hour, there is no unconditional requirement that the higher rate be paid. It will not be required where the Administrator and industry committee find it to be burdensome.

In 1938 and 1939, the Women's Bureau of the United States Department of Labor made a survey of the wage rates prevailing in the canning industry. The results of this survey which are set forth in the Appendix of the RECORD, page 2265, show conclusively that the passage of the Barden bill would place Ohio canners of fruits and vegetables at a disadvantage with respect to their competitors in other States, where, prior to the Wage and Hour Act, wages were lower than in Ohio.

For example, in 1938, prior to October 24, the effective date of the law, workers in Ohio tomato canneries earned an average of more than 41 cents an hour.

Workers in New York, New Jersey, Maryland, Iowa, Indiana, and Illinois averaged from 5 to 11 cents less than Ohio workers. And no Ohio worker in the tomato plants covered by the Women's Bureau survey earned less than 30 cents an hour.

Other important tomato-canning States which compete with Ohio are Virginia, Wisconsin, Texas, and Florida, where in 1939, when the 25-cent rate was in effect, the average wage of tomato cannery employees was 17 cents, 27 cents, 20 cents, and 22 cents, respectively.

More than 15,000 workers are employed in the canning industry in Ohio. Other important industries, employees of which would be exempt from the act under the Barden bill, are the beet-sugar industry, the dairy-products industry, the poultry handling and dressing industry, and the livestock handling industry.

The State of Ohio and other States which are paying decent wages should not be made to suffer the loss of business to low wage competitors in other States.

The fact that the average hourly wage for tomato-cannery workers in many States in 1939 was considerably less than the 25-cent rate which the law required at that time either shows that the law was not being properly enforced or that the area of production exemption as defined by the Administrator is already excluding too many workers from the benefits of the act.

The Barden bill adds further confusion and infinitely worse discrimination to this already beclouded field.

In paragraph (F) on page 5, it seeks to exempt all seasonal or perishable canning operations from both hours and wages, but the drafting is so awkward that it falls far short of doing so.

If the Barden bill were limited to the packing of perishable or seasonal commodities alone, it is my understanding that some 35 percent of all foods canned would still be subject to the law. This would include the so-called dry lines and fabricated products. It is this 35 percent which is not subject to the whims of nature, but whose packing can be controlled by the canner.

So the wording of paragraph (F) puts, roughly, half of the perishable canning in the exempt class and the other half in the nonexempt class. Such a result has no reasonable justification.

Wholly apart from the question of whether such exemption should or should not be afforded, I think all will agree that no exemption should be written which would be dis-

criminatory in its effect. I am satisfied that to make the test of any proposed exemption dependent upon what is done in some other place, at some other time, is unwise and unfairly discriminatory.

To summarize, I believe that a bill which jeopardizes our aim of greater employment considerably hampers the efforts of those honest employers striving to realize this aim, and paves the way for uncontrolled discrimination in the matter of wages and hours is manifestly unjust to both employer and employee. I believe, Mr. Chairman, the Barden amendments should be defeated. [Applause.]

Mr. WELCH. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. RAMSPECK. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Chairman, the administrative Division of the wage and hour bill should be given more discretion in the promulgation of rules and regulations to meet the many problems involved in the enforcement of such a measure. The purpose of this legislation is fundamentally sound, but it is impossible to measure every case and problem with one standard yardstick. I shall support the Barden amendments because I am convinced that certain activities which involve the farmer and his income and which are seasonal and apply to certain areas should be exempted from this act, or such discretion given the administrators as to allow rules and regulations to be made in reference to these activities which would prevent unjust and foolish requirements.

I shall briefly call your attention to one of these unjust requirements under the present construction of this law. A small merchant living near my home in North Carolina, who owns some pine forest and who wished to have same cut and corded for sale to a pulp mill, contracted with local labor to cut same for so much per cord. Some of his employees, who were much more diligent than others, cut and corded much more wood and, of course, he settled with them, paying for the amount of the cordwood cut. The Wage and Hour Administration sent its representative down to see this merchant and told him he was violating the law and that he should determine the time engaged in cutting this wood and pay his labor 30 cents per hour, and also check his invoices and charge these laborers no profit on merchandise they had bought at his store during the time they were engaged in the performance of this contract. In other words, that the merchant and landowner had no authority to contract with this labor for the performance of a duty, and was compelled to pay the worthless labor the same price that he paid the diligent labor, if he works the same period of time. I recall another instance where a landowner contracted with a small sawmill operator to cut some timber owned by the landowner at so much per 1,000 feet. It was cut and the landowner sold and delivered it to a planing mill in his vicinity and in the State of North Carolina. Whether it was transported out of the State of North Carolina there is no way to ascertain except that the planing mill often shipped its products in interstate commerce. It is contended, I am informed, by the administrators of the Fair Labor Standards Act of 1938, that this landowner is equally liable for the wage hire of the laborers employed by the mill owner who cut this timber at the rate of 30 cents per hour and can be penalized if he fails to make good the schedule hour price under this law. Of course, this compels many hundreds of farmers, as well as small ground sawmill operators, to stop their operations and correspondingly many hundreds of willing laborers go upon the relief rolls.

The value of labor is determined not only by the time engaged but also by the result obtained. A competent laborer is worth much more than an incompetent one, and to attempt to standardize their pay by a work-hour only is unfair to a large percent of the labor as well as to the employer.

There should be vested in those who administer this act some discretion to meet and deal fairly with various circumstances which arise in our complicated industrial life. Those who are interested in the agricultural prosperity of this Nation have a right to demand that this industry should not always carry the financial burden which assures success for every other business. If you require that higher prices be paid to nonexpert and indifferent laborers who process our wheat, our corn, our dairy products, our tobacco and cotton, and various other agriculture products, then this cost is reflected in the diminution of the farmer's prices, and he alone pays the cost. I shall protest against this unfair and indefensible treatment as long as I remain in Congress. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Chairman, the House is now engaged in the consideration of one of the most serious domestic questions which has come before the Congress during this session; namely, proposed amendments to the Fair Labor Standards Act. The rule adopted for the consideration of this question permits action on three measures which seek to amend the so-called Wage and Hour Act. Under this unprecedented rule, one set of amendments, the so-called Barden bill, comes before us without ever having been acted upon by the standing committee of the House which has jurisdiction over such matters. It is to this bill that my remarks are addressed because I believe that its provisions are destructive of the basic principles of the wage and hour law. In addition to sweeping exemptions from the protection of the act, the Barden bill provides for changes in administrative procedure which would cripple the effective operation of the Fair Labor Standards Act.

In the self-assumed role of defenders of the "traditionally free American farmer," a logrolling combination of lumber operators, canning and packing interests, and dairy-product processors are seeking, through the Barden bill, to deprive over a million American workers of the protection of the wage and hour law.

It would appear from the broad contentions of the proponents of the Barden bill that an intolerable burden is imposed upon American industry by the wage and hour law. Let us consider what is roughly the sum total of the protection provided by this act to the American worker. The law provides for a minimum hourly wage of 30 cents and a maximum workweek of 42 hours. If the worker is employed for the full week, he is guaranteed that he must be paid a minimum of $12.60 for 42 hours of toil.

It is estimated that, under the Barden amendments, over a million workers will be deprived of the protection of the wage provision and over a million and a half workers will be denied the benefits of the hour provision. And let me point out, in this connection, that in most instances these processing workers do not enjoy year-round employment but only employment of a highly seasonal character, and in many cases the work is only of a few weeks' duration.

It should be noted that the law already specifically exempts agricultural workers from the terms of its provisions and the farmer is in no sense subject to the present law. However, I believe that the American farmer has a very vital interest in defeating the Barden amendments. Any loss of purchasing power by the masses of the American workers directly curtails the farmer's market for his products. The class of workers sought to be excluded by this bill spends, according to statistics and estimates, half of its pay in purchasing agricultural products and any loss in his income is immediately felt by the farmer whose products he can purchase in only reduced amounts. The farmer, therefore, stands to lose as much by this assault on the protection afforded by the Fair Labor Standards Act to his brother in the industrial plant as does the industrial worker himself.

The purpose and net result of these amendments will be to exclude from the protection of this law great masses of workers who are employed in the advanced stages of processing and preparing for markets agricultural products. These persons work in establishments that are essentially industrial in character. Their problems and conditions of employment are virtually in all respects equivalent to those of any other factory worker. Throughout these establishments

run the conveyor belts and the assembly-line technique which is characteristic of modern industry and manufacture. In no substantial sense can these workers be considered as having anything to do with farms or with the actual process of farming. It is impossible to find any reasonable line of distinction between these workers and persons engaged in work on any other normal factory assembly line.

In the *North Whittier Heights Citrus Association case* (109 F. (2d) 76) the Circuit Court of Appeals for the Ninth Circuit used the following language:

> When the product of the soil leaves the farmer, as such, and enters a factory for processing and marketing, it has entered upon the status of industry.

It would seem, therefore, that there is no sound and substantial reason for discriminating against these persons and denying them the safeguards of the act. On the contrary, it seems clear that they are the persons who are most in need of its protection; and I believe the real question involved in the Barden amendments resolves itself into this: Is $12.60 a week too much for over a million American families to subsist on?

Yesterday the gentleman from Georgia [Mr. Cox] occupied the floor for over an hour after the previous question on the rule had been voted down. He attempted to defend the extraordinary, unprecedented, and autocratic action of the Rules Committee in bringing a bill before this House for action which had not received full consideration by the proper committee and for which no rule had been asked by a vote of that committee. This arbitrary and arrogant usurpation of the functions and prerogatives of a standing committee of this House was motivated solely by the desire to effect emasculation and destruction of the wage and hour law. The gentleman—for whose ability I have the highest regard—injected into the debate a sectional issue, and stated, in effect, that established industrial sections have attempted, through legislation of this type, to stifle the industrial growth of the South. I cannot believe that the abolition of the sweatshop and starvation wages is a sectional question or that the people of the South are less concerned with the elimination of the evil than are the people of the rest of the Nation. Yesterday I asked the gentleman whether it was his contention that the development of industry in the South depends upon cheap wages and long hours. The gentleman replied:

> Well, I want to say to you that your sections of the country have certain advantages that make it impossible for us to compete with you on an absolutely even footing, and you are undertaking to take away from us the natural advantages that we have.

Mr. Chairman, since the Fair Labor Standards Act seeks only to abolish the exploitation of labor on starvation wages, unconscionably long hours of work, and sweatshop conditions of employment, it is fair to assume that these are the "natural advantages" to which the gentleman refers.

I cannot agree with the gentleman that the future of Southern industry—or of industry in any section of the Nation—is inextricably bound up with unconscionable labor standards. I am inclined to believe that the people of the South as well as the people of other sections of our Nation would class such conditions as a liability rather than an advantage—a blight rather than a benefit. Certainly such conditions cannot be considered as an advantage to the million or so employees who are sought to be denied the protection of this act by the proposed amendments. I doubt that the employers in the South who maintain decent standards consider sweatshop competition as an advantage. And it is difficult to see how any community benefits by an industry which is unwilling to pay its workers a wage sufficient to provide the barest means of subsistence. Certainly it cannot be said that a weekly wage of $12.60—which is the minimum wage established under the terms of this act—constitutes any more than the absolute minimum necessity to sustain life, if, in fact, it amounts to even that. It seems to me that an industrial establishment which is unwilling to pay the barest sort of living wage is a scourge to the community in which it locates—tending to pre-empt genuine progress and development in that community because it got there first.

New industries are developing in the South which will bear an important and integral relationship to our national economy. The industrial interests of the North, South, East, and West are not in conflict. Each of these sections enjoys certain natural advantages which will enable it to fill an industrial function which is complementary to those of other sections and not antagonistic to them. Sweatshop conditions, starvation wages, and labor exploitation have no rightful place in any section of this great Nation and constitute an evil which should not be tolerated by the people of our Nation.

It is generally recognized that the most serious defect in our national economy is in the failure of purchasing power to keep pace with the productive power of our Nation. This is one of the major causes of unemployment and was the principal cause of the disastrous economic collapse of 1929. There was no lack of ability to consume the products of industry and agriculture in this country, there is only an inability to buy those products. It is recognized that the primary need of American economy is a restoration of the power of the American people to purchase the products of the farm, mine, and factory. The problem of unemployment as well as all other economic problems hinge on this fundamental problem—restoration of the power of the people to purchase what they produce.

And yet these amendments run directly contrary to that need. Their direct result is to reduce the purchasing power of approximately a million persons now employed, persons whose wages go directly into the economic channels of our Nation because they are necessary to purchase indispensable products of the farm and the factory.

If this initial assault is successful, I believe that a full-fledged offensive will be launched on all fronts, having for its objective the complete destruction of the protection furnished by this act to American labor and to American purchasing power. This will be the beginning of a campaign to unleash again upon American industry the sweatshop, labor exploiter, and saboteur of purchasing power.

In the American market, the decent employer would be forced to meet the competition of the sweatshop and it is doubtful that he could do so without engaging in wage cutting. Any widespread wave of wage cutting would be disastrous to American industry, and I hope that it will not be the sense of this House to say to the American people that America is destined to go backward.

Mr. Chairman, the development and the future of America lies ahead and not behind. The greatness of America lies in her determination to develop and progress toward better things and toward a better and more abundant life for her people. No worse enemy to the future existence of American democracy exists than the extreme economic reactionaries—the bitter-end defenders of the practices which led up to the collapse of 1929. Even the most casual glance at contemporary history will demonstrate that democracies have tottered and been swept aside whenever they failed to keep pace with the changing needs of industrial civilization—whenever they have neglected to provide for the economic welfare of the masses of their peoples. Under the lash of economic need and distress, peoples have been lured by demagogic promises of economic security into surrendering their liberties to dictatorial systems of government. It was provided by the founding fathers in the preamble to the Constitution that our Government should provide for the general welfare of our people and on the faithful observance of this admonition rests the security and future of our democracy. The prevention of necessary reforms, the road back to the practices prevailing before 1929, is the road back to obsolescence and decay. History has not been kind to obsolete governments and economic systems and the scrap heap of history is strewn with their remains. [Applause.]

Mr. WELCH. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, it is no more reasonable for those who oppose amendments to this act to charge those who offer amendments with seeking to strike down the $12.60 per week minimum or to charge them with being in favor of sweatshops than it would be for those of us who advocate amendments to charge that our opponents belong to the same class and were the same kind of people as are those labor racketeers, two of whom have recently been sent to jail.

Neither those who favor amendments to this act nor those who oppose all such amendments are getting anywhere by questioning the motives of the opposition. I do not know of anyone in this House who has advocated the theory that $12.60 per week was too much to pay for 1 week's labor. I do not know of anyone in this House who advocates the continuation of the sweatshop; yet every time an amendment is proposed to this law, those who propose it are forced to meet the unjust, the unfair, and the unreasonable charge, made by inference at least, that they are seeking to lower the minimum wage of $12.60 per week; that they are in favor of the sweatshop; that they believe in denying to labor a living wage.

If I understand the proposed amendments correctly, none is directed toward the lowering of the minimum wage; none is directed toward any provision that makes possible the sweatshop. All amendments to which I have given any consideration are supported with the idea of making the law workable; toward making it easier for the employer to pay a living wage; easier for the employee to earn a maximum; all are directed toward creating a more friendly relation between the man who receives the wage and the man who pays that wage.

One proposed amendment in particular would make it possible for an employee to take time off one day, or one week, and make it up the next without demanding that he be paid for time and a half for the overtime while making up for time lost a previous day or week.

Today the gentleman from Pennsylvania [Mr. BRADLEY] stated that he regretted that yesterday the gentleman from Georgia [Mr. COX] had injected the issue of sectionalism into this discussion. I have no desire to have that issue brought in, but you cannot discuss this question without discussing the manner in which the law operates on all those who fall within its provisions. It is futile to take up and consider the law as it applies to only one class. The law in its operation affects the farmer as well as the industrial worker and it is pointless to ignore its effect upon the farmer. I would like to take up for a moment where the gentleman from North Carolina [Mr. BARDEN] left off.

One of the purposes of this law was, of course, to increase the wage of the industrial worker. That was sought to be accomplished not so much by establishing a minimum wage as by the limitation of hours and the requirement of time and a half pay for overtime. Let us see now how it affects the farmer, and I recall the words of the gentleman who said that under the law a farmer was a farmer only when he was working on the farm. I believe the gentleman from Indiana [Mr. LANDIS] made that argument. He stated further that the farmer could not be a farmer when he was processing his products. The gentleman forgot, of course, that sometimes a farmer converts hogs into hams, shoulders and side meat into sausages, sowbelly into bacon, cabbage into sauerkraut, milk into cheese, and so on down the list.

Going back now to the argument of the gentleman from North Carolina [Mr. BARDEN]. He told us about lettuce. Let me give you an illustration on how the apple grower becomes an industrial worker subject to the provisions of this law. Thirty years ago on land which my grandfather cleared from the forest I set out 1,500 apple trees. Every year those trees have been trimmed, they have been sprayed, and when necessary they have been cultivated and fertilized. For the last 10 years the men who did the trimming, who did the spraying, who did the picking and the packing, were paid more than the minimum wage and some years received in addition their living on the farm.

When those apples were picked and packed they went to the market. Those who handled the apples under the present ruling are industrial workers, although the farmer or his boy or the hired man drew them to market. I recall a season not very long ago when some of those apples went to the city of Detroit from which comes the gentleman who spoke a moment ago. Four hundred bushels of No. 1 apples, in baskets, went down there. They had been picked at my expense, they had been packed and were hauled to market. For the 400 bushels came back a check—and mind you they got my baskets too—a check for $5.55. That experience can be duplicated all along through the history of the farming occupation or industry, and I shall be glad to show any Member of the House the account of that farm where over a period of 10 years not one single dollar has gone to the owner but always there has been a loss. And we did not count out of the income anything for depreciation, or anything for insurance, or anything for interest on the investment.

Why is there no profit there? The moment the apples left the farm, what happened? They went into the hands of a truck driver to get them into the city of Detroit or to some other market, or into a packing house or a storage plant. You had to pay $50 membership in a union before your apples could roll along the highway. You had to pay dues and assessments before the fruit could be hauled over the highways, and when they got into the city of Detroit or the city of Chicago they had to be unloaded. Although the farmer or his boy was on the truck, they had to be unloaded by a union handler, and you had to pay the man who took them down there on that truck time and a half if he worked more than the hours prescribed by the bill. And the man in the packing plant or warehouse was drawing a wage several times greater than the return received by the owner of the farm or fruit, and if he worked overtime, then he received a wage and a half for overtime. So you see where the money went—the money that was finally paid to the farmer for the product was but a small percent of the selling price.

Once before I called your attention to a farmers' cooperative located in the little hamlet of Hamilton in my home county. They send to the Chicago market by truck what would amount to between two and four carloads of eggs every day. The trucks get down to Indiana and at New Buffalo, and they change drivers because of the length of the haul, yet it is not over 175 miles from Hamilton to the Chicago market. They operate two trucks. This means four drivers and means a union driver if you want to get into Chicago and union membership of $50 each, or $200 a year, with union dues of $5 per month each.

When the eggs get to Chicago they must be unloaded by a union man, they must be recandled, mark you, by a union candler, although they have passed State and Federal inspection the day before in Michigan, and the farmer must stand the cost of $1.10 an hour for the recandling, and he must pay for the transportation. And if the candlers or anyone connected with the marketing of his eggs works overtime he must pay time and a half no matter how much the man lays off during the preceding week, no matter how many days he is idle; if there is overtime in any one week it must be paid for at the rate of the usual wage plus one-half additional. Every man who touches those eggs from the time they leave the farmer's coop, or even while they are in the farmers' or cooperative packing house, receives a wage far in excess of the amount the farmer realizes for his toil and in addition to that, the overtime provision of the law applies to all those who handle the farmer's products and for that overtime he pays at the rate of time and a half.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. O'CONNOR. If we were to exempt the class of labor the gentleman is now speaking about why should not those engaged in the transportation of these products from the farm to the market be likewise exempted as they participate in getting the products from the farm to the consumer?

Mr. HOFFMAN. My argument is that never by legislation are you going to equalize matters of this kind. Tell me, if you please, why the man who drives the truck to take the

produce of the farm to market, the produce on which the farmer makes a wage of less than 10 cents an hour—every man who handles that produce from the day it leaves the farm until it is consumed—should receive 3, 4, 5, or 10 times the wage or return or compensation that the man who produces the food itself receives?

I can sympathize with the argument that the wage of the man in the factory or the industrial center should be raised; but until you fix the price that the farmer is to receive for his product, where is the justice in the legislation which, for example, in the motor industry in Detroit gives an average worker 90 cents per hour, while the farmer receives an actual cash return for his labor of no more than 10 cents per hour. You speak of increasing employment by shortening the hours and thus give more men jobs, though the total number of hours worked is no greater, but what about the farmer, who has no minimum working day, no minimum working week, whose hours are not and cannot be limited?

The argument that the farmer is benefited by paying a higher wage to the industrial worker as by so doing the purchasing power of the worker is increased and the farmer's market broadened and his price raised sounds well but it does not work out that way. If to the legislation which raised the wage and shortened the day and the week of the industrial worker you added a provision requiring him to spend his increased wage for farm products, there might be something logical in the argument. But when the increased wage goes for radios, shows, amusement, vacations, and things of like nature, all in themselves desirable perhaps, neither the price of corn, wheat, pork, beef, nor dairy products is raised nor are more consumed.

Not a man in this House but who knows that the wage of the average industrial worker is far greater than that of the average farm laborer; be he owner or hired man.

If by legislation, we are to increase the wage or the income of any one group then why not follow the process through to its logical conclusion and fix the minimum price of the farmer's products so that he, too, shall receive a minimum wage; work no more than maximum hours. If the industrial worker is to receive no less than 25 cents an hour, in many cases far more, and if he is to work no more than 40 hours a week or as some now demand, 30 hours per week, why not extend the law and say that no farm product shall be sold at a price less than will give to its producer, the farmer, a wage of not less than 25 cents per hour, based on a working week of 40 hours?

Under such a procedure, what do you figure the price of butter, milk, meat, or bread would be? Is there any logical reason why because a man works in a factory where he is protected from heat, from cold, where he has sanitary surroundings, where provisions are made to protect him from dirt and industrial hazards, and where he receives an average wage, let us say, of 50 cents per hour, the farmer, who works through winter's cold and summer's heat—out in the rain, the sleet, and the snow—who follows the plow or the harrow through the dust and the dirt, not 6 hours a day, not 8 hours a day, 5 or 5½ days a week, but 6 days a week; who does his chores not during 30 hours a week, nor 5 or 6 days a week, but through 7 days a week—why he should not receive a minimum wage and work no more than a maximum of 40 hours per week?

Yes; let us do away with sectionalism and, if we cannot treat the man in the country who earns his bread in the "sweat of his face" as we do the man who lives in the city, let us at least remedy those unfair provisions of this legislation which have to do with time and a half, which compel the payment of a wage and a half for any hours worked over a certain number. Shorten the hours which a man may work, if you wish, but do not under the guise of shortening the workweek permit him to work more than the 40 hours per week and then compel his employer to increase his wages by half for all the overtime and at the same time deny a like wage to the man who toils just as hard and just as faithfully on the farm. Let us label the bill, if we want to be candid, as a bill to increase wages and not pretend that it is one to shorten the hours and let us extend the benefit of the act to every man who works, if that be the purpose of the law. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield to the gentleman from South Carolina [Mr. HARE] such time as he may desire.

Mr. HARE. Mr. Chairman, I do not share the opinion of some that either of the proposed amendments will materially affect the wage and hour law, as applied to industry. The Norton and Barden amendments apply primarily to agriculture and both attempt to clarify the "area of production" as defined by the Administrator of the Wage and Hour Division in the Department of Labor.

Practically everyone agrees that the definition limiting the area of production to a 10-mile radius is wholly unwarranted and the law should be amended to clarify this matter. The Administrator, Colonel Fleming, testified before the subcommittee on appropriations for the Department of Labor that it would be a great relief to him if Congress would make some amendments clarifying the law. The proposed amendments would apply particularly to small canning factories, small sawmills, and so forth. They make no reference whatever to textile or other industrial enterprises, and they will not be affected should either of the amendments be passed.

The theory upon which this legislation was predicated was to protect the health of employees in industrial plants, eliminate what is known as the sweatshops, prevent unfair and unjust competition among employers, and provide for a living wage in industry. Congress did not include agricultural labor in the law and did not intend to make the law applicable to those small activities closely associated or directly connected with agriculture, and so stated in the act, but in an effort to give the Administrator some authority to make rules and regulations for the enforcement of the act, it apparently gave him legislative authority which has made a crazy quilt out of the affair as it relates to various rural activities or those directly connected with agriculture. The amendments before us are for the purpose of correcting some of the difficulties found in an effort to administer the law with reference to these small rural activities; as I understand, they do not really amend the law; they simply restate the law and attempt to make clear, definite, and certain what Congress intended to do at the beginning. However, this problem could have been solved much easier by exempting all these rural activities engaged in handling farm products where the number of persons employed therein is 25 or less, because the working conditions there do not impair the health of anyone, there are no sweatshops in these small plants, there is no unfair competition or chiselers to amount to anything, and there is nothing fundamental to be gained by their inclusion.

Everybody admits that the Administrator's interpretation of the law as applied to the "area of production" has caused a number of small plants engaged in handling and processing perishable farm crops to go out of business and to that extent has reduced employment, both in the plants and on the farms where the crops were formerly grown. I have no particular preference between the Barden and Norton amendments, but I see no reason why one or the other should not be passed and thereby afford employment to those formerly employed in these plants, and the farmers in the vicinity thereof be justified to again begin the production of those crops usually processed locally, such as beans, peas, strawberries, asparagus, and so forth. There is also a provision in each of the amendments that will give some relief to the small saw-mill operators and it is hoped they will be able to renew their activities and furnish added employment.

It has been argued here today that to adopt either of the amendments will emasculate the law. Such an argument is absurd for, in my opinion, with some few amendments the law is here to stay. However, like other new and untried legislation, clarifying and perfecting amendments will necessarily follow from time to time to meet changing conditions and promote the interest of those involved.

I have in my congressional district between 35 and 40 cotton mills, a few garment factories, and a small number of hosiery mills. About one-third of the population is represented in these industrial activities and a little more than one-half in agriculture. So far a great many of the people interested in the textile business have been agreeably surprised at the successful operation of the law as applied to this particular industry. It has removed much of the unfair competition that formerly existed between employers over widely distributed areas and has in a measure been of considerable benefit to the average employee. The cotton mill business, if reports are correct, is more active today than any time in history. Most of the complaints have come from the small saw-mill operators and those rural activities engaged in handling and processing farm crops. It is true, there has been some complaint on the part of employers and employees in the application of the law to beginners and learners in industrial plants, but sincere and honest efforts on the part of those charged with the administration of the law should result in a satisfactory solution of this problem. However, there is a problem which commands the most profound and careful consideration of all interested parties, especially in large industrial plants where it is relatively easy to substitute machine power for man labor. It is not only important from the standpoint of the physical welfare of the employee but becomes a vital factor in the solution of the unemployment problem.

When industry installs new and high-geared machinery in a plant where one person is required to do the work of two and the other laid off, the economist refers to such a situation as "technological unemployment," but the employee calls it the "stretch out" system. This is the greatest unsolved problem in industry today. It is not a new problem and, although it may be accentuated thereby, it cannot be charged primarily to the operation of the Fair Labor Standards Act, because it has been a growing problem for the past quarter of a century and, in my judgment, will be an ever-increasing problem until some definite voluntary or legislative action is taken looking toward its solution. It is a problem to which I have given most careful and thoughtful study for the past 15 or 20 years, and it is a matter which probably should have been taken into account when the original act was being considered.

I do not know that I have a perfect or even a workable formula, but it is my thought and prediction that the next outstanding amendment to the existing law will provide that when any employer subject to section 6 of the Fair Labor Standards Act employs as many as 50 or more persons, it will be unlawful for such employer to diminish the number of his employees or the hours thereof as a result of the installation of new and improved mechanical equipment, except where a reduction of hours will not operate in a reduction of the daily or weekly wages of such employees, and it is my further impression that when such an amendment is presented it will carry a provision requiring that upon the installation of such equipment the wages of the operators thereof shall be increased in proportion to their contributions to the added market value of the increased output resulting from such installation.

I have some doubt whether such an amendment would be germane to either of the amendments now before Congress for consideration, and a point of order would, therefore, lie against it, but I want to make the suggestion as a matter of record so that employers and employees may give careful study and consideration to the matter in the hope that an amendment satisfactory to all interested parties may be agreed upon or, if possible, a solution may be reached without further legislation.

I do not share the idea of some that the practice of installing new machinery is primarily for the purpose of exploiting labor, although the result may be the same. On the contrary, the practice can be attributed to the inventive genius of the modern mind and the desire of efficient business to increase production and at the same time decrease the cost per unit by mass production. This is not only true in industry but it is also true in agriculture, the blacksmith shop, and other activities. However, there is one difference in practical application. For example, when a farmer buys a tractor or grain drill he does it with the idea of increasing production and decreasing the labor load. In industry there is generally increased production or a better product, but invariably the labor load is increased, the principal criticism being that the wage of the employee is not increased in proportion to his contribution to the increased value of the finished product.

If there had been efficient planning boards for the past 25 years, there is little doubt but what plants would have been sufficiently enlarged to take care of all employees where modern machinery has been installed, the wages of employees would have increased in accordance with their contributions to the value of the finished product, and such amendment would not have become necessary.

Of course, we all recognize the continued possibility of further inventions and a continued practice or policy of installing such machinery or equipment with the idea of increasing production with a decreased production cost per unit. This is a natural and logical economic policy in any highly competitive industry such as found in the textile business. However, the interest of the employee should not be ignored and the purpose of such an amendment is not to prevent the use and installation of new and improved machinery but to see that the employee, who has spent years and years in developing his technical skill, is not thrown out of employment and required to seek work in other fields or activities. On the contrary, this amendment has for its primary purpose the retention of such employees because, by reason of their highly developed and technical training, they should be retained in order that they may not only capitalize on their experience but that business itself may not lose their efficient capacity for increased production. It is as much to the interest of industry and the economic welfare of the Nation to retain those who have developed a capable and efficient technique after years of training and experience as it is to install new and improved machinery.

It will be observed that this suggested amendment does not in any way penalize the employer by preventing the installation and use of improved mechanical equipment, but only provides that in case such equipment is installed there should be a sufficient increase in the plant to prevent or obviate the necessity of reducing employment. We can see the possibility of machinery becoming so proficient that an employee by reason of his increased experience and skill will be able to increase his daily output of production with a possible decrease of effort. However, if the theory on which the law is predicated or based proves to be successful in every way, both to employer and employee, the practice provided for in this amendment should be followed, whether it be voluntary or in response to law.

The suggested amendment provides further that in case new and improved equipment should be installed and as a result thereof the employee should be able to increase his daily output of production, then it is only fair that he should have his proportionate share of the added value of such increased production, and his wages should be increased accordingly.

In other words, this amendment provides that if an enterprise feels that it can economically purchase and install improved machinery it should enlarge its activities or business sufficiently to obviate the necessity of reducing the number of employees and thereby take care of the people who have developed a high degree of proficiency in their work. Furthermore, if by the installation of such mechanical equipment, the output of production per employee is increased, his earning capacity or productive power has necessarily increased, and he should be compensated proportionately. That is, his wage should be increased in proportion to his earning capacity or productive power. This is reasonable, fair, and just, and legislation should not be necessary, but in order to obviate the possibility of one or more enterprises failing to follow such a practice and thereby

being able to unfairly compete with other employers, we feel the policy should be made applicable to all alike, and for this reason I have suggested this amendment. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I yield 5 minutes to the Resident Commissioner from Puerto Rico [Mr. PAGÁN].

Mr. PAGÁN. Mr. Chairman, I arise to support the bill under consideration, as it refers to the amendment applicable to Puerto Rico. I regret that in the time allotted to me I am unable to bring before the House the peculiar conditions of Puerto Rico. First, I shall state that I myself am a labor man. I stand for labor, and, in fact, I have devoted about 20 years of public life in my island struggling and fighting for the common people, for a fair deal to labor, endeavoring for higher standards of living and welfare for the workingmen. We would feel happy if all our laborers could earn wages averaging $1 or more per hour, but under the circumstances, considering the deplorable conditions of Puerto Rico, its unemployment and poverty, we support the amendment to the Federal wage and hour law.

In the consideration of amendments to the wage and hour law Congress should have in mind the peculiar conditions of Puerto Rico as compared with conditions in the mainland United States.

Puerto Rico is a very thickly populated country; in fact, the most densely populated area in the whole United States and one of the most thickly populated countries anywhere in the world. A small island covering an area of only 3,600 square miles, has a population of nearly 2,000,000 inhabitants. Only very highly industrialized countries, as Belgium or England, have so crowded a percentage of inhabitants per square mile.

And Puerto Rico is essentially and predominantly agricultural. Of the 2,000,000 total acreage of land, only about 800,000 acres are practically cropland suitable for agriculture. We are very scarce in raw materials, and have no timber, nor petroleum, iron, or any minerals producing income for the island and employment for the people. Unemployment in Pureto Rico is our main problem, is chronic, is practically a plague. According to official statistics, over 400,000 workers are now unemployed.

The main crop and source of income and employment is sugar. Even sugar, in agriculture in the cane fields and manufacture in the factories, is seasonal, providing work for the people only during a few months in the year.

Due to the sugar-control program of the present administration, which fixed to Puerto Rico a standing quota for production of sugarcane and sugar, about 100,000 workers who usually earned their living in the sugar industry are idle. And over 50,000 more would be affected in their jobs by the enforcement of the present wage and hour law, which practically would force the sugar industry to bring in labor-saving devices, putting many people out of work.

Our major and nonagricultural industry in late years has been needlework and embroidery, to which industry the present wage and hour law has affected mainly. This industry employed about 70,000 workers. The wage and hour law had put away from their jobs about 45,000 workers, who are now really starving. This needlework industry of Puerto Rico is really peculiar. It can be said it is foreign, as compared with industries in continental United States, because the competition to our needlework industry comes from foreign countries, all or most of them under lower standards of living and paying very low wages. If the wages for the industry are so that they do not attract manufacturers, they simply go out and give income and employment to people of foreign countries. Our competition is foreign labor. The wages for our workers in the needlework industry depend on the selling price of similar goods imported into the United States. This factor, in fact, has limited the growth and expansion of our needlework industry.

Gen. Hugh S. Johnson, as Administrator of the National Recovery Administration, studying the peculiar conditions of our needlework industry, made a striking report, which, in part, reads as follows:

> The selling price of products are not regulated by mainland prices alone; buyers in an effort to obtain attractive products have opened to them factories of other countries. * * * If the prices of Puerto Rican products are raised excessively, it well may be that buyers will quickly be driven to the factories of other nations for source of supply. * * * In the meantime, manufacturers in the Philippines and China suffer no such handicap and are profiting at the expense of Puerto Rican labor.

Due to certain trade agreements of the United States with foreign countries, goods of this needlework industry, in competition with our industry, have been imported into the United States from foreign countries and sold at similar prices, paying wages which figured between 3 and 4 cents per hour. With this foreign industry we have to compete.

Taking in consideration these factors, especially the competition with foreign industry under low wage scales, and considering the grave problem of unemployment in Puerto Rico, we have been favoring any amendment similar to that contained in Mrs. NORTON'S bill, adequate and convenient for conditions in Puerto Rico. Supporting it, I close my remarks by reproducing the report rendered last year accompanying said bill—H. R. 5435—which in part reads as follows:

> Industries in Puerto Rico and the Virgin Islands now operate under many economic disadvantages not common in the United States. Per unit costs of production aside from labor tend to be high because of lack of raw materials essential to manufacturing industries, management difficulties, and the great expense of plan construction and mechanization due to distance from centers of equipment production. Conclusive evidence that such economic disadvantages do exist in these islands is found in the fact that their wage rates, which are substantially lower than those in the United States, do not attract industries from the United States to any appreciable extent. It is believed that the application to the islands of the inflexible minimum-wage rates prescribed by the act will cause serious dislocation in some insular industries and curtail employment opportunities. The object of this amendment is to fix wage rates for these islands which are high enough to discourage migration of business from the United States but which are low enough to encourage industrial development opportunities in the islands.

We favor the amendment to the wage and hour law referring to Puerto Rico, because we hope that the industry committees to be appointed pursuant to the law will fix proper and fair wages according with the conditions of Puerto Rico and because we want to see our people working better than seeing them starving or depending on relief from taxpayers of continental United States.

The working people of Puerto Rico want to stand on their feet, they want work from industries that under our peculiar conditions may be able to pay living salaries, which could fairly be fixed by the industry committees provided for in the amendment. [Applause.]

Mr. WELCH. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, when this law was enacted, the Congress very clearly intended to exempt certain agricultural labor. I read the entire discussion that occurred on the floor of the House when this bill was enacted into law and the amendment offered by the gentleman from Iowa, Mr. Bierman, which the House adopted, very clearly reflected the attitude of the House and its intent to exempt certain phases of agriculture from the operations of the wage-hour law; but when the bill came back to the House after conference with the Senate there appeared, apparently for the first time, rather strange words, "area of production." If you have not taken the time to do so, it might be worth while to look at section 213 of the Code, which contains the exemption. In section 213 of the Code any employee engaged in agriculture is clearly exempt. There also was an attempt to exempt from the act any individual employed within the area of production as defined by the Administrator engaged in the handling, packing, storing, and so forth, of agricultural products.

The difficulty rose when the Administrator attempted to interpret the words "area of production" and to define them. As indicated by the distinguished gentleman from New York this afternoon, both the Administrator and his Department got into difficulty when they adopted varying and variable interpretations as to what was meant by "area of produc-

tion." They attempted to exempt by the definition last adopted by the Administrator those processors of agricultural products located in communities not exceeding 2,500 in population who secured their raw material from an area not exceeding 10 miles around that plant.

This meant that a plant in a town of 2,500 population was not subject to either the hour or the wage provisions of the law, provided he got his raw material from an area not to exceed 10 miles; but a town of 2,600 population, located 3 miles away, was subject to the provisions of the law.

A further attempt to define the area of production appeared in a regulation adopted by the Administrator when he said that a processing plant processing agricultural products located in a town, city, or village of over 2,500 and employing less than 7 people was not subject to the act, provided it employed 7 or less people. A situation rose which I called to the attention of the general counsel of the Wage and Hour Division, Mr. McNulty, when he appeared before our committee, wherein a processor of agricultural products located in a city of 20,000 is processing milk, which is shipped in interstate commerce. He employs less than seven people. Is he subject to the act or is he not?

The gentleman answered me by saying in substance that first he would have to know whether he got his raw material from the general vicinity, because that is the language of the regulation. I asked him to tell me what facts would be necessary in order to determine whether this man got his raw material from the general vicinity. I understand what "general vicinity" ordinarily means, but what does it mean as interpreted by the general counsel for the Wage and Hour Division? This man was processing milk. He had to get his milk under contract from farmers wherever he could get it. Right next door to him was a processing plant employing less than seven people making ice-cream mix and this concern was fortunate enough to contract with farmers immediately adjacent to that city. The latter plant is within the definition "area of production" and is not subject to the act. The other plant operated in such a manner that it had to go out 20 miles to get the milk and bring it into the factory. That plant is subject to the act because it does not get its raw material from the general vicinity of the city or town in which located.

If they make an analysis of the situation as applied, I think you will concede both Mme. Perkins and the Administrator, Colonel Fleming, when they appeared before our committee, very definitely and clearly indicated by their testimony the necessity for some change in this act to make it workable so that the inequalities and injustices which they both admitted existed from one end of this country to the other could be wiped out and justice done, especially to the farmers; but their contention was and the contention of those who oppose any amendment or change in this act was that it could be done possibly by regulation and there should be no attempt to change the basic language of the act itself.

Mr. Chairman, we in Wisconsin have waited in vain, with plant after plant closing down, for some change in these regulations that would enable people engaged in the canning business and canning the same product and engaged in a competitive field to be placed upon the same competitive basis. May I say that it seems to me some questions ought to be very clearly answered by the members of this committee before we pass final judgment upon any of the proposed amendments.

I have listened this afternoon to all the discussion and it seems to me most of it is for home consumption, that most of it is a lot of bombastic talk that does not get right down to these bills and explain any of the amendments, but is intended as a eulogy to labor and making a demagogic appeal for the support of those who labor.

Let me ask the members of the committee some questions first, so that I may understand. May I ask that you turn to page 11 of the Norton amendment, subsection 1, which reads: "No employer shall be deemed to have violated subsection (a)" and so forth "making of dairy products (except ice-cream mix, ice cream, malted milk, and processed cheese) including among other things, the cooling, pasteurizing, printing, or packing thereof."

Do you intend if the Norton bill is passed to exempt those canning factories that are engaged in the processing of milk, that are manufacturing condensed milk, powdered milk, casein, and other dairy products which are not listed in the exemptions stated in that subparagraph? May I ask the gentleman from Georgia [Mr. RAMSPECK] if I am correct in saying that if this law passes, a plant any place in the State of Wisconsin, regardless of the number of people whom it employs, that is engaged in the processing of milk, dry milk, or condensed milk, is not subject to this act except as it may be generally subject to it if these exemptions do not apply to it?

Mr. RAMSPECK. The gentleman is asking me a question. The answer is that they will be subject to the wage provisions.

Mr. KEEFE. To the wage provisions.

Mr. RAMSPECK. They will have a 60-hour week all the year around, and for 14 weeks they have no limitation on hours. That is the provision of the Norton bill.

Mr. KEEFE. In other words, if I understand the gentleman's answer, a plant such as I have described, if the Norton bill passes, will be able to work its employees 60 hours a week without paying time and a half overtime?

Mr. RAMSPECK. That is correct.

Mr. KEEFE. And you intend that that should be?

Mr. RAMSPECK. That is right.

Mr. KEEFE. You intend that the plants of the Borden Co. and all the big processors of milk that are engaged in the business of making skimmed milk and powdered milk and condensed milk shall be able to work their employees 60 hours a week, provided they pay the minimum?

Mr. RAMSPECK. That is correct. May I say to the gentleman that the evidence before the committee was that all these larger plants are unionized.

Mr. KEEFE. That is exactly right.

Mr. RAMSPECK. That will take care of the situation, and the little plants will be able to have longer hours. What we are trying to do here is to get away from the difficulties of the area of production which the gentleman from Wisconsin has so ably pointed out.

Mr. KEEFE. I wish to say that I regret that I cannot go through this bill and ask some very pertinent questions in the debate before we get through, so that we will have in the RECORD and know and understand exactly what this bill means, because up to date no one has attempted to do that. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, I am glad that our distinguished colleague the gentleman from Michigan [Mr. HOFFMAN] has joined a few more of us who have been trying to secure the passage of a bill in this House providing for cost of production for farmers.

Mr. Chairman, we have heard from gentlemen who profess to speak for the farmers of the country. We shall probably hear more from them.

Since when, may I ask, have these gentlemen discovered that there is a community of interest between the farmer and the big Chicago packing plants, or between the farmers and the great grain elevator operators in Minneapolis and Chicago? Since when has the startling discovery been made that the welfare of the farmer depends upon bigger profits for the railroads, the lumber barons, the big canners, and all that host of middlemen the real farmers of this country have been battling as long as I can remember? I would like to see you try to convince the farmers out in my State that their welfare depends upon bigger and better profits for Armour & Co.

I was born on a farm and brought up on a farm. I think I know the real interests of the farmers quite as well as some of their surprisingly recent new-found friends. The farmers

and the industrial workers and small-business men of the Second Montana District sent me here. And I feel that I never have so adequately represented them as I do now in protesting against this attempt to emasculate the Fair Labor Standards Act.

The farmer and the industrial worker! There, gentlemen of the Congress, is your real community of interest. To whom does the farmer look for a market for his produce? Why, to the industrial workers of the country, of course. They are not going to sell any more meat and potatoes and bread and butter to the Armours and the Cudahys and the directors of the railroads. Those gentleman are getting enough to eat, anyway, and they could not hold any more even if we did sweeten up their profits at the expense of labor.

If we are going to sell more meat and wheat and other foodstuffs, we have got to find some way to get them into the hands of the millions of industrial workers who are half clad and half fed. They are the people who want and need more butter and eggs, more wool clothing, more of everything the farmer produces. But you cannot sell to people who have not got jobs or who, even if they have got jobs, do not get enough in wages to buy anything more than the most meager necessities of life.

There are millions of people in this country who do not get enough to eat. Millions, with incomes of less than $500 a year, are spending only about 5 cents per person per meal on food. In the name of Christian charity, let me ask you what is going to happen to our American democracy if we close our eyes to this injustice? Ex-President Hoover has been asking us to come to the aid of the suffering Finns. I am in favor of helping the suffering Finns; but I still think charity begins at home. If we want to be charitable, we do not need to stretch our arms and our hands, extending food to the suffering, a distance of 3,000 miles.

Let me tell you another thing: The help provided by Government for the farmers of this country—and we have appropriated billions—could not have been granted had not the urban Congressmen, representing the industrial workers, voted for it. Whenever we have asked anything for the benefit of the farmers, our city brethren have stood shoulder to shoulder with us. It comes with mighty poor grace if now that we are asked to extend just a little measure of protection to the city worker, we who speak for the farmers turn against him. The city industrial worker is not asking us to vote him a subsidy of a billion dollars; all he is asking is a minimum wage of just 30 cents an hour. Thirty cents an hour! Think of it! Thirty cents an hour, out of which to pay the rent, buy the food and clothing, pay the streetcar fare, and meet the doctor's bill. And yet they tell us that is too much for the head of an American family. Let me ask the Members of this House, who are advocating the mutilation—if you please—of the wage and hour law, what they would say if they were asked to feed themselves and their dependents on 5 cents a meal per person. Let such a thing as that be proposed, and hell would be to pay.

The distinguished gentleman from Georgia [Mr. Cox] and Mr. HOPE, of Kansas, made the statement that many farmers live on much less than 30 cents per hour. In this statement they are technically correct. Many, many farmers do not receive in cash 30 cents per hour for their labor, or anywhere near that sum, but the difference is that the farmers produce, as a rule, their vegetables, milk, butter, and meat and have a place in which to live, which constitutes a large share of the farmer's living. If he were required to buy these products, and pay rent for his house, he could not make a go of it at all. The industrial worker, on the other hand, is required, as before stated, to buy all of his food, his clothing, and pay for a place to live in, as well as other incidental expenses, such as light, water, heat, and so forth. We must not get these two problems confused.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. No; I am sorry, I have only a few minutes.

Mr. KNUTSON. I suggest that the gentleman yield to the gentlewoman from Illinois.

Mr. O'CONNOR. I yield to the lady.

Miss SUMNER of Illinois. I simply wanted to tell the gentleman that the thing on the farm that is raising and raising is the mortgage every year.

Mr. O'CONNOR. Let me call the attention of the gentlewoman to the fact that the farmer was being kicked out of his home in the spring of 1933 by mortgageholders, but today he still has his farm even though there is a mortgage on it. There is the difference. He would not have anything left if it were not for what has been done for him during the last 7 years.

Mr. KNUTSON. Politics, politics.

Mr. O'CONNOR. I also wish to add to this point and to emphasize that the farmer's income for the year of 1939 was higher than it was in 1938. This was during a period of time when this law was in operation. I am not saying that its administration has been 100 percent, but even though the law may not be perfect, a liberal interpretation by the administrators of a law is always desirable and can take care of many imperfections and defects.

The city worker, through his representatives, has stood loyally by the farmer. How much longer do you think he will continue to stand by in the farmer's time of need if the farmer's representative now throws him to the wolves to be exploited any number of hours at the lowest pittance the most greedy employer is willing to pay?

We hear a lot of talk these days about the dangers of communism. We don't want communism or any other "ism" except Americanism. But remember, Members of the House, that millions of innocent people who are undernourished, half-clad, wretchedly housed, are not going to suffer forever in silent patience while they are ground to lower and still lower levels. They are not going to cling for long to the theory of democracy if it does not work and if its benefits are denied them.

Yet, they say, the farmer somehow is going to be benefited if we deny the workingman protection in his wage or in his hours of work. How benefited? Well, let us see what this Barden bill really does. Let us turn to lines 21 to 23, inclusive, on page 4. Here it is provided that the preparation of products and livestock, when done "at the packing plant," shall have a complete hours exemption for 16 workweeks in the year. All right, that means that Swift & Co., Armour, and Cudahy may work their employees an unlimited number of hours without paying a cent for overtime 16 workweeks in the year, even when they are engaged in the manufacture of glue, fertilizer, oleomargarine (which competes directly with the dairy), sausages, or in tanning hides, or while engaged in working on any of the byproducts that come from the slaughterhouse. That takes care of the big packers, all right, but just what does the farmer get out of that? And how about the industrial citizen? He has a plant over in the next county manufacturing glue, fertilizer, and so on, from livestock products in competition with the big meat packers, but he does not get any exemption—not under this Barden bill. He does not get any exemption because he does not operate a meat-packing plant. He has to keep right on paying his employees not less than 30 cents an hour, plus time and a half for overtime for all hours worked beyond 42 a week. You let out the big fellow and penalize the little man. In heaven's name, where is the logic—not to say justice—of that?

Then again, section 5 (b) of the Barden bill—lines 12 through 24 on page 7—would give exemption to such a gigantic corporation as the Kraft Co. from both wages and hours when manufacturing cheese and other dairy products made from milk. The Kraft plants are situated in the big cities, such as Chicago and New York, and they employ thousands of workers, many of whom probably never saw a farm. If you reduce the wages of these people, how do you expect that the farmer is going to sell them more butter and eggs and milk, or anything else? It cannot be done. Again, the production of casein, which is used to manufac-

ture synthetic buttons and the like, also is exempt under this provision from both minimum wages and maximum hours. But the fellow who is manufacturing buttons from some other material is not exempt. How are you going to justify that sort of discrimination? How is that going to help the farmer? If not, is it going to help the worker?

Let us move on to page 8, lines 3 through 5. Here an exemption from both wages and hours is granted to the compressors of cotton. You and I know that the machinery for compressing costs a lot of money and that these compressors employ a lot of people. They are situated at the big shipping centers like Savannah, Atlanta, and New Orleans. Once more, the people who are denied the benefits of the act are not farmers or farm laborers. They are city industrial workers, and it is proposed to knock down their buying power so they cannot buy the farmer's produce. I do not believe there is a compressor in the United States so small as to employ less than 100 people.

Then take pages 7, 8, 9, and 10, and the first half of page 11. Read that over and what do you find? Here is a measure to deprive employees engaged in handling and transporting from the protection of minimum wages and maximum hours—both of them. This does not mean the transporting the farmer does when he steps on the starter or hitches up his mule to drive to town with a load of potatoes or corn. The farmer's transportation already is exempt in the law. Any hauling that he does, or his hired man does, is not touched. Here is an exemption for the employees of the railroads—and the big trucking companies. What this part of the bill means is that if a railroad or trucker is transporting any of these products—such as casein, butter, cream, cotton, sugarcane, maple sirup, any kind of nuts—I am speaking of the edible type—sirups or canning fruit or vegetables, all the employees of the railroad or trucking company are deprived of the protection of the law. I have not included a tenth of the products the transportation of which would render these railroads untouchable. Virtually every train and truck carries some of these things, and the scheme here is simply to bar from protection all railroad employees engaged in operating trains.

This thing gets worse and worse the more you study it. Let us go back for a moment to page 8, lines 21 through 24 at the top of page 9. Here is an exemption for employees engaged in canning fruit and vegetables if in the same calendar year the employer does not engage in any recanning operations or does not can any nonperishables. The effect here is to discriminate against about 500 canneries in the country which can both perishables and nonperishables. In other words, if we approve this, we say to the fellow who operates a canning factory just a few weeks in the year, all right, we will give you as a premium the right to pay starvation wages. But to the conscientious fellow who tries ingeniously to keep his people employed on a year-round basis so that they are able to keep off relief and become better customers for the farmer, we say, We will penalize you; we will fix it so the wage cutter can take your business away from you. How is that going to help the farmer? Who can it possibly help but the fly-by-night canning operator? Does anybody dare tell me it is going to help the worker?

I am not through yet. I could go on for hours, but at least there are two or three more other things that I want to mention. Now, back to page 3—lines 24 to 25 on that page—and then over to page 4, lines 1 and 2. Here it is provided that a wholesaler of fresh fruits and vegetables may work his employees up to 56 hours a week without paying them a penny for the overtime. But, on the other hand, the small wholesaler of canned, dried, and nonperishable food products must pay time and a half for all time worked in excess of 42 hours. Nonperishable products were at some time perishable products, which, in order to convert them into nonperishable products, required time and work. Why this discrimination?

On page 7, and running through to the middle of page 11, we find a complete exemption from both minimum wages and maximum hours for all warehouses, regardless of size, in cities of less than 150,000 population, while handling products listed in section 5 (b). Note that term "local storing." It is defined in lines 12 to 14 on page 11 to include all storing outside of "terminal markets" as defined in section 7 (c). The definition is on page 5, lines 9 to 17.

Now we come to a real atrocity. Page 14, lines 13 through 19. Here is perhaps the final death blow to this legislation which the Congress enacted to bring at least a small amount of protection to the helpless working people of this country. Here is a proposal to apply a 6-month statute of limitations to employees' suits for the recovery of their unpaid legal wages. As you know, State statutes of limitation already apply to such claims, and they usually run from 3 to 10 years, depending upon the State. The statute of limitations for real-property suits is 20 years. The philosophy of the Barden amendment is that where an employer is withholding from his employee the wages that lawfully belong to him, and in addition is violating a Federal statute, the period within which redress may be sought is 6 months—just 24 weeks.

Not only that, but the statute of limitations starts running when the violation occurred, irrespective of when it was discovered. One of the purposes of granting the right of private suit was to make wage and hour law self-executing, and reduce the cost of administration. Everybody knows that this provision of the law is having a highly salutary effect in bringing about compliance. Suits for back wages totaling close to $10,000,000 are now pending in the courts. And yet we are asked to let off scot free the employer, who may have been violating the law for years—except for the last 6 months of the cheating.

I will say that my distinguished colleague, the gentleman from Wisconsin [Mr. KEEFE], whom I regard as standing on a high pinnacle in this House, as a lawyer, would not stand for such language in any bill limiting the right to sue within 6 months from the date of the accruing of the action regardless of when the lapse or fault was discovered.

Mr. KEEFE. Will the gentleman yield so I may answer?

Mr. O'CONNOR. If I have time I shall be pleased to yield to the gentleman.

I doubt if any other piece of legislation has ever come before this House representing so hopeless a hodgepodge of discrimination and injustice. Let us strip from it the pretense that all this is going to benefit the farmer and recognize it for what it is—a license to the most unscrupulous elements in American business to oppress and exploit the poor and helpless—at the expense of both the farmer and the worker.

The test of whether democracy works is whether the humble folk—not the rich and powerful, who are amply able to take care of themselves—are fed and clothed and housed. And today our democracy is challenged by unemployment and want. Both are stalking the country. We, who claim to be a Christian nation, dare not reimpose these hardships upon millions of our people. I am amazed when I find gentlemen arguing that any group of industrial workers should be forced to feed, clothe, and house their families on incomes of less than 30 cents an hour.

I do not think the farmers of this country are going to be duped on this matter. They know that their market is here at home, provided we will, in simple justice, continue to vitalize that market with even so small a measure of buying power as 30 cents an hour represents. Underconsumption is the cause of farm surpluses today. It is not overproduction. Give the American people enough to eat, and that will solve the problem. We must not forget that about 85 percent of farmers' products are foodstuffs. Millions of ill-fed, ill-clothed people, farmers and city workers alike, look to us, and have a right to look to us, for help. They are the people of whom, and for whom, I speak. [Applause.]

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from New Hampshire [Mr. JENKS].

Mr. JENKS of New Hampshire. Mr. Chairman, when I came to be a Member of this honored body I asked the privilege of being appointed to membership on the Labor Committee, and during the period that this wage and hour bill

was being considered and brought up I have been a member of that committee. My reason for asking to be a member of the committee was this: I had been advised that that committee was full of dynamite, but I said, "I have handled dynamite all my life" [laughter], and there has been no exception to that since I have been a Member of this Congress. [Laughter.]

I wanted to be a member of the Labor Committee because for a good many years I had worked in the capacity of a laborer. I had worked for substandard wages, 60 hours a week, and later on, as I have told this House before, I was a rather large employer of labor for more than 30 years. When this bill was considered in the committee my one thought was to vote for a measure whereby no man or no woman would work for wages of less than $10.60 a week, and I do not care whether that man or that woman is in the South or the West or the North. He lives under God's blue canopy. He has to earn a living for his family, and that family is entitled to a living, and I ask you, Can any man support a family as it should be supported on less than $10.60 a week, whether he works on the farm or in the factory?

In the manufacturing industry the cost of labor that goes into a product varies very substantially, from 10 to 50 or 60 percent, and it has been my experience that the people who wanted to undersell, who were not willing to meet fair competition, were the men who were cutting down on their labor, which was the only thing they could cut down on, as raw-material costs are the same to one man as another.

There may be, of course, some variations in overhead, but the only place he could really save was on labor, and the chiselers of this country are the ones who have brought wages down and brought about unfair competition until this wage and hour law was put on the statute books.

If there is not another thing I have done while I have been a Member of this House, at least I shall always remember and be proud of the fact that I cast my vote to give a fair living to the people of this country and also to abolish child labor. [Applause.]

Mr. Chairman, I have given much thought and study to the proposed amendments that we have under consideration here to the Fair Labor Standards Act, and I have listened most attentively to the discussion relating to them.

We have heard much about the disadvantages the operation of this act has imposed on the farmer, but, since neither the farmer nor his hired help are subject to the requirements of the Fair Labor Standards Act, I fail to see how he can be adversely affected by the operation of the act, although it is very clear to me that the interests of the farmer could be hurt by decreasing the wages of those who buy his products.

I submit that we are dealing with amendments here that, if passed, would destroy the effectiveness of the Fair Labor Standards Act because those amendments would rob that vast group of underprivileged and defenseless workers of the protection that the act affords them. In my opinion, $12.60 for a 42-hour week of manual labor is not too much for any worker, regardless of where he lives—North, South, East, or West—nor is $655.20 a year too much for any worker to maintain his family on. For that reason I stand unalterably opposed to the passage of any amendment that will weaken and ultimately lead to the destruction of the protection that the fair labor standards law affords to the workers who must need protection. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. GEYER.]

Mr. GEYER of California. Mr. Chairman, I am not injecting the sectional issue into this problem as the gentleman from Georgia did here yesterday. Yesterday when the very able gentleman from Georgia [Mr. Cox] was speaking, he had much to say for the poor of his section of the country. He expressed great concern for the exploited classes. I asked him to tell us of the laborers who are unable to vote because of the poll tax. Instead of answering my question he made some remark about going into the barber business.

I do not blame him for not telling us of the havoc wrought upon labor and all who toil by this ingenious device of the Middle Ages. It was apparent yesterday to all who had eyes to see and ears to hear that the spear head of this attack came out of the sections where labor may neither punish nor reward at the polls on election day. Labor desires no change in this act and these southern gentlemen who are opposing this social legislation cannot possibly speak for labor—nor scarcely anyone else so far as numbers go.

The gentleman from Arkansas [Mr. KITCHENS] also assisted yesterday in the smoke-screen activity by making reference to his own "arkies" that the great State of California now must contend with. I do not blame him either, for changing the subject away from the poll tax. He probably knows that his State in 1936 voted but 18 percent of its adult population, while the neighboring State of Missouri without this tax sent 80 percent to the polls.

In eight poll-tax States labor has virtually no vote. Barely 5 percent of the people cast a ballot in those States, as against 32 percent elsewhere. The wage and hour law may have enabled a few persons to pay a poll tax. Weakening the law would prevent those workers whom the law now aids from voting to keep the law strong—because they could not pay the poll tax on their lowered wages. But the people who can pay the poll tax and some of the Representatives they send to Congress want both low wages and a poll tax: low wages to prevent labor from paying a poll tax; a poll tax to prevent labor from voting for Representatives who favor higher wages.

From the beginning of this struggle 3 years ago, poll-tax Representatives, with a few notable and courageous exceptions, have opposed the Fair Labor Standards Act. They fought against it; they voted against it; when it was passed they tried to weaken it—now they want to kill it.

I tell you labor all over the country has its eye on this House today. If the poll-tax Representatives vote against the wage-hour law, labor will know that these Representatives speak not with the voice of labor. And labor will also know that the poll tax must go if the voice of labor is to be heard.

I received 56,000 votes in the last election—more than the combined ballots of 12 poll-tax Congressmen, each of whom got less than 6,000 votes. These 12 include two gentlemen from Georgia who are the chief opponents of this labor law. Twenty-five thousand more votes were cast in my district at the last election than were cast in the entire State of Georgia with 10 Representatives. They have 10 votes and I have 1. Is that democratic government? Is that justice to my people?

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield with reference to the figures from Mississippi?

Mr. GEYER of California. I know they are interesting, and I yield.

Mr. SCHAFER of Wisconsin. By reason of this "polecat" tax, the total vote in the 7 Mississippi congressional districts in 1938 was less than 36,000 votes, which is less than one-half of those cast in each individual congressional district in most of the other parts of the country.

Mr. GEYER of California. If every one of the five-thousand-odd votes cast for the gentleman from Georgia [Mr. Cox] were a worker's vote—and I doubt if even 500 were—what about the other 23,000 employed workers in that district who could not vote? Does he speak for labor or the oppressed?

In almost every case the gentlemen from New England who support the wage-hour law and are fighting to preserve it received as many or more votes even than I. Each of them secured personally more votes than all 7 Representatives from Mississippi or all 6 from South Carolina. At least 3 of them each got more votes than all 13 Representatives from South Carolina and Mississippi together. One of the strongest supporters of this law from Illinois received more votes in 1938 than 21 poll-tax Congressmen all put together. Not one of them got votes from as much as 4 percent of his people, yet the gentleman from Illinois got

votes from over 40 percent of his. Yet some call my bill, to abolish these poll taxes, outside interference.

So, gentlemen from the poll-tax States, I say the eyes of all the people in your district—and not just those of your constituents—are on you today. Vote against the wage-hour law and you will confirm the conviction in the heart of the laborer from all sections of the country that the poll tax must go if his family's bread basket is to be filled. And when the poll tax goes, along with it may go its present supporters. [Applause.]

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. JOHNS].

Mr. JOHNS. Mr. Chairman, I have stayed on the floor today and listened to the debate on these amendments because they are very important to the country, and as I listened to men get on their feet and say they were going to vote against these amendments, the Norton amendments, especially, I could not understand whether they have read the bill or have any interest in the country or not. Very few bills are perfect when they first pass the House of Representatives. Many bills are repealed because they are not workable, and many bills of this social order will have to be amended in this House before they will be workable. As I see it, some five or six or seven lines will cover to a large extent what is contained in the law; but since this bill was passed, about five volumes have been written on the interpretation of language in the law, which is quite clear. So that what we want to do here is to try to get these amendments in such language that nobody, no matter what his mind might be, can interpret it in any other way other than as the Congress intended it. I do not believe there is anybody here who says that he does not intend to vote for these amendments, the Norton amendments, who would think of making a statement of that kind and go back home to his constituents and say that he had voted against the farmer having the right to prepare, cure, grade, or bag raw-grease wool.

Every farmer wants to do that, and it should be clear that he has the privilege of doing it; or of handling, grading, loading, slaughtering, or the dressing of livestock, or of the handling, storing, grading, picking, dressing, or packing of poultry. I do not believe anybody will want to go back home and say that he had denied the farmer that privilege, or of the handling or storing and grading or drying or packing of eggs. It is clear that that is exempted and I do not believe anybody would want to vote against that. If anybody votes against these amendments that is what he will be doing, or the hatching or handling or boxing of chicks, poultry, ducklings, goslings, or wild fowl.

There is one thing in these amendments that I feel ought to be made clearer, because it is language about the making of dairy products. That should extend not only to the making of these dairy products, but also to the transportation to the point where they are processed or taken care of, because as the language is now it might include a farmer who is hauling his milk to a cheese factory that may be 2 miles or more away. I see a gentleman on the committee shaking his head as if to say that it does not mean that, but the interpretation of the Administrator——

Mr. RAMSPECK. If the farmer himself takes it, or anybody employed directly by the farmer takes it, it is exempt.

Mr. JOHNS. But suppose he should hire somebody from the city and pay him 15 cents a hundred for hauling this milk, as many of them do, would he not involve himself?

Mr. RAMSPECK. It may be somewhat complex, but if the farmer himself by his own employee or through his own efforts transports it, it is exempt under the present law.

Mr. JOHNS. Is there any ruling to that effect?

Mr. RAMSPECK. It happens to be directly in the law.

Mr. JOHNS. I do not see it.

Mr. RAMSPECK. The gentleman will find it in section 13 of the act, the present law, where a farmer himself is exempt and dairying is exempt.

Mr. JOHNS. That is what it says here—the "making of dairy products," but that is different from transporting them to the market.

Mr. RAMSPECK. Anything done incident to farming. Agriculture is defined as anything done by a farmer on the farm, incident to farming, and it includes dairying. The gentleman will find it in the definition of this language. It includes farming, and the harvesting of any agricultural crop, and so forth:

> Any act performed by the farmer on the farm as an incident to or in conjunction with such farming operations, including preparation for market and delivery to storage or to market, or to carriers for transportation to market.

Mr. JOHNS. I see. Well, that would cover it.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield to the gentlewoman from New York [Mrs. O'DAY] such time as she desires.

Mrs. O'DAY. Mr. Chairman, if you will study the Barden bill and determine the precise employees who are to be removed from the protection of the law, you will discover an appalling fact. Of the some million-odd workers which it would deprive of the protection of a 30-cent wage, about half of them are women. In the industries of canning and packing of fruits and vegetables alone, the Women's Bureau of the United States Department of Labor estimates that approximately 176,000 women would be exempted by the Barden bill.

This country has striven for more than a quarter of a century to secure legislation to protect the woman who is required to leave her home and work in industrial occupations from the evils of the sweating system. Because of the attitude of the courts and the opposition of various industrial groups effective minimum-wage legislation exists only in a few States. In 1938 Congress passed the Fair Labor Standards Act. This act specifically provided that it should apply to both men and women. No discrimination is permitted on the basis of sex.

The passage of this law was a great gain for the working women of this country, hundreds of thousands of whom are so weak in bargaining power that they are at the complete mercy of the employer. Their needy circumstances force them to take any wage that is offered. Many women have been working for a starvation wage ever since women entered industry. They have been the victims of the "greedy and overreaching employer"—Chief Justice Taft in the Adkins case.

What character of work are the women engaged in whom Congressman BARDEN of North Carolina would exempt? For the main part they are toiling in commercial canneries, in packing sheds, stripping and stemming tobacco, and in other processes in connection with the preparation of food products. If you have ever been in a cannery, you know how women work over steaming cauldrons of hot tomatoes for hours—working in intense heat and often with blistered hands. Is a bare 30 cents an hours too much for such work? Most of these workers are mothers—heroic mothers—who are buying their food with their sweat. There are hungry mouths at home that must be fed.

The passage of this law gave new hope to hundreds of thousands of these women. Are we going to take it away from them now? To me the passage of this bill would be a national disgrace. Surely we have not arrived at a point in our national life where the profits of the cannery, the packer and the tobacco merchant, the cheese factory are more important to the legislator than the protection of our women. The sponsors of this bill should be forever shamed by the misery and distress which they propose to legislate upon several hundred thousand defenseless women. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I yield to the gentleman from California [Mr. BUCK] 3 minutes.

Mr. BUCK. Mr. Chairman, tomorrow I expect to propose an amendment to whichever of the substitutes is offered first, and thereafter to the Norton bill, if the substitutes are

defeated, embodying an amendment to section 3 (f), "Agriculture," and changing the definition of "agriculture and agricultural labor" to conform to the definition which was written in the social-security law by the Congress a year ago. This amendment will not conflict with the provisions of any of the pending bills. It has had the approval of both Houses and has been approved by the Senate. I am going to do this primarily because I think it will overcome the confusion that exists in interpreting what "agriculture" is under this act. If we have one definition in the Fair Labor Standards Act, one in the National Labor Relations Board Act, and one in the Social Security Act, obviously every employer of agricultural labor is going to be at his wit's end to know what to do. The definition which was adopted a year ago in the social-security amendments of 1939, which is now law, is clear, it is comprehensive, and it has withstood the test of several months' experience in the Bureau of Internal Revenue.

I might add that the Ways and Means Committee gave several weeks' study to this definition before it was submitted to the House, and the Bureau of Internal Revenue has now been operating successfully under that definition.

Let me suggest that uniformity is one thing that ought to be desired, even by those who are most interested in the success of the wage and hour bill. Let me add that I voted for that bill. Let me add that I hope it will continue to be a success and will not be emasculated by any amendments that are proposed tomorrow.

I think that basically agriculture is the same, no matter whether it is under the Wage and Hour Act, the Labor Relations Board Act, or the Social Security Act. Therefore, when the latter bill comes before us, I propose to offer the same amendment. Anyone who wants to know what that amendment is only has to consult the social-security amendments of 1939 to see what I propose to offer tomorrow.

Mr. Chairman, "agriculture" is defined in section 3 (f) of the Wage and Hour Act, but it is not a comprehensive definition. The law on minimum wages is laid down in section 6 of the act, the law on maximum hours in section 7, but in section 13 (a) (6) it is set out that the provisions of sections 6 and 7 shall not apply with respect to "any employee engaged in agriculture." It is therefore important that an accurate definition of agricultural labor be made in the act itself.

We had the same trouble with the Social Security Act. We exempted from tax what we classified in general language as "agricultural labor." The same difficulty existed with the Treasury Department that has existed with the Wage and Hour Division of the Department of Labor. The difficulty was to make the Administrators understand what agricultural labor was. In issuing its regulations the Bureau of Internal Revenue produced a great many conflicting and often ridiculous rules and regulations. I commented on these at some length when we were discussing the Social Security Act. For instance, labor in connection with fur-bearing animal farms. The Bureau of Biological Survey in the Department of Agriculture classifies farms of that type as agricultural. The Bureau of Internal Revenue did not. As I told you a year ago, I have a fairly large acreage of fruit. I pack— that is, prepare for market, put in crates and boxes— that fruit on my own farm. That labor was classed as agricultural and exempt. However, if 10 or 20 of my neighbors, who own small farms, got together and built a cooperative packing shed on the railroad line, washed their pears, packed their fruit, and used the same type of labor, even the same people perhaps at times, under the same circumstances, they were not exempt. There is no justice in making the small producer suffer under those circumstances.

Tomorrow I may cite other instances of these peculiar distinctions that have been worked out which produce inequities among people operating in the same commodities in the same localities, which is certainly an injustice. It seems to me, therefore, well for the Congress to make uniform its definition of what agriculture and agricultural labor are. The fact that the Congress has already passed on this question once and then rejected a motion to strike out this particular definition overwhelmingly on the floor of the House, and the fact that the legislation has been approved by the President, seems to me to furnish a criterion for the adoption of a similar definition in the wage and hour. I may add that I intend to offer the same amendment in connection with the National Labor Relations Board Act when it is presented to the House. There is no sense in leaving a definition of agricultural to administrators who may know nothing of what agriculture is or how it operates when we already have set up a standard.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield.

Mr. REED of New York. Has the gentleman that amendment with him?

Mr. BUCK. I do not; but, as I said a moment ago, if you will look up the social-security amendments of 1939——

Mr. REED of New York. I thought if you could obtain it and insert it as a part of your remarks it would be available to all the Members.

Mr. BUCK. I shall ask for that permission in the House. I thank the gentleman for the suggestion.

(The amendment is as follows:)

Amend section 3 (f) of the Fair Wages and Hours Act of 1938 to read:

"SEC. 3. (f) 'Agriculture' includes farming in all its branches and includes all service performed—

"(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

"(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

"(3) In connection with the production or harvesting of maple sirup or maple sugar or any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the raising or harvesting of mushrooms, or in connection with the hatching of poultry, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying and storing water for farming purposes.

"(4) In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

"As used in this subsection, the term 'farm' includes stock, dairy, poultry, fruit, fur-bearing-animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards."

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I simply rise at this time so as not to leave the RECORD unchallenged with regard to the statements made by the Resident Commissioner of Puerto Rico in his advocating the exemption of Puerto Rico from the wage and hour law. I shall offer an amendment to strike out this exemption and will set forth at that time in full the reasons why the workers of Puerto Rico should have this protection.

At this time I simply want to point out that Puerto Rico has been the dumping ground for every needlework chiseling manufacturer from my city. They have gone down there and by a system of contracts they parcel the work out to one contractor and then the contractor parcels it out to a subcontractor, the subcontractor parcels it out to a sub-subcontractor, and that goes all the way down the line to women and children who work for hours and hours in their homes, receiving no more than $30 per year, while profits go from sub-subcontractor to subcontractor to contractor to chiseling

labor exploiter. You have there a needle industry where women and children receive as little as 25 cents a day and less. This law would have forced the payment of a decent wage to what I consider to be the most exploited people under the American flag.

And yet I find that the representative of Puerto Rico takes the position that this protection which the Congress has given his people should be eliminated.

Mr. PAGÁN. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Not now. I have only 3 minutes. I decline to yield.

During the period in which we have had this wage and hour law we have heard a great deal about the needle trade running away from Puerto Rico; that it was going to China and Japan. The fact is not only did it not run away, but the export figures indicate that during the fiscal year 1939 the needle-trade manufacturers in Puerto Rico did 26 percent more business than in 1937. I think that should put a stop to the fountain of tears which representatives of entrenched interests in Puerto Rico are shedding over the plight of the "poor" labor exploiter in Puerto Rico. Why not spend some time over the plight of the exploited workers?

The real argument here is whether you want to protect Puerto Rican workers, whether or not you are for a decent wage for the workers in Puerto Rico. The gentleman from Puerto Rico seeks to justify the elimination of this protection for workers in his country by telling us about unemployment in Puerto Rico. Certainly there is unemployment in Puerto Rico. How can you charge unemployment to the wage and hour law when everybody knows, except the gentleman from Puerto Rico, that the Fair Labor Standards Act has been sabotaged, not enforced, and flagrantly violated in Puerto Rico? The cause of unemployment in Puerto Rico is due to a virulent and oppressive imperialism, against which the gentleman from Puerto Rico should be fighting, instead of training his guns on the wage and hour law, which was enacted for the protection of his people.

This committee has not heard from a single genuine representative of Puerto Rican labor on the question of the Puerto Rican amendment. Labor has not been given an opportunity to present its side of the case to this committee. I propose, before the discussion on this bill is over, to place in the CONGRESSIONAL RECORD a list of labor unions in Puerto Rico which have written me to keep up the fight against eliminating Puerto Rico from the protection of this law.

Mr. PAGÁN. I speak on behalf of labor.

Mr. MARCANTONIO. The gentleman is speaking in behalf of his political party.

Mr. PAGÁN. I speak on behalf of labor.

Mr. MARCANTONIO. Mr. Chairman, may I have order? I did not interrupt the gentleman when he had the floor.

The SPEAKER pro tempore. The gentleman from New York declines to yield.

Mr. MARCANTONIO. The gentleman is speaking in behalf of his own political party, and not all of it at that. Labor union after labor union has met only recently in Puerto Rico. They have gone on record to appeal to Congress not to remove this small protection which Congress has given the exploited workers of Puerto Rico. How can the gentleman say that he speaks for labor? [Applause.]

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, I have an amendment to the Barden bill to be introduced at the proper time, which is of particular importance to several groups of people, one group of which is located in my district. The proposed amendment is as follows:

That subdivision (a) of section 13, of Fair Labor Standards Act of 1938 (U. S. C., title 29, sec. 213) be, and the same is hereby, amended by striking the period following the word "products" in the last line of said subdivision (a) of section 13, and inserting in lieu thereof a semicolon and the following: "Or (11) to any individual employed by a corporation or association, the activities of such corporation being located outside of the corporate limits of any incorporated city or town, when not less than two-thirds of the capital investment of said corporation is in real and personal property used by it in its agricultural pursuits, when two-thirds of its employees are voting stockholders in said corporation, when no individual stockholder in such corporation may own or vote more than one share of voting stock owned by him at any stockholders' meeting and when each holder of voting stock shares equally in the profits of the corporation after satisfaction of prior obligations.

About 1714, in the Province of Hesse, now Frankfort, Germany, there was founded an organization known as the Community of True Inspiration. To hold the religious group together against the destructive forces of outside oppression, the wealthy members of the community gave liberally of their money to help support the poorer members.

In 1842, about 800 of the group migrated to America and to a tract of land near Buffalo, N. Y. In that location they were organized formally under the name of the Ebenezer Society. They formed three small villages on the New York tract and two on the Canadian side of the Niagara River. All property was held in common. In the fall of 1854 the need for locating a cheaper and more extensive tract of land led them to move westward to Iowa, where they settled about 20 miles west of Iowa City. The organization had about 18,000 acres in one contiguous tract, and this land has been held and operated by them continuously from that day to this. The tract has now increased to 26,000 acres.

The first village was given the Biblical name "Amana," and 6 other villages have been established at different locations on this tract of land. Today there are 7 of these villages with a total population of approximately 1,500. The farmers as well as the mill workers all live in the villages. Members of the society are assigned to mill work and to farm work more or less with the seasons, and farmers and mill workers live together under identical conditions.

The Amana Society is today famous for many of its products, principally Amana hams and Amana woolens. The processing of meat and the processing of wool and the production of the famous Amana blankets and dress flannels is carried on in these small villages. The Amanas were quiet, peaceful, and prosperous until the present depression struck them, but the effect of the depression on them in and of itself has been mild compared with the terrific repercussions from the intrusion of the Federal Government seeking to divide the community and to make a part of it subject to the wage and hour law.

The Amana Society reorganized in 1932 with a view to accomplishing a transition from the old communal enterprise to a purely modernized, orthodox corporation for profit at some date in the future. The wage and hour law has struck them while they are squarely in that transition stage of their development, and it is my contention that until they completely leave the form of organization wherein the workers themselves are the joint owners and until they complete their transition to the corporate form, they are not or should not be within the provisions of the wage and hour law. Nevertheless, representatives of the Amana Society have pleaded their case before the Wage and Hour Division in vain, and the Amana Society today faces on the one hand a division of neighbor from neighbor within these villages, classifying some as coming within the wage and hour law and others not within it, even though they all live under identical conditions, or on the other hand the society has the choice of classifying all of its members, both farmers and mill workers, uniformly within the wage and hour law. I am told that the application of the wage and hour law to the mill workers only will cause considerable strife because of the unfair and unequal compensation paid to neighbors living under identical conditions whereas the alternative of placing both farmers and mill workers under the wage and hour law will mean financial disaster and spell the doom of the society as an economic enterprise. The Amana Society has never objected to placing all employees who are not members within the wage and hour law. It is only the matter of applying the wage and hour law to the joint owner-workers that they object to.

But the Wage and Hour Division, in order to bring the members of the Amana Society within the wage and hour

law, has ruled that if in the joint enterprise third persons who are not joint owners are employed, then the relationship of employer and employee exists not only between the corporation and the third person but also between the corporation and the joint owner-worker. The members of this society cannot see, and I cannot see, how that should or could draw the owner-workers themselves within the wage and hour law.

The Wage and Hour Division has ruled further that if the direction of the labor is vested in any one member or group, then the relationship of employer and employee is considered by the Department to exist. In other words, the joint owners cannot arrange for the proper direction of their own work without placing themselves within the wage and hour law, regardless of the relationship of the member to the organization and the mutual obligations existing and based upon centuries of existence of that relationship. Furthermore, it is well nigh impossible to measure the values of the existing relationship and the compensation paid in the form of security not measured on a simple dollars-and-cents basis. All these good people ask is that they be left alone and not molested. Nevertheless, the ruling of the Wage and Hour Division that has already been made may mean the closing of the Amana woolen mills in these villages and the expulsion of those mill workers from membership if the farm holdings of the society are not extensive enough to furnish them employment.

This amendment I offer is broad enough to cover all organizations similarly situated, and it is my understanding that there are approximately six or eight similar organizations in the entire United States.

We had a very similar situation before the Committee on Agriculture in connection with the bill H. R. 3800, which bill, as you will recall, amended section 8–E of the Soil Conservation and Domestic Allotment Act. In that case the Committee on Agriculture accepted my amendment as a committee amendment and the bill has passed the House and Senate so amended. The acceptance of this amendment will not open the gate to all cooperatives. Just as in the case of H. R. 3800, the amendment has been drawn to carefully limit its application to organizations of this particular kind. The amendment has been drawn in this instance to limit its application to organizations which combine agricultural and industrial pursuits under a joint owner-worker relationship, wholly located outside of the corporate limits of any city or town and where not less than two-thirds of the capital investment of such organization is invested in property used by it in its agricultural pursuits.

Mrs. NORTON. Mr. Chairman, this concludes general debate on the bill.

Certain of us desire permission to include matter in the speeches we made, but, as I understand it, such requests will have to be submitted in the House.

The CHAIRMAN. That is correct.

Mrs. NORTON. Mr. Chairman, I believe the agreement was that the first paragraph of the bill was to be read before we concluded today.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, in the absence of the minority leader, the gentleman from Massachusetts [Mr. MARTIN], let me state that I understood there was no such agreement. The agreement was that no part of the bill should be read, that only general debate should be concluded today, that we would proceed with the reading of the bill next week.

The CHAIRMAN. That is the Chair's understanding of the agreement that was made today.

Mrs. NORTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. COOPER, having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5435) to amend the Fair Labor Standards Act of 1938, had come to no conclusion thereon.

EXTENSION OF REMARKS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend the remarks I made today in the Committee of the Whole and to include therein letters received from the Secretary of Agriculture, Mr. Wallace; also, from the National Consumers' League and the National Association for Advancement of Colored People.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mrs. NORTON. Mr. Speaker, I also ask that the gentleman from Missouri [Mr. WOOD] may have permission to include certain letters and excerpts in the remarks he made today in the Committee of the Whole.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

TRANSPORTATION ACT OF 1940

Mr. LEA submitted a conference report and statement on the bill (S. 2009) to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, and for other purposes.

Mr. HARRINGTON. Mr. Speaker, I ask uanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HARRINGTON. Mr. Speaker, under present law, railroad employees never have had adequate protection against loss of employment resulting from railroad consolidations, mergers, and abandonments. S. 2009 proposed substantial changes in the present law relating to these subjects but did not remedy this inadequacy of protection to employees. I offered, and the House adopted by a large majority vote, an amendment to S. 2009 designed to cover this defect in the bill.

Two hundred and seventy-five Congressmen signed a request urging the managers on the part of the House to retain the Harrington amendment, or report the same in disagreement so that a separate vote on this amendment could be had in the House. The joint conference committee on S. 2009 did not retain that amendment, but instead they struck out the entire consolidation section of the bill, including the Harrington amendment. The Transportation Act of 1920, as amended, however, still contains provisions under which mergers and consolidations may be effectuated yet which provide no specific protection for the railroad worker. For this reason I am offering today a bill (H. R. 9563) which would prohibit the Interstate Commerce Commission from approving any consolidation, combination, abandonment, pooling contract, agreement, division of traffic, and so forth, which would result in the displacement of railroad labor. My bill would also protect many communities from the economic disaster that results from railroad consolidations and abandonments.

The friends in Congress of railway employees are, therefore, being given the opportunity to support and vote for the principle of protecting railroad labor against railroad banker desires, which was the basic philosophy embodied in the Harrington amendment which the joint conference committee did not see fit to retain.

EXTENSION OF REMARKS

Mr. BUCK. Mr. Speaker, I ask unanimous consent to include in the remarks I made today in the Committee of the Whole the amendment I propose to offer to the bill H. R. 5435 when it is read for amendment.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. FENTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from John J. Miller, president of the Shenandoah Disaster Relief Committee, which accompanied a petition of

6,327 citizens, and also to include therein the foreword of that petition.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Connecticut. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short editorial from the Washington Evening Star on the subject of educational orders.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point and to include a resolution from the Veterans of Foreign Wars of the United States, as well as a letter I received from the Air Line Pilots' Association.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana [Mr. THORKELSON]?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial entitled "An Appeal to Reason."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana [Mr. THORKELSON]?

There was no objection.

FARM-TENANCY PROGRAM IN JEOPARDY

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma [Mr. JOHNSON]?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I have asked the indulgence of the House at this late hour to make a brief statement and then an announcement that will be of interest to those who are especially concerned about the welfare of the farm-tenancy program. I have reference, of course, to the future of the Bankhead-Jones farm-tenant program. Judging from the record of those who have supported it in the past, an overwhelming majority of the Members of this House are in favor of continuing it. That splendid program that has just begun to get under way is now in jeopardy.

As Members will recall, the House, by a very narrow margin, failed to make the appropriation when the agricultural bill was being considered in the House. The vote came late in the day when there were nearly a hundred Members absent. The bill had previously passed by such a wide margin that, frankly, the friends of the bill were caught napping.

It will be recalled that practically every opponent of the bill stated then that he favored a farm-tenancy program, but that the House proposal of $25,000,000 was only a drop in the bucket and would not begin to do the job. Others stated they would support a loan of $50,000,000, or even a larger sum, that would really make a start on a worth-while program, but would oppose a straight-out appropriation because of the then alleged economy program.

When the bill reached the Senate that body inserted $50,000,000 in the measure to continue the farm-tenancy program, not as a direct appropriation from the Treasury but authorized the Reconstruction Finance Corporation to advance $50,000,000 for the next fiscal year for the Bankhead-Jones tenant loans. It provides only 5 percent for administrative expenses. This amount was approved by the Senate without a single dissenting vote. It is generally understood that the House conferees have refused to accept the Senate amendment and are evidently willing to wipe out one of the most successful and important parts of the entire farm program. As I understand the situation, this matter will be brought back to the House for a vote probably Tuesday of next week.

Now, the announcement I wish to make is that after conferring with several Members who have been especially interested in this farm-tenancy program in the past, it has been decided to call a meeting in the caucus room of the House Office Building next Monday at 10:30 a. m. All who are interested in continuing this worth-while program are invited and urged to be present, at which time we will devise and discuss ways and means of carrying on this farm-tenancy program.

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to include, with the extension of my remarks relative to the Barden bill, a copy of the amendment which I propose to offer.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa [Mr. MARTIN]?

There was no objection.

Mr. SCHWERT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a brief editorial, and my reply thereto.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. SCHWERT]?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to include in the remarks I made in the Committee of the Whole certain excerpts and letters.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia [Mr. RAMSPECK]?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. When will the wage and hour bill, that we have considered in the Committee of the Whole this afternoon, be brought up for consideration again?

The SPEAKER pro tempore. As far as the present occupant of the Chair is advised, it will be brought up again on Monday next.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 46 minutes p. m.), under its previous order, the House adjourned until Monday, April 29, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds Tuesday, April 30, 1940, at 10 a. m., for the consideration of House Joint Resolution 487. Important. The hearings will be held in room 1501, New House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings on the following bill on Tuesday, April 30, 1940:

H. R. 8855, to admit the American-owned steamship *Port Saunders* and steamship *Hawk* to American registry and to permit their use in coastwise and fisheries trade. Hearing will be held at 10 a. m.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization on Wednesday, May 1, 1940, at 10:30 a. m. In re private bills and consider assignments.

EXECUTIVE COMMUNICATIONS, ETC.

1577. Under clause 2 of rule XXIV, a letter from the Acting Administrator, Federal Security Agency, transmitting a copy of a proposed bill to remove the restriction on the length of service for Indian enrollees in the Civilian Conservation Corps, was taken from the Speaker's table and referred to the Committee on Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DARDEN of Virginia: Committee on Naval Affairs. H. R. 7934. A bill to authorize alterations and repairs to certain naval vessels; with amendment (Rept. No. 2014). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 307. Joint resolution to provide for the printing of the speeches and writings of Edmund Burke as a House document; without amendment (Rept. No. 2015). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEA: Committee of conference. S. 2009. An act to amend the Interstate Commerce Act (Rept. No. 2016). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 9550) granting a pension to Leon J. Collins, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 9553. A bill to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CARTER:

H. R. 9554. A bill providing retired pay for certain former Army officers; to the Committee on Military Affairs.

By Mr. KEOGH:

H. R. 9555. A bill to provide for the establishment of the Adirondack National Recreational Area, in the State of New York, and for other purposes; to the Committee on the Public Lands.

By Mr. THORKELSON:

H. R. 9556. A bill to authorize the Secretary of War to exchange certain land located within the Fort Missoula Military Reservation, Mont., for certain land owned by the Missoula Chamber of Commerce, Missoula, Mont.; to the Committee on Military Affairs.

By Mr. WALTER:

H. R. 9557. A bill authorizing the Secretary of War to loan cots and blankets to the Department of Pennsylvania, Veterans of Foreign Wars of the United States, Encampment Corporation, for use during the 1940 State convention at York, Pa.; to the Committee on Military Affairs.

By Mr. COOLEY:

H. R. 9558. A bill to extend the Federal Crop Insurance Act to tobacco; to the Committee on Agriculture.

By Mr. HOLMES:

H. R. 9559. A bill to allow the use of a limited number of live decoys in the hunting of migratory waterfowl which may lawfully be taken; to the Committee on Agriculture.

By Mr. KERR:

H. R. 9560. A bill to prohibit the exportation of tobacco seed and plants, except for experimental purposes; to the Committee on Agriculture.

By Mr. KNUTSON:

H. R. 9561. A bill granting the consent of Congress to the Minnesota Department of Highways and the counties of Benton and Stearns in Minnesota to construct, maintain, and operate a free highway bridge across the Mississippi River at or near Sauk Rapids, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. KUNKEL:

H. R. 9562. A bill authorizing the Secretary of War to loan cots and blankets to the American Legion Convention Corporation for use during the 1940 State convention at Reading, Pa.; to the Committee on Military Affairs.

By Mr. HARRINGTON:

H. R. 9563. A bill to prevent unemployment of railroad workers as a result of consolidations, combinations, agreements, or abandonments of railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. KNUTSON:

H. J. Res. 524. Joint resolution proposing an amendment to the Constitution of the United States by disqualifying any person from serving as President for more than two elective terms; to the Committee on Election of President, Vice President, and Representatives in Congress.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 9564. A bill for the relief of Ada Rousina; to the Committee on Immigration and Naturalization.

By Mr. EDWIN A. HALL:

H. R. 9565. A bill for the relief of Baldassare Ferrara; to the Committee on Claims.

By Mr. HAVENNER:

H. R. 9566. A bill for the relief of Joseph Arreas; to the Committee on Immigration and Naturalization.

By Mr. HOBBS:

H. R. 9567. A bill for the relief of Walter R. McKinney; to the Committee on Claims.

By Mr. JOHNS:

H. R. 9568. A bill for the relief of Hyram Colwell; to the Committee on Military Affairs.

By Mr. JOHNSON of West Virginia:

H. R. 9569. A bill granting a pension to James C. Neff; to the Committee on Pensions.

By Mr. MARTIN of Iowa:

H. R. 9570. A bill granting a pension to Edith Cleota Miller; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7723. By Mr. ANDERSON of California: Resolution signed by members of Mountain View (Calif.) Post, Veterans of Foreign Wars, and C. M. Fest, W. C. Hoffman, and others, urging support of House bill 7708, abolishing compulsory quarters, subsistence, and laundry; to the Committee on Expenditures in the Executive Departments.

7724. By Mr. FLAHERTY: Petition of the Board of Aldermen of the City of Chelsea, Mass., urging passage of bill to provide supplementary appropriation of $86,000,000 to maintain rolls of the Work Projects Administration at their present level for the balance of the year; to the Committee on Appropriations.

7725. By Mr. HART: Petition of the City Commission of Trenton, N. J., urging the enactment of House bill 9162 into law; to the Committee on Merchant Marine and Fisheries.

7726. By Mr. MARTIN J. KENNEDY: Petition of the United Electrical, Radio and Machine Workers of America, New York City, expressing opposition to the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7727. Also, petition of the Cigar Manufacturers Association of America, Inc., New York City, concerning the Barden bill and the Clark bill (S. 3735); to the Committee on Labor.

7728. Also, petition of the International Association of Machinists, Washington, D. C., concerning the Barden amendment to the Fair Labor Standards Act; to the Committee on Labor.

7729. Also, petition of the United Rubber Workers of America, Akron, Ohio, expressing opposition to all amendments to the National Labor Relations Act; to the Committee on Labor.

7730. By Mr. KEOGH: Petition of the American Federation of Teachers, Washington, D. C., opposing all amendments to the wage and hour law; to the committee on Labor.

7731. Also, petition of the American Communications Association, New York City, opposing all amendments to National Labor Relations Act; to the Committee on Labor.

7732. Also, petition of the Retail Dairy, Grocery and Fruit Employees Union, New York City, opposing the Smith and Norton amendments to the National Labor Relations Act; to the Committee on Labor.

7733. Also, petition of the Retail Drug Store Employees Union, New York City, opposing all amendments to the National Labor Relations Act; to the Committee on Labor.

7734. Also, petition of the New York State Farm Bureau Federation, Ithaca, N. Y., favoring the passage of Senate bill 162 and House bill 944; to the Committee on Interstate and Foreign Commerce.

7735. Also, petition of the New York State Farm Bureau Federation, Ithaca, N. Y., concerning the Barden bill (H. R. 7133); to the Committee on Labor.

7736. Also, petition of the State, County and Municipal Workers of America, opposing all amendments to the National Labor Relations Act and wage and hour law; to the Committee on Labor.

7737. Also, petition of the United Wholesale and Warehouse Employees of New York, concerning the Marcantonio bill (H. R. 8615); to the Committee on Labor.

7738. By Mr. KRAMER: Resolution of the Highland Park Progressive Democratic Club, of Los Angeles, relative to the Smith amendments to the Wagner Act; to the Committee on Labor.

7739. Also, resolution of the Reclamation Board of the County of Sacramento, State of California, relative to an appropriation of funds by the Congress for the purpose of a resurvey of the Sacramento River flood-control project; to the Committee on Flood Control.

7740. By Mr. LEWIS of Ohio: Petition of sundry residents of Alliance, Ohio, protesting against Japan's aggression in China, and asking for a restriction of war materials that are now being sent to Japan by the United States; to the Committee on Foreign Affairs.

7741. By Mrs. NORTON: Petition of the Board of Commissioners of the City of Trenton, N. J., endorsing and urging the passage of House bill 9162, providing for the construction of five vessels for the Coast Guard, designed for ice-breaking and assistance work on the Delaware River; to the Committee on Merchant Marine and Fisheries.

7742. By Mr. PFEIFER: Petition of the Department of Agriculture and Markets of the State of New York, Albany, urging consideration and passage of House bill 9023; to the Committee on Agriculture.

7743. By the SPEAKER: Petition of the Indianapolis Fire Fighters Association, Local No. 416, Indianapolis, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7744. Also, petition of the Plumbers and Steamfitters Local 515, Bloomington, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7745. Also, petition of the American Federation of Office Employees, Local Union No. 18049, Philadelphia, Pa., petitioning consideration of their resolution with reference to antialien legislation; to the Committee on Immigration and Naturalization.

7746. Also, petition of State, County, and Municipal Workers of America, Local 90, Philadelphia, Pa., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

7747. Also, petition of Local 1761 of V. B. of C. and J. of A., New Castle, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7748. Also, petition of Local 193, United Garment Workers of America, Mount Vernon, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7749. Also, petition of Easher Greenberg and Samuel Blaern and sundry other petitioners from Philadelphia, petitioning consideration of their resolution with reference to the case of John Murry, Philadelphia seaman; to the Committee on Rules.

SENATE

MONDAY, APRIL 29, 1940

(Legislative day of Wednesday, April 24, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Barney T. Phillips, D. D., offered the following prayer:

O most loving God, our unseen guide and teacher, who dost impart to us the lessons of life by voices and by silences, in moments of illumination as in hours of dimness and obscurity, through pleasure and through pain, in the animating thought which brings us strength, and in the temptation which sorely tries us: We commit ourselves to Thee in the faith that, because of Thee without whom there is nothing, all is well even that which seems to us most ill. Thou art the fountain of justice and mercy, and dost ever guard Thy children with Thy tender, watchful care, for even in the darkness Thou abidest and aboundest, and we walk the while in the shadow with our God.

Harken, therefore, to us in the midst of all the pain and strife of these dark days and comfort us, but teach us everyone to shun all vain delights and to live laborious days for the sake of our country and the restoration of peace to a sin-sick world. We ask it in the name of Him who for the joy that was set before Him endured the cross, despising the shame, Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Friday, April 26, 1940, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Sheppard
Ashurst	Donahey	La Follette	Shipstead
Austin	Downey	Lodge	Slattery
Bailey	Ellender	Lucas	Smathers
Bankhead	Frazier	Lundeen	Smith
Barbour	George	McKellar	Stewart
Barkley	Gerry	McNary	Taft
Bilbo	Gillette	Maloney	Thomas, Idaho
Bone	Glass	Mead	Thomas, Okla.
Bridges	Guffey	Miller	Thomas, Utah
Brown	Gurney	Minton	Tobey
Bulow	Hale	Murray	Townsend
Burke	Harrison	Norris	Truman
Byrd	Hatch	O'Mahoney	Tydings
Capper	Hayden	Overton	Vandenberg
Caraway	Herring	Pittman	Van Nuys
Chandler	Hill	Reed	Wagner
Chavez	Holman	Reynolds	Walsh
Clark, Idaho	Hughes	Russell	Wheeler
Clark, Mo.	Johnson, Calif.	Schwartz	White
Connally	Johnson, Colo.	Schwellenbach	Wiley

Mr. MINTON. I announce that the Senator from South Carolina [Mr. BYRNES] and the Senator from Rhode Island [Mr. GREEN] are unavoidably detained from the Senate.

The Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senator from Oklahoma [Mr. LEE], the Senators from West Virginia [Mr. HOLT and Mr. NEELY], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Maryland [Mr. RADCLIFFE] are detained on public business.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on important public business, and that my colleague the junior Senator from Vermont

[Mr. GIBSON] and the Senator from North Dakota [Mr. NYE] are necessarily absent.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

SUPPLEMENTAL APPROPRIATIONS, MILITARY ESTABLISHMENT (S. DOC. NO. 191)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting seven estimates of appropriation for the War Department, Military Establishment, calling for appropriations totaling $13,000,000, and contract authorizations totaling $5,000,000, as supplemental, and in addition, to the amounts contained in the Budget for the fiscal year 1941, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

BOARD OF VISITORS TO COAST GUARD ACADEMY

The VICE PRESIDENT. The Senator from Arizona [Mr. HAYDEN], who was heretofore appointed by the Chair, under authority of the act of July 15, 1939, a member on the part of the Senate of the Board of Visitors to the United States Coast Guard Academy, has submitted his resignation. The Chair, under authority of the act, appoints the Senator from Colorado [Mr. ADAMS] a member of the said Board of Visitors to fill the vacancy.

Mr. BAILEY. I wish to announce an appointment to fill a vacancy in the Board of Visitors. The Senator from Louisiana [Mr. OVERTON], heretofore appointed by me under authority of the foregoing act, having also resigned, I appoint the Senator from Missouri [Mr. CLARK] to take his place. I ask to have this announcement appear in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate letters from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of War, Justice, and Commerce, the United States Civil Service Commission, the Federal Trade Commission, the Federal Works Agency, Work Projects Administration, the Federal Security Agency, Social Security Board, and the administrative office of the United States courts, which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, were referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. GIBSON members of the committee on the part of the Senate.

PETITIONS

The VICE PRESIDENT laid before the Senate a resolution of the Parent-Teacher Association of Central High School, Washington, D. C., favoring amendment of the Alcoholic Beverage Control Act of the District of Columbia so as to forbid the issuance or renewal of license or licenses under said act to any person or persons to conduct a liquor business within 600 feet of a public or private schoolhouse or house of religious worship, which was referred to the Committee on the District of Columbia.

He also laid before the Senate the petition of the department of Christian social service of the Protestant Episcopal Diocese of Long Island, N. Y., praying for the enactment of the so-called Walsh bill, being the bill (S. 3579) to extend the Federal old-age and survivors' insurance benefits of the Social Security Act to certain employees of religious and charitable organizations, and for other purposes, which was referred to the Committee on Finance.

He also laid before the Senate petitions of several citizens of Lost Creek, Wash., praying for the preservation of peace, which were referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

Mr. AUSTIN. From the Committee on the Judiciary I ask consent to report back favorably without amendment the bill (H. R. 3233) to repeal certain acts of Congress (pocket vetoed), and I submit a report (No. 1548) thereon. This bill was introduced in the House by Representative SUMNERS of Texas, and it is to repeal certain acts of Congress which have been pocket vetoed.

The VICE PRESIDENT. Without objection, the report will be received and the bill placed on the calendar.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was rereferred the bill (S. 458) extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional, probationary, or temporary officers of the Army, Navy, Marine Corps, and Coast Guard who served during the World War, reported it with an amendment and submitted a report (No. 1549) thereon.

He also, from the Committee on Education and Labor, to which was referred the bill (S. 3650) to require the payment of prevailing rates of wages on Federal public works in Alaska and Hawaii, reported it without amendment and submitted a report (No. 1550) thereon.

Mr. HILL, from the Committee on Military Affairs, to which was referred the bill (H. R. 6782) for the relief of James Robert Harman, reported it without amendment and submitted a report (No. 1551) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on April 25, 1940, that committee presented to the President of the United States the following enrolled bills:

S. 2635. An act to amend the Federal Crop Insurance Act; and

S. 2661. An act to provide for rearrangement of the location of the several boards of local inspectors.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MEAD:

S. 3873. A bill to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.; to the Committee on Commerce.

By Mr. BULOW:

S. 3874. A bill to amend the Classification Act of 1923, as amended, by providing for the reduction of civilian personnel of the Government by use of the seniority system; to the Committee on Civil Service.

By Mr. BYRD:

S. 3875. A bill for the relief of Monroe Short; to the Committee on Claims.

(Mr. BARBOUR introduced Senate bill 3876 which was referred to the Committee on the Judiciary and appears under a separate heading.)

EXCLUSION FROM MAILS OF MATTER TENDING TO INCITE RELIGIOUS AND RACIAL HATREDS

Mr. BARBOUR. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill prohibiting the passage through the mails of matter tending to incite religious and racial hatreds. I desire to make this brief statement:

For many months now we have witnessed a constant procession of events and seen much evidence which permits no other conclusion than that forces are at work in the United States which threaten our internal security. These forces attack our institutions, our standards, and groups of our population. At times they attack all religion; at other times particular faiths.

Regardless of origin or purpose, these movements have as their evil effect the rousing of fear, hatred, and distrust among our people. They are intended to set citizen group against citizen group, religious faith against religious faith, and to weaken our solidarity as a nation. They fan flames which, unless checked, could in time consume us all.

Some of these activities appear to spring from a purpose to divide and rule. Others as clearly are a natural outgrowth of man's inhumanity to man—the harvest of the seeds of intolerance.

I have been appalled to discover that material of this character is finding its way even into the CONGRESSIONAL RECORD. The pages of the RECORD abundantly support what I say. They have contained forgeries, such as the spurious letter signed "Col. Edward M. House"; attacks on individuals which, if uttered elsewhere, would have been punishable under the libel laws; and material which, if not of foreign and hostile origin, had all the earmarks of having been inspired and prepared by enemies of our own country. Much of it is so plainly unworthy of credence as to be dismissed with contempt by any person of intelligence. Placed in the hands of those who are unable or unwilling to subject it to analysis, however, it becomes inflammatory and dangerous. It could lead to betrayal of our own country by some American Vidkun Quisling—subjecting our own people to the fate of those who were sacrificed by this betrayer of the Norwegian people.

In my opinion, the time has come to put the sponsors of these poisonous, vicious, and unscrupulous attacks on notice that they may not henceforward pursue their activities with impunity, so far as they involve the use of the mails. I see no reason why we should close the mails to other indecencies and to matter tending to incite to murder and arson, while allowing matter to be mailed which certainly incites mass hatreds and could lead to mass murder and arson.

Those who are guilty of these activities have never heard the voice of America or they are this country's enemies. If there is one thing which sets Americans apart from less favored peoples of the world, it is their heritage of freedom. Tolerance is a part of that freedom. Though we have in our population all of the bloods of the world, and the faiths of the world are our faiths, we have learned to live together in peace and understanding, and on the foundations of freedom and tolerance have built the soundest social structure the world has seen.

While the spirit of tolerance lives, America lives. When it dies, America dies. Like the freedom of which it is a part, it cannot be attacked from without but only from within—eaten away by vermin who work in darkness and live by destruction.

It is in recognition of this danger that I have prepared this bill. It is intended to deal with a condition which, if ignored, could become a threat to all that America means.

The VICE PRESIDENT. Without objection, the bill of the Senator from New Jersey will be received and properly referred.

The bill (S. 3876) to amend section 211 of the Criminal Code was read twice by its title and referred to the Committee on the Judiciary.

AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. O'MAHONEY submitted two amendments intended to be proposed by him to House bill 8745, the Interior Department appropriation bill, 1941, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 80, line 22, under the caption "General investigations", to strike out "$300,000" and insert "$900,000."

On page 86, under the caption "Water conservation and utility projects", to insert a new paragraph, reading as follows:

"For the construction of water conservation and utilization projects, including not to exceed $280,000 for surveys and investigations, including small dam sites and reservoirs, and administrative expenses in connection therewith (of which not to exceed $40,000 shall be available for personal services in the District of Columbia), all as authorized by the act of August 11, 1939 (53 Stat. 1418), to remain available until expended, $5,000,000."

ADDRESS BY SENATOR WHEELER ON 1940 LIBERALISM

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD a radio address on 1940 Liberalism, delivered by Senator WHEELER at Chapel Hill, N. C., April 23, 1940, which appears in the Appendix.]

PROBLEMS AFFECTING THE MOTORIST

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an address delivered by him at the banquet of the Regional Conference of A. A. A. Motor Club Executives, held in Knoxville, Tenn., April 22 to April 23, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR JOHNSON OF COLORADO ON THE CHURCH—DEMOCRACY'S SAFEGUARD

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an address delivered by him at Washington, D. C., on April 27, 1940, in connection with the Seventieth Annual Convention of the New York Conference of the Lutheran Augustana Synod of America, which appears in the Appendix.]

ADDRESS IN HONOR OF AMERICAN ARTISTS WHO CONTRIBUTED TOWARD DECORATIONS IN FEDERAL BUILDINGS

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD radio addresses delivered on April 25 on a program in honor of American artists who contributed toward the decorations in Federal buildings, which appear in the Appendix.]

ARTICLE FROM THE BOSTON SUNDAY POST ON SENATOR WHEELER

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an article relative to Senator WHEELER published in the Boston Sunday Post of April 14, 1940, which appears in the Appendix.]

ADDRESS BY POSTMASTER GENERAL FARLEY AT MONTGOMERY, ALA.

[Mr. HILL asked and obtained leave to have printed in the RECORD an address delivered by Hon. James A. Farley, Postmaster General, at the State Convention of the Alabama Branch of the National League of District Postmasters, held at Montgomery, Ala., April 6, 1940, which appears in the Appendix.]

AIR SAFETY BOARD

[Mr. JOHNSON of Colorado (for Mr. MCCARRAN) asked and obtained leave to have printed in the RECORD a telegram addressed to Mr. MCCARRAN by Moss Patterson, president of the Southwest Division of the Air Congress of America, which appears in the Appendix.]

AIR SAFETY BOARD

[Mr. CLARK of Idaho asked and obtained leave to have printed in the RECORD editorials from American Aviation of May 1, the Christian Science Monitor of April 15, The Annalist of April 18, the Washington Times-Herald of April 21, the Cincinnati Enquirer of April 14, the Washington Evening Star of April 17, and the New York Sun of April 13, and a telegram from Carleton Putnam, president of the Chicago & Southern Air Lines, all relating to the Air Safety Board and the Civil Aeronautics Authority, which appear in the Appendix.]

SALVAGE OF HURRICANE TIMBER

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD a letter addressed to him by J. F. Campbell, Acting Director of the Northeastern Timber Salvage Administration, relative to the salvage of hurricane timber in New England, which appears in the Appendix.]

STATEMENT OF COMMISSION ON AMERICAN CITIZENSHIP ON CIVIC EDUCATION PROGRAM

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD a statement of the Commission on American Citizenship on the civic education program, which appears in the Appendix.]

ARTICLE FROM LABOR ON ETHYL PATENTS DECISION

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article from Labor of April 2, 1940, relative to the decision of the United States Supreme Court in the so-called ethyl patents case, which appears in the Appendix.]

A DISSENTING OPINION OF MR. JUSTICE STORY ENACTED AS LAW WITHIN 36 DAYS

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD an article by George Stewart Brown entitled "A Dissenting Opinion of Mr. Justice Story Enacted as Law Within 36 Days," reprinted from the April 1940 Virginia Law Review, which appears in the Appendix.]

WALTER-LOGAN BILL—ARTICLE BY ERNEST K. LINDLEY

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an article by Ernest K. Lindley, entitled "Ironic Sequel," dealing with the Walter-Logan bill, and published

in the Washington Post of Monday, April 29, 1940, which appears in the Appendix.]

ADMINISTRATIVE PROCEDURE—EDITORIAL FROM LOUISVILLE COURIER-JOURNAL

[Mr. MINTON asked and obtained leave to have printed in the RECORD an editorial from the Louisville (Ky.) Courier-Journal of April 24, 1940, entitled "Object and Effect of Walter-Logan Bill," which appears in the Appendix.]

ARTICLE FROM NEW YORK TIMES ON INCREASE OF CORPORATION PROFITS

[Mr. BROWN asked and obtained leave to have printed in the RECORD an article from the New York Times of April 28, 1940, on the subject of increased profits of certain corporations, which appears in the Appendix.]

AIR SAFETY BOARD

The VICE PRESIDENT. The Chair has been advised by the Senator from Missouri [Mr. TRUMAN] that he would like the privilege of addressing the Senate. The Senator from Missouri is recognized.

Mr. TRUMAN. Mr. President, in addressing the Senate today on the subject of aviation as affected by the President's Reorganization Plan IV, my remarks will be about a subject on which the Senate has heard me speak on several occasions, and to which I have devoted particular study and attention during the past 5 years. It was my privilege to act as chairman of the subcommittee of the Committee on Interstate Commerce which conducted, during the first session of the Seventy-fourth Congress, lengthy hearings on Senate bill 3420, and also to preside in the Seventy-fifth Congress over a subcommittee which held hearings on Senate bill 2 and Senate bill 1760—three bills considered by the Senate previous to the passage of the present Civil Aeronautics Act, enacted by the Congress in 1938.

Perhaps the thoroughness and detail with which these two subcommittees went into the problems affecting this legislation, which provided for the Federal control of the economic and safety aspects of aviation, make the details of this important problem stand out very clearly in my own mind. I nevertheless feel confident that the brief period of 2 years which has elapsed since Congress considered these problems in such detail and enacted the Civil Aeronautics Act of 1938 have not served completely to erase the recollection of the many and varied considerations which at that time convinced the Congress of the wisdom of providing for the independent and coordinated Federal regulation of aviation.

At the risk of repeating, at least in some part, information which is well known to the Senate, let me preface my remarks with a brief résumé of the development and the history of Federal regulation of the important aviation industry. Because the Congress, until the enactment of the Civil Aeronautics Act in 1938, saw fit consistently to consider separately, safety and the economic aspects of the industry, I shall first confine myself to the economic and later to the safety phases of the problem.

The need for Federal regulation of the aviation industry—when it consisted of a few poorly constructed planes held together by wire and piloted by a handful of brave but oftimes foolhardy ex-war fliers—was first brought to the attention of the Congress in legislation proposed in 1919. Between that time and the enactment of the first Federal aviation legislation in 1925, a total of 24 separate bills providing for the regulation of air commerce and civil aviation was introduced in both Houses of the Congress. The Air Mail Act of 1925 (43 Stat. 805), which marked the first actual entrance of the Federal Government into the field of Federal aviation regulation, provided only for power in the Postmaster General to contract with private carriers for carrying the mail. The methods provided in that act were proved to be unsound and impracticable. The original act was closely followed by an amendment in 1926 (44 Stat. 692) which varied the method of compensation. A second amendment in 1928 (45 Stat. 594) permitted the substitution of route certificates for not over 10-years' duration, considering the nature of franchises for air-mail contracts. The Watres Act, passed in 1930 (46 Stat. 259) gave the Postmaster General broad economic control over the air-mail carriers, including (1) route location, (2) route consolidations, (3) contract-bidding conditions, (4) service standards, (5) equipment and personnel, (6) accounts, and (7) compensation, including losses from passenger traffic. On May 5, 1930, a few months after the passage of the act, the Post Office Department issued an order calling for the installation of at least two passenger seats in all mail planes operated in the daytime. Legislation providing for foreign air-mail service was passed a short time later.

I need not remind the Senate, I am sure, of the next step in the turbulent history of this industry—the cancelation of the air-mail contracts in 1934 and the consequent loss in lives and property during the 2½-month period when the Army, both inadequately prepared and poorly equipped, attempted to fly the mail. The Air Mail Act of 1934 (48 Stat. 933), which evolved from this fiasco, made air-mail carriers subject to the control of three separate divisions of the Federal Government—the Post Office Department for contracts, the Interstate Commerce Commission for rates, and the Bureau of Air Commerce of the Department of Commerce for safety regulation. In 1935 the act was amended so as to prohibit off-line service if such service would compete with service available on another air-mail route. The denial of certain applications by the Interstate Commerce Commission led to the fight between the airlines for routes by bidding absurd figures—a procedure which finally culminated in a bid for the Houston-Brownsville route of $0.00001907378 against nothing per mile. Carriers without air-mail contracts ran amuck, and no Federal regulation could reach them under then existent laws. This demoralizing and loosely controlled system continued until the Civil Aeronautics Act was passed by both House and Senate in 1938. The sum and substance of the entire economic history of aviation is that the air lines have never been given a continuing policy by the Federal Government under which they have been permitted to operate for a period longer than 2 or 3 consecutive years. How can we have a successful policy for air commerce and civil aviation under such circumstances?

Mr. President, let us turn now to safety prior to the Civil Aeronautics Act. Only one law and one agency of the United States Government have to be given consideration, namely, the Air Commerce Act of 1926, as amended, and the Department of Commerce. By the terms of this law the Secretary of Commerce was given complete control of all technical and safety aspects of the air industry. Air commerce was then an infant industry. The Secretary set the standards for airworthiness of aircraft; he issued the licenses to fly; he approved aircraft construction; he provided the navigational aids and facilities; he made the air-traffic rules; he established airways; he suspended and revoked certificates; he investigated accidents and decided who was to blame for them and what caused them.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. TRUMAN. I yield to my colleague.

Mr. CLARK of Missouri. It is also true, is it not, that the same men responsible for the safety of passengers in the air during that time also passed on the responsibility for accidents?

Mr. TRUMAN. That is absolutely true.

Mr. CLARK of Missouri. In other words, men were trying themselves?

Mr. TRUMAN. Yes. I will come to that in a moment and read from the report of Senator Copeland's committee on that very subject. I thank the Senator.

In short, the Secretary of Commerce was in supreme command of aviation and controlled it from start to finish. It was he who set the standards; it was he who approved and enforced their application; it was he who provided the means of navigating aircraft in flight; and it was he who went out and decided if he were to blame when accidents occurred, and they occurred all too frequently with tragic results. All sorts of accusations, charges, and countercharges as to incompe-

tency, political control, inefficiency, and so forth, filled the air. Screaming headlines about crashes and their attendant stories of tragedy and pathos were almost weekly news items. The gradual transformation of aviation from an infant to a full-grown industry and an established method of transportation made the horrible safety record more and more retard the progress of a rapidly growing industry. Gradually a demand for more unified, more competent, and more independent control was made by public opinion. The tragic death of Senator Bronson Cutting, of New Mexico, in a crash just a few miles from my home town in Missouri, brought the attention of the public and of the Senate—with tragic suddenness—to the shortcomings of regulation by the Secretary of Commerce. Senator Cutting's death brought home to us the need for revision in Federal control of aviation.

The findings of the committee, headed by the late distinguished Senator Copeland, of New York, are too well known to all of you to warrant my repeating them in detail at this time. Suffice it to say that the Department of Commerce came in for a scathing denunciation. The need for immediate action appeared so urgent as to necessitate the appointment of a Federal Aviation Commission to complete a detailed study of the situation and make recommendations as to the steps to be taken to meet the needs of this overgrown infant industry, which was now nearing maturity. The industry was fast outgrowing the capabilities of its Federal nurse.

I do not need to dwell on the findings and recommendations of Senator Copeland's committee, which I am sure all Senators recall, other than to read the following brief extract from page 31 of its report:

Because of the lack of proper legislation, the domestic air-transport industry has not had the benefit of properly coordinated Federal regulation. With the air-mail law undergoing fundamental revision every second or third year, and with the suggestion of a periodic reawarding of air-mail contracts by a completely new process of competitive bidding, periodically raising its head, no operator can plan either confidently or intelligently. There is need for an official body which can keep in close touch with the air-transportation situation, watch developments, study the larger problems, foresee dangers which are impending, promote the cause of coordination, and advise both the President and the Congress in regard to air-transportation policies.

The President of the United States in transmitting this report to the Congress expressed the desire for ultimate creation of a Federal Transportation Commission, although he recognized the immediate necessity of giving aviation independence and recommended the control of aviation by the Interstate Commerce Commission during the interim.

I desire to read at this point the President's message transmitting the report of the Federal Aviation Commission:

MESSAGE OF TRANSMITTAL

To the Congress of the United States:

I am submitting herewith the report of the Federal Aviation Commission appointed be me last summer by direction of the Seventy-third Congress. The Commission has made a diligent study of the broad subject of aviation conditions here and elsewhere and emphasizes the excellent American progress in this new form of transportation. The Commission has also studied problems of National defense, of procurement policies, and of the extension of air transport services. I invite your attention to these comprehensive surveys.

As I have suggested on many occasions, it becomes more and more apparent that the Government of the United States should bring about a consolidation of its methods of supervision over all forms of transportation.

The Senate Committee on Interstate Commerce has been working to that end for the last 4½ years.

When the Interstate Commerce Commission was created in 1887, the railroad was practically the principal method of rapid interstate transportation. Since that time this monopoly of transportation enjoyed by the railroad to a very important degree has been limited by the development of the automobile and good interstate roads. Recently water transportation by lake, by river, by canal, and by oceans has, largely through the construction of the Panama Canal and our inland waterways, definitely brought ships and shipping into the general interstate field. More recently still, air transportation has become an element. All of these developments have changed the general problem of transportation and the concern of the Government with them. A number of valuable reports have been prepared on these related questions. The report of the Federal Coordinator of Transportation has already been submitted to the Congress by the Interstate Commerce Commission. The report deals with the many problems relating to busses, trucks, water carriers, and railroads. Other reports of departmental committees on ocean-mail subsidies have been completed. This present report on aviation is a similar source of information and advice concerning transportation by air. I earnestly suggest that the Congress consider these various reports together in the light of the necessity for the development or interrelated planning of our national transportation. At a later date I shall ask the Congress for general legislation centralizing the supervision of air and water and highway transportation with adjustments of our present methods of organization in order to meet new and additional responsibilities.

There are detailed questions, however, that require early action. Our extended mail contracts with air lines expire on or about March 1 and existing legislation dealing with primary and secondary routes should be revised before that time. The Commission suggests that the Interstate Commerce Commission be given temporarily the power to lower or increase air-mail rates as warranted in their judgment after full investigation. The purpose of this is to prevent the destruction of any efficiently operated part of the present system pending suitable consideration by the Congress of what permanent measures should be taken and what amendment, if any, the present general transportation policy of the Government should undergo. I concur in this recommendation of the Federal Aviation Commission, provided always that the grant of this duty to the Interstate Commerce Commission be subject to provisions against unreasonable profits by any private carrier. On account of the fact that an essential objective during this temporary period is to provide for the continuation of efficiently operated companies and to guard against their destruction, it is only fair to suggest that during this period any profits at all by such companies should be a secondary consideration. Government aid in this case is legitimate in order to save companies from disastrous loss, but not in order to provide profits.

The Commission further recommends the creation of a temporary Air Commerce Commission. In this recommendation I am unable to concur. I believe that we should avoid the multiplication of separate regulatory agencies in the field of transportation. Therefore, in the interim before a permanent consolidated agency is created or designated over transportation as a whole, a division of the Interstate Commerce Commission can well serve the needs of air transportation. In the granting of powers and duties by the Congress, orderly government calls for the administration of executive functions by those administrative departments or agencies which have functioned satisfactorily in the past and, on the other hand, calls for the vesting of judicial functions in agencies already accustomed to such powers. It is this principle that should be followed in all of the various aspects of transportation legislation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 31, 1935.*

Senators are familiar with the various proposals made on the floor of the Senate. They are familiar with the hearings conducted, and the debates in both the House and Senate during the consideration of the many measures introduced to carry out the President's proposed policy. My colleagues will undoubtedly recall the many and varied regulatory proposals, which were all consistent in asking for one crying need for aviation—independence from political control. The culmination of all these efforts was the enactment of the Civil Aeronautics Act of 1938. This law created the offices of the Administrator, the Civil Aeronautics Authority, and the Air Safety Board. This act, in my opinion, stands out as one of the landmarks in sound transportation legislation. Under it, aviation, for the first time in its history, was independent; for the first time it was free of direct political control; for the first time it had economics and safety, both administered by the same agency; for the first time it had the power of investigation entirely separate from the rule making and the power to regulate; for the first time a definite policy permitting long-term planning and development was expressed by Congress.

This legislation has been on the statute books for almost 2 years. The Civil Aeronautics Authority, the Administrator of the Civil Aeronautics Authority, and the Air Safety Board have been in office for a period only slightly exceeding 20 months. What have been the results? For the answer to this query you need only to turn to the records.

Let us consider first the economic side of the picture. We find every air line in the United States operating over a definite route between definite points pursuant to authority contained in a certificate of convenience and necessity; we find passenger-carrying records consistently broken month after month; we find air lines no longer afraid of long-term planning, readily expending millions of dollars for larger,

faster, and safer aircraft; we find 15 of the 17 air lines in the United States operating at a profit during 1939; we find that passenger fares constitute over 63 percent of gross revenue to the air lines, and a consistently diminishing necessity of air-mail subsidies; we find plane manufacturers turning out both small and large civil aircraft at average monthly rates, 200 to 500 percent in excess of production 2 years ago; we find all the stocks of aircraft manufacturers, accessory manufacturers and air lines establishing new high records. In short, we find the aviation industry in the best economic condition of its brief and turbulent history. I am not including war planes in this statement either.

Now let us turn to the safety side of the picture. It is necessary to consider only a few bits of statistical data to show clearly the decrease in the number and in the rate of aircraft accidents for us to realize the tremendous advancement made during the past 2 years in aviation safety. Looking first at the domestic scheduled air carriers, we find that during the 11 years of regulation by the Department of Commerce 116 accidents occurred. Those accidents resulted in the death of 148 pilots and crew members, and 242 passengers, an average of approximately 11 accidents per year, involving the death of 35 persons. Comparable figures reveal that 3 fatal accidents have occurred during the 20-month existence of the Civil Aeronautics Authority and the Air Safety Board, with a total of 4 crew members and 12 passengers killed—an average of 1.8 accidents per year, and an average annual death rate of 9.6 persons. Such figures, though revealing in themselves a greatly improved safety trend, do not fully tell the story. Consideration must be given to the fact that the average of 11 accidents per year occurred under the Department of Commerce during an average annual operation by domestic air carriers of 45,000,000 revenue miles, while the average of 1.8 accidents per year occurred since the creation of the Civil Aeronautics Authority and the Air Safety Board during an annual operation of approximately 84,000,000 miles. The average since the enactment of the Civil Aeronautics Act is one-sixth as many accidents during twice as many miles of flying.

It is interesting to note the fact that the average death rate was 35 persons per year in air-carrier accidents under the regulation of the Department of Commerce while the domestic air carriers were transporting an average of 592,000 revenue passengers per year, and the average death rate was 9.6 persons per year since the enactment of the Civil Aeronautics Act while those same air carriers were transporting an average of 1,600,000 revenue passengers per year. The average death rate under the Civil Aeronautics Authority and the Air Safety Board was approximately one-fourth as many while transporting three times as many persons.

It may be argued that these figures represent the experience of the pioneering days of aviation and are not entirely fair in their comparisons. Let us compare the records of the 20 months preceding the enactment of the law creating the Civil Aeronautics Authority, while aviation was regulated by the Department of Commerce, with the 20 months immediately following, when aviation was regulated by the Civil Aeronautics Authority and the Air Safety Board. The air carriers were using the same type equipment and operating substantially the same number of route-miles, yet the safety averages during these two comparable periods improved from 9 accidents under the Department of Commerce, involving 83 deaths, in 109,793,440 miles of flying, while carrying 1,852,902 passengers, to a total of 3 accidents, after the passage of the Civil Aeronautics Act, involving 16 deaths in 134,775,977 miles of flying, while carrying 2,472,979 passengers—or an improvement in safety from an average in domestic air-carrier operation of a death every 7.2 days under the Department of Commerce to a death every 37 days under the Civil Aeronautics Authority and the Air Safety Board.

Must I remind the Senate of the publicity releases of only a few weeks ago, which were a matter of such great pride to every citizen of the United States, showing that the operation by the domestic air carriers of a full year's flying covering 87,000,000 miles and transporting more than 2,000,000 passengers without injury or death of a single passenger or member of a crew was an all-time record of safety in any field of transportation? Is any better proof to be given, or, rather, can any better proof be given, of the sheer folly of tampering with the present system of regulation under the Civil Aeronautics Authority and the Air Safety Board?

And now we are asked to destroy the independence of the agencies which have effected these amazing improvements in the economics and safety of air transportation. We are asked to merge the rule-making functions and the authority for independent investigations into one agency. We are again asked to place aviation in the same situation in the Department of Commerce which caused its removal only 2 short years ago. No one will come to the support of a measure which will increase efficiency and decrease expenditures in the United States Government more quickly than will I, but there is also no one who will object more violently than I to any measure which sails under the false banner of "increasing efficiency and saving expenses" when in reality it decreases efficiency and increases cost.

It may be that I am from Missouri and have to be shown, but from the information I have and from the past experience of the Government in the control of aviation I can see nothing which will in any way substantiate the wisdom of what is here proposed. It is not asked, mind you, Mr. President, to combine the Civil Aeronautics Authority and Air Safety Board with the Interstate Commerce Commission, a plan which at least has never been tried and which admittedly has recognized merit and which has been recommended in numerous messages to Congress.

Mr. President, I ask unanimous consent that the President's message of June 7, 1935, be inserted in the RECORD at this point in my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The message is as follows:

To the Congress of the United States:

It is high time to deal with the Nation's transportation as a single unified problem. For many years in the past transportation meant mainly railroads. But the rise of new forms of transportation, great expenditures of Government funds for the development of waterways and for the building of great highways, and the development of invention within the railroad system itself, have enlarged the problem far beyond that conception which dominated most of our past legislation on the subject. In some instances the Government has helped a little. In others it retarded. In still others it has given special assistance from time to time—in many instances without rhyme nor reason—in all instances without considering each aspect of the problem in the light of all the others. It is small wonder that in a transportation picture so confused, the public has been inadequately served.

I have from time to time, in this session, addressed the Congress as to the necessity of various forms of Government aid and regulation of transportation. I now wish to draw together and supplement these various suggestions for the consideration of the Congress in this session.

In the railroad field there has been a growing recognition of the necessity for reorganization and coordination. To that end there was created the office of Federal Coordinator of Transportation. The Coordinator has considered various ways of effecting economies through the physical coordination of railway facilities and services, and, in addition, has studied and made suggestions for legislative measures covering both the railroads and other forms of transportation.

Another type of reorganization necessary for the sound and healthy recovery of our railroad system is financial. Many of our railroads are in a sound financial condition. Others are in need of reorganization. To enable necessary financial reorganizations to be effected inexpensively and promptly, the Congress passed, 2 years ago, certain amendments to the Federal Bankruptcy Act. Shortcomings in this legislation have appeared which have prevented an efficient and extensive use of it. In order to correct these shortcomings, the Coordinator has recommended certain amendments which are now before the Congress for action. Various differences of opinion as to these amendments are rapidly being adjusted and it is my hope that this legislation may be promptly enacted.

I have already recommended to the Congress my views with regard to the relations that should exist between the Federal Government and air carriers. Legislation has been introduced for the purpose of carrying out these recommendations. I am in general accord with the substance of this legislation, although I still maintain, as I indicated in my message on that subject, that a separate commission need not be established to effectuate the purposes of such legislation. Air transportation should be brought into a proper

relation to other forms of transportation by subjecting it to regulation by the same agency.

A bill for the regulation of highway motor carriers has passed the Senate and is now before the House of Representatives. The practical unanimity with which the Senate passed this bill convinces me of the extent to which all of the difficult adjustments among the interests concerned were made and I recommend its early passage by the House.

Another bill for the regulation of intercoastal and coastwise trade and of some of the inland-waterway carriers prepared by the Coordinator has been introduced and is before the Congress for action. I recommend that this bill be considered by the appropriate committees and pressed to early passage. I can see no reason why the responsibility for the regulation of intercoastal, coastwise, and inland waterways should not be vested in the Interstate Commerce Commission, with proper provision for the departmentalizing of the work of the Commission.

It is my hope that the Interstate Commerce Commission may, with the addition of the new duties that I have indicated, ultimately become a Federal transportation commission with comprehensive powers. It has been my intention to recommend this strongly to this session of the Congress, but the time remaining seems to preclude the discussions necessary for such changes. Such a reorganization should not be delayed, however, beyond the second session of the Seventy-fourth Congress.

The efforts toward the coordination of the railroads and the general improvement of transportation conditions which were begun by the Emergency Railroad Transportation Act of 1933 should proceed, and I recommend that the act and the office of Coordinator be extended for at least another year.

FRANKLIN D ROOSEVELT.

THE WHITE HOUSE, *June 7, 1935.*

Mr. TRUMAN. Mr. President, no attempt is being made to merge the regulation of aviation and some other mode or modes of transportation; it is not proposed to transfer the regulation of aviation to some executive department which at least has a clean slate of "no errors' 'in the field. Aviation is again to be placed under the control of a department which made such a mess of it that it was removed by Congress only 2 years ago with the express consent and active support of the President. He asks that a plan which failed be substituted for one which has worked successfully.

But what about the plan itself? A close study reveals that it is not so clear-cut as it might seem to be on first reading of the order. It does not distinguish between duties directly under the control of the Secretary of Commerce and those which allegedly remain as independent functions of the Civil Aeronautics Board. The order requires that the Board report through the Secretary of Commerce, whose degree of indirect control is obviously unlimited. In fact, the Secretary is the Board. The whole set-up becomes political. Air regulation by a bipartisan board is out of the window.

Let us look now into the proposals of plan IV. It is to be noted that section 7 (a) transfers the Civil Aeronautics Authority and its functions, the Office of the Administrator of Civil Aeronautics and its functions, and the functions of the Air Safety Board to the Department of Commerce.

I refer to the President's message, which is printed in the CONGRESSIONAL RECORD at page 6530, and the plan itself, which begins on page 6531, and section 7 appearing on page 6532 of the CONGRESSIONAL RECORD. The date of the CONGRESSIONAL RECORD is April 11.

In section 7 (b) the functions of the Air Safety Board are consolidated with functions of the Civil Aeronautics Authority, hereafter to be known as the Civil Aeronautics Board, which, in addition to its other functions, will discharge the duties heretofore vested in the Air Safety Board so as to provide for the "independent investigations of aircraft accidents." The provision further abolishes the offices of the members of the Air Safety Board and provides that the functions of the Administrator of Civil Aeronautics shall be administered under the direction and supervision of the Secretary of Commerce—a grant of power which, if we are to recognize judicial precedent, gives the Secretary of Commerce absolute power and control over all responsibilities placed by the Civil Aeronautics Act and Reorganization Plan IV in the Administrator. The extent of this power can be fully appreciated when consideration is given to the fact that the great majority of the present employees of the Civil Aeronautics Authority and approximately $25,000,000 of the $27,000,000 appropriation to the Authority for the 1940–41 fiscal year will come under the direct control of the Secretary of Commerce.

If we want to know what direction and supervision mean in an administrative office, I refer Members of the Senate to *Knight* v. *United States Land Association* (142 U. S. 161), which was decided in 1891. That is the case to which all questions will be referred when they go to the Department of Justice.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. TRUMAN. I yield.

Mr. CONNALLY. Did the Senator say a moment ago that $25,000,000 of the $27,000,000 appropriated goes to the payment of salaries?

Mr. TRUMAN. No; it does not all go to the payment of salaries.

Mr. CONNALLY. I thought the Senator said the $25,000,000 referred to went to the payment of salaries.

Mr. TRUMAN. Twenty-seven million dollars is for the operation of the whole set-up.

Mr. CONNALLY. Yes; I understand.

Mr. TRUMAN. Twenty-five million dollars of it would be under the direct control of the Secretary of Commerce, while the other $2,000,000 would go to the Civil Aeronautics Authority.

Mr. CONNALLY. It would all be in one organization if the reorganization order were carried out, would it not?

Mr. TRUMAN. It would all be in the Secretary of Commerce, just as it was before we passed the law. The Civil Aeronautics Authority is supposed to have certain duties and authority, but I am trying to show that with the proposed transfer it will not have any duty or authority, but will do what someone else tells it to do.

Mr. CONNALLY. Most of the Government agencies do that now.

Mr. TRUMAN. No; here we have an independent bipartisan organization which regulates air traffic just as the Interstate Commerce Commission regulates the railroads.

Mr. CONNALLY. The Senator's theory is that the Bureau will do what the Secretary of Commerce tells it to do.

Mr. TRUMAN. That is correct.

Mr. CONNALLY. To carry that theory further, the Secretary of Commerce is supposed to do what the President of the United States tells him to do, so it finally comes back to the President.

Mr. CLARK of Missouri. Mr. President, will my colleague yield?

Mr. TRUMAN. I yield.

Mr. CLARK of Missouri. I should like to suggest to the Senator from Texas that he take the time and trouble to read the testimony before the Copeland committee. I was a member of that committee, and in the hearings before the committee we discovered a state of facts which was responsible for the passage of the act creating the Civil Aeronautics Authority—a state of facts which was deplorable, lamentable, and disgraceful. For instance, we found that under the——

Mr. CONNALLY. Mr. President, let me ask the Senator a question. Why is it that simply changing the name of this organization is going to sublimate it, purify it, or cleanse it of all political or other considerations? I think a bureaucrat is a bureaucrat, under whatever name he may operate.

Mr. CLARK of Missouri. I went through the testimony given in connection with this matter, and I discovered some of the practices in the Department of Commerce. For instance, I discovered that the executive assistant to the Secretary of Commerce apparently knew nothing about the subject of aviation. His previous experience had been that of a post-office inspector. Under that system there were three separate heads of the Bureau of Air Commerce apparently with about equal authority. People were being killed. A situation had developed in the country for instance, under——

Mr. CONNALLY. Does the Senator mean that the Assistant Secretary killed any of them?

Mr. CLARK of Missouri. Well, he was interfering with the control of the Bureau of Air Commerce. Let me give the Senator an example.

Mr. CONNALLY. I do not want it to be presumed that the Assistant Secretary was doing that.

Mr. CLARK of Missouri. I do not want to take the time of my colleague, but since I chanced to be a member of the investigating committee and happened to be familiar with some of the facts, I shall be glad to give the Senator from Texas some facts.

For instance, we found that when civil aviation was under the control of the Bureau of Air Commerce in the Department of Commerce they had a safety system in the Bureau of Air Commerce by which any supervisor of any district could set up any kind of lights he wanted to, so that if a pilot lost his way in a fog and did not know where he was, if he was mistaken as to where he was, he could be misled by the lights. He would find that what were landing lights in one district were warning lights in another district, and unless he knew where he was he was likely to lose his ship, his passengers, and his cargo.

Mr. President, there can be no justification for such a condition. The occasion for the creation of the Civil Aeronautics Authority was the disgraceful maladministration in the Department of Commerce.

Mr. TRUMAN. I thank my colleague.

Mr. CONNALLY. Let me interrupt again to say that what the Senator from Missouri detailed could have happened under any other branch of the Government. What happened was due to the method of administration.

Mr. TRUMAN. The method of administration is what I am speaking of.

Mr. CONNALLY. I am merely asking for a little information.

Mr. TRUMAN. I am trying to give it.

Mr. CONNALLY. I am not an expert on aviation and know nothing about it. I do not see anything holy about any particular name, whether the organization be called the Civil Aeronautics Authority or the Bureau of Aeronautics in the Department of Commerce. Either one of them can do right and either one of them can do wrong. So I myself do not see any holiness about any particular set-up.

Mr. TRUMAN. There is none.

Mr. CONNALLY. I see no reason why the Air Safety Board and the Civil Aeronautics Authority should not all be under one authority.

Mr. TRUMAN. If we are to put it all under one authority, let us put it under the Transportation Authority and place the control in the Interstate Commerce Commission, as was suggested by the President.

Mr. CONNALLY. That may be a good idea; but I do not see why it is necessary to have two authorities managing the same activity.

Mr. TRUMAN. I agree with the Senator 100 percent.

Mr. CONNALLY. We now have two.

Mr. TRUMAN. It is proposed to transfer the control back where it was when we started.

Mr. CONNALLY. We now have two authorities operating the same activity, have we not?

Mr. TRUMAN. Yes.

Mr. CONNALLY. They are independent of each other, are they not?

Mr. TRUMAN. It is the policy of the President to put all transportation under one control.

Mr. CONNALLY. I think the President is right about that. Where it ought to be put, we do not know; but we certainly ought not to have two bosses of the same industry.

Mr. TRUMAN. We have not now. The Civil Aeronautics Authority is in control of air commerce.

Mr. CONNALLY. What does the Air Safety Board do?

Mr. TRUMAN. The Air Safety Board investigates accidents, decides what causes them, and makes judicial findings.

Mr. CONNALLY. Why should not that work be done in connection with the control of air commerce?

Mr. TRUMAN. Because we do not want an agency to investigate itself. That is what the Department of Commerce did in the first place. That is what caused all the trouble.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. TRUMAN. I yield.

Mr. CLARK of Missouri. The Senator from Texas should read the present act. The Air Safety Board was deliberately set up as a separate agency to investigate questions of safety in the air and to prevent the practice which had formerly existed in the Bureau of Air Commerce of the Commerce Department under which the very men who were responsible for safety investigated the responsibility for accidents. I know that was true, because I have sat in their meetings. I attended several meetings of the committee of the old Bureau of Air Commerce when it was investigating its own responsibility.

The theory of setting up the Air Safety Board was to create a separate agency which would have responsibility for safety in the air alone. Whether or not the Senator from Texas thinks it makes any difference what we call the agency, the fact of the matter is that since the Air Safety Board was set up, for the first time in the history of the country, an entire year elapsed without an accident in the air, whereas under the old Bureau of Air Commerce of the Commerce Department accidents occurred so frequently that the Senate was shocked into action as a result of the death of a United States Senator.

Mr. CONNALLY. Is it the Senator's contention that when two airplanes collide in midair and kill somebody, the man who is responsible for it is someone in the Bureau?

Mr. TRUMAN. Sometimes he is.

Mr. CONNALLY. That is the argument of the Senator from Missouri.

Mr. TRUMAN. Sometimes that was the case, and the record will show it.

Mr. CONNALLY. Whether we call the agency the Air Safety Board or something else, the men appointed will be political appointees. They must be appointed by somebody.

Mr. TRUMAN. They are appointed by the President and confirmed by the Senate. The Board is bipartisan.

Mr. CONNALLY. The appointees in one bureau are as likely to be politicians as the appointees in any other bureau. When they are appointed in one of the bureaus they immediately become politicians—either external politicians or internal politicians. In the bureaus they are usually internal politicians.

I do not know of anything in human nature which sublimates such men, whether they are in the bureau or out of the bureau. We all know that the same kind of men will be in the organization. The present incumbents will be covered into the new organization, will they not?

Mr. TRUMAN. Let me explain the situation to the Senator. Under the reorganization plan the Air Safety Board is proposed to be abolished. The Civil Aeronautics Authority, which handles the economics, is made the Air Safety Board and the Civil Aeronautics Board, and there will be no independent safety board.

Mr. CONNALLY. The general functions of the Air Safety Board will be transferred to the Civil Aeronautics Board.

Mr. TRUMAN. Yes; and it will be under the Secretary of Commerce, and the situation will be the same as it was before.

Mr. CONNALLY. I do not think we can assume that the situation will be the same as it was before. We are all supposed to be making a little progress.

Mr. TRUMAN. I hope we are.

Mr. CONNALLY. I do not see anything in a name. I rather suspect that some of the accidents are caused by careless pilots and bad weather.

Mr. TRUMAN. I wish the Senator would read the record. I have it before me.

Mr. CONNALLY. I have not the time to read all the record. We appoint men like the Senator from Missouri on committees to read the record and tell us what they learn. I am trying to obtain information from the Senator. If I must read a record of 400 or 500 pages to obtain the information, I simply cannot do so.

Mr. TRUMAN. Every statement which I have made is amply supported by the record.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. TRUMAN. I yield.

Mr. SMATHERS. Has the Senator any figures available, or has he made any calculations as to how much money, if any, would be saved by transferring the regulation of this activity back to the Commerce Department?

Mr. TRUMAN. I have not the exact figures. I understand that the saving would be about $200,000 a year. The United States Government has an arrangement with the air passenger lines as to the purchase of aircraft. If the proposed plan goes into effect, and the passenger lines are unable to make the purchases which they should make, and if accidents happen as they did under the old management of the Secretary of Commerce, the cost to the Government will probably be $25,000,000 a year.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. TRUMAN. I yield.

Mr. CLARK of Missouri. Is it not true that if we go back to the condition which existed prior to the creation of the Civil Aeronautics Authority, when people were afraid to fly and passenger traffic fell off, the amount of postal payments from the Federal Government will necessarily increase?

Mr. TRUMAN. That is true.

Mr. CLARK of Missouri. Everybody was afraid to fly.

Mr. TRUMAN. That is true.

Mr. President, I shall explain the situation in a little more detail. If the Senator from Texas [Mr. CONNALLY] will bear with me, I think he will see the point.

The Civil Aeronautics Authority, by plan IV of the President, is stripped of its field force; and, consequently, in the discharge of its independent rule-making, adjudication, and investigating powers under title IV, is forced either to rely upon the field force of the Administrator and of the Secretary or else to duplicate such personnel. The Civil Aeronautics Board is further charged with the inconsistent functions of having to establish the rules and regulations for aviation under its rule-making power, and at the same time to provide for an independent investigation of accidents which occur and which will involve the thoroughness or correctness of the rule-making functions. It is obvious that this division of functions and assignment of responsibility is based upon the inconsistent theory that the personnel of the Authority and of the Administrator can divorce themselves from regular duties and objectively pass judgment upon their own activity in its relationship to and responsibility for the particular matter under consideration. That such an arrangement, regardless of the effort expended or the mental honesty of individuals concerned, is contrary to human nature and would place personnel of the Civil Aeronautics Board in a very unfair position goes without saying. There will be a hesitancy on the part of the public to accept the findings of a Federal regulatory agency for aviation as to its own responsibility for accidents. That has been demonstrated on numerous occasions during the regulation of aviation by the Department of Commerce. The American people have long memories, and are very dubious when human lives and safety are involved.

To look ahead a little as to the possible position of aviation in the event the President's plan IV is not disapproved by the Congress, what voice will the Civil Aeronautics Board have in the exercise of the very important functions delegated to the Authority under the present act, which are not "rule making, adjudication, or investigation"? What about the powers of the Civil Aeronautics Board to prepare cases and represent the public interest in controversies brought before it by air carriers? Is that part of adjudication? What control will the Secretary exercise over the budget of the Civil Aeronautics Board as to its independent functions? Certainly the use of the judicially defined words "direction and supervision" in plan IV lends no encouragement. Will this independence of the Civil Aeronautics Board be real, or will it be a theoretical independence, subjected to that control described by Justice Holmes in the celebrated case of Evans against Gore, when he said:

> The power over a man's subsistence amounts to power over his will.

Is the Civil Aeronautics Board to be allowed to report to the Congress as to the exercise of its quasi-legislative powers and duties without the right of change or veto of such report being vested in the Secretary of Commerce by virtue of the "reporting through the Secretary" provision contained in plan IV? How is the Civil Aeronautics Board to exercise its rule-making powers and at the same time exercise its independent investigation powers?

These and many other queries come to mind; but I need not here enumerate them further in order to illustrate the clever indirection with which the independent regulation of American aviation is being sacrificed on the altar of concentrated executive control of governmental functions.

What have the Civil Aeronautics Authority and the Air Safety Board achieved during their 20 months' existence? I call attention to the fact that American aviation today surpasses that of every other country in the world. Our air lines are the best equipped. Our pilots are the best trained. Our schedules are the most frequent. Our air lines are the only air lines in the world flying as much by night as by day. All-time passenger records were broken during the past year by staggering margins. The number of licensed pilots has increased from 21,000 in August 1938 to more than 34,000, and at the close of the present fiscal year will exceed 40,000. The number of aircraft to which certificates have been issued has increased from 9,000 to 12,000. The safety of private flying has shown a very decided improvement. Last year the air lines showed a net profit, 15 of the 17 individual air lines operating in the black; and, last, but most important, our air lines are the safest in the world. The Civil Aeronautics Authority and the Air Safety Board have staffed themselves with competent, well-trained, and conscientious men, relatively free from political patronage; and today they are among the most outstanding—if not the most outstanding—agencies of the United States Government.

The proof of the pudding is in the eating thereof. In the face of all these facts we are asked in Reorganization Plan IV to permit an efficient agency of the Congress which has achieved excellent results to be junked. In the fact of objections voiced by the public, the air-line pilots, and the aviation industry, we are to throw away the system which the Congress after 2 years has found to be satisfactory.

I sincerely hope that in the consideration of such a vital matter, involving lives and property, the Senate will not permit a proved success to become a proved failure.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial on this subject from the New York Times, one from the St. Louis Post-Dispatch, and one from the Kansas City Star.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of April 28, 1940]

SHIFTING C. A. A.

There is increasing opposition to the proposal, under the President's fourth reorganization plan, which would place the Civil Aeronautics Authority in the position of a bureau of the Department of Commerce and abolish the Air Safety Board. Protests against such action have been made from many quarters, including the air lines, which are regulated by the C. A. A.; the organized pilots who fly the air lines, the American Federation of Labor, and individuals deeply interested in the welfare of aviation, including Mayor LaGuardia. The effect of the proposed change would be to put control of civil aviation back in the hands of a Secretary of Commerce, who, however upright and efficient, is still a political appointee without fixed term.

Most disturbing is the proposal to abolish the independent Air Safety Board. None will maintain that the splendid 13-month performance of the air lines without fatality or serious injury is solely due to C. A. A. or the Board. The record, however, taken over a period sufficiently extended to be persuasive, indicates that their work has been of high value. Under the present set-up of the Authority and the Board investigations of accidents are made by an independent body. Under the proposed reorganization they would

be made by a bureau of a body—itself a bureau subject to the direct, purse-string control of the Department of Commerce—charged with setting the very safety regulations to be investigated. It was precisely such a situation which the Civil Aeronautics Act of 1938, creating the C. A. A. and the Air Safety Board, was designed to eliminate. We should not return to it.

[From the St. Louis (Mo.) Post-Dispatch of April 24, 1940]

BUT IS IT "SPINACH"?

Greatly to the surprise of those best acquainted with problems of air transportation, President Roosevelt has recommended that the Air Safety Board be abolished and that the Civil Aeronautics Authority, now an independent agency, be placed under the Department of Commerce.

This recommendation is made as part of the President's plan to reorganize and streamline the various Government boards and bureaus. But the chief aim in reorganization is to increase efficiency and experience has shown emphatically that the C. A. A. and the Air Safety Board operate more efficiently as independent agencies.

When these agencies were created by Congress in 1938 the country had been startled and dismayed by a constant series of air tragedies. Commercial aviation, an indispensable supplement to national air defense, was in danger of being permanently checkmated by the failure of public confidence.

In this emergency Congress stepped in and abolished the old politics-ridden Bureau of Air Commerce, which under Secretary Roper had been notoriously timid and inefficient, and supplanted it with the independent C. A. A. and the Air Safety Board.

The C. A. A. formulated the rules and undertook their enforcement, and the Air Safety Board was given the function of placing the blame for accidents. Thus the Air Safety Board has been a check not only on the commercial aviation companies and their employees but also on the C. A. A.

Political and business pressures have been taboo in both agencies. Regulations requiring planes to be grounded in dangerous flying weather have been strictly enforced.

Before these new agencies took over an average of 1 pilot and 3 passengers were losing their lives each 28 days. Since the reform took place the improvement has been spectacular.

It was climaxed by the announcement on March 26 that a full year had passed without the death or injury of a single passenger or pilot. Small wonder that the Air Line Pilots' Association is fighting against a reversion to the old system.

To be sure, the President's reorganization plan must not be crippled. But the unimportance of these two minor exceptions in the plan as a whole is clearly indicated by the fact that the first three drafts of the reorganization plan left the the C. A. A. and the Air Safety Board as they are. Only the fourth and final draft proposed returning them to the Department of Commerce, where they might fall into the hands of the very men who made a tragic failure of the job before.

The task of creating the sentiment necessary to prevent the proposed change rests largely upon the air pilots and the public at large. President Roosevelt appears strangly unconcerned with objections to his scheme. "Pure spinach," is his reply to the statements of those opposing him.

But wise-cracking retorts are no answer to the salient fact that under the system he proposes to restore a disgraceful and appalling loss of life took place, while under the system which he would scrap a brilliant record of air safety has been recorded.

When a system is working not merely well, but well-nigh perfectly, why change it? Congress should give this reorganization item a resounding veto and preserve for the C. A. A. and the Air Safety Board their present independent, efficient status.

In a matter which concerns the lives of air passengers and pilots, a Congressman would be gravely derelict to give party regularity or Executive pride any consideration.

[From the Kansas City (Mo.) Star of April 23, 1940]

WARNING FROM THE PAST

The Air Safety Board was set up in August 1938 to investigate all airplane accidents, to determine their probable cause, and to report its findings to the Civil Aeronautics Authority, so that appropriate steps could be taken to correct any conditions that might lead to a repetition. The Board was deliberately separated from the C. A. A., which had been made responsible for ground services, inspections, and safety regulations. This was done in order that the latter agency should not operate as judge in cases where negligence by its own employees might prove to have caused the accident.

In the 9 years preceding the establishment of the Safety Board and Aeronautics Authority, when supervision over nonmilitary aviation was vested chiefly in the Department of Commerce, the American air lines had an average of 93 accidents annually, resulting in 40 deaths. In 1939, the first full year of the new set-up, there were 2 accidents, with 12 deaths. But these fatalities occurred early in the year, and it has now been well over 12 months since any person, crew member or passenger, has lost his life on a regularly scheduled flight.

A large measure of credit for this remarkable achievement generally has been given to the C. A. A. and the Air Safety Board. Yet the President is proposing not only to return supervisory control over civil aviation to a bureau in the Commerce Department but to abolish the Safety Board altogether, thereby reuniting the judicial and administrative functions.

Once before Mr. Roosevelt intervened to alter the Government's relations with the air-transport lines. That was in 1934, when he abruptly ordered the cancelation of all existing air-mail contracts. For a period of slightly less than 3 months, on the President's instructions, the United States Army flew the mails. In the process 66 planes crashed and 12 pilots were killed. New contracts were then quickly signed with the private companies. Before Mr. Roosevelt puts into effect his Reorganization Plan No. IV, over the protest of virtually all persons informed in aviation matters, he might do well to recall what happened the other time he elected to disregard expert advice.

PROTECTION OF CERTAIN FOREIGN PROPERTY WITHIN THE UNITED STATES

The Senate resumed the consideration of the joint resolution (S. J. Res. 252) to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes.

Mr. DANAHER obtained the floor.

Mr. WAGNER. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from New York?

Mr. DANAHER. I yield.

Mr. WAGNER. I should like an opportunity to offer an amendment to the pending joint resolution before the Senator begins, if he will yield to me for that purpose. I do not propose to address the Senate upon the merits of the proposition, as I did that the other day, and I do not care to repeat. Is it agreeable to the Senator that I will now offer the amendment? It does not relate to the amendment which the Senator from Connecticut desires to offer.

Mr. DANAHER. No; but, I take it that it is an amendment that has been suggested by our conferences.

Mr. WAGNER. The amendment I intend to offer was suggested by me to the Senator from California [Mr. JOHNSON], frankly because the Senator from California still has some apprehension as to the effect of the joint resolution. I do not believe that the so-called Johnson Act can in any way, either directly or indirectly, be affected by the pending joint resolution, but I was a Member of the Senate when the Senator brought forth his bill which became the law, and was one of his followers at that time. I do not want to do anything which will, in any way, create any apprehension in the Senator's mind, or in the minds of other Senators who have raised the question, that this joint resolution in any way affects the so-called Johnson Act or the Neutrality Act. I am simply offering an amendment to make that perfectly clear, and I thought perhaps the Senator would like to have that known before he begins to discuss his amendment.

Mr. DANAHER. Mr. President, there has been general apprehension that, because of this joint resolution coming after the Neutrality Act by which credit restrictions were set up, it might be claimed at some time or other that those restrictions had been modified by the joint resolution. If the Senator from New York wants to make certain that there is no question of that, and that there is no question of an inveighment against the provisions of the Johnson Act, I am more than happy to yield to him for the purpose of offering the amendment required by that situation.

Mr. WAGNER. I thank the Senator.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. WAGNER. Certainly.

Mr. McNARY. Do I understand correctly that the Senator proposes to modify the joint resolution?

Mr. WAGNER. I propose to modify it to an extent which will make it so clear that there will be no contentious point about it, that the joint resolution does not in any way affect the Johnson Act or the Neutrality Act.

Mr. McNARY. Very well, I am in accord with that view, and I suggest to the Senator that he permit his amendment to be stated at the desk now so that it may be before the Senate.

Mr. WAGNER. I thank the Senator and I now offer the amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to amend the joint resolution by adding at the end thereof a new section to read as follows:

SEC. 3. Nothing in this joint resolution shall be deemed to repeal or to modify in any manner any of the provisions of the act of April 13, 1934 (48 Stat. 574) (the Johnson Act), or of the Neutrality Act of 1939 (Public Res. 54, 76th Cong.).

The PRESIDENT pro tempore. Is there objection to the amendment? The Chair hears none, and the amendment is agreed to.

Mr. DANAHER. Mr. President, I am very happy that the amendment submitted by the senior Senator from New York has been adopted. Senators will recall that on Thursday last, when Senate Joint Resolution 252 was submitted, it was explained that its general as well as immediate purpose was to prevent any possible gain to Germany by virtue of her invasion of Norway and Denmark. Indeed, the Senator from New York at that time told us—

I do not even know what may happen overnight, because word has undoubtedly reached there that we are proposing to amend the existing law. The transfers of credits and securities may be accomplished very quickly by cable or radio message. If the construction that has been placed upon the law by some bank in New York is correct, the transfer will have to be made to the invader, who will secure that property. That is why I do not think we ought to waste a moment's time, and I know the Senate does not desire to waste a moment, in an emergency matter of this kind.

There was at that time in the minds of a good many of us an apprehension that if the joint resolution were passed under the aegis of the emergency and the need for haste as then claimed for it, there might result a modification of the Johnson Act, and there might be, by intendment at least, a limitation or modification of the credit restrictions imposed by the Neutrality Act. One of the purposes in the minds of many of us was to seek to clarify the joint resolution and, therefore, to give it more study. Consequently, a most salutary result has been accomplished this morning in amending the joint resolution to the extent just agreed upon by the Senate. But, Mr. President, if the joint resolution, upon more mature thought, required the amendment which has just been adopted, let me submit to the Senate that there are yet other amendments which ought to be considered, and in the light of maturity of deliberation and more-considered judgment, I submit that the Senate will find that there is ample room for additional amendments.

I think, Mr. President, that I should first call attention to the fact that this particular joint resolution would amend the old Trading With the Enemy Act, which was adopted in 1917, when the United States was at war. In section 5 (a) of that act we read this:

That the President, if he shall find it compatible with the safety of the United States and with the successful prosecution of the war, may, by proclamation, suspend the provisions of this act so far as they apply to an ally of enemy, and he may revoke or renew such suspension from time to time.

In section 5 (b) we read:

That the President may investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange, export, or earmarkings of gold or silver coin or bullion or currency, transfers of credit in any form—

Notice, Mr. President, that even in time of war we specifically interpolated into that act this language—

(other than credits relating solely to transactions to be executed wholly within the United States).

That parenthetical exception as contained in the 1917 act was omitted in 1933 when the 1917 act was further amended, and it is not found in the pending joint resolution. Consequently, we very definitely have the President of the United States being given in time of peace a power which even in time of war we denied to the President of the United States. I continue to read from section 5 (b):

And transfers of evidences of indebtedness or of the ownership of property between the United States and any foreign country, whether enemy, ally of enemy or otherwise, or between residents of one or more foreign countries, by any person within the United States.

Mr. President, you will notice that there was not then required an interest of a foreign government in the property; there was not then required anything like the degree of ownership that is implied as necessary to submit the particular evidence of indebtedness, such as a bond, or evidence of ownership of property, such as stock, to regulation and control, and, in fact, prohibition; and there was not then given to the President the power to limit all such transactions as is contemplated by the pending joint resolution.

So, when in 1933, we had the bank holiday when there was need that there be some protection given to the banking institutions of the United States, there was not then, as someone would have us think, an all-embracing restriction. That is made perfectly clear by a comparison of the language which appears in Forty-sixth Statutes at Large on page 1, section 2, of the act then passed, which was entitled "An act to provide relief in the existing national emergency in banking, and for other purposes."

In that section there was very definitely omitted language which would constitute a restriction upon the transfer of credits, and an exemption of transactions wholly for execution within the United States.

Moreover, there was then omitted provision as to evidences of indebtedness or evidences of ownership of property. Consequently, it cannot be said that those who wrote that legislation, knowing very well the full intendment of the language, and what they were seeking to do, had any thought then that the President of the United States should be given the power in time of peace to control by regulation or by prohibition transactions involving evidences of indebtedness or evidences of ownership of property.

Mr. President, the pending joint resolution goes further than anything that has ever been granted by way of power to the President in time of peace in any such fashion as is here contemplated. Not only does the joint resolution inveigh against transactions involving, and transfers of credit between banks in this country, but, under the power of regulation which some purport to find in the existing law, we see that on the 10th of April 1940 the President, by proclamation, actually added section 9 to the regulations issued in 1934, which appear in the committee report, forbidding such transactions if they involved property in which Norway or Denmark had an interest.

Mr. President, let me ask at this time unanimous consent that the committee report be printed in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The report (No. 1496) is as follows:

The Committee on Banking and Currency, to whom was referred the joint resolution (S. J. Res. 252) to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

The provisions of the resolution were recommended to Congress by the Secretary of the Treasury.

The purpose of the resolution is to remove any doubt that section 5 (b) of the act of October 6, 1917, as amended, authorizes the President to regulate transactions in evidences of indebtedness and evidences of ownership of property in which foreigners have an interest, and to require reports concerning all foreign-owned property.

The resolution is made necessary by certain questions which have arisen in connection with the Executive order of April 10, 1940, and regulations issued thereunder by the Secretary of the Treasury. The order and regulations were issued pursuant to the authority conferred by section 5 (b) of the act of October 6, 1917, as finally amended by section 2 of the act of March 9, 1933. The order and regulations have imposed certain restrictions on transactions in property in which Norway and Denmark or nationals thereof have an interest and have set up a system of licensing transactions in such property.

The Treasury Department has ruled that the order and regulations of April 10, 1940, apply to transactions in Danish and Norwegian stock and other securities which unquestionably constitute a substantial portion of the property of those countries situated in the United States. With this interpretation of the statute, the order, and regulations, this committee is in agreement. It believes that when Congress enacted the act of March 9, 1933, it intended to grant to the President all of the powers conferred upon him by section 5 (b) of the act of October 6, 1917, and to authorize him to exercise all of such powers not only in time of war, but during any other

period of national emergency. Under the original provision there is no doubt that the President was authorized to regulate transactions in stock and other securities, etc. Notwithstanding this apparent intention of the Congress, a few lawyers for banking institutions have expressed doubts as to whether the President is authorized to regulate transactions in foreign-owned stock and securities. The committee is convinced that the matter is of such great importance that doubts of this character should immediately be removed by a clarifying amendment. Not only is authority to regulate transactions in stock and other securities essential to the system of control already in force, but it may be of even greater importance if it becomes necessary to extend such control to property of other countries which to an even greater extent is in the form of stock and securities. Such an amendment will also serve to protect Americans complying with the order. The banks, in particular, would favor such a clarifying amendment.

The action taken by the President and the Treasury Department in regulating transactions in Danish and Norwegian property has received the unanimous approval of the public. Section 2 of the resolution provides Congress with a means of expressing its agreement as to the soundness, wisdom, and propriety of such action. Documents indicating the exact character of the action taken are printed as a part of this report.

Your committee believe that the resolution is meritorious legislation and should be promptly enacted into law.

APPENDIX

Executive Order of April 10, 1940, Regulations of the Secretary of the Treasury of April 10, 1940, and General Rulings Issued Thereunder

EXECUTIVE ORDER

Amendment of Executive Order No. 6560, Dated January 15, 1934, Regulating Transactions in Foreign Exchange, Transfers of Credit, and the Export of Coin and Currency

By virtue of the authority vested in me by section 5 (b) of the act of October 6, 1917 (40 Stat. 411), as amended by section 2 of the act of March 9, 1933 (48 Stat. 1), and by virtue of all other authority vested in me, I, Franklin D. Roosevelt, President of the United States of America, do hereby amend Executive Order No. 6560, dated January 15,, 1934, regulating transactions in foreign exchange, transfers of credit, and the export of coin and currency by adding the following sections after section 8 thereof:

"SEC. 9. Notwithstanding any of the provisions of sections 1 to 8, inclusive, of this order, all of the following are prohibited, except as specifically authorized in regulations or licenses issued by the Secretary of the Treasury pursuant to this order, if involving property in which Norway or Denmark or any national thereof has at any time on or since April 8, 1940, had any interest of any nature whatsoever, direct or indirect:

"A. All transfers of credit between any banking institutions within the United States; and all transfers of credit between any banking institution within the United States and any banking institution outside the United States (including any principal, agent, home office, branch, or correspondent outside of the United States, of a banking institution within the United States);

"B. All payments by any banking institution within the United States;

"C. All transactions in foreign exchange by any person within the United States;

"D. The export or withdrawal from the United States, or the earmarking of gold or silver coin or bullion or currency by any person within the United States; and

"E. Any transaction for the purpose or which has the effect of evading or avoiding the foregoing prohibitions.

"SEC. 10. Additional reports:

"A. Reports under oath shall be filed, on such forms, at such time or times and from time to time, and by such persons, as provided in regulations prescribed by the Secretary of the Treasury, with respect to all property of any nature whatsoever of which Norway or Denmark or any national thereof is or was the owner, or in which Norway or Denmark or any national thereof has or had an interest of any nature whatsoever, direct or indirect, and with respect to any acquisition, transfer, disposition, or any other dealing in such property.

"B. The Secretary of the Treasury may require the furnishing under oath of additional and supplemental information, including the production of any books of account, contracts, letters or other papers with respect to the matters concerning which reports are required to be filed under this section.

"SEC. 11. Additional definitions: In addition to the definitions contained in section 7, the following definitions are prescribed:

"A. The terms 'Norway' and 'Denmark,' respectively, mean the State and the Government of Norway and Denmark on April 8, 1940, and any political subdivisions, agencies, and instrumentalities thereof, including territories, dependencies, and possessions, and all persons acting or purporting to act directly or indirectly for the benefit or on behalf of the foregoing. The terms 'Norway' and 'Denmark,' respectively, shall also include any and all other governments (including political subdivisions, agencies, and instrumentalities thereof and persons acting or purporting to act directly or indirectly for the benefit or on behalf thereof) to the extent and only to the extent that such governments exercise or claim to exercise de jure or de facto sovereignty over the area which, on April 8, 1940, constituted Norway or Denmark.

"B. The term 'national' of Norway or Denmark shall include any person who has been or whom there is reasonable cause to believe has been domiciled in, or a subject, citizen, or resident of Norway or Denmark at any time since April 8, 1940, but shall not include any individual domiciled and residing in the United States on April 8, 1940, and shall also include any partnership, association, or other organization, including any corporation organized under the laws of, or which on April 8, 1940, had its principal place of business in, Norway or Denmark or which on or after such date has been controlled by, or a substantial part of the stock, shares, bonds, debentures, or other securities of which has been owned or controlled by, directly or indirectly, one or more persons, who have been, or whom there is reasonable cause to believe have been, domiciled in, or the subjects, citizens, or residents of, Norway or Denmark at any time on or since April 8, 1940, and all persons acting or purporting to act directly or indirectly for the benefit or on behalf of the foregoing.

"C. The term 'banking institution' as used in section 9 includes any person engaged primarily or incidentally in the business of banking, of granting or transferring credits, or of purchasing or selling foreign exchange or procuring purchasers and sellers thereof, as principal or agent, or any person holding credits for others as a direct or incidental part of his business, or brokers; and each principal, agent, home office, branch, or correspondent of any person so engaged shall be regarded as a separate 'banking institution.'

"SEC. 12. Additional regulations: The regulations of November 12, 1934, are hereby modified insofar as they are inconsistent with the provisions of sections 9 to 11, inclusive, of this order, and except as so modified are hereby continued in full force and effect. The Secretary of the Treasury is authorized and empowered to prescribe from time to time regulations to carry out the purposes of sections 9 to 11, inclusive, of this order, as amended, and to provide in such regulations or by rulings made pursuant thereto the conditions under which licenses may be granted by such agencies as the Secretary of the Treasury may designate."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
April 10, 1940, 6 p. m., eastern standard time.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
April 10, 1940.

REGULATIONS RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE TRANSFERS OF CREDIT, PAYMENTS, AND THE EXPORT OR WITHDRAWAL OF COIN, BULLION, AND CURRENCY; AND TO REPORTS OF FOREIGN PROPERTY INTERESTS IN THE UNITED STATES [1]

SECTION 130.1. Authority for regulations: These regulations are prescribed and issued under authority of section 5 (b) of the act of October 6, 1917 (40 Stat. 411), as amended by section 2 of the act of March 9, 1933 (48 Stat. 1), and Executive Order No. 6560, dated January 15, 1934, as amended.[1]

SEC. 130.2. Definitions: (a) The term "order" shall refer to Executive Order No. 6560, of January 15, 1934, as amended.

(b) The term "regulations" shall refer to these regulations.

(c) The terms "property" and "property interest" or "property interests" shall include, but not by way of limitation, money, checks, drafts, bullion, bank deposits, savings accounts, any debts, indebtedness or obligations, financial securities commonly dealt in by bankers, brokers, and investment houses, notes, debentures, stocks, bonds, coupons, bankers' acceptances, mortgages, pledges, liens or other right in the nature of security, warehouse receipts, bills of lading, trust receipts, bills of sale, other evidences of title or ownership, goods, wares, merchandise, chattels, stocks on hand, ships, goods on ships, real-estate mortgages, vendors' sales agreements, land contracts, real estate and any interest therein, leaseholds, ground rents, options, negotiable instruments, trade acceptances, royalties, book accounts, accounts payable, judgments, patents, trade-marks, copyrights, insurance policies, safe-deposit boxes and their contents, annuities, etc.

(d) Safe deposit boxes shall be deemed to be in the "custody" not only of all persons having access thereto but also of the lessors of such boxes whether or not such lessors have access to such boxes. The foregoing shall not in any way be regarded as a limitation upon the meaning of the term "custody".

(e) For the meaning of other terms reference should be made to the definitions contained in the order.[1]

SEC. 130.3. Licenses to engage in foreign exchange transactions, etc. Applications for licenses to engage in foreign-exchange transactions, transfers of credit, payments, or the export or withdrawal from the United States or the earmarking of gold or silver coin or bullion or currency, involving property in which Norway or Denmark or any national thereof has at any time on or since April 8, 1940, had any interest of any nature whatsoever, direct or indirect, shall be filed in duplicate with the Federal Reserve bank of the district in which the applicant resides or has his principal place of business or principal office or agency, or with the Federal Reserve Bank of New York if the applicant has no legal residence or principal place of business or principal office or agency in a Federal Reserve district. Application forms may be obtained from any Federal Reserve bank, mint, or assay office, or the Secretary of the Treasury, Washington, D. C. Applications

[1] Sec. 130.1 to 130.6; sec. 5 (b), 40 Stat. 415 and 966; sec. 2, 48 Stat. 1; 12 U. S. C. 95a; Ex. Order 6560, Jan. 15, 1934; Ex. Order 8389, Apr. 10, 1940.

shall be executed under oath before an officer authorized to administer oaths, or if executed outside of the United States, before a diplomatic or consular officer of the United States. The applicant shall furnish such further information as shall be requested of him by the Secretary of the Treasury or the Federal Reserve bank at which the application is filed. Licenses will be issued by the Secretary of the Treasury, acting directly or through any agencies that he may designate, and by the Federal Reserve banks acting in accordance with such rules, regulations, and instructions as the Secretary of the Treasury may from time to time prescribe, in such cases or classes of cases as the Secretary of the Treasury may determine in rules, regulations, and instructions prescribed by him. The Federal Reserve bank at which an application is filed will advise the applicant of the granting or denial of the license. When the transaction authorized by the license has been completed the license should be returned by the licensee to the Federal Reserve bank at which the application was filed, except in the case of licenses for the export or withdrawal of currency or gold or silver coin or bullion, in which case the license, after having been canceled by the collector of customs or the postmaster through whom the exportation or withdrawal was made, shall be sent by such collector of customs or postmaster to the Federal Reserve bank at which the application was filed. Appropriate forms for applications and licenses will be prescribed by the Secretary of the Treasury. Licensees may be required to file reports upon the consummation of the transactions. The decision of the Secretary of the Treasury with respect to the approval or disapproval of an application shall be final.[1]

SEC. 130.4. Reports of property interests of Norway and Denmark and nationals thereof:

(a) Within 10 days from the publication of these regulations in the Federal Register, reports shall be filed on Form TFR–100, duly executed under oath, containing the information called for in such form, with respect to all property situated in the United States on the date as of which the report is made in which Norway or Denmark or any national thereof has at any time on or since April 8, 1940, had any interest of any nature whatsoever, direct or indirect. Such reports shall be filed by—

(1) Every person in the United States directly or indirectly holding, or having title to, or custody, control, or possession of, such property including, without any limitation whatsoever of the foregoing, every partnership, association, or corporation organized under the laws of the United States or any State or Territory of the United States, or having its principal place of business in the United States, in the shares of whose stock or in whose debentures, notes, bonds, coupons, or other obligations or securities Norway or Denmark or any national thereof has at any time on or since April 8, 1940, had any interest of any nature whatsoever, direct or indirect; and

(2) Every agent or representative in the United States for Norway or Denmark or any national thereof having any information with respect to any such property: *Provided,* That no report on Form TFR–100 need be filed where the total value of all property interests to be reported is less than $250.

(b) The date as of which all reports on Form TFR–100 are required to be made is April 8, 1940.

(c) At the close of every business day in which there shall occur any acquisition, transfer, disposition, or any other dealing in any of the property interests designated in paragraph (a) above, a report or reports, on Form TFR–200, duly executed under oath, containing the information called for in such Form shall be filed by every person, agent, etc., referred to in paragraph (a) above: *Provided, however,* That such reports for the 10-day period from the date of publication of these regulations in the Federal Register may be filed at any time within such 10-day period.

(d) Neither filing nor the failure to file a report or reports required to be filed on Form TFR–100, nor the absence of a duty to file such report or reports shall in any way affect the duty to file a report or reports on Form TFR–200, and vice versa.

(e) Reports shall be executed and filed in triplicate with the Federal Reserve bank of the district in which the party filing the report resides or has his principal place of business or principal office or agency, or if such party has no legal residence or principal place of business or principal office or agency in a Federal Reserve district, then with the Federal Reserve Bank of New York. A report shall be deemed to have been filed when it is received by the proper Federal Reserve bank or when it is properly addressed and mailed and bears a postmark dated prior to midnight of the date upon which the report is due. At the close of each business day the Federal Reserve bank shall forward two executed copies of every report filed on that day to the Secretary of the Treasury.

(f) (1) All spaces in the report must be properly filled in. Reports found not to be in proper form, or lacking in essential details, shall not be deemed to have been filed in compliance with the order.

(2) Where space in the report form does not permit full answers to questions, the information required may be set forth in supplementary papers incorporated by reference in the report and submitted therewith. Supplementary documents and papers must be referred to in the principal statement in chronological or other appropriate order and be described in such manner that they can be identified.

(g) A separate report under oath must be filed by each person required to file a report except that persons holding property jointly may file a joint report.

(h) Upon a written request made to the Secretary of the Treasury by a party required to file a report, setting forth reasons why the report cannot be filed on or before the date such report is due, the Secretary of the Treasury, in his discretion, may grant such an extension of time for making the report as under the circumstances shall appear to be required.

(i) Report Forms TFR–100 and TFR–200 may be obtained from any Federal Reserve bank, mint, or assay office, and the Secretary of the Treasury, Washington, D. C.

SECTION 130.5. Penalties. Section 5 (b) of the act of October 6, 1917, as amended by section 2 of the act of March 9, 1933, provides in part:

"* * * Whoever willfully violates any of the provisions of this subdivision or of any license, order, rule, or regulation issued thereunder, shall, upon conviction, be fined not more than $10,000, or, if a natural person, may be imprisoned for not more than 10 years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both. As used in this subdivision, the term 'person' means an individual, partnership, association, or corporation." [1]

SECTION 130.6. Modification or revocation. These regulations and any forms or instructions issued hereunder may be modified or revoked at any time.[1]

H. MORGENTHAU, Jr.,
Secretary of the Treasury.

Approved, April 10, 1940.

FRANKLIN D. ROOSEVELT.

GENERAL RULING NO. 1 UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AND REGULATIONS ISSUED PURSUANT THERETO, RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.

The Secretary of State has advised me as follows:

"Denmark and Iceland are two separate political entities. Acting under the authority of a provision of the Icelandic Constitution the Icelandic Parliament has, within the past few days, passed a resolution stating that since the King of Iceland is not now in a position to carry out his constitutional duties with respect to Iceland, the Icelandic Government has assumed for the time being the exercise of the royal prerogatives and the entire control of Icelandic foreign relations.

"In view of the foregoing it would not appear that Iceland falls within the definition of the term 'Denmark' in section 11 of the above-mentioned Executive order."

In view of the foregoing, the Treasury Department construes the term "Denmark" as used in the above-mentioned Executive order and regulations as not applying to Iceland.

H. MORGENTHAU, Jr.,
Secretary of the Treasury.

DATED APRIL 15, 1940.

GENERAL RULING NO. 2 UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AND REGULATIONS ISSUED PURSUANT THERETO, RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.

Inquiry has been made as to whether the following are prohibited by the Executive order and the regulations issued thereunder except under license:

(a) The transfer by a banking institution within the United States of stock certificates from or into the names of "nationals" of Norway or Denmark; and

(b) The delivery out of custody accounts or the receipt in custody accounts, by a banking institution within the United States, of securities held or to be held in custody for "nationals" of Norway or Denmark.

The Treasury Department construes the Executive order and regulations as prohibiting such transactions, except under license.

H. MORGENTHAU, Jr.,
Secretary of the Treasury.

DATED APRIL 19, 1940.

Mr. DANAHER. Mr. President, in section 9 of that proclamation we find that, insofar as the property in which Norway or Denmark or any national thereof has at any time on or since April 8, 1940, any interest of any nature whatsoever, direct or indirect, there is forbidden—

all transfers of credit between any banking institutions within the United States; and all transfers of credit between any banking institution within the United States and any banking institution outside the United States.

And all payments by any banking institution within the United States, and all transactions in foreign exchange by any person within the United States.

Mr. President, if we really wish to confer, by this joint resolution, power to control the securities or transactions involving the securities of citizens of Denmark and Norway or the governments thereof, all we have to do is to say so, but it will be the Congress which does it. We do not have to extend this power beyond anything which has hitherto been granted to the President of the United States.

Mr. President, with that thought in mind I sent to the desk on Friday an amendment which I will call up at this

time. In order that the clerk may the more readily identify it, I will read it:

On page 1, line 11, after the word "otherwise", insert the following: "the acts under which any foreign state or a national or political subdivision thereof, as defined by the President has any interest, following, to wit."

Mr. President, I ask unanimous consent that the clerk not be required to restate the amendment, but that it be offered in this fashion as the pending amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BARKLEY. Mr. President, as I understand, that simply offers the amendment. It does not dispose of it.

Mr. DANAHER. I will say to the Senator from Kentucky that my request was simply to avoid taking the time to cause the clerk to repeat what I have read.

Mr. BARKLEY. That is now the pending amendment?

Mr. DANAHER. That is now the pending amendment, I hope.

The PRESIDENT pro tempore. The ruling of the Chair is that it is the pending amendment.

Mr. DANAHER. I thank the Chair; and it is the pending amendment by itself, without my continuing with paragraph 2:

On page 2, lines 6, 7, and 8, strike out the words "in which any foreign state or a national or political subdivision thereof, as defined by the President, has any interest."

I ask unanimous consent that the two, taken together, be the pending amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WAGNER. Mr. President, I did not quite understand the request of the Senator from Connecticut.

Mr. DANAHER. Let me say to the Senator from New York that both proposals appear in the one printed amendment; and simply to save time, which had been my hope, I made the request. It is an amendment to strike out and insert. That is what it is. The Senator has the amendment on his desk, I am certain.

Mr. WAGNER. Is this the amendment which reduces the present power of the President?

Mr. DANAHER. It is. It transposes to page 1 the language of the clause appearing on page 2.

Mr. President, I have learned my lesson. Far from saving any time, I have taken about 4 minutes that I need not have taken if I had had the clerk read the amendment in the first place.

Let me say to the Senator from New York that the continuity of the pending joint resolution, if this amendment were adopted, would be as follows:

Resolved, etc., That the first sentence of subdivision (b) of section 5 of the act of October 6, 1917 (40 Stat. 411), as amended, is hereby amended to read as follows:

"During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, the acts under which any foreign state or a national or political subdivision thereof, as defined by the President, has any interest, following, to wit: Any transactions in foreign exchange, tranfers of credit between or payments by or to banking institutions as defined by the President, and export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency, and any transfer, withdrawal, or exportation of, or dealing in, any evidences of indebtedness or evidences of ownership of property by any person within the United States or any place subject to the jurisdiction thereof; and the President may require any person to furnish, under oath, complete information relative to any transaction referred to in this subdivision or to any property in which any such foreign state, national or political subdivision has any interest, including the production of any books of account, contracts, letters, or other papers in connection therewith in the custody or control of such person, either before or after such transaction is completed."

SEC. 2. Executive Order No. 8389 of April 10, 1940, and the regulations and general rulings issued thereunder by the Secretary of the Treasury are hereby approved and confirmed.

Mr. President, in that way, if we transpose the modifying clause from page 2 to page 1, we will define a class of transactions in which a foreign government or its nationals may have an interest, and which may properly be the subject of Presidential control, whether by way of limitation or regulation or prohibition; and to that extent there will then be a proper conference of power upon the President. But if we take the language as it appears in the joint resolution, the President of the United States is by the joint resolution given unlimited power to regulate and control all transactions in foreign exchange, transfers of credits between, or payments by or to banking institutions so far as American citizens are concerned. There is not an American citizen who, except under license, may send a thousand dollars, if you like, to the Argentine to do business. He may not do business with Australia, if you choose, unless he gets a license. He may not make any transfer whatever of American funds into the foreign exchange of any nation whatever, regardless of whether it is at war or whether it is not, whether it is Norway or Denmark or any nation, unless he gets a license. I submit that the United States and her citizens are not at war; and the mere fact that there is an emergency overseas is not any reason in the world why we should be caused to submit to such restrictions and limitations upon our normal and natural rights as is thus contemplated.

So the pending amendment would achieve everything that is claimed to be the purpose of the pending joint resolution, namely, to prevent a sequestration by Germany of the avails of her unlawful and wrongful and, so far as we can now see, abominable aggression in Denmark and Norway. All gain to Germany by such conduct would be protected against; but, Mr. President, we could at the same time preserve to American citizens rights which have always been theirs, including the right to transact business with reference to evidences of bond and stock ownership, even though the securities in question have been held by foreigners, and many such transactions could and would be perfectly legitimate. In that particular there would be no loss of proper control if my amendment carries; for if there be sent to this country for sale, if you choose, or transfer upon our exchanges, securities from a nation which is at war—if it be Denmark, for instance, or Norway—under the pending joint resolution the Secretary of the Treasury would still have control, through the licensing provisions, as to the terms and the basis and the amount of the transaction, if you like. But, while we should properly give all the protection that is sought for in the joint resolution as to such nations or their citizens, we should not be limiting Americans in their right to do business.

In that particular the pending amendment reaches, it seems, to the heart of the joint resolution.

There is another phase of the matter which is worthy of note. There are high Government officials who are today engaged in the very realistic task of ascertaining how foreign securities held by nationals, or by nations, if you choose, abroad may be liquidated in our markets without depressing the American market and causing loss to American investors. That is a very real problem; and it is not too farfetched to say that there is under consideration at this minute a plan by which such securities, nationalized by countries at war, may be hypothecated through American corporations, may be made the basis of the issuance of credits through American banking institutions such as the Reconstruction Finance Corporation, and all such stocks and securities otherwise generally be subjected to regulation and control, even down to what person is going to be permitted to conduct the transaction.

Mr. President, we have never granted such omnibus power to our President in time of peace as is done by this resolution; and, with such thoughts, let me call to the attention of the Senate an article which appeared in this morning's Wall Street Journal entitled "New Bill Would Give President Broad Powers to Control Liquidation."

I ask that this article be inserted in the RECORD at the end of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DANAHER. Mr. President, there is another consideration, it seems to me, which ought to be brought out. In the remarks of the senior Senator from New York [Mr. WAGNER] on Thursday last, which commence in the RECORD at page 7647, he stated:

The purpose of the joint resolution, of course, is very clear. We want to protect property within the jurisdiction of the United States which is owned by these governments or their nationals.

"We want to protect property within the jurisdiction of the United States which is owned by these governments or their nationals."

Mr. President, if that be the avowed purpose of the joint resolution—and I submit that the remarks of the senior Senator from New York throughout the following pages bear out his claim that that is the avowed purpose of it—what of the rights of Americans in the circumstances? I submit that the way to achieve the purpose which is avowed and claimed for the joint resolution is to transpose the modifying clause from page 2 to the proper place on page 1, as has been proposed in the pending amendment, so that thereafter all legitimate American transactions may be carried forward without limitation and without regulation and without prohibition to be exercised in the discretion of any one man.

That concludes my remarks on this amendment.

EXHIBIT 1

[From the Wall Street Journal of Monday, April 29, 1940]

NEW BILL WOULD GIVE PRESIDENT BROAD POWERS TO CONTROL LIQUIDATION—PROVIDES LEGAL AUTHORITY IN EVENT EMERGENCY ACTION EVER BECOMES NECESSARY—SANCTIONS IMPOUNDING OF ASSETS

WASHINGTON.—Legislation granting to the President broad new powers to regulate or prohibit foreign liquidation of American securities will be placed before the Senate for action this week, possibly today.

Such authority, it was learned last night, is included in the new administration-sponsored bill legalizing the recent impounding of Danish and Norwegian funds and securities in this country.

Under the terms of the measure, the President is given authority to regulate or prohibit any transfer, withdrawal, or exportation of "any evidence of indebtedness" (bond) or "evidence of ownership of property" (stock) in which any foreign state or national has any interest.

This authorization was interpreted here as empowering the President to control or prohibit any liquidation of foreign-owned domestic securities. The only apparent reason for seeking such authority at this juncture is to provide undoubted legal sanction in the event emergency action ever becomes necessary. Administration quarters, it was pointed out, repeatedly have expressed complete satisfaction with the liquidation technique now being used by the Allied Governments.

MAY INCLUDE LIQUIDATION

It is expected that the question of broadening the emergency powers of the President to include liquidation of securities will be discussed when the legislation is brought up in the Senate.

The primary purpose of the legislation, officials say, is to legalize the April 10 order of President Roosevelt impounding American balances and securities in this country, title to which is in the name of Norway and Denmark. Secretary Morgenthau appeared before a congressional committee last week in support of the legislation to protect the Scandinavian funds against invaders not entitled to them.

Meanwhile, latest Treasury figures on liquidation of foreign-owned American securities show that during January net sales totaled $4,479,000, an increase over the low figure of $1,087,000 noted for last December. The greatest amount of foreign liquidation took place last October when the total net was $49,698,000, the Treasury announced.

English and Canadian investors reduced their holdings of domestic securities by $12,365,000 and $3,270,000, respectively, as against $10,189,000 and $3,338,000 in the preceding month.

SWISS, DUTCH HEAVY BUYERS

Switzerland and the Netherlands continued to be the heavy buyers of American securities during the month. Other nonbelligerent European countries also remained on the net purchase side of the ledger.

The total net capital movement between the United States and foreign countries showed an inflow of $37,595,000 in January compared with an inflow of only $5,046,000 in December 1939.

Foreign short-term balances increased from $2,948,035,000 on January 3 to $2,994,739,000 on January 31, and were $89,372,000 higher than on August 30, 1939.

British short-term balances declined $43,766,000 to $404,451,000 in January and since August 1939 have fallen $190,046,000. French funds rose to $290,591,000 in the month, but for the 5 months ended January 31 were off $25,262,000

The short-term balances of Belgium, Denmark, Finland, Norway, and Sweden appeared for the first time in the Treasury Bulletin. Also included for the first time were the balances of China, Japan, and the major South American countries.

BELGIUM'S BALANCE

Belgium's short-term balance at the close of January totaled $166,215,000; Denmark, $28,703,000; Finland, $23,822,000; Norway, $66,986,000; and Sweden, $162,385,000. All showed increases in the month, the largest being $20,156,000 for Sweden.

Of the far-eastern countries, China increased its balances here $6,476,000 to $171,888,000, while Japan, in January, showed little change at $57,969,000.

The trend of short-term balances in the United States of South American countries was mixed with Argentina up $8,756,000 to $66,465,000. Brazil declined $4,505,000 to $31,848,000; and Chile, $2,373,000 to $24,424,000. Mexico, with $62,100,000, showed an increase of $3,324,000.

United States balances abroad increased from $508,702,000 on January 3 to $533,043,000 on January 31. Balances in England increased $16,238,000, and in Japan, $9,045,000. On January 31 balances in Belgium amounted to $7,178,000; Denmark, $3,662,000; Finland, $1,213,000; Norway, $3,652,000; and Sweden, $6,487,000.

Foreign countries repatriated $12,298,000 of foreign securities in the United States, $7,443,000 of which was for Canada.

Brokerage balances were up $7,413,000 for the month, small declines being registered by England, France, and Germany. Canada showed an increase of $2,106,000; and Asia, $5,078,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER].

Mr. WAGNER. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Sheppard
Ashurst	Donahey	La Follette	Shipstead
Austin	Downey	Lodge	Slattery
Bailey	Ellender	Lucas	Smathers
Bankhead	Frazier	Lundeen	Smith
Barbour	George	McKellar	Stewart
Barkley	Gerry	McNary	Taft
Bilbo	Gillette	Maloney	Thomas, Idaho
Bone	Glass	Mead	Thomas, Okla.
Bridges	Guffey	Miller	Thomas, Utah
Brown	Gurney	Minton	Tobey
Bulow	Hale	Murray	Townsend
Burke	Harrison	Norris	Truman
Byrd	Hatch	O'Mahoney	Tydings
Capper	Hayden	Overton	Vandenberg
Caraway	Herring	Pittman	Van Nuys
Chandler	Hill	Reed	Wagner
Chavez	Holman	Reynolds	Walsh
Clark, Idaho	Hughes	Russell	Wheeler
Clark, Mo.	Johnson, Calif.	Schwartz	White
Connally	Johnson, Colo.	Schwellenbach	Wiley

The PRESIDING OFFICER (Mr. BROWN in the chair). Eighty-four Senators have answered to their names. A quorum is present.

The question is on the amendment offered by the Senator from Connecticut [Mr. DANAHER].

Mr. WAGNER. Mr. President, I desire to take only a little time of the Senate in discussing the amendment which is up for consideration now. I merely wish to say that the joint resolution, as introduced, and as explained to the Senate, was for the purpose of clarifying certain language respecting the powers of the President to act in an emergency. The Senator from Connecticut in his proposed amendment does not in any way challenge the joint resolution which I offered simply to clarify the Trading With the Enemy Act of 1917, as amended by the act of 1933.

The Senator from Connecticut now proposes an amendment which was not considered by the committee. The distinguished Senator is a member of the committee. We went over the joint resolution in detail, and as a matter of fact the Senator made certain suggestions in the committee, not by way of amendment, but simply of interpretation. No amendment of this kind was suggested, although the full committee was present. The Senator from Delaware [Mr. TOWNSEND], the Senator from North Dakota [Mr. FRAZIER], the Senator from Ohio [Mr. TAFT], and the Senator from Connecticut [Mr. DANAHER] were present representing the minority, and nearly every member of the majority was present. We discussed the measure in full, and reported it by unanimous vote.

What is the Senator's suggestion in these closing hours? Not in any way to oppose the clarifying amendment which I suggested, but drastically to amend the original law. In

this critical time in the world's history, he would weaken the powers of the President to deal with other matters, such as transfers of foreign exchange and the transfer of credits from one bank to another, effected by American citizens. Under the Senator's amendment the President could not deal with these matters at all, whatever the emergency might be. Who knows what the situation will be tomorrow? We hear stories of what is going on in Europe, of other countries that may be drawn into this war. It may be that in all that critical situation we shall have to take action with respect to foreign-exchange transactions by American citizens as well as by nationals of foreign governments. The Senator from Connecticut would limit the power of the President now, so that in those cases the President will be powerless unless a foreigner is interested in the transaction.

Mr. President, it will be remembered that in 1933, because of a crisis that existed here, we had to regulate foreign exchange so as to prevent the flight of capital from our own country. In that case, American citizens were primarily involved. If I remember correctly—I do not want to inject any political argument into this discussion—when that was done in 1933, President Hoover himself tried in a way to explain that the serious depression which required that action resulted, not from conditions arising over here, not by anything of his doing or of his administration, but because of the impact of conditions in foreign countries.

Mr. President, who would have prophesied 2 years ago that rich countries such as Great Britain, France, Holland, Switzerland, Belgium, and others, would enact laws which absolutely control their foreign exchange, so as to prevent the flight of capital from their countries? All those countries, for their own economic protection, have had to enact such laws.

I do not say that the President will ever have to exercise that power. But how do we know what will happen tomorrow? In these closing hours, when we have a bill merely to clarify an existing law, it is proposed to take away from the President of the United States the power to deal perhaps with matters of the greatest national importance which may arise overnight and which may require immediate and sweeping action on his part.

If we are to deal with those powers—which have existed for 23 years without any question—if we are to consider taking away those powers from the President, then it ought to be done in a thorough, regular way. It should be done by the introduction of a bill, by hearings before committees, where all sides may present their views, so that we might know what consequences or complications may stem from our action.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. CLARK of Missouri. The Senator says that these powers have existed for more than 20 years, which, of course, is true. But is it not a fact that they were wartime powers granted the President of the United States when the United States itself was actually engaged in a war, and possibly permitted to stay on the statute books more or less by mistake, until the President reminded us of it by his proclamation of national emergency when the present European war started? In other words, the point I wish to suggest to the Senator from New York is that those were powers granted the President of the United States in his capacity as Commander in Chief of the Army and Navy of the United States at a time when we were actually at war ourselves.

Now, Mr. President, it seems to me, since the question has been presented, that there may be very grave doubt as to whether those powers ought to be permitted to remain when the United States is not actually at war itself, and whether their continued existence is not simply another step along the path of war.

Mr. WAGNER. Mr. President, the Senator is mistaken when he says that the law limits the action by the President to issue Executive orders in time of war. The original act did deal only with a wartime emergency, but in 1933 we were suffering from conditions which were quite as serious as any war conditions—a very serious depression. Congress recognized that there was a very serious flight of capital from the United States. Therefore Congress added to the powers of the President, so that he might deal with a crisis of that character as well as a wartime crisis. We amended the law in 1933 so as to confer upon the President emergency powers, or powers to deal with emergencies in time of peace. Without the actual exercise of that power we would have been in a very serious economic condition because of the flight of the dollar.

Mr. CLARK of Missouri. Of course, I say the title of this act itself, the "Trading With the Enemy Act," shows the purpose of the act. How could we have an enemy if we were not engaged in the war then? The very title of the act completely discloses the purpose of the act, which was to prevent certain things happening when we were actually engaged in a war ourselves.

The Senator from New York now says that this act has prevented the flight of capital. I think no one will dispute that fact. The President of the United States by his own authority has taken nearly all the capital of the United States and buried it in a hole in Kentucky. I do not believe that the extension of that power is necessary to enlarge the hole in Kentucky.

Mr. WAGNER. Mr. President, we are not extending the power at all.

Mr. CLARK of Missouri. You are just enlarging the hole.

Mr. WAGNER. No; we are not extending the power, because even the Senator from Connecticut [Mr. DANAHER] does not object to the clarifying amendment which I have offered to the existing law. What I am saying is that we should not act in this hurried manner, without knowing just what crisis may arise tomorrow because of the situation in Europe and the Far East, without realizing what powers we may take away from the President or what emergencies may arise which will require quick action. To adopt the Senator's amendment would be to assume a responsibility which I would not want to assume, and I do not think the Senate would want to assume it.

It is clearly understood that the purpose of the joint resolution is merely to clarify an ambiguity. I think it would be most unfortunate for the Senate to give notice to the world—while the present crisis exists and may deepen, although I pray it will not—that we are actually so distrustful of the President's foreign policy that we are willing to reduce his powers. That would be a message of disunion which I should not like to have go out to the other countries of the world.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. CLARK of Missouri. The Senator says that the pending amendment ought not to be adopted because we do not know what will happen tomorrow. Is the Senator willing to suggest a date at which he thinks he will be able to prognosticate what will happen the next day in world affairs?

Mr. WAGNER. I cannot tell what emergency may arise tomorrow. However, in no case has the President exercised the power unless an emergency existed; and every time he has exercised it he has had the almost unanimous support of the American people. When the order respecting Danish and Norwegian credits was issued on April 10, not a single word of dissent was heard anywhere in the United States. Every newspaper which commented upon his action commented with approval. The comments of our leading citizens, as well as our leading statesmen, were to the effect that he did a very wise thing.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. CLARK of Missouri. If the President has already exercised the power, what need is there of the present joint resolution to authorize it?

Mr. WAGNER. Because, as I tried to explain the other day, a technical legal question arose. In my opinion the legal question raised is not well founded. Under the law as it exists today, the President, in my opinion, has a perfect right to prohibit, limit, or control evidences of indebtedness or evidences of ownership in which a foreign national has an interest. The Attorney General has so ruled, and so has the general counsel of the Treasury Department. No question was raised until one of the banking concerns in New York—I am now dealing with a realistic situation, and not mere conjecture—was called upon to transfer some securities owned by a Danish citizen to some other authority. The attorneys for the bank rendered an opinion stating a doubt existed as to whether the President had the right, as the law now reads, to deal with securities, common stock, or other evidences of indebtedness. There is no doubt that he had a right to deal with foreign exchange, or the transfer of credit from a bank in the United States to a bank outside the United States; but some question was raised as to whether this very important power, which I think everybody wants him to have, existed. To protect the banks, the joint resolution was introduced to clarify the power which I think it was always intended the President should have, and which in my opinion he does have.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. BARKLEY. In that connection, it was not because the bank opposed the exercise of the power——

Mr. WAGNER. Oh, no.

Mr. BARKLEY. But simply in order that it might protect itself against any claim which might grow out of compliance in the event there was some doubt about the full authority. Of course, the Treasury does not wish to be drawn into a lawsuit in regard to the matter. It is very largely a matter of precaution.

While I am on my feet, I wish to say to the Senator from Missouri [Mr. CLARK], in connection with his rather facetious reference to a hole in the ground in Kentucky——

Mr. CLARK of Missouri. The hole is in Kentucky, is it not?

Mr. BARKLEY. Oh, yes. It is in Kentucky; and there is a great quantity of gold there. It is there for safekeeping. The Government of the United States was well advised when it put the gold in Kentucky for safekeeping.

Mr. CLARK of Missouri. I would not question that for a moment.

Mr. BARKLEY. Not that it would not have been just as safe in Missouri. I do not mean to cast any aspersions on Missouri on that account. However, the power in question does not deal with the gold in Kentucky. The amendment offered by the Senator from Connecticut [Mr. DANAHER], if adopted, would make it possible for any American who was of a speculative disposition, and who was not particularly scrupulous about his methods, to sell American dollars. If he could sell enough of them he might drive down the price and obtain foreign exchange to advantage. Under the amendment offered by the Senator from Connecticut the President of the United States could not do anything to protect the dollar against that sort of manipulation if any American, through connivance with some foreigner or on his own account, should desire to manipulate the price of American dollars in order that he might obtain an advantage through dealing in foreign exchange.

Mr. WAGNER. The joint resolution does not absolutely prohibit any transaction. It simply contemplates, if an Executive order is issued, that each transaction be scrutinized to determine whether it was bona fide or accomplished through duress.

Mr. BARKLEY. That is right.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. CLARK of Missouri. I should like to say to the Senator from Kentucky that, of course, I made no objection to the selection of Kentucky as a site for the digging of the hole to put the money in. My remarks came about by reason of the remark of the Senator from New York that the purpose of the power was to prevent the flight of capital.

Of course, we have very efficaciously prevented the flight of capital by digging a hole and putting the money in the ground in Kentucky.

Mr. BARKLEY. The gold represents capital. It is not necessarily capital.

Mr. CLARK of Missouri. It is the capital itself.

Mr. BARKLEY. It is not all by any means the property of the United States.

Mr. CLARK of Missouri. But it has been taken away from citizens.

Mr. BARKLEY. I understand. The Government has not taken away any of the gold from citizens to whom it belonged. The gold has come into this country very largely in payment for goods which we sell to the nations of the world; and it is earmarked. We know how much of it belongs to any foreign country, and how much belongs to the Federal Reserve banks. Certificates of ownership are issued to the Federal Reserve banks showing their ownership in so much gold. It is not used, and may not be used, as part of our circulating medium. It is usable by the banks only in interbank transactions.

Mr. CLARK of Missouri. However, it is capital.

Mr. BARKLEY. Of course, it represents capital.

Mr. CLARK of Missouri. And it is buried in the ground.

Mr. BARKLEY. There is no danger of its being taken away or being subject to any flight of capital as long as it is protected by the Government of the United States. However, capital does not consist merely in uncoined gold. There are many forms of capital. Capital may be represented by securities of corporations. Certainly, such capital is not buried in Kentucky or anywhere else, and would not be.

Mr. CLARK of Missouri. I agree entirely with the Senator as to that.

Mr. BARKLEY. The gold is buried in my State; and the hole is no bigger or no more odious because it is in Kentucky than it would be if it were in some other State.

Mr. CLARK of Missouri. I agree entirely with the Senator. The soil in Kentucky is very good.

Mr. BARKLEY. Gold is really still the basis of our circulating medium. After all, we are still on the gold standard, because the law says that the gold dollar is still the standard of value in the United States. So there is nothing insidious about the sequestration of gold.

Mr. CLARK of Missouri. Nobody complains about that; but the Senator will agree with me that the fact still remains that after many fine speeches by the President of the United States, by the Senator from Kentucky, by his predecessor as majority leader, and by many others, against hoarding, the Federal Government itself actually gave the greatest exhibition of hoarding in the history of the world by taking all the gold and putting it down in Kentucky. When the Senator from New York [Mr. WAGNER] talks about preventing the flight of capital, I say that we have had the greatest exhibition of preventing the flight of capital that the world has ever seen.

Mr. BARKLEY. If the Senator contends that the protection and preservation of our monetary system is hoarding, all well and good. It may have been necessary for the Government of the United States to act on its own responsibility to hoard in order to keep the people from hoarding.

Mr. WAGNER. Mr. President, we are getting into a rather irrelevant discussion. I do not want the Senator to misquote me. I did not say that the purpose of the joint resolution is to prevent the flight of capital from this country. No such emergency now exists. A reading of the joint resolution shows very clearly what its purpose is. What I said was that the power to regulate transactions in foreign exchange in case of an emergency is already conferred by law, and that the power was exercised only once—in 1933. It was fortunate that the President had the power to issue an Executive order regulating such transactions, because speculation was going on in foreign exchange to the detriment of our national interests and

national security. We had to do what all the European countries are doing today. They have all enacted laws to control their foreign exchange so as to prevent speculation against their currencies. So I do not want the Senator to misquote me on that point.

Mr. CLARK of Missouri. Mr. President, I am certain the Senator knows that I did not intend to misquote him.

Mr. WAGNER. Of course not.

Mr. CLARK of Missouri. But the Senator repeatedly used the term "preventing the flight of capital," and that was the occasion for my remarks.

Mr. WAGNER. The power was exercised once to prevent the flight of capital, and its exercise was welcomed by the whole country. The President exercised the power in no other case. The power has never been abused, and has never been used except for the benefit of the country. That is why I say it is a unique procedure for a Senator to attempt to weaken the power of the President in a critical situation when no effort has been made in that direction during all these years since 1933. Nor was there any such effort made in the committee which met only a few days ago and unanimously reported the joint resolution.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. WAGNER. I yield for a question.

Mr. DANAHER. For a question; very well. Will the Senator please tell what is meant by "ownership of property," in lines 5 and 6, on page 2? What does the word "property" mean?

Mr. WAGNER. It reads "evidences of ownership."

Mr. DANAHER. Yes; but what does the word "property" include?

Mr. WAGNER. I think common stock would be an evidence of ownership. Does the Senator want to clarify that language?

Mr. DANAHER. I wondered if the Senator from New York would tell the Senate what is meant by "property." It is his joint resolution.

Mr. WAGNER. I think everybody knows what "evidence of property" is. It is evidence one has that he owns certain property. If a person has common stock or a deed, he owns an interest in a certain enterprise or certain property. That is what the "evidence of ownership" means.

Mr. DANAHER. Is the Senator familiar with the definition which has been given by the Treasury Department in their regulations as to what they would undertake to control, if we should pass this joint resolution?

Mr. WAGNER. Does the Senator mean in the Executive order?

Mr. DANAHER. I ask if the Senator knows, if we should pass this joint resolution, what kind of property the Treasury Department would undertake to control?

Mr. WAGNER. I read the Executive order, and I think it is all right.

Mr. DANAHER. Will the Senator permit me to read it into the RECORD at this point?

Mr. WAGNER. The Senator can read it into the RECORD in his own time.

Mr. DANAHER. Very well. I ask if the Senator will permit me to do so now?

Mr. WAGNER. In his own time the Senator can do that.

Mr. DANAHER. I thank the Senator from New York.

Mr. GLASS. Mr. President, will the Senator from New York yield?

Mr. WAGNER. I yield to the Senator from Virginia.

Mr. GLASS. The Senator from Connecticut was present at the subcommittee meeting; he was present at the general meeting of the committee; and he heard the explanation of what was designed to be done, both from the Secretary of the Treasury and from the general counsel of the Treasury. He knows what the Attorney General construes concerning this proposed amendment to the existing law. He knows what the Under Secretary of the Treasury proposed, but the Senator from Connecticut sat there and never dreamed of offering one single, solitary suggestion. Now, however, he comes here and, without any hearing whatsoever, proposes to upset everything the committee has done. He has given us Solomonic exposition of the difficulties which are going to occur—not one of which has ever occurred. The plain intent of the joint resolution, as the Senator knows perfectly well, is to prevent Germany from appropriating the property now in the United States belonging to the two nations she is now overwhelming. No other suggestion was made at all.

Mr. DANAHER. Let me say to the Senator from Virginia that I agree with that purpose, and hope we can achieve it.

Mr. GLASS. But the Senator is trying to upset it now, without any hearing whatsoever or any action by the committee of which he is a member; and he voted to report the joint resolution.

Mr. DANAHER. Mr. President, will the Senator from New York yield further?

Mr. WAGNER. I have yielded the floor.

Mr. DANAHER. Very well.

Mr. GLASS. I yield to the Senator from Connecticut.

Mr. DANAHER. I thank the Senator from Virginia.

Mr. WAGNER. Does the Senator from Connecticut desire to ask me a question?

Mr. DANAHER. No; I thought the Senator from New York had the floor, and I wanted to make certain. I thank the Senator.

Let me say to the Senator from Virginia what I am trying to have Senators realize in the consideration of the joint resolution is the very thing those members of the committee who were present at the committee meeting did not realize when they were there. Let me say to the Senator from Virginia that the Secretary of the Treasury came in and asked within the first 2 minutes he was there if he could turn over the explanation of the joint resolution to the general counsel of the Treasury, Mr. Foley, because he said, "I am a farmer; I do not know what the law is." That is what he said to us; that is all the explanation we got from Mr. Morgenthau. Then Mr. Foley undertook to explain it; and I will say to the Senator from Virginia that up to that minute we had never seen even a draft of this proposed resolution; and insofar as hearings are concerned, we had a hearing in which Mr. Foley, from the Treasury Department, undertook to explain what he said evidences of indebtedness and evidence of ownership of property meant.

Mr. GLASS. Did the Senator from Connecticut raise any objection to his explanation?

Mr. DANAHER. I certainly did not.

Mr. GLASS. Did the Senator ask him any questions?

Mr. DANAHER. Mr. President, let me say to the Senator from Virginia that I willingly and gladly voted to report the joint resolution from the committee; I would vote now to report the joint resolution, but I say to the Senator from Virginia that this is the place to consider this proposed legislation, and to consider it in its full intendment.

Mr. GLASS. The Committee on Banking and Currency is the place to consider the legislation and the matter which the Senator raises has never been brought to the attention of the Committee on Banking and Currency.

Mr. DANAHER. That is correct, and that is why we ought to consider it here.

Mr. WAGNER. Mr. President, if the Senator will yield to me, I wish to remind him that we did discuss in the committee some of the powers granted by the present act. It was then that the Senator from Virginia said to the Senator who raised the question, "Very well, do you want to propose any amendment?" And the Senator said, "No; I do not propose any amendments." Then I, as chairman, said, "Is there anybody here who desires to suggest any amendment or is any further hearing required?" The committee, as the Senator knows—he was very much interested and sat right next to me——

Mr. DANAHER. Indeed, I was interested.

Mr. WAGNER. The committee unanimously voted approval of the joint resolution.

Mr. GLASS. Mr. President, my attitude was and is that I should like, in an orderly and right way, to prevent Germany from stealing the property of the nations it has undertaken to conquer, but if we cannot do it in that way, I am in favor of doing it in the wrong way.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. GLASS. Yes.

Mr. DANAHER. I respect the position of the Senator from Virginia; I respect his valuable assistance to the Senate in his many long years of service to our country. That is precisely what he told us in the committee. He said, "I am in favor of doing it the right way if we can, but I am in favoring of doing it the wrong way if we cannot do it the right way." Is not that correct?

Mr. GLASS. Yes; certainly that is correct.

Mr. DANAHER. When the committee voted, as the Senator from New York says, it did not vote approval of the measure but voted to report it to the floor of the Senate. That is what we did do, and I am glad the committee reported it, because we are having an opportunity for the first time to let the people realize that instead of merely reaching property of Denmark and Norway, as was the announced purpose of the joint resolution, we are now extending the power of the President of the United States and the Secretary of the Treasury over all transactions described in the joint resolution of the people of the United States, regardless of where they may reside.

Mr. GLASS. No Member of this body has ever opposed delegation of power more than I have; I have voted against it every time; but this is not the way to circumscribe the President's power. A single Senator, who is not willing to go before his own committee, the Banking and Currency Committee, and present his proposition and have it there considered after hearing, brings it here on the floor without any hearing, without any committee action. I am utterly opposed to the proposition.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. BARKLEY. Is it not true that but for the doubt cast upon the exercise of the authority which the President thought he had, which the Treasury thought he had, and which the Attorney General held he had, this joint resolution would not be here?

Mr. GLASS. Of course not.

Mr. BARKLEY. The mere fact that Norway and Denmark happen to be the two nations with respect to which the proclamation and Executive order were issued does not make the joint resolution a law, as the Senator from Connecticut contends, that widens the powers of the President to do this thing, regardless of an emergency, but under the very act itself the President must declare an emergency to exist before he issues the Executive order.

Mr. GLASS. As a matter of fact, the best information was that he could do it under existing law.

Mr. BARKLEY. That is true.

Mr. GLASS. But it was desired to avoid the complications which might follow litigation. That is the only reason the joint resolution is here.

Mr. WAGNER. Mr. President, may I ask the Senator a question? I do not think he meant to say what he did say, that he wanted the people to know that we are now passing a law which may permit the President to deal with an emergency, no matter what country may be involved. That is the law today, and we are not attempting to amend the law in that respect. What the Senator proposes is to restrict the powers that have existed for 23 years, or at least since 1933.

Mr. DANAHER. Let me reply briefly and say to the Senator from Virginia that he should recall that a meeting was called for the Banking and Currency Committee for half-past two last Wednesday afternoon. If there was any Senator on our side of the aisle who knew the purpose of that meeting, I do not know who he was; certainly I did not. But, in any event, I was there at half-past two. I attended the meeting, which lasted at least 40 minutes, and Thursday afternoon, the following day, the Senator from New York undertook to tell the Senate that he did not know what was going to happen over night; that it was necessary to pass the joint resolution in about 8½ minutes, and he had to get unanimous consent for the purpose or else the dire result of the German invasion of Norway and Denmark would be visited upon the American people. I do not remember all he said, but the RECORD shows, and I made reference to it this morning. The fact of the matter is that he did not get unanimous consent then to consider the joint resolution, and it went over. We had Friday on which to transact business, and he did not call up the joint resolution on Friday. It was made the order of business for today, and today when he comes before the Senate and himself offers an amendment to the joint resolution and that amendment has been accepted.

Mr. President, now what he is proposing to do and what the joint resolution would do is to extend the existing power to evidences of indebtedness and evidences of ownership of property. The Treasury Department undertook to define property; and on April 10, 1940, this is what they were undertaking to control by this joint resolution. They were going to control the "property interests," which—

> Shall include, but not by way of limitation, money, checks, drafts, bullion, bank deposits, savings accounts, any debts, indebtedness or obligations, financial securities commonly dealt in by bankers, brokers, and investment houses, notes, debentures, stocks, bonds, coupons, bankers' acceptances, mortgages, pledges, liens or other right in the nature of security, warehouse receipts, bills of lading, trust receipts, bills of sale, other evidences of title or ownership, goods, wares, merchandise, chattels, stocks on hand, ships, goods on ships, real-estate mortgages, vendors' sales agreements, land contracts, real estate and any interest therein, leaseholds, ground rents, options, negotiable instruments, trade acceptances, royalties, book accounts, accounts payable, judgments, patents, trade-marks, copyrights, insurance policies, safe-deposit boxes and their contents, annuities, etc.

Mr. President, those are the things over which the President is trying to get control.

Mr. GLASS. And that is what was done 23 years ago. He has control over them now. Unhappily, the Solomon from Connecticut was not here to prevail upon Congress to accept his view.

Mr. DANAHER. Mr. President, I respect, of course, the senior Senator from Virginia. I am no Solomon from Connecticut or anywhere else; but if I were, Mr. President, and if I had been here in 1933, when the Senator from Virginia voted for the amendment to the act which struck out of the wartime powers this language regarding evidences of ownership and evidences of indebtedness, if I had thought it necessary and desirable I would have put it back in. The Senator from Virginia, a former Secretary of the Treasury, then knew that the President of the United States had no such peacetime power as would extend to that list of property under evidences of indebtedness. Consequently, it was purposely and willfully and legislatively omitted from the 1933 amendment, and it is not now in the law, and that is why the advocates of this measure are trying to put it in, and yet they say they are not trying to extend the power of the President to a hitherto unencompassed field. It is perfectly preposterous.

Mr. President, I do not claim to be any kind of a Solomon; but I do know that I have in my hand a piece of legislation which we are undertaking to construe, word by word, and find out what it means. In this case we are undertaking to extend the power of the President to hitherto unknown fields. If that is what the Congress of the United States wishes to do, it has the right to do it, but it should not do it in the name simply of protecting Danish and Norwegian securities against German sequestration. I am willing to do that. That may be done under the amendment I submitted, and under the joint resolution as drawn; but, Mr. President, let us not have any talk here to the effect that we had an opportunity to be heard, we had an opportunity to correct the law, we had an opportunity to do this and that. None of us ever even saw this proposal until we entered the committee room. We have had a chance to see it since then, and we have had a chance to correlate it with the

existing law; and we find that there is a usurpation and a brand new extension of authority and power.

For my part, I submit that the amendment which is pending will cure the situation, will permit the Treasury and permit the President to regulate and, in fact, prohibit the transfer of American-owned securities in which foreign governments or their nationals have an interest—Germany or anybody else. That can be accomplished; but there is no reason in the world why we should not limit the effect of the amendment in such fashion as that it will not inveigh against the normal peacetime operations of citizens of the United States.

Mr. CONNALLY. Mr. President, I have listened to what the Senator from Connecticut has to say about the so-called extravagant grants of power to the President of the United States in this joint resolution. It seems to me the joint resolution should be enacted in substantially the form in which it was reported by the committee. If it is sound for us to adopt this policy with reference to cash and checks, why should we not extend it to certificates of indebtedness and the ownership of stocks? Are they any more sacred than cash?

I thought money—actual money, sure enough money, silver money, gold money, or paper money if it is backed by gold—was the desideratum of all stock operations, and checks, and everything else. It is cash. If the President is to be given authority over cash—he already has it, for that matter—why should we not include certificates of indebtedness of any kind, and ownership of stock certificate? If we do not do that, we simply open up a loophole whereby there could be a pretended exchange of cash for stock certificates, and the stock certificates would not be subject to control, and the act would probably be nullified to that extent.

I see no harm in giving the President power to do those things. We in America certainly have a right to determine the conditions under which the property of foreigners may be transferred; have we not? Who has, if we have not? The joint resolution is general legislation. It is not to be enacted simply for the purposes of the present situation with regard to Denmark and Norway. It would have applied in the Spanish civil war. It would have applied in the war between Ethiopia and Italy.

It is applying now to the World War between the Allies on one side and Germany on the other side. So what is wrong with making it all-embracing? Either we should not take the step at all, or we should go the whole way. We should repeal the present act entirely, or we should make it comprehensive, so that it will operate in a fair and equitable manner.

If a foreigner has a certificate of stock in America, I take it that stock ought to be protected just as well as the money it represents.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. CONNALLY. I yield.

Mr. BARKLEY. Suppose an individual living in Denmark or Norway—they happen to be the two countries concerned now, but it might as well be an individual living in Belgium or Holland, if the situation should develop, or Italy, or some other country—has a million dollars in an American bank. Under the present law, nobody doubts that the President may protect that American money in an American bank to the credit of a foreigner. Suppose the same foreigner has a million dollars' worth of stock in General Motors or the Pennsylvania Railroad: The property represented by the stock is in the United States, but the stock may be in the capital of some nation that has been overrun by the troops of another nation.

Mr. CONNALLY. To be sure.

Mr. BARKLEY. By coercion, or duress, or some other influence, that stock might be delivered up to representatives of the invading government; and the result would be that by a sort of coercion or duress the million dollars, if the stock brought that amount on the market, could be taken charge of by the government that undertook to get it in that way.

Mr. CONNALLY. Exactly.

Mr. BARKLEY. What is the difference? All of the stock represents property in the United States, anyway.

Mr. CONNALLY. Certainly. I thoroughly agree with the Senator, and thank him for his observation.

For instance, the stock certificate might apparently be properly endorsed. It would not show the coercion. It would not show the bayonet sticking in the ribs of the man who owned it when he signed the transfer. I am talking about the citizen of Denmark, Norway, or any other foreign country. The transfer, the endorsement in blank of the certificate, would not reveal the bayonet sticking up right under the fifth rib of the owner of the certificate. It would not reveal the threat of the jail out yonder. There would be nothing about it that would enable one to hear the clanking of the owner's chains if he did not sign the transfer.

But if we permit foreigners to invest their money here, we owe them some duty. We owe a duty to foreign countries; and when the nationals of those countries invest in our securities, we owe them at least the duty, if we can exercise it, of seeing that they are not defrauded, that they are not robbed, that they are not "highjacked" out of their property. We should do all we can to preserve the sanctity of investments if we permit foreigners to make them here at all. So it seems to me this proposed legislation is in the interest of good will and security.

How many foreigners would send their money over here if they knew in advance that we would be indifferent to its sanctity? Why are they now sending gold and securities to the United States? Because there is an international belief and an international faith in the integrity of the United States Government, that it will protect and safeguard and secure the property even of aliens, that is legally and lawfully in the United States. I do not want to surrender anything of that kind. I do not want the United States to lose anything in the estimation of the world in regard to our willingness to treat aliens and foreigners in a fair and just and equitable manner. I think the enactment of this legislation will go a long way toward maintaining and sustaining that estimation of our attitude, and that its failure will subtract from that estimation which the world has.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Indiana.

Mr. MINTON. As I understood the Senator from Connecticut [Mr. DANAHER], he made some reference to extending to the rights of American citizens the powers in the hands of the President. As I understand, that would not occur unless the rights of American citizens were in some way related to the emergency which the President would announce in the beginning. Is that correct?

Mr. CONNALLY. I did not hear everything the Senator from Connecticut said. The Senator from Connecticut is here, and I will yield to him, if he desires, to answer the Senator from Indiana on that point.

Mr. MINTON. As I understood the Senator from Connecticut, he said that this joint resolution grants to the President of the United States a large power over the rights of American citizens. What I was inquiring was whether or not those powers over the rights of American citizens extended only to those citizens whose rights in some way related to the emergency.

Mr. DANAHER. Does the Senator wish me to answer him?

Mr. MINTON. Yes.

Mr. CONNALLY. Briefly. I yield only for an answer to the question, not for an address.

Mr. DANAHER. Let me say to the Senator from Indiana that all the joint resolution down to page 2, lines 5 and 6, applies only to American citizens. In one aspect of the matter, if we adopt the amendments that are contemplated in line 5, it may be said to apply to any evidence of indebtedness or any evidence of ownership of property in which any foreign government or a national thereof has an interest; and from then on, and to that extent, we have amended the existing law.

Does that answer the Senator's question?

Mr. MINTON. Yes; I think it answers my question, if I correctly understand the statement of the Senator to be that the property of the citizen will in some way be related to the country that is supposed to be in a condition of emergency.

Mr. GLASS. Mr. President, may I answer the question?

Mr. CONNALLY. I yield.

Mr. GLASS. It has been the law for 23 years. Can the Senator recall a single instance in which there has been complaint?

Mr. CONNALLY. I have heard no complaint, and I am sure that if there had been any complaint the Senator from Virginia would have heard about it.

Mr. MINTON. Does it not all come down finally to what the Senator from Virginia has just stated, namely, to the question whether or not we will trust the President to go ahead further with the exercise of this power which Presidents of the United States have had for 23 years?

Mr. CONNALLY. In essence, that is the question.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Kentucky.

Mr. BARKLEY. The first two lines of the present law and of the pending joint resolution fix the conditions under which these things can be done.

Mr. CONNALLY. Certainly.

Mr. BARKLEY. "During time of war." That may be a war in which we are engaged, or it may not be; but, if we assume it is a war in which we are engaged, the President may do these things. "Or during any other period of national emergency declared by the President."

Mr. CONNALLY. Certainly.

Mr. BARKLEY. He has to declare an emergency before he can do any of the things referred to in the present law or in the pending joint resolution.

Mr. CONNALLY. I thank the Senator from Kentucky, the Senator from Indiana, the Senator from Virginia, and the Senator from Connecticut for their illuminating interruptions.

The matter involved is the title and ownership to the property affected. Whether it be a stock certificate, or a check, or a piece of money, it is all property. The object is to give the Government some power of regulation and control over the transfer of ownership.

If I go into a pawnbroker's shop and find my watch, which some light-fingered gentleman may have lifted from my pocket while I was at the theater, or in the Senate restaurant, or somewhere else, if the pawnbroker knew that that watch was stolen, he was guilty of a criminal offense and would be liable to be put in the penitentiary or the workhouse, because he accepted property knowing it to have been stolen. If a check goes into a bank bearing a fraudulent endorsement, and the bank has reasonable notice that the check is forged, though it does not have to know it absolutely, it gets no title to the money or the check by taking it.

So it is with the proposed amendment of the law. The bankers have raised the point that if evidences of indebtedness and certificates of stock are presented and are properly endorsed, so far as the surface is concerned, they must accept them, though they may have been obtained by duress or through coercion or fraud. How can anyone object to giving the President, through his proper instrumentality, the right to investigate such a case? If such investigation shows that there was a proper transfer, that it was a transfer for value, that it was a transfer in good faith and upon honorable terms, does anyone contend that the President of the United States would decline permission to transfer the title? I do not think any Senator would so contend.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. ADAMS. I desire to ask the Senator a question as to a definition. As I understand, the words to be added are "evidences of indebtedness." I was wondering whether the Senator was accurate in saying that that would include stock certificates.

Mr. CONNALLY. No; but is there not another clause? It says "evidences of ownership of property." I was following the thought of the Senators who are presenting the joint resolution, and their contention is that the language "evidences of ownership of property" would include stock certificates. In other words, a certificate is merely an evidence that one owns so many shares of stock. I may be in error.

Mr. ADAMS. I understood the Senator to be including stock certificates under evidences of indebtedness.

Mr. CONNALLY. No. I referred to evidences of ownership of property.

Mr. WAGNER. A bond would be an evidence of indebtedness.

Mr. CONNALLY. Of course.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WAGNER. If it were possible to convert the property into cash, and an American citizen sent that cash to Denmark or Norway, under the amendment proposed by the Senator from Connecticut that would be a matter with which the President could not deal, as an emergency, at all, because the Senator now proposes to limit the power so that if an American citizen is interested, the regulations cannot apply. That would make the way wide open for all sorts of subterfuge.

Mr. CONNALLY. I thank the Senator from New York. It seems to me we should perfect the existing act by including all these kinds of property, or we should repeal it and do nothing about the matter at all.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. DANAHER. I merely wish to call to the attention of the Senator from New York the fact that there is no sense in the world in anyone's trying to claim either a debit or credit balance, respectively, in international exchange unless there is something tangible with which to make it good. The fact of the matter is that we have our gold buried here. In order to make good any credit balance, well established, if we do not make gold available under license, or furnish goods, no one gets it, and we always hold that control over it. That may be one answer to the Senator from New York.

Mr. CONNALLY. Suppose the Senator, anticipating a pleasure journey to Sweden or Denmark or Norway, should send over a certificate for $2,000, or five thousand, according to the amount of pleasure he anticipated, and deposited it in a bank in Sweden or Denmark. He would not have to get foreign exchange. He would deposit it in a bank over there. That would meet the situation pointed out by the Senator.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. DANAHER. If that were an undertaking to which I might be committed, supposing I would anticipate two-fifths as much pleasure in the one case as in the other, the fact is that I would get none unless the President gave me a license.

Mr. CONNALLY. Frankly, if the Senator contemplated a trip to Denmark or Norway during the pendency of the present war, I think it would be wise for the President to refuse him funds and keep him at home, and not endanger his life, or his useful public service, the distinguished career which he has already initiated, and is pursuing with great vigor. [Laughter.]

Mr. DANAHER. Mr. President, will the Senator yield further for a question?

Mr. CONNALLY. I yield.

Mr. DANAHER. Will the Senator express his view as to how he would feel if he himself wanted to make a similar transaction with the Argentine, for instance, or with some other country in South America, wholly unrelated to the war, but nonetheless a foreign state?

Mr. CONNALLY. If there were an emergency which threatened the national welfare, why should I not suffer some inconvenience, if I could thereby contribute to the alleviation of the emergency? Many American soldiers went across 3,000 miles of ocean and died on the fields of France because we were in a national emergency.

Is it any hardship for a Senator, with a fine office, a big automobile, and all that, to withhold sending a little money to Argentine, or getting on a boat, if necessary, and going there, if we are in a national emergency and if his remaining at home would lessen the emergency? I do not think so.

Mr. WILEY. Mr. President, I inquire what amendment of the Senator from Connecticut is now being considered.

The PRESIDING OFFICER (Mr. HUGHES in the chair). The amendment offered by the Senator from Connecticut [Mr. DANAHER] is now before the Senate.

Mr. WILEY. Does the Senator's amendment deal with language on page 1 of the joint resolution?

The PRESIDING OFFICER. Yes; on page 1, line 11, and on page 2, lines 6, 7, and 8.

Mr. WILEY. Mr. President, I wish to speak briefly to the joint resolution itself. As I understand the purpose of the amendment offered by the Senator from Connecticut, it is to limit the power the President now has so that he may not exercise it in relation to transactions by American citizens. I wish briefly to state my ideas on that subject.

We know that last year in Europe, long before the Nazis struck, they infiltrated the countries they were going to strike with what we now recognize as the "fifth column." That "fifth column" has special application to the pending joint resolution. The Nazis would send a group into the country they meant to conquer. That group would become acquainted with the whole financial structure of that country—their corporations, directorates, holdings abroad, and so forth.

I happen to know that in Norway the majority of the stock of any Norwegian corporation must be owned by Norwegian citizens for the simple reason that then those citizens can determine who shall be the directors of the corporation. Norway today has the third or fourth largest merchant marine in the world, and one way for the Nazis to obtain control of that merchant marine would be to get control of the majority of stock, and then vote themselves in as directors of the corporations. Americans are interested in some of these mercantile organizations.

Some months ago there was published in an American magazine an article written by a gentleman who had visited one of the countries of Europe and had seen how this infiltration went on.

Mr. President, we are interested in that situation not only for the reason that Norwegians and Swedes have investments in their own corporations but many Americans have investments in Norwegian and Swedish corporations in the same way that citizens of foreign countries have investments in our corporations. I feel that the object of the measure itself, and the amendment proposed by the Senator from New York particularly, is one to which we should give real consideration, and that the legislation should be passed.

I wish to refer to one other matter. By the passage of the joint resolution, which is virtually a reenactment of existing law, we give notice to the ruthless marauders and brigands of the world that, so far as America is concerned, we will protect the private property of the citizens of those nations which are ruthlessly invaded, and that we stand for international law, according to which the private property of a citizen in an invaded country may not be confiscated. Under the policy pursued by the invaders, private property now has no sacredness. It becomes the property of the invaders.

As to the particular amendment proposed by the Senator from Connecticut, it seems to me it presents the question whether or not we want to limit the President of the United States to the protection of the property in this country belonging to the citizens of foreign countries. I believe we should also protect the rights of the citizens of this country in their property interest in foreign corporations.

At this time I personally feel that the amendment proposed by the Senator from Connecticut should not be adopted.

Mr. REYNOLDS. Mr. President, this morning I read a very interesting editorial published in the columns of the Washington Times-Herald, which appears to be a reprint from the New York Daily News, entitled "The C. C. C. Is O. K., But—"

I may state at the outset that I became interested in that article for the reason that since 1936 our appropriations for national defense have been doubled, and we are now engaged in spending hundreds of millions of dollars, totaling into the billions, in order that we may provide for ourselves an adequate national defense, which millions of dollars I hope are being expended for the purpose of developing forces for defense purposes only, and not for the purpose of participating in any of the quarrels of Europe or in the wars of Asia.

Mr. President, in connection with strengthening our national defense, I have from time to time, for a number of years, advocated that we inaugurate military training in the C. C. C. camps, believing as I did then, and as I do now, that we should unquestionably make utilization of the opportunity presented to provide military training for the boys who are now in those camps, and which I believe we should have provided for the 2,500,000 who received work in those camps since the inauguration of the C. C. C.

I read the article in the form of an editorial that I mentioned a moment ago, published in the Times-Herald, from the pen of Captain Patterson, the editor and publisher of the New York Daily News. He writes:

> C. S. Marsh, former educational director of the Civilian Conservation Corps (C. C. C.), contributes to the Forum magazine an interesting article on the C. C. C.'s achievements to date.
>
> It is a notable record that this most popular, most widely approved New Deal agency has rolled up.
>
> In the 7 years since it was established, the C. C. C. has "graduated" about 2,500,000 young men, who have stayed with it an average of 9 months each.

Then the editorial quotes a paragraph from the article of Mr. Marsh, as published in the Forum. Captain Patterson in his editorial continues:

> You could hardly ask better returns than those for the money the taxpayers have put into the C. C. C.
>
> We're in accord, too, with Mr. Marsh's expressed hope that the C. C. C. may soon be placed by Congress on a permanent basis. The Agriculture and Interior Departments have mapped out 30 years' more conservation work that needs to be done in this country, and the C. C. C. is the logical outfit to do the bulk of that work.
>
> Congress has now continued the C. C. C. to July 1, 1943. On or before that date, we hope the corps will be established as a permanent Federal Government agency, and a highly important one.

Mr. President, I think the American people, as a whole, are entirely in accord with the National Legislature, our Congress, in the conviction that the C. C. C., this New Deal agency, has done a marvelous work, not only in the development of certain resources of our country, but in the actual preservation of others. I know of no more humanitarian action we could possibly have taken during the trying days, 7 years ago, when we were legislating for the establishment of these camps. At that time there were hundreds of thousands of young men, the flower of our citizenship, who unfortunately were unable to secure positions here, or there, or anywhere. They were wandering around the streets of the great metropolitan centers of our country unable to locate themselves in employment.

By providing them with an opportunity to develop themselves mentally as well as physically, we also fortunately provided them with an opportunity to help their mothers and fathers, many of whom were aged and unfortunately were not possessed of any worldly goods. They were financially embarrassed and physically depleted and unable to care for themselves. In addition, at that time their sons had no opportunities for employment. By the inauguration of the C. C. C. camps we not only provided employment for hundreds of thousands of young men—an average of 300,000 annually—but we gave them an opportunity to contribute to the welfare, maintenance, and support of their mothers and fathers. As we recall, $20 out of every $30 a month paid to a C. C. C. boy goes to his parents for their support. I have yet to hear of a single case of a man in any C. C. C. camp who has refused to contribute or complained that he was forced to make a monthly contribution to his parents.

Mr. President, all this is evidence—certainly to my mind—that America will never be in any danger so long as the sons

and daughters of America respect their parents. If we are desirous of ascertaining the character of any young man or woman, we have but to inquire whether or not he is interested in the comfort, happiness, and contentment of his parents. I am proud of the boys of the C. C. C. camps. The probabilities are that eventually, at the expiration of the present period in 1943, the Congress of the United States will decide to continue this organization as a permanent part of the American Government.

Captain Patterson in his editorial continues:

At this point, however, we part company with Mr. Marsh. Because at this point Mr. Marsh goes into a superpacifist dance which became antique and outmoded the moment Europe went to war again last fall.

Mr. Marsh thanks the C. C. C.'s allegedly lucky stars that it has been devoted to building strong and characterful and peaceable young men; that no breath of military activity has ever sullied its fair set-up. "The C. C. C.," he exults, "has never been more military than the Boy Scouts."

Though Mr. Marsh praises the Army for its management of the C. C. C. up to now, we seem to read between his lines a hope that the Army may be dislodged from C. C. C. supervision pretty soon and a bunch of bureaucrats and professional uplifters be put in charge.

Of course, this kind of talk about the C. C. C. always has been the bunk. Since Europe went back to war it has become dangerous bunk to boot.

Though most of us want to stay out of this war, our interventionists and hystericals may yet drag us into it.

I hope not, Mr. President.

Our State Department further is just after warning Japan to keep out of the Dutch East Indies though the Netherlands fall to Hitler as Denmark did. That warning may mean war for us in the Pacific.

I hope not, Mr. President. I realize, of course, that the probabilities are that the greater portion of essential materials of war, in the form of tin and rubber, comes from the Dutch East Indies and the British East Indies; but I hope we shall never find occasion to take up arms in the Pacific, regardless of the fact that during peacetime we are daily in need of supplies of tin, rubber, and materials of that sort, which we would need in great quantities during wartimes.

Speaking of tin and rubber, I suggest that we interest ourselves more thoroughly in the development of the tin mines which are to be found plentifully in one of our sister republics to the south—namely, Bolivia—and that we lend encouragement to some of our industrialists in their desire to develop rubber plantations in the Yucatan portion of Mexico, in some of the Central American countries, and particularly in Brazil.

The captain continues:

Our Navy is our first line of defense.

I disagree with him. A number of years ago, prior to the time the first airplane made its flight in my State of North Carolina, I was of the opinion that the Navy was our first line of defense; but times have changed. Today I believe that our first line of defense is the airplane. I believe that air power has outmoded naval power. By the way, speaking of airplanes and battleships, the other day I read with much interest the printed account of a debate between our Secretary of the Navy and our colleague, the Senator from North Dakota [Mr. NYE], in reference to battleships and airplanes. The debate was presented through the columns of the Washington Daily News, which, with other daily newspapers of the country, carries that feature each Saturday.

The Secretary of the Navy ventured the opinion that battleships are indeed our first line of defense. He said he believed that the Navy is the arm upon which we now depend, and must always depend, or words to that effect, because John Adams, a President of the United States, believed that the Navy was the first line of defense.

I was somewhat surprised at that statement, because John Adams never heard of an airplane. A phenomenal development has taken place within the past few years in the development of air power. If one is desirous of making a comparison between the value and the work of battleships of the Navy and airplanes, one has but to take into consideration the fact that one battleship costs $80,000,000. Two big ships which we now have in contemplation, of 45,000 tons each, will cost approximately $100,000,000 each. For $100,000,000 we can buy a tremendous fleet of battle planes, capable of traveling at the rate of 400 miles an hour and transporting without difficulty, at an altitude of 10,000 to 20,000 feet, many tons of high explosives. In making the comparison, one might well consider the fact that a battleship requires 11 days to proceed southward from San Francisco to the Canal, through the locks, and northward to the city of New York, whereas a fleet of battle planes, costing no more than one battleship, and carrying tons of high explosives, can negotiate the distance from San Francisco to the metropolis of New York in 11 hours. We merely have to compare 11 days with 11 hours.

Captain Patterson continues:

But our Army is the second line, and it is conceivable that some day, somehow, we might be forced back on that second line.

Perhaps, Mr. President; but if we are successful in forging a chain of steel around the portion of the western hemisphere in which we are interested, if America ever becomes involved in a war, regardless of the strength of her enemies, there will never be an opportunity for her enemies to penetrate that steel band and thereby attack the Army, which Captain Patterson sees fit to declare is our second line of defense.

In passing, Mr. President, I remind the Members of this body that recently I introduced a joint resolution authorizing the President of the United States to enter into negotiations with the Governments of France and Great Britain with a view to acquiring certain island possessions in the Caribbean and in the North Atlantic, in the form of outposts, which outposts would serve as links in the steel chain with which I think we should encircle the northern portion of the Western Hemisphere, so that if we are ever drawn into a conflict due to no fault of ours, all the fighting will take place outside continental United States, thereby guaranteeing that not one drop of blood will ever be shed upon the soil of the United States of America.

In speaking of welding a chain of steel around the portion of the Western Hemisphere in which we are interested, I have in mind first the protection of the Panama Canal. I speak of it particularly at this hour for the reason that at this session, only a few weeks ago, an appropriation of $15,000,000 was made for the purpose of beginning surveys and starting upon a third set of locks in the Canal Zone, which will cost the taxpayers of this country $300,000,000 in addition to the millions we have already expended in order that our Navy may continue to be a two-ocean Navy. In order further to protect and safeguard the Canal, I have suggested that we make peaceful acquisition of Trinidad, which is just off the coast of Venezuela, and of the islands of Great Britain and France in the Leeward and Windward groups and northward, taking in Bimini and Nassau, Jamaica and Bermuda, the latter of which would provide us with our only outpost on the north.

Proceeding northward, Mr. President, I am pleased at this time to have the opportunity of making mention of the fact that within recent weeks many people of America have become unduly excited in reference to the location of Greenland and Iceland. Many have said that now perhaps there might be a transfer of these island possessions for one reason or cause or another to some other power, and that we might be subject to attack from them. Of course, anyone who will look at the map of the world will see that Greenland, as a matter of fact, is several thousand miles away from the port of New York, and that Iceland itself is about 3,000 miles away from New York. However, I wish to say to those who have become excited that if we are successful under my resolution in acquiring island possessions of the French, we will have taken over peacefully the islands of St. Pierre and Miquelon, which are located only a few miles from the coast of Newfoundland, and there, if necessary, we could establish air bases, and, if necessary, naval bases to meet any attack which might come from Greenland or Iceland or from the northeast.

In addition to that, Mr. President, I have suggested the acquisition of the islands mentioned by our President, those belonging to the Republic of Colombia just south of Ecuador, and, to follow his suggestion, it would be well, I think, to endeavor to secure the Cocos Islands, a group belonging to

the Republic of Costa Rico. Further north, in welding this steel chain around the United States, I think that now, when we are considering the national defense, we should endeavor by peaceful negotiation to secure from our sister republic to the south, Mexico, the peninsula of Lower California, which belongs to that Government, in order that we might be assured that no air bases of an enemy nation would ever be established in Lower California; and in addition thereto, in order that no enemy battleships, cruisers, or submarines could find a haven and place of security on the ocean between the peninsula of California and the mainland of Mexico.

Of course, we all know that in the Hawaiian Islands we have Schofield Barracks, the finest fortifications in the world, and the strongest, not excepting Singapore in the Malay States.

Proceeding north, I want to say again that I was disappointed, as was my distinguished colleague from Washington, the other day, when we learned that there was stricken out an appropriation of $12,300,000 which was to have been utilized in strengthening our defenses at Sitka, Unalaska, and Dutch Harbor in the Aleutians, the westernmost of which, Attu, is only 2 hours from the territory of Japan and Russia.

If that steel band or chain were welded around the United States, no fighting would ever take place upon its borders; no American blood would ever be spilled upon our virgin soil, and no American need have any fear of any of the nations that are now weakening themselves in Europe or those that are being weakened in Asia, attacking our country, which is the most fortunately situated geographically of any country on the face of the earth.

Captain Patterson concludes his editorial by stating:

If we get into a war, it will be men of C. C. C. age who will be drafted to do most of the fighting.

To train the C. C. C.'ers in the fundamentals of warfare now would be a great kindness to them as well as a first-class piece of war-risk insurance for ourselves.

I am in thorough accord with that statement of Captain Patterson, because I think that we would not be discriminating against them, but we would be preparing them and providing them with a better opportunity to secure commissions and become officers than the sons of the rich who have not had the opportunity of rubbing shoulders with their brother Americans in the C. C. C. camps. As Captain Patterson says:

The talk about such training being discrimination against poor boys and in favor of rich boys is close to tops in bunk. If and when the draft takes all the young men, rich and poor, the C. C. C. boys who have shown up well in their training will get the noncom jobs and boss the completely raw recruits around.

We ought to toss the sentimentalists and sob sisters over the side as regards the C. C. C. and institute military training in the outfit right away.

He concludes by saying:

And while we're making the makings of a quickly expandible army—two ships for one.

I ask that the newspaper clipping which I sent to the desk may be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEFENSE LOOPHOLES

(By Raymond Clapper)

One glaring hole is left wide open in our defense preparations and it needs immediate attention.

We are neglecting to lay in adequate stocks of rubber and tin.

These two commodities, essential alike for military and civilian needs, must be imported from across the Pacific, from the Dutch and British East Indies, at which Japan is looking hungrily. We might as well neglect to lay in an adequate supply of battleships and airplane factories, for they are no more vital than the materials which are as basic to our industry as rubber and tin.

It is elementary that our national defense requires protection with regard to these supplies. And it also is elementary that if anything should happen in the Far East to cut off our supply of rubber and tin, we should, at best, be quite some little time in reopening that traffic route.

Yet, in face of that situation, we have on hand in this country just about enough rubber to last us 3 months. We have just about enough tin to last us 10 weeks.

It is not that the State Department is asleep. For 3 years it has been trying to get action. It has tried, with practically no success, to induce private industry to lay in heavy reserve stocks. And it has been trying, with very little more success, to induce Congress to buy up reserve stocks. Yet we are still on a reserve which would last us but 3 months if our imports were suddenly interrupted.

In 1937 the State Department asked Congress for authority and money with which to lay in emergency stocks of rubber, tin, and some other strategic raw materials which are not produced in this country. Finally last summer the authorization was obtained—but the amount of money allowed was pitifully inadequate.

The Government asked for $25,000,000 a year. Last year Congress gave $10,000,000, which if spent entirely on rubber would purchase less than a month's supply.

This year, with war raging and spreading, Congress was asked to at least carry out the original schedule and appropriate $40,000,000, to compensate for last year's short-change. But Congress appropriated $12,500,000, graciously allowing $3,000,000 to be spent at once and the remainder during the fiscal year beginning next July 1.

In terms of what we are spending on other and no more essential kinds of preparedness, that is chicken feed. A few days ago the Senate passed a naval appropriation bill carrying $963,000,000. It has voted money to start a third set of locks at Panama, to cost, perhaps, $300,000,000. Probably another naval expansion to cost $650,000,000 will soon be voted. The Army supply bill runs to $785,000,000, and the War Department is asking for $42,000,000 more. Yet we are content to ride along blithely on a 3-month supply of rubber and tin, beyond which we are at the mercy of the outside world.

In terms of normal consumption of rubber and tin, the inadequacy of these funds for reserve purchases is equally glaring.

Last year our tin imports cost $71,000,000. Our rubber imports cost $178,000,000, and the price was low—the same quantity now would cost about $230,000,000. Yet Congress allows $12,500,000 for building up reserves of all strategic materials during the next year.

Recent developments abroad have intensified the Government's concern over this situation, and it is possible that Congress will be asked to reconsider and to look with more foresight at this vital phase of our national defense.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Connecticut [Mr. DANAHER].

The amendment was rejected.

Mr. DANAHER. Mr. President, there is lying on the desk another amendment which I submitted on Friday last and which I now call up and offer at this time. That amendment is one which would provide that the joint resolution as amended would terminate on May 1, 1941. May it be stated at the desk, please?

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut will be stated.

The CHIEF CLERK. At the proper place it is proposed to insert the following:

This joint resolution, as amended, shall terminate May 1, 1941.

Mr. DANAHER. Mr. President, this particular amendment presents no special question. In view of all the positions announced by those in charge of the joint resolution, and the grants of authority contained in the joint resolution itself, and in view particularly of the fact that it is intended to apply to the national emergency as defined by the President, if we extend the act until May 1, 1941, Congress will return in January 1941, and will have been here 4 months by May 1, 1941. It will then be able to deal with the situation then confronting it, and if a further extension of the powers of the act is then called for, we can extend it just as we did with reference to the reciprocal trade agreements program. If, however, there is no longer any such emergency, then the powers herein conferred would terminate automatically on the date mentioned. That briefly is the purpose of the amendment.

Mr. WAGNER. I hope amendment will not be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER].

The amendment was rejected.

Mr. TAFT. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 1, after the word "credit", it is proposed to insert—

other than credits relating solely to transactions to be executed wholly within the United States.

Mr. TAFT. Mr. President, I have sufficient sympathy with the purposes of the pending joint resolution so that I do not like to oppose it, but it seems to me that as Members of the Congress we certainly would stultify ourselves if we should vote for the joint resolution without some such amendment. No other measure, so far as I know, has proposed to delegate such completely arbitrary powers to the President of the United States to all kinds of transactions. So far as I can see, under this joint resolution he could issue tomorrow regulations which would require me to obtain a license before I could draw a check on my own bank account in any bank of the United States without any reference whatever to foreign affairs, or any reference to anything except the fact that there is a transfer of credit involved in my checking on my account in any bank in the United States.

The joint resolution, in the first place, uses the words "during time of war."

I assume that means during time of war in which the United States is engaged, although the term is ambiguous and subject to interpretation. The President might say that it meant whenever any war was going on anywhere in the world—and there nearly always is a war going on at some place—or during any other period of national emergency declared by the President.

Frankly, Mr. President, that does not mean anything. It means that at any time, under any circumstances, the President may go ahead and exercise the powers. As proof of that fact, the President actually did issue regulations under that provision of national emergency in 1934, and those regulations have been continuously in effect ever since that time. Presumably, therefore, the President considers that we have been in a perpetual state of national emergency ever since 1934. What that emergency is, I do not profess to understand, unless it is one brought about by the measures we have taken to try to restore prosperity.

The joint resolution then says in effect, therefore, that at any time the President may proceed to regulate what? First, transactions in foreign exchange; second, transfers of credit between or payments by or to banking institutions as defined by the President. That is not related to any foreign government; it is not related to any foreign transaction; it is not related to anything except transfers of credit between banking institutions or payments by banking institutions, which covers every single payment on every check which may be drawn in the United States.

Originally, when this act was passed during the war, the words which I seek to insert by the pending amendment were in the act. They did specifically exempt transactions which were entirely within the United States and entirely completed within the United States. That was at least some limitation. Congress felt that even in time of war we ought to have that limitation, and ought not to try to confer such broad powers. If there is no war, it certainly seems that those words should be inserted, so that at least this measure may be confined to foreign transactions.

The new words which are proposed to be inserted in the law prohibit, without license, any transfer, withdrawal, or exportation of, or dealing in, any evidence of indebtedness or evidence of ownership of property in which any foreign state or a national or political subdivision thereof has any interest. That means that because there is a war in Europe the President may prohibit any citizen of the Argentine, say, from transferring any bank account in the United States or drawing any check in the United States. Of course, it is said that the President is not going to exercise those powers; but if he is not going to exercise them, then we should not grant him the powers. We have on the books a long series of statutes giving to the President various kinds of emergency powers. The time has come when Congress should assume its own function of legislation, when it should not delegate to the President arbitrary power; and after this amendment shall have been disposed of I propose to offer another amendment providing that this power shall apply only to any foreign state which the President finds to be involved in actual warfare.

A much more far-reaching principle is involved here than the question of whether we are going to prohibit credits for Norway and Denmark. It seems to me this legislation could have been so drawn as simply to give the President the powers he may actually have to exercise in real emergencies between now and the time Congress returns. I can see no reason why we should give the President power to regulate by license, if he sees fit to do so, without further action by Congress, every transfer of every bank account of any individual in the United States.

I cannot understand from the author of the joint resolution what possible objection there can be to inserting in it these words, which were in the law for a long time. They were taken out, as I understand, in order that the President might have during the bank emergency the extraordinary power to close the banks; and the proof that this measure does apply to domestic transactions is that this is the statute, and the words "transfers of credit between or payments by or to banking institutions as defined by the President" are the words under which the President of the United States closed every bank in the United States and forbade any bank to pay any check that any individual might draw.

Mr. WAGNER. Mr. President, I hope the amendment will not be adopted. The arguments which have been made as to the changes proposed by the Senator from Connecticut [Mr. DANAHER] apply with equal force to that now proposed by the Senator from Ohio.

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Sheppard
Ashurst	Donahey	La Follette	Shipstead
Austin	Downey	Lodge	Slattery
Bailey	Ellender	Lucas	Smathers
Bankhead	Frazier	Lundeen	Smith
Barbour	George	McKellar	Stewart
Barkley	Gerry	McNary	Taft
Bilbo	Gillette	Maloney	Thomas, Idaho
Bone	Glass	Mead	Thomas, Okla.
Bridges	Guffey	Miller	Thomas, Utah
Brown	Gurney	Minton	Tobey
Bulow	Hale	Murray	Townsend
Burke	Harrison	Norris	Truman
Byrd	Hatch	O'Mahoney	Tydings
Capper	Hayden	Overton	Vandenberg
Caraway	Herring	Pittman	Van Nuys
Chandler	Hill	Reed	Wagner
Chavez	Holman	Reynolds	Walsh
Clark, Idaho	Hughes	Russell	Wheeler
Clark, Mo.	Johnson, Calif.	Schwartz	White
Connally	Johnson, Colo.	Schwellenbach	Wiley

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

The amendment was rejected.

Mr. TAFT. Mr. President, I offer an amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to insert on page 2, line 6, after the word "state", the words "which the President finds to be involved in actual warfare."

Mr. TAFT. Mr. President, the purpose of the amendment is to confine the operations of the act to those nations which are in some way involved in war, or the nationals of such countries, and not give the President power to limit transactions which may be related to Argentina or any other South American country, or any other country throughout the world.

I have made the language somewhat broader than that of the neutrality act, making it apply to any foreign state "which the President finds to be involved in actual warfare." I think that would cover Denmark and Norway, as well as other nations. Denmark is certainly now involved in the World War, having been invaded by the German Army, and being administered by the German Army. I see no reason why the contemplated powers should be granted regarding securities of Argentine citizens, for instance, so that such a

citizen living in this country would be subject to any kind of regulation.

Mr. WAGNER. Mr. President, I hope the amendment will not be agreed to. It would actually exclude Denmark altogether, because they are not involved in any war at all.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was rejected.

The PRESIDENT pro tempore. The question now is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 252) was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7737) to amend the Judicial Code by adding a new section thereto, designated as section 266a, to provide for intervention by States in certain cases involving the validity of the exercise of any power by the United States, or any agency thereof, or any officer or employee thereof, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. WALTER, Mr. SATTERFIELD, Mr. GUYER of Kansas, and Mr. GWYNNE were appointed managers on the part of the House at the conference.

THE TENNESSEE VALLEY AUTHORITY

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1374, Senate bill 2925, to amend the Tennessee Valley Authority Act of 1933.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2925) to amend the Tennessee Valley Authority Act of 1933, which had been reported from the Committee on Agriculture and Forestry with amendments.

The PRESIDENT pro tempore. The clerk will state the first amendment of the committee.

The first amendment of the committee was on page 1, line 10, after the word "States", to insert the words "and the counties therein."

Mr. DANAHER. Mr. President, this is the particular amendment which led to the discussion a few days ago between the Senator from Nebraska [Mr. NORRIS] and me. As a result of the bill having been called up from the calendar on April 12, as I recall, I wrote to the Tennessee Valley Authority and asked them to submit to me certain information. I think the information I then asked for might be put before the Senate in preliminary form by having the RECORD show the questions I asked. I ask unanimous consent to insert at this point in the RECORD a copy of my letter of April 12, directed to the Tennessee Valley Authority.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 12, 1940.

TENNESSEE VALLEY AUTHORITY,
Woodward Building, 1426 H Street NW., Washington, D. C.

GENTLEMEN: Of course, you are familiar with the pending Senate bill 2925, which would amend section 13 of the Tennessee Valley Authority Act of 1933. Equally, I am sure, you will appreciate that extending the act to include not only the States but "the counties therein" marks a departure from the principle upon which the original act was written. It may well be that this bill should pass, but there certainly must be a great many factors to be considered not readily apparent from either the bill or the committee report. In the report we read: "The experts representing the various localities and States and the experts of the Tennessee Valley Authority have worked out a solution, however, which is satisfactory to all parties concerned * * *."

I would like very much to have information:

(1) As to the value of the lands in the affected counties which has been taken by the Tennessee Valley Authority.

(2) The value of buildings and structures thereon which has now been taken out of the ratable property lists of the affected counties.

(3) The amount of taxes lost by each of the counties, if you have that information so itemized; and if not, the total of the taxes lost by the affected counties.

(4) The amounts in dollars paid for the lands within each of the affected counties taken for use by the Tennessee Valley Authority.

(5) The increase in value of properties within each of the States affected as a result of our construction under the Tennessee Valley Authority.

(6) If possible, an estimate of the increase in the value of the properties contiguous to the Tennessee Valley Authority and served by it.

(7) An estimate, by States, of the value of the advantages to the respective States by virtue of the presence of the Tennessee Valley Authority operations.

I assume that the foregoing or substantially similar information must have been available to you in the course of your consideration of the problems upon which the committee reports an agreement has been reached. I would greatly appreciate the courtesy of your writing me as fully as you choose at the earliest convenient opportunity, that I may have the information at hand in giving proper consideration to this bill.

Please believe me with appreciation,

Faithfully yours.

Mr. DANAHER. In reply to that particular letter of inquiry, I received a letter from the Tennessee Valley Authority under date of April 23.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BARKLEY. Before the vote was taken on the joint resolution which was passed a few moments ago a number of the Members of the Senate were compelled to leave the Chamber, and expressed the desire that the bill now pending should go over until tomorrow. The Senator from Nebraska [Mr. NORRIS], who is in charge of the bill, has acquiesced in the suggestion. I wonder whether the Senator from Connecticut, in view of that situation, would prefer to make his remarks now or wait until we resume the consideration of the bill tomorrow.

Mr. DANAHER. Mr. President, I acquiesce thoroughly in the purpose of the Senator from Kentucky to have the matter go over until tomorrow, but I believe that, having submitted my letter of inquiry of April 12, I should complete the record, so that the Members of the Senate will have before them the answer I received and the tables supplied to me by the T. V. A. I think the information therein contained will facilitate understanding and consideration of the matter in due course.

It will also be noted that the T. V. A. state in their letter to me that certain data will be in my hands before May 1; and since that means tomorrow, I think it is apropos that the matter go over until we receive those data.

I ask unanimous consent that the response of the T. V. A. to my letter of April 12, with the appended tables, be printed in the RECORD at this point as a part of my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TENNESSEE VALLEY AUTHORITY,
Knoxville, Tenn., April 23, 1940.

The Honorable JOHN A. DANAHER,
United States Senate, Washington, D. C.

DEAR SENATOR DANAHER: Your request of April 12 addressed to our Washington office has been referred to me for reply. Our response has been delayed in order to send with it as much as possible of the material in the form required by the terms of your inquiry. A substantial volume of data has already been assembled, analyzed, and submitted to the Congress, to which reference is made in this letter.

Much of this material has been reexamined and has resulted in its reclassification for the purposes of items 1, 2, and 3. Data relating to former assessed values and taxes on real-estate and electric-utility properties acquired by the Authority, by counties, are enclosed herewith in the form of tables I to V, inclusive. Improvements and land are typically consolidated for assessment in the affected areas, consequently separate valuations for buildings and structures are not available. It should be pointed out that data for land being acquired for the Kentucky and Watts Bar Dam projects, under construction, are not included in the tabulations, since only rough preliminary estimates are available for these projects at this time. Final land-purchase lines have not yet been established for these two reservoirs.

Item 4: The Authority's data on the purchase price of land and electric-utility properties have been compiled by projects. For example, accounts and records with respect to land are established in terms of an entire reservoir area; similarly, electric-utility properties are recorded in terms of the company systems in the purchase units as acquired. Your request for a break-down of this same material by counties necessitates a new tabulation. These data will be in your hands before May 1.

Items 5 and 6: Unfortunately it is not possible to respond to these questions in any degree of reliable precision. Insofar as these questions can be illuminated by assessment data, material is available in the hearings * * * on the independent offices appro-

priation bill for 1941 before the subcommittee of the House Committee on Appropriations, part 2, pages 1735–1745.

Item 7: This question is covered in the same volume, beginning at page 1745, through page 1751.

Very truly yours,

GORDON R. CLAPP,
General Manager.

TABLE I.—*Estimated former assessed valuations of and property taxes levied upon electric utility property and reservoir land purchased in Tennessee by the Tennessee Valley Authority, by counties* [1]

County	Electric properties		Reservoir lands	
	Assessed valuation	Tax levy [2]	Assessed valuation	Tax levy
Anderson	$588,680	$15,777	$119,281	$3,245
Bedford	359,246	5,981		
Bledsoe	544,630	15,794		
Blount	468,740	9,469		
Bradley	1,291,867	31,908	100,120	2,233
Campbell	387,510	14,725	364,445	12,974
Cannon	378,620	7,270		
Chester	2,500	60		
Claiborne			327,483	8,253
Clay	1,950	67		
Cocke	305,863	7,708		
Coffee	159,760	2,716		
Cumberland	34,270	1,069		
Davidson	1,165,836	11,630		
Decatur	209,600	5,659		
De Kalb	5,050	111		
Dickson	67,920	1,603		
Fentress	1,500	36		
Franklin	564,470	9,011		
Gibson	4,384	100		
Giles	110,840	2,337		
Grainger	6,500	151	96,055	1,988
Grundy	175,980	5,579		
Hamblen	32,500	591		
Hamilton	2,474,319	42,134	827,820	14,570
Hardin	144,100	3,992	125,645	2,726
Hawkins	55,000	1,001		
Haywood	68,657	1,456		
Henderson	82,480	2,408		
Henry	35,100	740		
Hickman	608,960	13,214		
Houston	2,600	55		
Humphreys	116,630	2,239		
Jefferson	408,838	9,894		
Knox	1,344,763	19,499		
Lake	7,350	128		
Lauderdale	45,114	1,128		
Lawrence	100,250	2,376		
Lewis	451,715	11,835		
Lincoln	203,780	3,709		
Loudon	828,540	16,322		
Madison	102,668	1,766		
Marion	3,225,195	82,929	20,950	434
Marshall	408,850	8,463		
Maury	636,835	10,444	[3] 27,267	[3] 390
McMinn	1,515,940	34,412	70,730	2,334
McNairy	91,260	2,601		
Meigs			285,920	7,577
Monroe	809,260	22,630		
Moore	64,330	1,392		
Morgan	118,050	4,014		
Obion	41,060	772		
Perry	81,980	1,533		
Pickett	500	13		
Polk	5,587,600	117,898		
Putnam	55,975	1,355		
Rhea	900	25	333,370	9,568
Roane	280,729	9,819		
Rutherford	926,858	15,571		
Sequatchie	372,500	7,562		
Sevier	449,633	14,029		
Shelby	892,949	7,858		
Smith	149,420	2,540		
Sumner	44,570	704		
Tipton	61,188	1,603		
Union			1,087,978	24,153
Van Buren	537,390	10,479		
Warren	2,230,910	39,011		
Wayne	643,560	18,792		
Weakley	73,480	1,424		
White	1,425,430	33,498		
Williamson	383,240	5,412	[3] 50,100	[3] 705
Wilson	500,260	6,854		
Total, all counties	35,559,041	746,885	3,837,164	91,150

[1] Data in general are for last tax year property was in private ownership. The following properties are not included because the assessed valuations are not available at this time:

County	Acreage	Use
Giles and Maury	500.5	Phosphate lands.
Polk	58.2	Hiwassee project, railroad yard.
Do	84.5	Substation sites.

[2] County tax levies include those for special school districts.
[3] Phosphate lands.

TABLE II.—*Estimated former assessed valuations of and property taxes levied upon electric utility property and reservoir land purchased in Alabama by the Tennessee Valley Authority, by counties* [1]

County	Electric properties		Reservoir lands	
	Assessed valuation	Tax levy [2]	Assessed valuation	Tax levy [2]
Colbert	$169,712	$2,461	$201,075	$2,916
Nitrate plants, villages, etc.			[3] 44,374	[3] 643
Franklin	41,131	596	[3] 5,708	[3] 83
Jackson			547,000	7,932
Lauderdale	94,190	1,366	395,054	5,723
Lawrence	38,432	762	210,677	3,055
Limestone	62,520	907	577,297	7,843
Madison			119,852	1,607
Marshall			738,515	10,708
Morgan	128,116	1,762	325,136	4,705
Total, all counties	534,101	7,854	3,164,688	45,220
Electric and reservoir property	534,101	7,854	3,114,606	44,494
Nitrate plants, villages, Waco quarry, etc.			50,082	726

[1] Data in general are for last tax year property was in private ownership. Estimates are included for reservoir and other properties received by transfer from the War Department.
[2] County tax levies include those for special school districts.
[3] Property received from the War Department. This includes Waco quarry, in Franklin County.

TABLE III.—*Estimated assessed valuation and property-tax levies for utility property and reservoir land purchased in Mississippi by the Tennessee Valley Authority, by counties* [1]

County	Electric properties		Reservoir lands	
	Assessed valuation	Tax levy [2]	Assessed valuation	Tax levy [2]
Alcorn	$115,522	$3,946		
Chickasaw	26,470	1,185		
Choctaw	14,260	763		
Clay County	157,882	4,598		
Itawamba	17,059	665		
Lee	132,507	4,282		
Lowndes	142,750	2,434		
Monroe	71,018	1,902		
Neshoba	25,113	957		
Noxubee	43,711	818		
Octibbeha	56,083	2,277		
Prentiss	36,211	1,288		
Tippah	7,630	328		
Tishomingo	33,584	1,357	$51,403	$2,426
Union	6,190	221		
Webster	10,331	728		
Winston	41,824	1,346		
Totals, all counties	928,159	29,378	51,403	2,426

[1] Data for electric utilities for Alcorn, Itawamba, Lee, Prentiss, Tippah, Tishomingo, and Union Counties are based upon assessed valuations and tax rates for year 1934; for other counties, data are for 1939. Data for reservoir lands are for 1935.
[2] County tax levy includes levy for special districts if any affected.

TABLE IV.—*Estimated 1939 assessed valuation and property-tax levy for utility property purchased in Georgia by the Tennessee Valley Authority, by counties*

County	Assessed valuation	Tax levy [1]
Fannin	$1,976,280	$56,027

[1] Includes levy for special districts in county.

TABLE V.—*Estimated 1937 assessed valuation and property tax levy for reservoir land purchased in North Carolina by the Tennessee Valley Authority, by counties*

County	Assessed valuation	Tax levy
Cherokee	$410,913	[1] $5,522

[1] Includes levy for special districts in county.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, in view of the situation to which I have referred, I think we might suspend the consideration of legislative business at this point. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. HUGHES, from the Committee on the Judiciary, reported favorably the nomination of James P. Leamy, of Vermont, to be United States district judge for the district of Vermont, vice Harland B. Howe, retired.

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of A. Miles Pratt, of New Orleans, La., to be collector of customs for customs collection district numbered 20, with headquarters at New Orleans, La. (reappointment).

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters will be confirmed en bloc. The Chair hears no objection, and it is so ordered.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the Army nominations are confirmed en bloc. That concludes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 36 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, April 30, 1940, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 29 (legislative day of April 24), 1940

APPOINTMENTS IN THE REGULAR ARMY

TO BE MAJOR GENERALS

Campbell Blackshear Hodges
Lesley James McNair

TO BE BRIGADIER GENERALS

Courtney Hicks Hodges
Jacob Loucks Devers
Charles Lewis Scott
John Nesmith Greely
Thomas Alexander Terry
Simon Bolivar Buckner, Jr.
Charles Hartwell Bonesteel
John Hutchison Hester
Edward Postell King, Jr.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

First Lt. Miles Birkett Chatfield to Ordnance Department.

Second Lt. Frank William Andrews to Coast Artillery Corps.

Second Lt. Raymond Clayton Cheal to Coast Artillery Corps.

First Lt. Paul Lawrence Barton to Air Corps.

Second Lt. James Young Parker to Air Corps.

PROMOTIONS IN THE REGULAR ARMY

MEDICAL CORPS

To be colonels

Charles Lewis Gandy
William Washington Vaughan
John Berwick Anderson
Walter Paul Davenport
Austin James Canning
Lanphear Wesley Webb, Jr.
Wilson Carlisle von Kessler
William Guy Guthrie

To be major

Alfred Alexandre de Lorimier

To be captains

Robert Paul Hughes
Earl Cranston Lowry

DENTAL CORPS

To be colonels

Leigh Cole Fairbank (brigadier general, assistant to the Surgeon General).
Terry P. Bull

To be captains

William Preston Barnes, Jr.
Donald Malcolm O'Hara

VETERINARY CORPS

To be lieutenant colonel

Frank Marion Lee

POSTMASTERS

PENNSYLVANIA

Leila P. McGillick, Blairsville.
Cora B. Orr, Clarion.
Thomas A. Wilson, Ellwood City.
John A. Coleman, Hegins.
Charles H. Rettew, Honesdale.
Earl W. Montague, Hughesville.
George McCloskey, Mountaintop.
Lillie A. Parr, Nescopeck.
Wilford G. Stauffer, New Holland.
Mark P. Haldeman, Pine Grove.
Edith Schaffer, Stockertown.
William C. Jamieson, Sugargrove.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 29, 1940

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore [Mr. RAYBURN].

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, the Father of our Lord Jesus Christ, we pray Thee to enter more abundantly into our hearts, that we may have deeper love, and broader sympathies for our fellow men. Marvelous things are spoken of Thee, O God of our earthly Zion. In the deepest recesses of our breasts may we know that Thou art our Father upon earth, full of grace and truth. We thank Thee for this day of happy springtime. The orchards are budding, the fields are promising, the flowers are blooming, the birds are singing, the waters are rippling, and on upland and lowland the sunlight is smiling, and promise is everywhere. O lead us to consecrate the glory and the beauty of this day to Thee; open our eyes that it may be a fresh disclosure of the Infinite God, whose master hand is over all. Bless our spirits; deeper than we have known, clearer than we have seen, light the flames of divine love on the altars of all hearts. Enable us to pursue our labors with understanding, patience, self-restraint, and soften every impulse by reflection. In our Saviour's name. Amen.

The Journal of the proceedings of Friday, April 26, 1940, was read and approved.

AMENDMENT OF THE JUDICIAL CODE

Mr. SATTERFIELD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7737) to amend the judicial code by adding a new section thereto, designated as section 266a, to provide for intervention by States in certain cases involving the validity of the exercise of any power by the United States, or any agency thereof, or any officer or employee thereof, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate and the appointment of conferees.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia? [After a pause.]

The Chair hears none, and appoints the following conferees: Messrs. SUMNERS of Texas, WALTER, SATTERFIELD, GUYER of Kansas, and GWYNNE.

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement issued by Colonel Harrington.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CANNON of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and I further ask unanimous consent to include in my remarks a brief newspaper article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CANNON of Florida. Mr. Speaker, with so much agitation taking place regarding sugar legislation, I feel that it is important for this body to know the position respecting same as taken by each area, and I take the liberty of inserting at this point a press dispatch which appeared in the New York Journal of Commerce on April 26, 1940:

[From the Journal of Commerce, April 26, 1940]

OPPOSE EXTENSION OF 1937 SUGAR ACT

NEW ORLEANS, April 25.—Decision of the American Sugar Cane League to oppose extension of the present control legislation has been announced by W. F. Giles, its president, who has requested the Louisiana congressional delegation to support such a stand. The announcement of Mr. Giles said:

"At the meeting of the executive committee of the American Sugar Cane League held in New Orleans on April 24, 1940, it was unanimously agreed that the American Sugar Cane League go on record as opposing sugar legislation extending the present act, and that the Sugar Act of 1937 be permitted to expire on December 31, 1940, as outlined therein.

"This thought of the industry was put in the form of a resolution, which is being sent to the Louisiana congressional delegation through the Washington representative of the American Sugar Cane League."

Inability of the Louisiana cane growers to obtain a quota satisfactory to them, and other dissatisfaction rising from administration are understood to be the cause of the stand.

It is important to note that the American Sugar Cane League of New Orleans opposes the extension of the Sugar Act of 1937 and requests that it be allowed to expire without reenactment.

Florida takes the very same position, Mr. Speaker, and will vigorously oppose any legislation which seeks to continue the Sugar Act of 1937 or its provisions in any form or manner. [Applause.]

[Here the gavel fell.]

AGRICULTURAL APPROPRIATION BILL—CONFERENCE REPORT

Mr. CANNON of Missouri submitted a conference report and statement on the bill (H. R. 8202) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes.

PERMISSION TO ADDRESS THE HOUSE

Mr. SHANNON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHANNON. Mr. Speaker, this historic Chamber has been the setting of many a strange and unusual scene. Yet I doubt if it ever witnessed a more perfect blending of inharmonious and discordant elements than that attained when the meanest "gag" rule ever offered Congress was under discussion on this floor last week.

As reported by the Rules Committee, that rule put to shame every other "gag" rule ever reported to this House. Its champions and defenders were forces that ordinarily lock in bitter combat day after day. But for this occasion they were ingloriously united to support a measure having for its purpose the destruction of the wage and hour law of a previous Congress.

I can bear with those on the left whose constituencies comprise so many thousands of the Negro race. I know something of their problems. But I cannot salute those on the other side. They are the spokesmen of the Republican Party, whose citadel is the northern part of the United States. They stood shoulder to shoulder in that discussion with the representatives of cheap labor in the South—10-cents-an-hour labor. They applauded the utterances of the sage of Camilla, Ga., in his assault on a measure whose only purpose for being is a guaranty that working men and women of America shall receive not less than 30 cents an hour for their labor.

Those gentlemen from the northern Republican districts were strong, for the moment, in their support of the gentleman from Georgia. They applauded his words, laughed at his quips, and cheered in derision when he belittled the spokesmen of large centers of population. Yet how many of those northern Republicans would go before their own constituents and make a fight on a minimum wage of 30 cents an hour? Not one, Mr. Speaker; not one would do at home what so many of their members so openly did here—away from home—in lavishing approval by applause, laughter, and derision on the un-American standards of living the gentleman from Georgia apparently advocates.

Politics make strange bedfellows, and of all the strange bedfellows that ever got together between the sheets the strangest were those who climbed into the same bed last week—the northern Republicans and the cheap-labor advocates from the South. They proved the truth of the ancient adage. Not only that—they gave a striking demonstration of the historic fact that when the Republicans are out of power they will stoop to anything whatever to get back in.

I respect those men from the South who took their stand, mistaken though I believe it to be, because of the unhappy race question in their districts. They at least had home reasons to support them. But for their opportunist Republican bedfellows I hold not a shred of respect.

Northern Republicans have no fight against a 30-cent minimum wage. They would not dare make such a fight in their own districts. They were not inspired in their stand last week by the merits of the issue. They were inspired by politics alone; by an ignoble impulse to do anything and everything within their power to deride and belittle the policies of this administration, even to paying a laborer a minimum of $12.60 a week.

In the private conduct of their own affairs I cannot bring myself to believe they would stoop to such a practice. They would not dare face their own neighbors on such an issue. Yet when they saw the chance last week to embrace such an issue, their eyes shone with hope that by doing so they would discredit this administration in some degree. And they leaned over backward in precipitate haste to embrace it. They saw their political opportunity, and, forgetting justice and fairness, they greedily grasped it.

That was on Thursday. On Friday their hero of the hour, the gentleman from Camilla, Ga., sought leave to correct the RECORD of the day before. The parliamentary situation made a vote necessary. Where on Friday were the gentleman's political supporters of Thursday? Those who had applauded his words and laughed so loudly at his quips on Thursday—did they rally around him when he wanted to correct the RECORD on Friday?

Did the northern Republicans stand up for the gentleman from Georgia then? No; not one of them. They gave lip service but not a vote. They gave him no help whatever. The gentleman from Georgia was able to correct the RECORD only through the grace of 133 Democrats of all shades and persuasion who stood up to permit him to do so.

Mr. Speaker, I pray that Almighty God will save our Nation from the cheap and petty partisanship displayed by so many members of the Republican Party last week. Its slogan, written on the record then, is this: "We will do anything—yes, anything—to get back to power again. Our eyes are on

the Presidential election next November, and we will join anybody and fight for anything under the sun that will help us to win it."

The SPEAKER pro tempore. The Chair recognizes the gentleman from South Carolina [Mr. FULMER].

THE LATE A. FRANK LEVER

Mr. FULMER. Mr. Speaker, I requested this time for the purpose of announcing to the House the death of a very distinguished South Carolinian. This beloved citizen of my State was elected to the lower House of Congress in 1900. He served in Congress for about 18 years, resigning to accept a position on the Federal Farm Loan Board. During the Wilson administration he served as chairman of the Committee on Agriculture. During all these years of service in the Congress of the United States he was able to distinguish himself in writing many good statutes, especially in the interests of agriculture. He served the old Seventh South Carolina District, largely now the Second South Carolina District, which I have the honor to represent. This beloved and distinguished citizen of whom I am speaking is the Honorable A. Frank Lever, of South Carolina.

FUNERAL RITES FOR THE FORMER CONGRESSMAN, WHO WAS AN OUTSTANDING AGRICULTURAL LEADER, WILL BE HELD TUESDAY AFTERNOON

Funeral services for Asbury Francis Lever, 65, Director of Public Relations, Farm Credit Administration, former Congressman, and a national leader in the cause of agriculture, who died suddenly early Sunday morning at his home, Seven Oaks, 7 miles from Columbia, in Lexington County, will be conducted at 11 o'clock Tuesday morning from St. Paul's Lutheran Church, Lexington County.

Interment will follow at 3:30 Tuesday afternoon at Clemson College, where the cadets will form an escort from the gate to the cemetery. Six cadets will be pallbearers.

NATIVE OF LEXINGTON

The son of the late Asbury Francis Washington Lever and Mary Elvira Derrick Lever, he was born January 5, 1875, near Spring Hill, in Lexington County, and was married July 5, 1911, to Miss Lucile Butler, of Lexington. Mrs. Lever survives, as do two children, a daughter, Mary Catherine, now Mrs. James P. Mozingo, 3d, of Darlington, and a son, Asbury Francis Lever, Jr. Also one grandson, James Pierce Mozingo, 4th.

Mr. Lever was educated in the country school, and graduated from Newberry College with the honors of his class in 1895. Like most young graduates of that time, he taught for several years, and in 1897 was appointed private secretary to the late Congressman J. William Stokes, who represented the old Seventh Congressional District.

During his service with Congressman Stokes he studied law at Georgetown University, and was graduated from that institution with a degree of bachelor of laws in 1899.

In 1900 he was elected a member of the house of representatives from Lexington County. In the meantime he maintained his secretarial relationship to Congressman Stokes, who, after a prolonged illness, died in the summer of 1901.

ELECTED TO CONGRESS

Mr. Lever made the race for the unexpired term along with four other strong men in the district, among them being the present Senator E. D. SMITH. The second race was made between Thomas F. Brantley, at the time State senator from Orangeburg, and in the run-off Mr. Lever was elected. He served for 18 years in Congress, during which time he had opposition for reelection only twice and each time he defeated his opposition by an overwhelming majority.

Having been born and reared upon the farm, and having the farmers' viewpoint, he sought service upon the Agricultural Committee of the House of Representatives, and in 1902 was appointed upon this committee, where he served during his entire membership in the House. He became an active and influential member of that committee and was regarded by his colleagues as a progressive, and sound thinker.

AGRICULTURE COMMITTEE CHAIRMAN

When the Democrats gained control of Congress, Mr. Lever became chairman of the powerful Agriculture Committee and directed its policies during the entire Wilson administration.

As chairman of the committee, he successfully engineered the fight for the passage of the act creating the agricultural extension work for the Nation. He was a strong friend and admirer and in a way a disciple of the famous Dr. Seaman A. Knapp, out of whose fertile brain came the ideals underlying the present Extension Service.

Mr. Lever's contribution to that great work lies in the fact that he consolidated the friends of the work and put them squarely behind the proposition to make it by law a permanent part of the agricultural educational system of the country. The ups and downs of this fight, the heartaches and disappointments connected with it, and the ultimate victory marked by Mr. Lever as foremost in the rank of agricultural statesmanship of that period.

The Smith-Lever Act, as it became known, Senator Hoke Smith, of Georgia, being a coauthor, although it is well known that the real work was done by Mr. Lever, is his most notable contribution to the legislation of the Nation.

CONCEIVED WAREHOUSE SYSTEM

Mr. Lever also conceived the idea of the Federal warehouse system, through which it was his hope that the Federal warehouse certificate would give liquidity to farm products stored in federally licensed warehouses. There has been a gradual growth in the system of Federal warehouses, and the thought in Mr. Lever's mind when he wrote the act is each day more and more bearing good fruit for agriculture.

With Senator E. D. SMITH, of South Carolina, he was the coauthor of the Cotton Futures Act, which was the first successful legislation attempted on a national scale to regulate the operations of cotton-futures exchanges in this country. The act has been in operation for many years without substantial amendments, and no doubt has been a vast benefit to the cotton farmers, who had been, prior to its passage, victims of the unrestrained, selfish operations of these institutions.

The Grain Futures Act, passed more recently by Congress, is the legitimate offspring of the Cotton Futures Act. The fight for the enactment of the law was long-drawn-out and bitter. Many attempts had been made to regulate by law these institutions in prior Congresses, but none had been successful.

FOR RURAL CREDIT

Mr. Lever, early in his career in Congress, conceived the idea that the farmers of the country were entitled to a system of rural credits analogous, as far as possible, to some of the then successful systems in operation in European countries. He was one of the pioneers in the movement in this direction and was a member of the joint committee of the House and Senate which formulated the groundwork for the enactment of the Federal Farm Loan Act of 1916, out of which has grown the present Farm Credit Administration, with its Federal land bank, with its Federal intermediate credit bank, with its bank for cooperatives, and with its Production Credit Corporation and production credit associations, furnishing, for the first time a complete, coordinated, farmer-managed and farmer-owned rural credit system.

FOR FARM CREDIT

It is said that Mr. Lever at the annual convention of the Farm Bureau Federation in Indianapolis, about 1920, delivered a most striking address in which he visioned and visualized what has given the Production Credit Corporations and the intermediate credit banks to the Nation.

At this meeting a rising vote of a vast audience of more than 8,000 delegates gave approval of the suggestion that Mr. Lever was the grandfather of American agricultural legislation. He was the author, also, of many other notable legislative enactments in behalf of agriculture during his services as chairman of the Agricultural Committee.

In 1910, the University of Maryland conferred the degree of doctor of laws upon Mr. Lever "because of his services to education and agriculture."

ON THE FARM LOAN BOARD

At the personal request of President Wilson, Mr. Lever resigned from Congress in 1919 to become a member of the Federal Farm Loan Board, which had directing charge of the Farm Loan Act. In that capacity he contributed much in

laying the foundations for the growth of the Federal land-bank system in this country.

Throughout his career in Congress and on the Farm Loan Board it was said of him that his sympathies were always with the little farmer, and that it was not unreasonable, because he himself was a product of the small farm.

He organized the first joint-stock land bank south of the Potomac River and east of the Mississippi River and built it into one of the most powerful farm-mortgage institutions in the South. For several years, by special request, he served as a field representative of the old Farm Loan Board, and was at the time of his death director of public relations for the Farm Credit Administration of Columbia, having been the first man appointed in the personnel of that institution when it was established in Columbia in the summer of 1933.

In 1937 Newberry College conferred upon him the degree of doctor of laws; in 1937 Clemson College conferred upon him the degree of social science; in 1935 he was made an honorary member of the Epsilon Sigma Phi honorary extension fraternity at its meeting in Washington and by this same fraternity was recently conferred the distinguished-service Ruby, its highest award.

Mr. Lever's principal objective in life, and to which he devoted practically all of his life's work, was to bring about a richer rural life for the Nation.

His own words at a recent conference of agricultural workers were:

"I have always felt that so long as the country home was safe and sound in its thinking the country itself was safe in its future, and it is to the country women that we must look for that same philosophy of life and that guidance along right lines that shall continue to make our country people the sheet anchor of the safety of our civilization in times of stress and storm."

Mr. Lever lived on the farm and was tremendously interested in all of the farm problems that arose from time to time. Mr. Lever had the reputation of being a very powerful and persuasive speaker before farm audiences.

Mr. Lever was deeply interested in the State fair and for many years was a vice president.

CLEMSON, NEWBERRY TRUSTEE

He was a life trustee of Clemson College, chairman of the board of trustees of Newberry College, a lifelong member of the Lutheran Church, and took a prominent part in religious, educational, and civic affairs.

Early in 1940 he accepted from former President Herbert Hoover the State directorship for the Finnish relief fund in South Carolina. His outstanding efforts met with a successful response in this State.

Last January he ably served as chairman of the bicentennial celebration for Lexington County, his forefathers having been among the very first settlers in Lexington County.

HONORARY PALLBEARERS

Honorary pallbearers for Mr. Lever's funeral will be: Dr. E. W. Sikes, president of Clemson College, and the following members of the board of trustees: W. W. Bradley, J. E. Sirrine, Paul Sanders, Christie Benet, T. B. Young, R. M. Cooper, W. Clyde Graham, Edgar A. Brown, Sam H. Sherard, Joe B. Douthit, F. E. Cope, and W. D. Barnett; also Dr. James C. Kinard, president of Newberry College, and trustees of Newberry College, Dr. L. E. Madden, Dr. William Weston, Sr., Judge Alva M. Lumpkin, J. Waties Thomas, Col. R. M. Barnes, B. M. Edwards, Julian H. Scarborough, Joseph E. Cagle, Rufus R. Clark, Samuel C. Lattimore, E. A. Stubbs, C. D. Orrell, Judge Harry D. Reed, E. P. Sanders, Frank P. McGowan, Henry S. Johnson, H. P. Heath, George D. Halsey, M. A. Brooker, Harold C. Booker, George L. Griffeth, A. H. Stevens, H. E. Bailey, Gov. Burnet R. Maybank, Senator James F. Byrnes, D. D. Witcover, Paul Moore, Judge Cecil Wyche, I. C. Harrison, Eugene S. Blease, Senator A. L. Harmon, Cole. L. Blease, Dr. P. H. Shealy, C. E. Leaphart, Chalmers E. Wessinger, Marion B. Holman, and L. K. Bachman.

Active pallbearers in Columbia will be Quay D. Williford, T. S. Means, J. P. Mozingo, 3d, John Smith, George Lever, and J. Kess Derrick.

EXTENSION OF REMARKS

Mr. WELCH. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a brief statement by me on House Resolution 289 on April 25 with reference to the same subject, which I inadvertently left out of the RECORD.

The SPEAKER pro tempore. Under the policy adopted some few months ago, the gentleman cannot extend his remarks at this point in the RECORD, but he can extend them in the Appendix.

Without objection, the gentleman may extend his remarks in the Appendix of the RECORD.

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial from the St. Louis County Watchman-Advocate of April 26, 1940.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HARTER of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the fourth reorganization plan of the President.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HENNINGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and therein to include an editorial on our neutrality program, from the St. Louis Star-Times.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a speech of Henry A. Wallace, delivered Saturday at St. Paul. This is a little more than the two-page allotment and I ask special permission, Mr. Speaker, that it may all be put in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein some resolutions adopted by the Western Association of State Highway Officials.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement which I made before the Committee on Merchant Marine and Fisheries.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. WOODRUFF of Michigan asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the public defender system.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution passed by the Western Pennsylvania Business Association concerning the St. Lawrence seaway project.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a resolution adopted by the United Irish-American Societies of New York at a meeting held on April 24, 1940.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SPENDING UNPARALLELED IN HISTORY

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Members of Congress, going, going, going, and we will soon be gone.

If you will notice the Treasury statement for April 24, you will see that we are $3,144,141,411.48 in the red. Think of it. One hundred and forty-four million dollars above the $3,000,000,000 mark since July 1, 1939. It is terrible—such spending. When this session of the Congress began January 3 it was generally understood that we were going to be for economy. It was expected by the country that we would stop ruthless spending of the taxpayers' money. The Senate now is trying to increase all the appropriation bills the House has passed, and we passed nothing but appropriations for the first 3 months of this session. What are the children of the oncoming generations going to do when we are unable to meet our obligations today and pass the burden on to them? We are passing this debt on to our children because this administration has no program to meet the expense. Where are you going to get the money or where are they going to get the money? That is the question. None of you have been able to answer. The only way we can clean them out is to get Members of Congress who will economize. It will require a new President, a majority of the Senate, and a majority of the Members of the House of Representatives who have some knowledge of business, a Congress who has the ability to diagnose the ills of the laws passed. A Congress who will take the Government out of business that is competing against private enterprise and putting them out of business. A Congress who will give liberty and independence to its people to work out jobs for 9,000,000 people, put them in industry and agriculture, where they have jobs, and in that way take them off the W. P. A. and P. W. A., and get them off the Government pay roll onto the pay roll of private business and agriculture. We need to stop Government red tape, Government persecution, and Government blundering by the New Deal. Instead of a Government dole, American labor wants a job in private industry. We need a Congress of practical men rather than a theoretic Congress. Theory and practice do not always work. We have tried the New Deal theory. Now let us get practical sense, make changes in laws that will give freedom to work, freedom to invest, freedom to create jobs by investing our idle private funds, stop spending so lavishly. If we do this, jobs will be created and we will have a happy people.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. SCHWERT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article from the Buffalo Evening News.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PER CAPITA DEBT $300; PER CAPITA WEALTH $3,000

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, regarding the remarks made by the gentleman from Pennsylvania [Mr. RICH], it is true we should reduce the debt as soon as we can and as quickly as possible, and practice economy in government, but I do not go along with him that future generations are going to be so greatly burdened by reason of the present debt. Our debt today is only a small percentage of the debts of other great powers and other great nations, and considering the wealth and the per capita debt in those countries and in this country, it will not be burdensome to the future generations to inherit a debt of $300 per capita, when a person who inherits that debt will inherit $3,000 in wealth with which to pay the $300 debt. So this being true, I do not see why we have a great deal to be disturbed about at this particular time.

THE LENGTH OF SPAGHETTI

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BOLLES. Mr. Speaker, in this 1 minute allotted to me in the moving eons of this world I may be able to bear to you my colleagues a great message of hope. Great Homer died, Virgil passed from earthly scenes, Cato and the Caesars turned to clay without knowing how long spaghetti should be in order to be good food. Now into this chaotic scene, where over the centuries the controversy has continued concerning the span of spaghetti, we have had a decision from one of those bureaus where the act of man becomes the act of God. Mr. Speaker, this great international question has been settled by our marvelous Federal Trade Commission. Thousands of people, aye millions, from Booraboola Gha to the Aleuts, have waited with bated breath for this decision.

I insert here the Federal Trade Commission report on this most vital and attention-demanding subject of how long spaghetti should be.

The Federal Trade Commission has ruled that the length of marcaroni or spaghetti is in no way indicative of its quality.

In the case of John B. Canepa Co., 30 West Grand Avenue, Chicago, manufacturer of macaroni and spaghetti products, the Commission finds that prior to July 12, 1938, the respondent had caused booklets and other advertising matter to be distributed in the various States, containing such advertisements as: "I hate to brag, but only the finest spaghetti is made long." Since that time the advertisements have been modified to "I hate to brag, but genuine macaroni is made long," and "I hate to brag, but genuine spaghetti is made long."

The Commission finds that such statements and representations are misleading and unfair, and that in fact genuine macaroni and spaghetti products of the finest quality are made in both long and short lengths, and that macaroni and spaghetti of the finest quality are in some instances first made in long lengths and thereafter cut into short lengths, the length being no criterion of the quality of the product.

The respondent corporation is ordered to cease and desist from further representing that the length in which macaroni or spaghetti products are manufactured or sold by the respondent or any of its competitors is in any way indicative of the genuineness or quality of such products.

O Mr. Speaker, this is epical as well as epochal. Can you, with your magnificent background of sun and prairie, picture the disastrous effect on Hereford cattle and on durum wheat growers of the Dakotas if the Federal Trade Commission, after months of deep deliberation, delving into historical tomes and the chronicles of Froissart and foods for a starving world, had decided that spaghetti, in order to be edible, should be 20 inches long? God save Mussolini.

I hold that in all the work of this Government, so busy employing useless lawyers and enlisting peanut politicians in the army of assault on the November polls, nothing has come out of one of these tin-can bureaus so valuable, so international in its significance, or so far reaching in its implications as this spaghetti ruling.

May I humbly suggest that the emblem of the third term is a coat of arms with spaghetti couchant and macaroni rampant? [Laughter.]

LEGAL LOBBYING

Mr. HORTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HORTON. Mr. Speaker, I have just dropped into the hopper a House resolution calling for an investigation of departments and bureaus which use unlawful methods in seeking to influence pending legislation.

This time the offending agency is the Office of Government Reports, which is attached to the Executive Office.

If this piece of propaganda, which I hold in my hand, is a Government report, then I am a prima donna.

I want the RECORD to show that the document was printed at Government expense and was mailed out under franking privileges and that same constitutes one of the most flagrant examples of bureaucratic contempt and disregard of existing law.

If a whipping-post penalty could be substituted for dismissal from office, we might break these offending bureaus from sucking eggs.

ILLEGAL PROPAGANDA PRACTICES OF DEPARTMENTS AND BUREAUS

Mr. Speaker, there has from time to time in recent months been brought to the attention of this body cumulative evidence of illegal lobbying and political activity on the part of the various Government departments and the bureaucratic agencies operating under or independent of them.

This evidence, backed by documentary proof, has been so damning and conclusive in the case of the National Labor Relations Board that the Attorney General, after much backing and filling, on March 13, 1940, finally notified the gentleman from Virginia, Representative HOWARD W. SMITH, chairman of the special committee of this House investigating the National Labor Relations Board, that an investigation of the complaints as to these illegal acts and the evidence relating thereto has been undertaken by the Federal Bureau of Investigation.

The reluctant consent of the Attorney General to this investigation was not obtained without much prompting on the part of the chairman of the committee, who, urged to introduce new legislation in order to clarify the meaning of the United States Code, apparently obscure to the Attorney General, pointed out to him that what is needed is not clarification of the code but the enforcement of the existing law.

The evidence as to lobbying and political activity on the part of Government departments, their heads and subordinates, constituting a criminal offense, punishable by mandatory removal from office of the Government employees so engaged, together with other penalties, has by no means been confined to the National Labor Relations Board, but, according to verified charges and substantial proof, has been definitely established in the Farm Credit Administration, in the Department of the Interior, and elsewhere.

In how many other departments of the Government these practices are a part of the definite policy of their administrators or subordinates it is difficult to say, except as from day to day they are accidentally brought to light through their disclosure by outraged citizens, who resent these novel and New Deal methods intended to keep in funds and to perpetuate in power those who selfishly seek to benefit by the attempt, illegally and unduly, to influence the acts of the Congress.

I have in my hand the latest and one of the most flagrant of these disclosures.

This time it is not the National Labor Relations Board nor the Farm Credit Administration which is involved, but an hitherto new Government agency attached to the Executive Office, namely, the Office of Government Reports, for which an appropriation of $1,055,000 was recently asked in the President's Budget message.

The document I here present, illegally printed and distributed by the Office of Government Reports, mailed as official business from the office of the State director for Colorado, Denver, Colo., is the reproduction of an editorial by William Allen White in the Emporia (Kans.) Gazette, as reprinted in the Des Moines Register, of Des Moines, Iowa, of January 22, 1940.

The editorial to which I refer is a defense of the Hull reciprocal trade treaties, and the obvious intent of its distribution was to influence the action of the Congress on the enactment of legislation to extend the treaties.

The envelope which I hold in my hand containing this reprint was addressed to Mr. L. R. Tyson, Jr., assistant secretary, State Planning and Water Conservation Board, Capitol Building, Cheyenne, Wyo. No postage stamp was placed on the envelope.

There is, of course, no means of knowing at this time whether or not the number of these circulars, printed and mailed at Government expense, is as great as the 630,000 letters written by Governor Black of the Farm Credit Administration, and containing a memorandum from Secretary of Agriculture Wallace, which were mailed postage free to Federal land-bank borrowers. The undoubted purpose of this communication was to cultivate support for the pending Jones-Wheeler bill. This violation of law has already been brought to the attention of the House by my colleague the gentleman from New York, Representative DANIEL A. REED, and by action of the Agricultural Committee in inviting Secretary Wallace and Governor Black to appear before it to explain what was described by Governor Black himself as action which "breaks precedents."

The question before us, it seems to me, is how much longer this body is to stand for the continued perpetration of these illegal acts by the heads and employees of Government departments who appear both unafraid and immune to prosecution, despite the clear construction and wording of the law.

The danger to Democratic processes is very great if the Congress is to be surreptitiously influenced by sentiment manufactured through the distribution of political propaganda designed to affect the deliberations of this body and the legislation enacted here, propaganda paid for by the Government itself, and circulated by those who hope to be the beneficiaries of legislation sought or legislation which it is hoped to kill.

These methods are in no sense dissimilar to those employed in the European dictatorships, under which there is a ceaseless flow of propaganda emanating from the Government bureaus and having for its purpose the further entrenchment in power of the bureaucrats, big and little, who infest them.

Here, then, is a situation of ominous portent to the future freedom of legislative deliberation and action. The New Deal administration, no longer sure of the enactment of "must" measures emanating from the White House, faced with increasing scrutiny and question of its recommendations for continued spending and other proposals that have aroused general public protest, resorts to new methods intended to intimidate or to coerce the Congress into accepting its will, methods far more dangerous than the frontal attacks of the past.

It now seeks, by unlawful means, through its bureaucracies, to influence the public to exert the pressure upon Congress that it no longer dares to undertake openly. Aside from the illegality of the acts of these heads and employees of Government departments, even to members of the Cabinet, and to the formation of pressure groups, with the connivance of Government officials, there can be no doubt the new methods are far more subtle and far more misleading both to the public and to its Representatives in Congress than the old.

If the Congress is to continue to exercise its constitutional prerogatives, an end must be put to these practices—and speedily.

I therefore have introduced a resolution providing for the appointment of a select committee of the Members of this House to investigate these and other attempted encroachments upon the freedom and dignity of this body, and to report back to the House its findings and suggestions as to suitable remedies, both in the form of new legislation and for the proper enforcement of existing statutes, together with the effective prosecution of all those, whether of high or low official position, who violate the law.

CIVIL AERONAUTICS AUTHORITY

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to speak for 1 minute and extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, last Friday I called the attention of the Members of the House to the fact that the Government has invested, through the Reconstruction Finance Corporation, in the air lines of the Nation eleven and one-half million dollars. In view of the remarkable safety record of air-line operation, in which not a single fatality has occurred in the past 13 months, I consider this a sound investment. Likewise, I consider it to be the sacred duty of this Congress and sound business policy on the part of this Government to protect this investment as well as the millions of dollars of private capital invested in the air lines.

Defeat Reorganization Plans III and IV. Let aviation continue to have that to which it is justly entitled—separate regulation by an independent civil-aeronautics authority.

Now, Mr. Speaker, in view of the fact that Reorganization Plans III and IV have been sent to, and are soon to be considered by, the Congress—which plans appear to upset all that has been done constructively relating to the regulation of civil aeronautics and the Government's activities relating to safety in the air—I have taken occasion today to reread what the Senate Special Committee on Safety in the Air has had to say on the subject. That is the committee which was created to investigate the accident in which Senator Cutting lost his life.

You remember the committee found the blame for that accident to lie upon the head of the Department of Commerce, and that in the Civil Aeronautics Act we took the control of aviation out of the hands of the Secretary of Commerce and his henchmen and vested it in the independent Civil Aeronautics Authority, with excellent results including the rolling up of an air-line safety record of more than 13 months without a single fatality or serious injury to any passenger, member of an airplane crew, or anybody else—a record never equaled in any form of transportation in all time.

The Reorganization Plans III and IV undo all this and will, unless we disapprove them, send aviation right back into the Department of Commerce.

I find that in the reports submitted by the special Senate committee to investigate safety in air—Senate Resolution 146, Seventy-fourth Congress, first session—the following views were expressed on the administration of aeronautics by the Department of Commerce.

In the preliminary report—Senate Report 2455, Seventy-fourth Congress, June 20, 1936—the following findings of fact were expressed on pages 22 and 23:

ORGANIZATION

(1) The general complaint coming from everyone, both in the manufacturing and operating industry and from the public generally, is that the Bureau of Air Commerce does not at this time have sufficient prestige or rank within the Department of Commerce to make for efficiency. It is pointed out that with the promulgation of the Executive order of June 10, 1933, aeronautics in the Department of Commerce was relegated to the status of a bureau.

The committee finds that such a claim is well-founded. * * * But the work in aeronautics is still in such a state of flux, that the activity should not be relegated to the status of a bureau.

(2) It is alleged that personnel and financial control is outside the Bureau and in the hands of the administrative assistant to the Secretary of Commerce, thereby embarrassing the Director and his two assistants.

We find this to be true.

(3) It is alleged that personal, promotional, and political activities, cropping up here and there, make for inefficiency.

The committee finds that this is true.

Everything that was said in that report will be true tomorrow if we permit control of aviation to go back to the Department of Commerce under these reorganization orders.

Page 24 of the same report states:

It has been alleged that good men were dismissed from the Bureau for political reasons with the advent of the new administration and at the expense of efficiency and safety. The committee definitely finds this to be a fact.

On page 29 I find:

The charge was made by witnesses before our committee that the efficiency of the Bureau of Air Commerce has been seriously impaired by politics. This charge is confirmed not alone by former Assistant Secretary Dickinson but by the testimony of two of the employees referred to in this memorandum.

In the second report, submitted March 17, 1937 (S. Rept. 185, 75th Cong.), after a year of further investigation, the Senate Committee on Safety in the Air expressed this conclusion:

Page 9—

Aeronautics within the Department of Commerce as it is organized today is a stepchild. There can be no intelligent planning and forethought continuously devoted to the present or future needs of civil aeronautics unless the existing administration be improved.

In the committee's third report, submitted January 5, 1938 (S. Rept. 185, pt. 2, 75th Cong.), the following recommendations were made:

On pages 1 and 2—

INDEPENDENT AUTHORITY FOR CIVIL AERONAUTICS

We recommend the immediate enactment of a compromise measure embracing all the noncontroversial points in Senator McCARRAN'S bill, S. 2, substitute of March 3, 1938, and the bill introduced in the House of Representatives by Mr. LEA on March 3, 1938, known as H. R. 9738.

These bills would set up a separate independent commission, empowered to change the whole aspect of the Government toward all civil aviation. The authority would benefit the United States air transportation industry, both domestic and foreign. Your committee is of the opinion that the complexities of a new art and science would give way thereupon through orderly action to simplification, efficiency, and safety.

Under the leadership of practical aeronautical experts one centralized governmental agency would induce a closer coordination than that which scattered agencies now exhibit. A threatening disastrous insecurity of the industry would yield to stabilization. Promotion of the whole aeronautical industry would be intensified at a time when all nations are giving it first consideration.

So pressing is the need for common action proposed in both the Senate and House bills that your committee urges instant action for the safety and good of the public.

Testimony before the House Interstate and Foreign Commerce Committee March 10, 1938, and before the Senate Committee on Commerce March 24, 1938, reveals that six executive departments after 2 months' study have recommended the passage of the House bill (H. R. 9738), which is substantially in intent, if not in detail, the same as the Senate bill (S. 2, with amendments).

The fact that different executive departments, a congressional committee chairman, and others, have yielded their position to join in a harmonious backing of an independent aeronautics authority, is stimulating and gratifying at this time. Some committees have labored hard for years on this subject of civil aeronautics, and such coordination reflects not only the importance of the Senate and House bills but a general recognition of the importance of safety in the air at this time.

Gentlemen of the House, remember what I have recited to you this afternoon are the facts brought out as a result of the crash which caused the life of Senator Cutting. The results of this investigation, as much as any other single factor, caused to be created the Civil Aeronautics Authority and the Air Safety Board. The remarkable results obtained by that action speak for themselves. The tremendous increase in travel by the public has kept pace with the increase in air safety. You and I know we have to travel the air lines frequently. Let us all travel in safety. Why not let well enough alone and give the present safety record a chance to continue? After all, it is your neck and mine—and that is no "spinach."

COMMITTEE REPORT ON CERTAIN BILLS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that the Committee on Immigration and Naturalization may have 5 legislative days in which to file supplemental reports upon the bills H. R. 8226, 8379, and 7955.

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CALL OF THE HOUSE

Mrs. NORTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentlewoman from New Jersey makes the point of order that there is no quorum present. Evidently there is not.

Mr. COOPER. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 89]

Bolton	Folger	Mouton	Sheridan
Brown, Ohio	Gilchrist	Mundt	Smith, Va.
Burgin	Green	Murdock, Utah	Starnes, Ala.
Byron	Hill	Nelson	Steagall
Carlson	Hook	Patrick	Taylor
Carter	Jarman	Reece, Tenn.	Voorhis, Calif.
Case, S. Dak.	Jarrett	Reed, N. Y.	Weaver
Chapman	Jennings	Rogers, Okla.	Wheat
Culkin	McMillan, Clara G.	Routzohn	Whelchel
Darrow	Maas	Sandager	White, Ohio
Dies	Martin, Ill.	Schulte	Wolfenden, Pa.
Dirksen	Merritt	Shafer, Mich.	
Eaton	Mitchell	Sheppard	

The SPEAKER pro tempore. On this roll call 379 Members have answered to their names, a quorum.

Mr. COOPER. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

REREFERENCE OF A BILL

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent that the Committee on Invalid Pensions be discharged from further consideration of the bill (S. 1608), to repeal the provisions of Private Law No. 347, Seventy-first Congress, pertaining to Victoria Kessel, and that it be referred to the Committee on Pensions.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. CROSSER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include a short statement.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

AMENDMENTS TO FAIR LABOR STANDARDS ACT OF 1938

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5435), to amend the Fair Labor Standards Act of 1938.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, H. R. 5435, with Mr. PARSONS in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Fair Labor Standards Act of 1938 be, and it is hereby, amended as follows:

Section 5 is hereby amended by adding subsection (e) at the end thereof, said subsection to read as follows:

"(e) Nothwithstanding any provision of this act the Administrator may appoint a special industry committee for all industries engaged in commerce or in the production of goods for commerce located or operating in Puerto Rico or the Virgin Islands, or separate industry committees for particular industries so engaged, such committee or committees to be composed of residents of continental United States and of such island or islands where such industries are located or operating and to recommend in such industries or classifications therein the minimum rate or rates of wages to be paid under section 6 by employers engaged in commerce or in the production of goods for commerce. In fixing the minimum wage rate or rates for such industries in Puerto Rico and the Virgin Islands, the industry committee or committees and the Administrator shall be subject to the provisions of section 8 and such committee or committees shall not recommend, nor shall the Administrator approve, a minimum wage rate for such industries which will give them a competitive advantage over industries situated in continental United States.

"Hereafter only such minimum wage orders as are issued by the Administrator pursuant to the recommendations of a special industry committee as provided for in section 5 (e) shall be applicable to industries located or operating in Puerto Rico or the Virgin Islands; and all minimum wage orders heretofore issued by the Administrator shall be inapplicable to the industries of such islands upon the approval of this act."

Mr. BLAND (interrupting the reading of the first section). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLAND. I understand there are three bills, and I would like to know what bill will be read first and open for amendment.

The CHAIRMAN. The Chair will state that the rule provided for the consideration of the bill H. R. 5435. That is the bill that is now being read by the Clerk.

Mr. BLAND. Is that to be considered before amendments that are to be offered to the Barden bill?

The CHAIRMAN. After the reading of the first section, of course the bill will be open to amendment.

Mr. BLAND. That is, the Norton bill will be open to amendment after the first section is read?

The CHAIRMAN. That is correct.

Mr. BLAND. Then is the Barden bill to be offered as an amendment, and will it be considered as a whole amendment?

The CHAIRMAN. After the reading of the first section, the Chair will state, the rule provided it should be in order to strike out all after the enacting clause and substitute the text of the bill H. R. 7349, known as the Ramspeck bill.

Mr. BLAND. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLAND. It is my understanding that the Ramspeck bill is not to be offered.

The CHAIRMAN. The Chair cannot answer that inquiry. The Clerk will read.

Mr. TERRY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TERRY. Will the Norton bill be subject to amendment as soon as it is read and before a motion to substitute either the Ramspeck bill or the Barden bill?

The CHAIRMAN. Only after the substitute will have been considered, which will be in order after the first section of H. R. 5435 is read.

The Clerk will read.

The Clerk concluded the reading of the first section.

The CHAIRMAN. Does anyone desire to offer the amendment provided for under the rule, the text of the bill H. R. 7349?

Mr. BYRNS of Tennessee. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BYRNS of Tennessee: On page 1, after line 3, strike out all after the enacting clause and insert the provisions of H. R. 7349, as follows:

"That (a) section 5 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following:

"'(e) No industry committee appointed under subsection (a) of this section shall have any power to recommend the minimum rate or rates of wages to be paid under section 6 to any employees in Puerto Rico or in the Virgin Islands. Notwithstanding any other provision of this act, the Administrator may appoint a special industry committee to recommend the minimum rate or rates of wages to be paid under section 6 to all employees (not exempted therefrom by the provisions of section 13 (a)) in Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands, engaged in commerce or in the production of goods for commerce, or the Administrator may appoint separate industry committees to recommend the minimum rate or rates of wages to be paid under section 6 to employees (not exempted therefrom by the provisions of section 13 (a)) therein engaged in commerce or in the production of goods for commerce in particular industries. An industry committee appointed under this subsection shall be composed of residents of such island or islands where the employees with respect to whom such committee was appointed are employed and residents of the United States outside of Puerto Rico and the Virgin Islands. In determining the minimum rate or rates of wages to be paid, and in determining classifications, such industry committees and the Administrator shall be subject to the provisions of section 8 and

no such committee shall recommend, nor shall the Administrator approve, a minimum wage rate which will give any industry in Puerto Rico or in the Virgin Islands a competitive advantage over any industry in the United States outside of Puerto Rico and the Virgin Islands.'

"(b) No wage orders issued by the Administrator under section 8 of the Fair Labor Standards Act of 1938 pursuant to the recommendations of an industry committee made prior to the enactment of this act shall after such enactment be applicable with respect to any employees engaged in commerce or in the production of goods for commerce in Puerto Rico or the Virgin Islands.

"SEC. 2. Section 6 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following:

"'(c) The provisions of paragraphs (1), (2), and (3) of subsection (a) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands engaged in commerce or in the production of goods for commerce only for so long as and insofar as such employee is covered by a wage order issued by the Administrator pursuant to the recommendations of a special industry committee appointed pursuant to section 5 (e).'

"SEC. 3. Section 7 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof a new subsection, designated subsection (e), as follows:

"'(e) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of that specified in said subsection without paying the compensation for overtime employment prescribed therein if such employee is so employed in mining or milling of nonferrous metallic ores or operations incidental thereto, and if such employee receives compensation for employment in excess of 56 hours in any workweek at a rate of not less than one and one-half times the regular rate at which he has been employed.'

"SEC. 4. (a) The heading of section 11 of the Fair Labor Standards Act of 1938 is amended by inserting at the end thereof the following: '; Rules and regulations.'

"(b) Section 11 of such act is amended by adding at the end thereof the following:

"'(d) The Administrator shall have power to make, issue, amend, and rescind such regulations and orders as are necessary or appropriate to carry out any of the provisions of this act. Without limiting the generality of the foregoing, such regulations and orders may define terms used in this act, make special provision with respect to, including the restriction of, home work subject to this act to the extent necessary to safeguard the minimum standards provided in this act or in any regulation or order issued pursuant thereto, and make special provision for voluntary constant wage plans consistent with the purposes of section 7. The regulations and orders of the Administrator shall be published in the Federal Register and shall be effective upon publication or at such later date as the Administrator shall direct.

"'(e) No provision of this act imposing any liability or disability shall apply to any act done or omitted in good faith in conformity with any regulation or order of the Administrator, notwithstanding that such regulation or order may, after such act or omission, be amended or rescinded or be determined by judicial authority to be invalid for any reason.'

"SEC. 5. (a) Section 13 (a) of the Fair Labor Standards Act of 1938 is amended by striking out all of clause (1) and inserting in lieu thereof the following: '(1) any employee employed in a bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesmen, or any employee employed at a guaranteed monthly salary of $200 or more; or.'

"(b) Section 13 (a) of such act is further amended by adding, before the period at the end thereof, the following: '; or (11) any switchboard operator, during any calendar year, employed in a public telephone exchange which at all times during the preceding calendar year had less than 500 stations.'

"SEC. 6. Section 13 (b) of the Fair Labor Standards Act of 1938 is amended by inserting, before the period at the end thereof, the following: '; or (3) any employee of an employer subject to the provisions of part I of the Railway Labor Act.'

"SEC. 7. (a) The heading of section 14 of the Fair Labor Standards Act of 1938 is amended by inserting at the end thereof the following: '; Home work in rural areas.'

"(b) Section 14 of such act is amended (1) by inserting "(a)" after "SEC. 14."; (2) by striking out "learners, of apprentices, and of messengers employed exclusively in delivering letters and messages," and inserting in lieu thereof "learners and of apprentices,"; and (3) by adding at the end thereof a new sentence as follows: "The Administrator may by regulation or order provide for the employment of telegraph messengers engaged primarily in the delivery of letters and messages at such wages (but not less than 25 cents per hour) lower than the minimum wage applicable under section 6 as will prevent curtailment of opportunities for such employment with a public telegraph carrier."

"(c) Section 14 of such act is further amended by adding at the end thereof the following:

"'(b) The Administrator shall promulgate regulations permitting the employment, in rural areas, of employees in the home at such wages lower than the minimum wage applicable under section 6 as will prevent curtailment of opportunities for employment. No such regulation shall be promulgated with respect to any employees (1) if in the opinion of the Administrator the application of section 6 to such employees does not have the effect of curtailing the opportunities of such employees for employment; (2) if the promulgation of such regulation would in the opinion of the Administrator have the effect of curtailing employment in the factories or industrial establishments, if any, in which similar work is performed; or (3) if the promulgation of such regulation would in the opinion of the Administrator give the employer or employers of such employees a substantial competitive advantage.'

"SEC. 8. Section 15 (a) (1) of the Fair Labor Standards Act of 1938 is amended by striking out the first semicolon therein and inserting in lieu thereof a comma and the following: 'or issued to carry out any provision of section 6 or section 7, except that no provision of this act shall impose any liability upon any person for violating any of the provisions of this section if such person, in a proceeding brought to impose such liability, establishes by a preponderance of the evidence that at the time he acquired a property interest in the goods transported, offered for transportation, shipped, delivered, or sold, or sold with knowledge that shipment or delivery or sale thereof in commerce was intended, he had no knowledge or reason to believe that such goods were produced in violation of any of the provisions of section 6 or section 7, or in violation of any regulation or order of the Administrator issued under section 14, or issued to carry out any provision of section 6 or section 7; and.'

"SEC. 9. Section 15 (a) (2) of the Fair Labor Standards Act of 1938 is hereby amended to read as follows:

"'(2) to violate any of the provisions of section 6 or section 7, or any of the provisions of any regulation or order of the Administrator issued under section 14, or any of the provisions contained, pursuant to section 8 (f), in any order of the Administrator issued under section 8, or any of the provisions of any regulation or order of the Administrator issued to carry out any provision of section 6 or section 7;'.

"SEC. 10. The first sentence of section 16 (b) of the Fair Labor Standards Act of 1938 is amended to read as follows: 'Any employer who violates any provision of section 6 or section 7, or any provision prescribing minimum wages contained in any regulation or order of the Administrator issued under section 14, shall be liable to the employee or employees affected in the amount of their unpaid minimum compensation, or their unpaid minimum overtime compensation, as the case may be, and in an additional equal amount as liquidated damages.'

"SEC. 11. Section 17 (including the heading thereof) of the Fair Labor Standards Act of 1938 is hereby amended to read as follows:

"'INJUNCTION PROCEEDINGS

"'SEC. 17. The district courts of the United States, including the District Court of the United States for the District of Columbia, and the United States courts of the Territories and possessions, shall have jurisdiction, for cause shown, and subject to the provisions of section 17 (relating to notice to opposite party) of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (U. S. C., 1934 ed., title 28, sec. 381), to restrain violations of section 15. Any such action may be brought in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found. No costs shall be assessed against the Administrator in any proceeding under this act.'

"SEC. 12. The Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following:

"'PROHIBITION AGAINST INTERSTATE TRANSPORTATION OF CONVICT-MADE GOODS

"'SEC. 20. In order to protect the minimum wage and maximum hours standards prescribed in sections 6 and 7, it shall be unlawful for any person knowingly to transport or cause to be transported, in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting any goods, wares, and merchandise manufactured, produced, or mined wholly or in part by convicts or prisoners (except convicts or prisoners on parole or probation), or in any penal or reformatory institution, from one State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof, or from any foreign country, into any State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof. Nothing herein shall apply to commodities manufactured in Federal penal and correctional institutions for use by the Federal Government. Any person who violates the provisions of this section shall be subject to the penalties provided by section 16 (a). The provisions of this section shall not be deemed to repeal or supersede any other act relating to the transportation or sale of goods made by convicts or prisoners.'"

Mr. BYRNS of Tennessee (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

Mr. MICHENER. Reserving the right to object, Mr. Speaker, is that the Ramspeck bill?

Mr. BYRNS of Tennessee. That is the so-called Ramspeck bill.

Mr. MICHENER. In other words, the gentleman is offering the Ramspeck amendment provided for in the rule?

Mr. BYRNS of Tennessee. The gentleman is correct.

Mr. MICHENER. And it is being offered according to the rule?

Mr. BYRNS of Tennessee. In order to comply with the rule that it might be considered at this time, and for that purpose.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. FISH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FISH. I would like to know whether unanimous consent has been given for the consideration of the Ramspeck amendment and whether that has been put to a vote?

The CHAIRMAN. The rule provides for the substitution of the Ramspeck bill for the so-called Norton bill, H. R. 5435.

Mr. FISH. I understood the gentleman from Georgia [Mr. RAMSPECK] had withdrawn that proposal.

The CHAIRMAN. Any Member can offer the amendment, even though the gentleman from Georgia does not desire to do so, and the gentleman from Tennessee [Mr. BYRNS] has offered that amendment.

Mr. FISH. I thought he asked unanimous consent to do so.

The CHAIRMAN. No. He asked unanimous consent that the further reading of the amendment be dispensed with.

Mr. HEALEY. Mr. Chairman, a parliamentary inquiry. May the Clerk read the number of the bill that has been offered as a substitute?

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered, including the number of the bill.

There was no objection.

The Clerk read as follows:

Mr. BYRNS of Tennessee moves to strike out all after the enacting clause in the bill H. R. 5435 and insert in lieu thereof all the provisions of the bill H. R. 7349.

The CHAIRMAN. The Chair will state for the benefit of the Committee that this is the so-called Ramspeck bill and is offered under the rule as a substitute for the Norton bill.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Is it now in order for the Barden bill to be offered as a substitute for the Ramspeck bill?

The CHAIRMAN. It is not until the gentleman from Tennessee has been recognized. The gentleman from Tennessee is recognized for 5 minutes.

Mr. JENKINS of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Tennessee yield for a parliamentary inquiry?

Mr. BYRNS of Tennessee. I yield for a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. JENKINS of Ohio. I make this inquiry, Mr. Chairman: I hold in my hand now the bill H. R. 5435. The bill the House is now considering is H. R. 5435, is it not?

The CHAIRMAN. That is correct.

Mr. JENKINS of Ohio. The Clerk is proceeding to read the matter which has been stricken out in the bill H. R. 5435. It appears to me that what is before this House now is a bill with an amendment reported out by the committee. Why, therefore, does the Clerk not read the part that has not been stricken out by the committee?

The CHAIRMAN. The bill that was reported was H. R. 5435, and the Clerk has read the first section of that bill. The rule provides that a substitute commonly known as the Ramspeck bill may be offered to the Norton bill, and the Ramspeck bill has now been offered as a substitute.

Mr. JENKINS of Ohio. I am afraid the Chair did not understand my inquiry. The Clerk has read matter that has been sticken out in the bill made in order by the rule.

The CHAIRMAN. That is correct, but that is the bill that was reported by the committee.

Mr. JENKINS of Ohio. It is a fact, then, is it, that the committee voted a rule out for the original of H. R. 5435 before these amendments were adopted by the committee?

The CHAIRMAN. That is correct.

Mr. WOOD. The stricken matter is identical with the original bill.

Mr. MICHENER. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. BYRNS of Tennessee. I yield.

Mr. MICHENER. The bill as reported out, the Norton bill, will be subject to amendment after we have disposed of the Ramspeck bill and the Barden bill. That is why the Clerk has read the stricken matter.

The CHAIRMAN. The gentleman from Tennessee is recognized.

Mr. BYRNS of Tennessee. Mr. Chairman, it is not my purpose at this time to take the time allotted to me except to make one brief observation, that I offered this amendment which contains the subject matter of the so-called Ramspeck bill simply in order to comply with the rule heretofore adopted by the House.

Mr. BARDEN of North Carolina rose.

The CHAIRMAN. For what purpose does the gentleman from North Carolina rise?

Mr. BARDEN of North Carolina. To offer a substitute for the Ramspeck amendment.

The CHAIRMAN. The gentleman from North Carolina offers a substitute for the amendment, which the Clerk will report.

The Clerk read as follows:

Mr. BARDEN of North Carolina offers a substitute for the Byrns amendment as follows: In lieu of the matter proposed in said amendment insert the following:

"That section 5 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following:

"'(e) No industry committee appointed under subsection (a) of this section shall have any power to recommend the minimum rate or rates of wages to be paid under section 6 to any employees in Puerto Rico or in the Virgin Islands. Notwithstanding any other provision of this act (except section 7 (c) and section 13), the Administrator may appoint a special industry committee to recommend the minimum rate or rates of wages to be paid under section 6 to all employees in Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands, engaged in commerce or in the production of goods for commerce, or the Administrator may appoint separate industry committees to recommend the minimum rates or rates of wages to be paid under section 6 to employees therein engaged in commerce or in the production of goods for commerce in particular industries. An industry committee appointed under this subsection shall be composed of residents of such island or islands where the employees with respect to whom such committee was appointed are employed and residents of the United States outside of Puerto Rico and the Virgin Islands. In determining the minimum rate or rates of wages to be paid, and in determining classifications, such industry committees and the Administrator shall be subject to the provisions of section 8 and no such committee shall recommend, nor shall the Administrator approve, a minimum wage rate which will give any industry in Puerto Rico or in the Virgin Islands a competitive advantage over any industry in the United States outside of Puerto Rico and the Virgin Islands.'

"(b) No wage orders issued by the Administrator under section 8 of the Fair Labor Standards Act of 1938 pursuant to the recommendations of an industry committee made prior to the enactment of this act shall be applicable with respect to any employees engaged in commerce or in the production of goods for commerce in Puerto Rico or the Virgin Islands.

"SEC. 2. Section 6 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following:

"'(c) The provisions of paragraphs (1), (2), and (3) of subsection (a) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands engaged in commerce or in the production of goods for commerce only for so long as and insofar as such employee is covered by a wage order issued by the Administrator pursuant to the recommendations of a special industry committee appointed pursuant to section 5 (e).'

"SEC. 3. Section 7 (c) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"'(c) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of that specified in such subsection without paying the compensation for overtime employment prescribed therein if such employee is so employed in connection with or incidental to—

"'(1) the grading or storage of grain at terminal markets, or handling or transportation in connection with or incidental to such operations; or

"'(2) the wholesale distribution of perishable or seasonal fresh fruits and vegetables, or handling or transportation in connection with or incidental to such operations; or

"'(3) the storage at terminal markets of any seasonal or perishable agricultural or horticultural commodity, or handling or transportation in connection with or incidental to such operations; or

"'(4) the felling of trees, logging, or operations incidental to the felling of trees or logging performed prior to delivery, and the delivery, of the logs to a mill for sawing, making pulp, or other processing;

and if such employee receives compensation for employment in excess of 56 hours in any workweek at a rate not less than one and one-half times the regular rate at which he is employed. In the case of an employer engaged in any of the operations specified in paragraphs (1) to (4), inclusive, of this subsection, neither the provisions of subsection (a) nor the limitation of 56 hours in any workweek, during a period or periods of not more than 14 workweeks in the aggregate in any calendar year shall not apply to his employees in any place of employment where he is so engaged. In the case of an employer engaged in the grading, loading, slaughtering, or dressing of livestock, or preparing products therefrom at the packing plant, or in handling or transportation in connection with or incidental to such operations, and in the case of an employer not exempted under the provisions of section 13 (a) (11) (F) engaged in the canning, processing, or preserving of any perishable or seasonal fruits or vegetables, including dried fruits, or in handling or transportation in connection with or incidental to such operations, the provisions of subsection (a), during a period or periods of not more than 16 workweeks in the aggregate in any calendar year, shall not apply to his employees in any place of employment where he is so engaged. As used in this subsection, "terminal market" in the case of any agricultural or horticultural commodity means any urban center of more than 150,000 population (according to the last decennial census) where such agricultural or horticultural commodity is customarily stored before processing or where such commodity is customarily stored and the greater part thereof distributed to consumers within or adjacent to such urban centers.'

"SEC. 4. (a) The heading of section 11 of the Fair Labor Standards Act of 1938 is amended by inserting at the end thereof the following: '; Rules and regulations.'

"(b) Section 11 of such act is amended by adding at the end thereof the following:

"'(d) The Administrator shall have power to make, issue, amend, and rescind such regulations and orders as are necessary or appropriate to carry out any of the provisions of this act. Without limiting the generality of the foregoing, such regulations and orders may define terms used in this act, make special provisions with respect to, including the restriction of home work subject to this act to the extent necessary to safeguard the minimum standards provided in this act or in any regulation or order issued pursuant thereto, and make special provision for voluntary constant wage plans consistent with the purposes of section 7. The regulations and orders of the Administrator shall be published in the Federal Register and shall be effective 10 days after publication or at such later date as the Administrator shall direct.

"'(e) No provision of this act imposing any liability or disability shall apply to any act done or omitted in good faith in conformity with any regulation or order of the Administrator, notwithstanding that such regulation or order may, after such act or omission, be amended or rescinded or be determined by judicial authority to be invalid for any reason.'

"SEC. 5. (a) Section 13 (a) of the Fair Labor Standards Act of 1938 is amended by striking out all of clause (1) and inserting in lieu thereof the following: '(1) any employee employed in a bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesman, or at a guaranteed monthly salary of $150 or more, or at a guaranteed yearly salary of $1,800 or more, if such employee is not required by his employer to work any specified minimum number of hours in any workday, workweek, or other period and has been notified by his employer in writing to that effect; or.'

"(b) Section 13 (a) of such act is further amended by striking out clause (10) and inserting in lieu thereof the following: '(10) any switchboard operator, during any calendar year, employed in a public telephone exchange which at all times during the preceding calendar year had less than 500 stations; or (11) any employee employed in connection with or incidental to the—

"'(A) cooling, freezing, separating, pasteurizing, drying, fermenting, grading, packing, making, evaporating or condensing, or preparing for market, of milk, skimmed milk, cream, whey, butter, ice cream, ice-cream mix, cheese, or casein, or handling or transportation in connection with or incidental to such operations, except that the provisions of section 6 shall apply to any employee employed in connection with or incidental to the evaporating or condensing of milk or in handling or transportation in connection therewith or incidental thereto unless such employee is exempted from the provisions of section 6 by reason of being employed in connection with or incidental to or in handling or transportation in connection with or incidental to any other operation specified in this subparagraph;

"'(B) ginning, compressing, or storing of cotton, or handling or transportation in connection with or incidental to such operations;

"'(C) processing of sugar beets, sugar-beet molasses, sugarcane, or maple sap, into sugar or into sirup (but not the refining of raw sugar), or handling or transportation in connection with or incidental to such operations;

"'(D) extracting (but not fermenting or refining), oils, juices, or sirups, and other derivatives from domestic vegetables, fruits, nuts, or seeds, or handling or transportation in connection with or incidental to such operations;

"'(E) preparing, cleaning, grading, packing, drying, peeling, shelling, precooling, refrigerating, freezing, or local storing of seasonal or perishable fruits or vegetables, or handling or transportation in connection with or incidental to such operations;

"'(F) canning, processing, or preserving of any perishable or seasonal fruit or vegetable (including handling and transportation in connection with or incidental to such operations) if his employer does not engage during the same calendar year in canning, processing, or preserving any agricultural commodity except perishable or seasonal fruits or vegetables and does not engage during the same calendar year in recanning any agricultural commodity or product thereof;

"'(G) cleaning, grading, drying, shelling, preparing, packing, or local storing of nuts, or handling or transportation in connection with or incidental to such operations;

"'(H) feeding, loading, grading, inspecting, or marketing when those operations are performed prior to marketing for slaughter, and marketing for slaughter, of livestock, or handling or transportation in connection with or incidental to such operations;

"'(I) shearing, grading, bagging, or local storing, of grease wool, mohair, and rabbit fur, or handling or transportation in connection with or incidental to such operations;

"'(J) fattening, slaughtering, refrigerating, dressing, packing, or local storing, of poultry, or handling or transportation in connection with or incidental to such operations;

"'(K) grading, shell-treating, candling, freezing, local storing, drying, or packing of eggs, or handling or transportation in connection with or incidental to such operations;

"'(L) hatching or marketing of chicks, poults, ducklings, or goslings, or birds when permitted by law, or handling or transportation in connection with or incidental to such operations;

"'(M) grading, hand-picking, cleaning, or local storing (but not including terminal-market storage), of grains, dry edible beans or peas, and seeds, or handling or transportation in connection with or incidental to such operations;

"'(N) extracting, preparing, packaging, or local storing, of honey, or handling or transportation in connection with or incidental to such operations;

"'(O) tying, drying, stripping, grading, redrying, fermenting, stemming, or packing, of leaf tobacco prior to storage, or handling or transportation in connection with or incidental to such operations;

"'(P) local storing, grading, packing, or packaging of nursery or other horticultural or floral stock or handling or transportation in connection with or incidental to such operations;

"'(Q) cleaning, drying, packing, local storing, grading, grinding, baling, or preparing, of hops, forage, fiber, and other agricultural or horticultural commodities not otherwise mentioned in subparagraphs (A) to (Q) of this clause, or handling or transportation in connection with or incidental to such operations; or

"'(R) the cutting of timber for manufacture into lumber, or the manufacture, preparing for market, or marketing, of lumber (including handling or transportation in connection with or incidental to such operations) during any calendar year if his employer at no time during such calendar year employed in connection with or incidental to all such operations in the aggregate more than 15 employees.

"'As used in subparagraphs (A) to (Q), inclusive, of this clause "local storing" means that storage used outside of "terminal markets" as defined in section 7 (c).'

"SEC. 6. Section 13 (b) of the Fair Labor Standards Act of 1938 is amended by inserting before the period at the end thereof the following: '; or (3) any employee of an employer subject to the provisions of part I of the Railway Labor Act.'

"SEC. 7. (a) The heading of section 14 of the Fair Labor Standards Act of 1938 is amended by inserting at the end thereof the following: '; home work in rural areas.'

"(b) Section 14 of such act is amended (1) by inserting '(a)' after 'SEC. 14.'; (2) by striking out 'learners, of apprentices, and of messengers employed exclusively in delivering letters and messages,' and inserting in lieu thereof 'learners and of apprentices,'; and (3) by adding at the end thereof a new sentence as follows: 'The Administrator may by regulation or order provide for the employment of telegraph messengers engaged primarily in the delivery of letters and messages at such wages (but not less than 25 cents per hour) lower than the minimum wage applicable under section 6 as will prevent curtailment of opportunities for such employment with a public telegraph carrier.'

"(c) Section 14 of such act is further amended by adding at the end thereof the following:

"'(b) The Administrator shall promulgate regulations permitting the employment, in rural areas, of employees in the home at such wages lower than the minimum wage applicable under section 6 as will prevent curtailment of opportunities for employment. No such regulation shall be promulgated with respect to any employees (1) if in the opinion of the Administrator the application of section 6 to such employees does not have the effect of curtailing the opportunities of such employees for employment; (2) if the promulgation of such regulation would in the opinion of the Administrator have the effect of curtailing employment in the factories or industrial establishments, if any, in which similar work is performed; or (3) if the promulgation of such regulation would in the opinion of the Administrator give the employer or employers of such employees a substantial competitive advantage.'

"SEC. 8. Section 15 (a) (1) of the Fair Labor Standards Act of 1938 is amended by striking out the first semicolon therein and inserting in lieu thereof a comma and the following: 'except that no provision of this act shall impose any liability upon any person for violating

any of the provisions of this section if such person, in a proceeding brought to impose such liability, establishes by a preponderance of the evidence that at the time he acquired a property interest in the goods transported, offered for transportation, shipped, delivered, or sold, or sold with knowledge that shipment or delivery or sale thereof in commerce was intended, he had no knowledge or reason to believe that such goods were produced in violation of any of the provisions of section 6 or section 7, or in violation of any regulation or order of the Administrator issued under section 14; and.'

"SEC. 9. Section 15 (a) (2) of the Fair Labor Standards Act of 1938 is hereby amended to read as follows:

"'(2) to violate any of the provisions of section 6 or section 7, or any of the provisions of any regulation or order of the Administrator issued under section 14, or any of the provisions contained, pursuant to section 8 (f), in any order of the Administrator issued under section 8.'

"SEC. 10. (a) The first sentence of section 16 (b) of the Fair Labor Standards Act of 1938 is amended to read as follows: 'Any employer who violates any provision of section 6 or section 7, or any provision prescribing minimum wages contained in any regulation or order of the Administrator issued under section 14, shall be liable to the employee or employees affected in the amount of their unpaid minimum compensation, or their unpaid minimum overtime compensation, as the case may be, and in an additional equal amount as liquidated damages.'

"(b) Section 16 (b) of such act is further amended by adding before the period at the end thereof the following: 'but no action to recover such liability shall be maintained unless commenced within 6 months from the day when the cause of action accrued, or 6 months from the date of enactment of the Fair Labor Standards Act Amendments of 1939, whichever is the later.'

"SEC. 11. Section 17 (including the heading thereof) of the Fair Labor Standards Act of 1938 is hereby amended to read as follows:

"'INJUNCTION PROCEEDINGS

"'SEC. 17. The district courts of the United States, including the District Court of the United States for the District of Columbia, and the United States courts of the Territories and possessions, shall have jurisdiction, for cause shown, and subject to the provisions of section 17 (relating to notice to opposite party) of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (U. S. C., 1934 ed., title 28, sec. 381), to restrain violations of section 15 and violations of regulations and orders issued to carry out any of the provisions of section 6 or section 7, except that the court shall not have power to restrain any violation of any such regulation or order unless it is shown that at least 5 days prior to the filing of the complaint the defendant was notified that such regulation or order was in force. Any action under this section may be brought, in case such action is brought to restrain violations of section 15 (a) (1), in the district in which the prohibited employment is alleged to have occurred, and in all other cases, in the district in which the alleged violation occurred. Process in such cases may be served in any district of which the defendant is an inhabitant or wherever the defendant may be found. No costs shall be assessed against the Administrator in any proceeding under this act.'

"SEC. 12. The Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following:

"'PROHIBITION AGAINST INTERSTATE TRANSPORTATION OF CONVICT-MADE GOODS

"'SEC. 20. In order to protect the minimum wage and maximum hours standards prescribed in sections 6 and 7, it shall be unlawful for any person knowingly to transport or cause to be transported, in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting any goods, wares, and merchandise manufactured, produced, or mined wholly or in part by convicts or prisoners (except convicts or prisoners on parole or probation), or in any penal or reformatory institution, from one State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof, or from any foreign country, into any State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof. Nothing herein shall apply to commodities manufactured in Federal penal and correctional institutions for use by the Federal Government. Nothing herein shall apply to commodities manufactured in any State penal or correctional institution if such commodities are manufactured (a) for the exclusive use of such State, or (b) for use (but not for sale) by such State to carry out its governmental functions. Any person who violates the provisions of this section shall be subject to the penalties provided by section 16 (a). The provisions of this section shall not be deemed to repeal or supersede any other act relating to the transportation or sale of goods made by convicts or prisoners.'

"SEC. 13. This act may be cited as the 'Fair Labor Standards Act Amendments of 1939.'"

The CHAIRMAN. Without objection, the reading of the substitute amendment will be dispensed with, it to be printed in the RECORD.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, reserving the right to object, I really feel as though the substitute should be read because there are, no doubt, Members present who may desire to offer perfecting amendments to the substitute. I feel that the bill should be read in order that amendments may be offered.

The CHAIRMAN. The Chair would state to the gentleman that the Barden bill is offered as a substitute for the amendment offered by the gentleman from Tennessee, the Ramspeck bill. If the pending request is granted, then amendments to the so-called Barden bill will be in order.

Mr. AUGUST H. ANDRESEN. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. Is it, then, the ruling of the Chair that the entire substitute amendment must be read before any amendment can be offered to any section?

The CHAIRMAN. Yes; if objection is made to dispensing with the reading of it.

Mr. AUGUST H. ANDRESEN. A further parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. Would it be in order to offer amendments to any section of the so-called Barden amendment during the reading of the bill?

The CHAIRMAN. The so-called Barden bill is offered as a substitute for the amendment and, therefore, would be subject to amendment at any point after the substitute was read, the so-called Barden bill.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman yield for a parliamentary inquiry?

Mr. BARDEN of North Carolina. I yield.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman's 5 minutes not start until after the parliamentary inquiries are disposed of.

The CHAIRMAN. The question before the Committee is, Shall the reading of the substitute be dispensed with?

Mr. McCORMACK. Mr. Chairman, reserving the right to object, and I hope this will not be taken out of the gentleman's time, it is my understanding that with two substitutes pending there can only be one amendment offered to each pending substitute?

The CHAIRMAN. That is correct.

Mr. McCORMACK. There cannot be an amendment to the Norton bill until after the substitutes are disposed of?

The CHAIRMAN. That is correct. Is there objection to the request of the gentleman from North Carolina?

Mr. RICH. Mr. Chairman, reserving the right to object for the purpose of propounding a parliamentary inquiry. Is the Ramspeck amendment still pending?

The CHAIRMAN. It is. It has been offered as a substitute for the Norton bill. Is there objection to the request of the gentleman from North Carolina [Mr. BARDEN]?

There was no objection.

Mr. BARDEN of North Carolina. Mr. Chairman, I ask unanimous consent to proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina [Mr. BARDEN]?

There was no objection.

Mr. BARDEN of North Carolina. Mr. Chairman, in order that we may proceed strictly in compliance with the rule, I ask unanimous consent to delete or strike out the word "not" in line 20, page 4, in the amendment that I just offered, which does away with the double negative.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina [Mr. BARDEN]?

Mr. WOOD. Mr. Chairman, I object.

Mr. BARDEN of North Carolina. Mr. Chairman, the substitute just offered by me is one that has the genuine and the wholehearted approval of agriculture. It has been a very difficult problem to work this bill out and to restrain some who wanted to go too far, but this bill now has the wholehearted approval of agriculture in this country. I have just received a long cablegram from the Puerto Rico Farmers' Association, which I am informed by the Resident Commissioner from Puerto Rico is a very fine, representative organization down there, in favor of this bill. Here is a large

list of those who have approved this bill, including such organizations as the American Farm Bureau Federation, the Grange, and others.

When I say this bill has the approval of agriculture, I mean just what I say. I have heard gentlemen from some of the larger cities say, "Oh, no; the Grange, the Farm Federation, and those organizations do not represent agriculture." I say to you, Mr. Chairman, if they do not represent agriculture, can it be truly said that Mr. Green and Mr. Lewis do not represent labor? I think that conclusion would be just as logical.

There is a possibility that some amendments, in the opinion of the House, may be needed to perfect this bill, but I submit to you that the substance of H. R. 7133 has been carefully worked out, it has been orderly arranged, and if any amendments are necessary, this certainly is the place to offer them. My fight has been to bring this matter to the floor of the House in order that the Members may have the opportunity to pass upon this matter and to have whatever amendments they think are necessary added to the act.

What should I say about H. R. 5435, which is generally known as the Norton bill? Mr. Chairman, those who are attempting to convey the idea that they are for the Norton bill are not for it it, as a matter of fact. They want the worst bill they can bring before us in order to rip it to pieces; and, mark my words, when we begin to vote on H. R. 5435 you are going to see some of the very ones who have left the inference that they are for that bill, otherwise known as the Norton bill, vote against it. The Norton bill is not representative of the views of agriculture. Agriculture has not asked for a 60-hour week, although the Norton bill provides for the 60-hour week in the hours section. Agriculture has not asked for that, I repeat.

Let me make one thing clear, because I want to be perfectly frank. I have taken from the Administrator the right to write criminal law that carries a $10,000 fine and 6 months imprisonment with it, and I believe this is in line with the views of the majority of the Members of the House. There is a remedy for him, but it is through injunction and not by way of the criminal courts. I do not believe this House wants a man sitting down there writing criminal law with such a sting to it as the Norton bill would have.

Now, I shall take up the bills briefly. Let us take H. R. 5435 and H. R. 7133. The entire first section of H. R. 5435 is the same as my bill, H. R. 7133. Section No. 2 is the same. Then we come to the hours section, which is section 3, known as section 7 (c).

When we get to the hours section, the Norton bill does not carry even the exemptions that are provided in the present law. Milk, for instance, is restricted, grain and meat are exempted from the hours provision, and cottonseed is left out. I may say right here that cottonseed has already dropped $1 on account of the area-of-production definition and, mind you, the tenant farmer grows and owns one-half of the seed and that dollar comes out of him. Beginning with the hours provision we part. The Norton bill, H. R. 5435, has a number of exemptions that are carried as total exemptions in H. R. 7133, under the hours exemptions only.

Mrs. NORTON. Will the gentleman yield?

Mr. BARDEN of North Carolina. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. I notice the gentleman has said "she" put in those exemptions. Please correct that and say that the committee decided to do that.

Mr. BARDEN of North Carolina. I certainly accept the correction.

Mrs. NORTON. As a matter of fact, the chairman of the Labor Committee is very much against several of the provisions carried in the H. R. 5435 amendment.

Mr. BARDEN of North Carolina. I expect the gentlewoman will probably vote against the whole bill then?

Mrs. NORTON. We will see about that.

Mr. BARDEN of North Carolina. I want to give the facts and I accept the correction.

Going further with the hours situation, the committee, I will say, moved those exemptions over. Now, try to fit it into the law as it is now, and you will find that agriculture is completely ripped; yet it looks pretty in the bill.

I will move along. As I said a moment ago, there is a provision in the bill H. R. 5435 for 60 hours. The Barden bill makes provision for 56 hours, and a 16 weeks' exemption. In the original act the exemption is 14 weeks. It was understood that the 2 weeks extra was needed to cover the flood season as far as the product was concerned.

Now we move over to section 4, subsection (b), which is a very, very important section. This provision in H. R. 5435 is the same as the provision in H. R. 7133, except that in the Norton bill the orders are effective upon publication and in my bill there is a 10-day notice provision, which I believe every man and woman will agree is a good provision.

On page 6 of H. R. 7133, in subsection (e), there is a good-faith provision, providing that where an order or regulation is issued by the Administrator, and the person to whom it is issued complies with the regulation or order, then as long as that person complies with it he shall be immune from suit. I believe everybody will agree with that provision.

The next provision we come to deals with the famous "white collar" situation. As the situation is now, you have under the wage-hour law men drawing as high as $7,000 a year. If they go back to work after hours, to attend to their business or sign their mail, then the employer has to pay them overtime at the rate of $7,000 a year divided by the hours. This is perfectly absurd. The act was never intended to cover that type of employee. Therefore I wrote into this bill provisions for exemption of those drawing a guaranteed salary of $150 per month, or $1,800 a year, where the employee is not required to work any minimum number of hours; in other words, he is the keeper of his own time, and must be notified in writing to that effect.

On page 7 of H. R. 7133, under subsection (b), we come to section 13 (a). This is the telephone provision. There is no controversy over this situation, and it is perfectly all right to strike out this provision. An amendment has been placed in the present law which exempts telephone companies having less than 500 stations. There is a slight change in that, but not important. This was drawn before the amendment was adopted to the law last year.

Then we come to the agricultural exemptions from hours and wages, and I ask that you read those carefully and compare them with section 13 (a) (10) of the law. The only difference is that my bill does not leave the area of production for the Administrator to define, as is the case in the present act, and all of you know what the Administrator has done with the term "area of production."

I shall not take up each one of the individual exemptions. I ask you to look at H. R. 7133, beginning with the hour and wage exemptions on page 7, and read through the exemptions. One or two of them are carried in the Norton bill, but the main and principal difference between the Norton bill and my bill, H. R. 7133, is that the Norton bill extends to agriculture, or a part of agriculture, only hours exemptions.

[Here the gavel fell.]

Mr. BARDEN of North Carolina. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BARDEN of North Carolina. Mr. Chairman, section 7, subsection (c), amends section 14 of the act by adding a subsection (b), which starts as follows:

> The Administrator shall promulgate regulations permitting the employment, in rural areas—

Under his interpretation, at the present time, piece work or home work in rural communities has been completely wiped out.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. BARDEN of North Carolina. I yield to the gentleman from Georgia.

Mr. TARVER. Am I correct in my viewpoint that this provision is contained in identically the same language in all three of the pending bills?

Mr. BARDEN of North Carolina. Yes; and it has been approved by the committee and approved by everybody that has looked at it. I believe it is a most fair provision.

There is one change in section 8, on page 13, which relates to a man who purchases goods without notice of any violation of the law in good faith and comes in and shows by a preponderance of evidence that he had no notice that the goods were produced in violation of the wage-hour law. When he does that, my position is that he should not be punished for it, because at the present time a man can buy goods and can take an affidavit from the seller that they were produced under the wage-hour law, and if it later develops that they were not produced under the law they are "hot goods," and he has no way of disposing of them except in intrastate sales.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. BARDEN of North Carolina. Very briefly.

Mrs. NORTON. Of course, the gentleman knows that the same provision is in all the bills.

Mr. BARDEN of North Carolina. Yes; I believe it is.

The next provision is section 11, on page 14, of H. R. 7133. This is the same as in H. R. 5435.

The next provision is one which fixes the 6 months' statute of limitations. I do not know whether that is too short or too long, but I say that it is a matter that the House is perfectly capable of passing on, but there should be some limit, because when an operation is carried on, with probably 90 percent of the expense of that operation labor cost, and it is allowed to run on for 2 years, you simply wipe the business out and everybody loses his job. So there should be a limitation of 6 months to 1 year to keep down the destruction of business, and especially small business.

Mr. HEALEY. Mr. Chairman, will the gentleman yield at that point?

Mr. BARDEN of North Carolina. If you will be brief, yes.

Mr. HEALEY. Does the gentleman know of any other statute of limitations that is as short as he proposes in this bill, affecting any property rights anywhere?

Mr. BARDEN of North Carolina. May I say to the gentleman that there are statutes of limitation as short as that.

Mr. HEALEY. I would like to have the gentleman produce one of them.

Mr. BARDEN of North Carolina. I will say this to the gentleman: I do not know of any other regulation put on business that carries the penalties that this regulation carries.

Mr. HEALEY. But the gentleman knows of no other statutory exemption as low as he proposes.

Mr. BARDEN of North Carolina. I do not know of any penalty as large as this.

Mr. HEALEY. But you want to impose this on the rights of labor, although there is not any other similar statute anywhere.

Mr. BARDEN of North Carolina. That is a matter in the power of the House.

Now, passing that, H. R. 5435 is the same down to line 8, on page 15, and then comes the notice for injunction.

I remove from the power of the Administrator the right to write the criminal law, but this provision was written in in order to enable the Administrator to enforce the rules and regulations by injunctive relief, and he has to give 5 days' notice; if the employer puts his house in order within the 5 days' time, there is no necessity of cluttering up the courts with a lot of lawsuits.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I rise in opposition to the amendment, and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RAMSPECK. Mr. Chairman, the parliamentary situation created by this rule, as I see it, is simply this: The real controversy here is between the committee bill and the Barden bill. It was for that reason that I did not offer the bill bearing my name, and for the further reason that I do not want any bill bearing my name to contain exemptions from a 30-cents-an-hour wage. You can disregard the bill offered by the gentleman from Tennessee which bears my name, because everything in it, except one thing, an amendment dealing with a mining situation out West, is in both the Barden bill and the committee bill. So there is no use to adopt the bill which bears my name.

I rise in opposition to the philosophy of the Barden bill. If you have examined the comparison of these three bills contained in the Appendix of the RECORD, page 2260, you will find that, speaking broadly, there is only one difference between the two bills, one important difference between the committee bill and the Barden bill. You will find on page 2261, in the right-hand column, a list of a number of processes which are completely exempted from the wage and hour law by the Barden bill. They are completely exempted both as to wages and hours, on the theory, as I said here last week, that the processing of these products of the farms is reflected back in the price paid to the farmer. Now, I think unquestionably there are some processing charges that a farmer does pay. For instance, in my section of the country a farmer pays for the ginning of his cotton. He pays that out of his own pocket. You can be definite about that. If he puts it in a warehouse and retains title to it, he pays for the storage, of course, and to that extent any increase in the cost of those operations is directly traceable to the farmer. There are many processes, however, which are completely exempted under the Barden bill, which, it seems to me, have only the remotest relation to farming. They are processes which are certainly industrial, if I am any judge of industrial operations.

I have here in my hand, and, of course, they cannot be put into the RECORD, a number of photographs taken of canning plants, and packing plants, showing that these plants are just full of machinery. They are industrial plants. They are operated by industrial workers who go into those plants, and work under conditions that are no different, so far as I can see, from the conditions in a cotton mill, or a textile mill, or any other industrial operation.

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I am sorry I have not time to yield.

You will find that they carry on all sorts of mechanical operations in these plants.

Yet the Barden bill proceeds upon the theory that those are farmers in these plants, or that the farmers are paying for these operations. The committee recognized the fact that the definition of "area of production" made by the Administrator, Mr. Andrews, is not satisfactory, and in an honest and earnest effort to solve that problem reported the committee bill, which keeps those people under the wage provision, but gives them a 60-hour week all the year 'round, and for 14 weeks in each year a complete exemption from the hours provision. The purpose of that is to take care of just such situations as were described so ably last week by the gentleman from New York [Mr. WADSWORTH], where weather conditions make it necessary to process certain farm commodities immediately, and without regard to hours. Certainly we do not want to make any employee or group of employees work over 60 hours a week, and yet we do give 14 weeks during the season and they can pick any 14 weeks they want, to operate without limitation of hours at all, and they can work their employees 24 hours a day without paying a cent of overtime. All they have to pay under this bill is 30 cents an hour. That is what is offered by the committee bill. Do we need to go as far as the Barden bill goes? Do we want to take from under the pittance of 30 cents an hour these employees who work in canning factories and packing plants and other processing plants throughout the country that handle agricultural commodities? Do we, as

Members of Congress, drawing $10,000 a year, or $25 a day, want to go back home and say to our people that we are not going to provide a minimum wage, a bottom to the wage of 30 cents an hour for the employees who work in these industrial plants, simply because they are working on agricultural products? What is the difference between processing cotton and processing peas, or any other agricultural commodity? They are both raised on the farm. I cannot see the justification for it, and while I realize that the lowest-paid people in this country, for what they do, are the farmers, and I personally have voted for every effort that this Congress has made since I have been a member of it to help raise the income of the farmers and expect to continue that policy, yet I do not believe that we can help the farmer by denying a minimum wage to the workers in the industrial plants, simply because they are processing something that comes off the farm. I believe that the way to help the farmer in this situation is to say that the man who buys the farmer's products be permitted at least to make 30 cents an hour because thereby he will be better able to buy the products of the farmer. [Applause.]

Mr. PEARSON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. PEARSON. In connection with the statement on the part of the gentleman, I have read the comparative statement of the three bills appearing in the RECORD, and I drew the conclusion from a study of that comparison that the Norton, or the committee bill, narrows the exemptions given to agriculture and actually takes out from the protection of the present law some groups by virtue of the wording of the Norton bill. I ask the gentleman whether or not I am correct in that conclusion?

Mr. RAMSPECK. I do not so understand it. I may be mistaken as to some particular commodity.

Mr. PEARSON. Particularly with reference to the dairying industry. Does not the committee bill allow exemptions to the dairying industry and take out of the protection of existing law a certain group?

Mr. RAMSPECK. I do not think it does. If I am mistaken about that, I should be very glad to have the gentleman point it out. The gentleman may be thinking in terms of what he thought would be exempted under the definition of the area of production. It is true that a good many people thought that they were going to get exemptions under that interpretation but did not get them, and therefore they might say that we are narrowing the bill.

Mr. PEARSON. I just took it from the figures given in the tables which were placed in the RECORD by the chairman of the committee.

Mr. RAMSPECK. The gentleman may be correct, but that is not my understanding of it. My understanding is that we have not taken away any actual exemptions which existed in the present law. It is true that we have taken away the area of production in the committee bill, and, therefore, it might be inferred by some who thought they were entitled to exemption and did not get it under the area of production that we had taken something away.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. MURDOCK of Arizona. As I understand from the gentleman's first statement, his bill now has been offered as a substitute for the Barden bill. I understand that in the Ramspeck bill the provision that was of most importance concerned western mining.

Mr. RAMSPECK. That is right.

Mr. MURDOCK of Arizona. If time permitted compliments, I would like to say how much some of us appreciate what the gentleman from Georgia [Mr. RAMSPECK] has done for our public employees and the public service.

I appreciate the fact that the gentleman was considerate enough of western mining that he made some effort to make this law applicable to our western mining. It is very difficult to make such legislation as the Wage and Hour Act fair and just to all parts of our great and variegated country.

Mr. RAMSPECK. I thank the gentleman. I expect to offer that amendment to the pending motion.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. BATES of Massachusetts. I notice on page 2263 of the Appendix of the RECORD the comparative statement. The question was raised by the gentleman a moment ago about additional employees who will not come under the scope of the new Norton bill that come under the present law.

Mr. RAMSPECK. Right at the top of that statement it says "Dairy products 22,000 under the present act, 22,000 under my bill, and none under the Norton bill.

Mr. BATES of Massachusetts. In other words, there is no one exempt under the Norton bill today, while there are 22,000 exempt under the present law?

Mr. RAMSPECK. The gentleman is correct. I stand corrected as to that 22,000.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BATES of Massachusetts. And if you will go down that schedule, you will find "fruit, vegetable, and nut oils and juices," 5,000 exempt under the present law. None will be exempt under the Norton bill.

Mr. RAMSPECK. Yes. The gentleman is correct about that. I am glad to have that correction brought to my attention.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Pennsylvania.

Mr. GROSS. The gentleman said a moment ago that he always voted in favor of the farmers. I would like to ask him if he voted for the reciprocal-trade agreements?

Mr. RAMSPECK. Certainly I did, and that is in favor of the farmers, whether the gentleman realizes it or not. [Applause.]

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. COLMER. Is it the contention of the gentleman that such plants as Borden and Carnation Milk and plants like that would be exempt under the Barden bill?

Mr. RAMSPECK. Yes; I think unquestionably they would be exempt from both wages and hours under the Barden bill, and under the Norton or the committee bill they would have the 60-hour week and 14 weeks without the hour limitation, but would be left under the wage provisions of the act; but I point out this to the gentleman, that those plants are unionized, and the unions will take care of the question of hours there.

Mr. BARDEN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. BARDEN of North Carolina. I would like for you to read the amendment as it appears in my bill.

Mr. RAMSPECK. I have read it. The gentleman and I do not agree as to what it means

Mr. BARDEN of North Carolina. Just listen to this:

> For handling, transportation, etc., except that the provisions of section 6 shall apply to any employee employed in connection with or incidental to the evaporating or condensing of milk or in the handling or transportation.

Mr. RAMSPECK. The gentleman and I do not agree about the construction of his bill. I want to say this about the gentleman from North Carolina [Mr. BARDEN]. I at one time lived down there where he comes from, in the city where he lives and in the district which he represents. I hope the people of that district will have the good judgment to send the gentleman back in the coming primary, because he is sincere, capable, and able; but we do not agree about the philosophy of this wage and hour law. I am not questioning what he is trying to do.

He is trying to do what he thinks is right, but I do not believe that we in the South will make any progress by low wages. I think we have to get on the same level eventually with the rest of the country. [Applause.] I do not believe we will help agriculture by holding down the wages of these employees who are essentially industrial workers. I think 30 cents an hour is about as low as we ought to go. We have given them the 60-hour week, which will take care of most of the complaints against this legislation, I think. I point out to you that in the Barden bill also the question of transportation comes up. He is not only exempting the processing but the transportation. How are you going to exempt the transportation of a carload of agricultural products in a freight train without exempting the entire operation of the train from the wage and hour legislation?

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. KEEFE. If the gentleman will look at subsection 5, on page 11, section 3, there is an apparent attempt to give the benefit of the 60-hour exemption to certain canning plants, canners of fruits and vegetables.

Mr. BARDEN of North Carolina. Which bill are you referring to?

Mr. KEEFE. I am referring to the Norton bill, on page 12. But not when those operations are performed at a terminal establishment. In the definition of "terminal establishment," found on page 14 of the bill, it is described as one that distributes its goods to wholesalers, retailers, consumers, and manufacturers. In the canning business in Wisconsin—and I assume in every other State in the Union—every canning plant maintains its own warehouse, where its canned products are placed, and distribution takes place from its own warehouse. Thus, every canning factory will be established as a terminal establishment under the definition. You therefore have not given this 60-hour exemption to those plants, have you?

Mr. RAMSPECK. Well, the gentleman might offer an amendment about that. It is the intention, of course, to give it to the actual processors of agricultural commodities, but not to give it to the brokers and warehousers in the terminal sections. I cannot yield further to the gentleman. I must get along.

Mr. KEEFE. I just wanted the gentleman to clear that one point up. That was the intention of the committee, was it not?

Mr. RAMSPECK. That is my understanding. Mr. Chairman, I cannot yield further.

The National Lumber Manufacturers' Association sent me a letter—I presume it was sent to others also—objecting to one section of the Barden bill; very much to my surprise, because when this act was originally up some of these people were very much opposed to the wage-hour law, but they point to the fact that section 5 (b) of the Barden bill exempts certain lumber operations if they have 15 or less employees, and point out the great discrimination that would take place. The circular is signed by the Appalachian Hardwood Manufacturers, Inc.; the California Redwood Association; the Northeastern Lumber Manufacturers' Association; the Southern Cypress Manufacturers' Association; the Southern Hardwood Producers, Inc.; the Southern Pine Association; the West Coast Lumbermen's Association; and the Western Pine Association. They feel that the Barden bill is discriminatory; that it grants undue advantage to the smaller operator, as compared with the larger.

May I conclude my statement by saying to the committee that I hope it will not go so far as to adopt the Barden bill. [Applause.]

[Here the gavel fell.]

Mr. HAWKS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise to speak on this bill because I have a very certain and a very definite interest in the Barden amendment. I have 32 canning factories in my district. The gentleman from Georgia displayed a number of pictures showing machinery in an average canning factory. I agree with him that a canning factory is full of machinery. But the gentleman from Georgia has no idea of the type of people who are employed in these canning factories in the small towns all over the country. They are kids in high schools, kids from the universities, mothers who take this opportunity to put in a few hours during the canning season and in this way earn a few extra dollars.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HAWKS. I do not yield. I am talking for the unorganized workers, as they are not involved in this type of work. I am talking for the people who can have only part-time employment, and are happy to get it. Now, let us go into the average canning factory. I have worked there during school vacations and know what I am talking about.

Work in a canning factory is not hard, it is not dangerous work. School kids on vacation, mothers who have the time and need the money, professors from the various high schools work down there as foremen. It is not a highly industrialized set-up at all. It is an industry for small towns. The gentleman from Georgia certainly displayed his ignorance of small communities in this country. As the gentleman from Georgia, his colleague [Mr. Cox], pointed out to the House the other day, the gentleman from Georgia [Mr. RAMSPECK] represents the great city of Atlanta, which certainly is not a small town in any sense of the word.

The Barden bill, with its exemptions to these canning plants, with its exemptions to the cheese factories and the little creameries all over my State, certainly strikes at the bottom of all of the trouble that we have had with this Wage and Hour Act. I appeared before Mr. Andrews last year, as did many hundreds of other people, complaining about his interpretation of the act. In arguing with him he certainly displayed a total ignorance of what the Congress meant, and no disposition to change his mind, even though confronted with loads of testimony to the contrary. The Wage and Hour Act, as it stands today, or as it would be amended by the so-called Norton bill, is absolutely impossible of administration by any man. It cannot be administered, certainly, to satisfy in any sense the canning or dairy industry of my State or the people who work in those great industries. It cannot be made to work under his interpretation or under the interpretations of the present Administrator, for that matter, to satisfy the people who work in these little plants all over my State, and particularly in my district. I hope that the House, in considering the Barden bill, will pass it with just a few minor amendments. The Norton bill is just a subterfuge. The Norton bill never should have been brought before this House, and I understand that the chairman of the Committee on Labor has stated her opposition to her own bill. The gentleman from Georgia [Mr. RAMSPECK], from the great city of Atlanta, has shown sense enough to withdraw his bill. I am glad he has, because he certainly has demonstrated that he knows nothing about agriculture and agricultural labor. I hope the House will adopt this Barden amendment and thereby bring some relief to the great agricultural interests of my State.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HAWKS. I yield.

Mr. SHORT. I would like to say to the gentleman from Wisconsin that dozens and scores of small tomato-canning operators out on the Ozark hillsides in southwestern Missouri and northwestern Arkansas, the operators of small cheese factories, small sawmills, small creameries, and ice-cream manufacturers, as well as small business institutions and small banks, are unanimously in favor of the Barden bill. The minimum wage is certainly not too high, but unless the Barden amendments are voted many of these small plants and factories will be forced to close and more people will be added to the relief rolls. It is better to receive a small wage than to receive no wage at all. People must be given at least the opportunity to work.

Mr. HAWKS. Our argument against the Wage and Hour Act has no relationship to the wage scale, we are not in conflict with that at all, because the wages paid in Wisconsin are

above the minimum wages set forth in the original act. We are not fighting about wages. We are fighting for jobs. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Chairman, I move to strike out the paragraph.

Mr. Chairman, there has been considerable breast beating in this debate. Many incidents have developed to provoke amusement, but the one that has caused me the most amusement is the action of the chairman of the Labor Committee in disavowing approval of certain provisions of the bill bearing her name and that of my devoted friend and colleague the gentleman from Georgia [Mr. RAMSPECK]. Now, I have heard of fathers going under the house in the face of a storm, leaving their offspring to be swept away, but this is the first time I have actually witnessed such a thing. You know this reminds me of the Negro boys that went coon hunting and jumped a bear. They beat the dogs back home.

I presume it is just as well that the gentleman disown his offspring rather than have waited for its execution on the part of the membership of this Committee, who insists of something with more life than this foundling happened to have. I think the House wants to do something serious and sincere in the way of modifying a law which has been used to do great harm to the small-business people and to the farmers of America. The Barden bill proposes to do nothing other than what you thought you were doing when you wrote the law originally. The same principle involved in the Walter bill and in the proposed Smith amendments to the Wagner Act is involved in this proposal which we have before us today, and that is, Has the Congress the competency to determine for itself the meaning of what it does in the way of legislation? In other words, is Congress to further tolerate administrative agents nullifying what Congress does through the substitution of what they think Congress ought to have done? In other words, do you wish to prostrate the people of America and the Congress itself at the feet of these administrative tyrants who, through the substitution of their judgment for that of the Congress, set up regulations having the force and effect of law? Are you to further tolerate their legislating for the Congress of this country?

Let me quote what the great Jefferson said:

> Our laws expressly declare that those who are but delegates themselves shall not delegate to others powers which require judgment and integrity in their exercise.

Mr. Chairman, in the motion now pending there comes to us the challenge whether we are willing to stand upon our own feet in the exercise of our own rights as the delegated agents for the people of this country and do that which we believe is responsive to their real and actual needs or are we going to cower under some kind of a political threat which demands complete and absolute surrender of our rights as Representatives of these United States? [Applause.]

[Here the gavel fell.]

Mr. NORRELL. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

> Amendment offered by Mr. NORRELL to the substitute offered by Mr. BARDEN of North Carolina: On page 16, line 24, after the period, insert "nothing herein shall apply to cotton and cottonseed grown or raised by convicts or prisoners."

Mr. NORRELL. Mr. Chairman, first of all let me say that my 10 years of legislative experience has indicated to both organized or unorganized labor my intense interest in their welfare and benefit. I am trying to keep the record straight here on a point which is not now included in the wage and hour law. I refer you to page 16, line 24, of H. R. 7133, where I propose to offer this amendment. I propose to permit the penitentiaries of the country that have been growing and selling cotton and cottonseed to continue this kind of activity. The present wage and hour law does not prohibit such activities. We all agree to this.

Mr. BARDEN of North Carolina. Will the gentleman yield?

Mr. NORRELL. I yield to the gentleman from North Carolina.

Mr. BARDEN of North Carolina. I understand this is to take care of a very delicate situation that the gentleman has in his State, and which exists in several of the other States?

Mr. NORRELL. That is correct.

Mr. BARDEN of North Carolina. There is no objection on the part of anyone over here to that.

Mr. NORRELL. Mr. Chairman, I am glad to have the gentleman's statement to that effect. I want it understood that this in no way affects union labor, it in no way affects the present law, it was put into this bill in an endeavor by those of us on the Labor Committee who wanted to prohibit prison-made manufactured articles to enter interstate commerce, and we did not have in mind to prohibit the growing of cotton and the selling of cotton and cottonseed, as the same is now being done in several Southern States.

In Arkansas we have a penitentiary with a population of around 2,000. We produce from 3,000 to 7,700 bales of cotton annually on approximately 25,000 acres of rich land. If this bill is enacted into law without my provision, it will mean that we will have to assess an additional tax in Arkansas amounting to something like $350,000 to $500,000 annually in order to maintain our prisoners and at the same time we will have to assess an additional $2,000,000 to build a cell-block system, and so forth, to house these idle convicts.

If all the penitentiaries of the country were prohibited from producing cotton, what would it amount to? Here is the story in a nutshell. If all the penitentiaries in the United States located in States that now grow cotton produce the same cotton annually that Arkansas produces there would be made around 96,000 bales of cotton. A minimum of 12,000,000 bales are produced annually in the entire Nation. So you see you are dealing purely with a matter that is of little importance when you talk about 12,000,000 bales being produced annually.

Mr. HANCOCK. Will the gentleman yield?

Mr. NORRELL. I yield to the gentleman from New York.

Mr. HANCOCK. I wonder if the committee took into consideration the fact that there is already existent law on the statute books which covers the subject of transportation of convict labor in interstate commerce, known as the Ashurst-Sumners bill, which was considered by the Judiciary Committee and passed by the House?

This section, if it has any effect at all, supersedes and repeals the existing law. Personally, I do not believe it belongs in this bill at all.

Mr. NORRELL. I do not believe so, either.

Mr. HANCOCK. It is unrelated to the subject of hours and wages. It is an entirely new field, and it does not belong in this bill.

Mr. NORRELL. It is a subject, as the gentleman says, for another jurisdictional committee.

Mr. HANCOCK. When this amendment was adopted, was this point in the minds of the committee?

Mr. NORRELL. I do not believe that was discussed in the committee. If it was, I did not hear it.

Mr. Chairman, I hope the amendment will be adopted. [Applause.]

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that after the pending amendment has been disposed of, in the interest of orderly procedure, in offering amendments to the Barden substitute all amendments to the first section be disposed of before any amendments to any other section are considered, and that this same procedure be followed throughout the consideration of the bill. I believe this would be much less confusing to most of us.

The CHAIRMAN. The gentlewoman from New Jersey asks unanimous consent that in disposing of the amendments to the substitute they be offered in sequence to the first section and to succeeding sections, throughout the consideration of amendments to the substitute. Is there objection?

Mr. HOFFMAN. Reserving the right to object, Mr. Chairman, I would like to offer an amendment to the original bill which has to do with the definition of the term "employee employed in a bona fide administrative capacity." Now, a parliamentary inquiry in connection with that. If this request is agreed to, when should my amendment be offered?

The CHAIRMAN. The Chair may state that that amendment may be offered after all the amendments to the substitute, the substitute itself, and the substitute for the Norton bill are disposed of. Then the gentleman would have an opportunity to offer the amendment to the original bill.

Mr. HOFFMAN. Even though it would properly come under the first section of the Barden bill, if there was such a section containing definitions?

The CHAIRMAN. If it were germane to that section, under the request the gentleman would have the right to offer it to the Barden bill.

Mr. BARDEN of North Carolina. If the gentleman will yield, he will find on page 6 of H. R. 7133 a section dealing with exactly what he has in mind, so he may find his opportunity to offer it there.

Mr. BLAND. Reserving the right to object, Mr. Chairman, and I do not intend to object, I should like to find out just where we are. At the conclusion of the consideration of the first section will announcement be made that the second section is now open for amendment, so we will know how we are proceeding? I believe the request of the gentlewoman from New Jersey is a wise one, but I believe we ought to know when we pass from one section to another.

The CHAIRMAN. The Chair will state that the Chair will make an announcement of that fact as the consideration of each section is completed.

Mr. BUCK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BUCK. It is my intention to offer an amendment first to the Barden substitute, and if that substitute is dedefeated, subsequently to the Norton bill itself, adding a new section amending section 3 (f) of the Wage and Hour Act. At what point will this amendment be in order? Will it be in order at the end of the first section?

The CHAIRMAN. The Chair is inclined to think that it would be in order at the end of the first section of the Barden bill.

Mr. HOBBS. Reserving the right to object, Mr. Chairman, may I ask the distinguished gentlewoman if it would meet with her approval to dispose of the amendments to this section at this time before adopting her request?

Mrs. NORTON. I said "after the pending amendment."

Mr. HOBBS. I have an amendment to this same section.

Mrs. NORTON. Would not the gentleman be perfectly satisfied to offer it in its place? It would be very much less confusing, I believe.

Mr. HOBBS. Very well.

Mr. JENKINS of Ohio. Reserving the right to object, Mr. Chairman, I wish to submit a parliamentary inquiry. Am I right in assuming now that if we grant this unanimous-consent request we will proceed to perfect the Barden amendment and will not deal further with the Norton amendment until we have perfected the Barden amendment?

The CHAIRMAN. The gentleman is correct. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. KELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I wish to call the attention of the House to the fact that this House passed a wage and hour bill itself and that the Senate passed a bill expressing its ideas. Of course, a conference committee was then appointed by the House and by the Senate. This conference committee in the Senate consisted of Senators Pepper and Ellender, both from the deep South, Senator Borah, Senator Thomas of Utah, Senator Walsh of Massachusetts, and Senator La Follette. The House conferees were Mrs. Norton and Messrs. Ramspeck, Keller, Welch, Hartley, Dunn, and Randolph.

These 14 Members of the House and Senate sat together not for a day or 2 days or 3 days, but for 3 weeks, and we worked out every single, solitary phase of this subject of wages and hours with every law in this country or in any other country available to us. We did not jump at conclusions. We fought it out hour after hour, many times far into the night. We brought to the House and to the Senate as good a bill, I believe, as could possibly have been written or as can be written at the present time, because we gave it the study and the consideration, the give and take of the different viewpoints from the different parts of this country, and we did not mince matters a bit. The two men from the South, Senators PEPPER and ELLENDER, are brilliant men who know the rights and opportunities and benefits and interests of the South. They fought for and got what they accepted as being what ought to come to the South. The same was true of those of us who come more from the Midwest and the West.

Before you vote for any amendment here, you ought to be very sure that it is an amendment that will benefit the law as a whole and not some section and not some special interest. Unless we are sure any amendment proposed here is an actual and very certain improvement over the present law, it ought not to be adopted. Any questionable amendment ought to be rejected.

I want to call your attention to the fact that in the conference committee the interests of the farmer and the laborer were well considered and well discussed. We took the view, and it is the view I have taken before this House on many occasions, that there is no such thing as a special farm interest as opposed to a special labor interest, nor a special labor interest as opposed to a special farm interest; that the farmers in this country and their interests are tied to the interests of the laborers of this country as close as my two fingers are. It is equally true that the laborers of this country are tied to the interests of the farmers as close as are those same two fingers. You cannot have a successful farm community and a poverty-stricken labor community; neither can you have a successful and prosperous labor community with a poverty-stricken farm community. If we be the statesmen I believe us to be, when we stop and think things over, we are going to hold those two facts clearly in mind and not permit the interests of one to clash with the other; and what is the philosophy we are fighting for? Every man here knows that, and the gentleman from Georgia [Mr. RAMSPECK], who represents Georgia as well as any man can represent any State, laid down the law and the gospel with respect to the interests of that southern section because he knows thoroughly well, as other southerners are coming to know, if they do not know it already, that the larger interests of the South lie in the establishment and maintenance of average American hours and wages. It was the very gentleman who put forward this bill, the gentleman from North Carolina [Mr. BARDEN], who proposed starting at a small wage and increasing gradually, known as the escalator provision and I am glad to again give him credit for that. I have done that before, and I do it gladly again. But I want to call your attention to the fact that in the debates which I had the misfortune to miss during the last week because I was compelled to take my wife home, I find that a full statement of the great number of people who are benefited by this measure was brought out. I find that the benefit to the businesss of the country was clearly stated, and I am glad that has been done and well done.

I have voted every time for every bill that has been put forward here for the benefit of the farmers. I have voted every time for every bill put forward here for the benefit of the laborers of this country. I intend to go on voting for both because only by voting for both can we hope to do what we ought to do for all the people of America. The interdependence of the farmer and the laborer is clearly indicated by the fact that the highest annual farm income was

also the highest industrial labor income, and the year of the lowest farm income was also the year of the lowest industrial labor income. The farm income for 1920 was eleven and a quarter billion dollars; the wages of the industrial workers for that year was almost exactly the same—eleven and a quarter billion dollars. The fiscal year of 1933 was the low-income year. That year the farmers received an income of five and a third billion dollars, and the same year the industrial workers received almost exactly the same amount. This is the rule that has varied but little over many years.

We ought to understand also that organized labor has not the full say. There are not more than 8,000,000 organized laborers in America, and there are 32,000,000 unorganized, and I stand here to say to you that we must legislate for every man and woman who labors and every farmer who farms the soil of this country, and we have got to do it like men and like statesmen, with no selfish interest, with no sectional greed, and with no desire to do anything except in the interests of the entire American people.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. KELLER. In just a moment.

The thing I want to get over to this House is simply this: As soon as we can bring the wages of the South up on the same level as those of the North, the South will be benefited more than the North and it will put our feet on solid ground for legislation in this country; and, if we fail to do that, we fail in our full duty to the business interests of this country as well as the farm interests and labor interests of this country.

I now yield to the gentleman.

Mr. RICH. If the gentleman wants to help all labor, when you passed this Wage and Hour Act, why did you eliminate the establishment that employs less than eight people and why did you not include the farmers in the bill as you originally passed it?

Mr. KELLER. I think the gentleman ought to read the bill again and read the report on the subject. If I had the time I would be delighted to go into that matter with the gentleman because it was thoroughly and well considered at the time and adopted by a very large majority of this House and the Senate.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. Is the gentleman opposed to the amendment?

Mr. WHITTINGTON. I am in favor of the amendment.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes in support of the amendment.

Mr. WHITTINGTON. Mr. Chairman, whether the membership favors the Norton, the Ramspeck, or the Barden bills, I believe the amendment proposed by the gentleman from Arkansas [Mr. NORRELL] should be agreed to.

There is in each of these bills a provision against the interstate transportation of convict goods. It is not the purpose of the pending amendment to destroy that provision. It is proposed to clarify it.

The purpose of this prohibition, Mr. Chairman, is to prohibit the transportation of any goods, wares, and merchandise manufactured, and so forth. It has no application, in reasonable construction, to an agricultural commodity or the transportation of an agricultural commodity. It applies only to goods, wares, and merchandise manufactured by convict labor. The purpose of the amendment of the gentleman from Arkansas [Mr. NORRELL] is to clarify the language and to state specifically that this section does not apply to cotton or cottonseed. Personally, I wish that the gentleman from Arkansas had offered an amendment on page 16, in line 17, after the word "to" to insert "the growing, ginning, and compressing of cotton, and." For practical purposes I think his language sufficient.

In the report of the chairman of the committee on the Norton bill it is stated that the purpose of this provision with respect to convict-made goods is to make the existing law, known as the Ashurst-Sumners law, applicable to all the States of the Union, whether the sale of convict goods is prohibited or not.

The bill under consideration relates to wages and hours. The prohibition against the transportation of convict-made goods has no place in this bill. There is no question about wages or hours with respect to convict labor. The section against the transportation of convict-made goods should be stricken from all three bills. If there is one place where all laborers receive the same wages and work the same hours it is in prisons.

Under existing law the Ashurst-Sumners Act prohibits the transportation of goods, wares, and merchandise manufactured by prison labor in interstate commerce, provided the transportation is into States where the sale or use is prohibited. The purpose of the section under consideration is to prohibit the transportation, without reference to the laws of the State into which the shipment is made, but I repeat to emphasize that the section has no place in a Wage and Hour Act, or in amendments to such an act. There is a proper place for amending the Ashurst-Sumners Act, but not in the pending measure.

With such an amendment in its proper place I have now no quarrel. It is not applicable now in those States where there is no prohibition or legislation against the purchase of convict-made goods. I repeat, the purpose of this section will not be defeated, and that the section will be clarified by the adoption of the amendment offered by the gentleman from Arkansas [Mr. NORRELL]. As I understand it, in Arkansas, and in Mississippi, as I know, the leasing of convicts is prohibited not only by statute, but in Mississippi by constitution, and we have found in my State, a cotton-growing State, that the best and most humane way of handling convicts is for the State to buy farms and utilize prisoners in the growing of the chief agricultural product of my State, namely, cotton, and the proceeds of that farm are utilized in the maintenance and support of those farms and prisoners. Every dollar of the proceeds of the cotton grown in Mississippi by prisoners, and I am sure in Arkansas, and probably in other States, is used to promote the best interests of those convicts.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. DONDERO. What is the logic in having the wage and hour law applied to any goods produced by convict labor?

Mr. WHITTINGTON. I know it has no place in this bill, but I say the only purpose of the Norrell amendment is to clarify the section. If there is any individual or any Member on the floor of this House who could speak for those who grow cotton in competition with convicts, I believe, with all deference and without presumption, I am entitled to speak for them. I speak for the cotton growers.

As a member of the legislature of my State I sought to provide for the prisoners of my State, and we have been able to devise no more humane method than to buy farms and put the prisoners on those farms. They grow cotton, and grow it in competition with others, including me.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. WOOD. Does the gentleman not think that it costs the State more than 30 cents an hour to employ the prisoners in that way and take care of their upkeep?

Mr. WHITTINGTON. With all due deference to the distinguished gentleman, I would say that the wage and hour provisions have nothing to do with the matter of convict labor.

Mr. WOOD. I think it costs every State more than 30 cents an hour to maintain the prisoners in that way.

Mr. WHITTINGTON. I do not know; but wages and hours do not affect convict labor.

Mr. WOOD. I don't think it should come under the act at all, because it costs more than 30 cents an hour to take care of them.

Mr. WHITTINGTON. I agree that the section prohibiting transportation should not be in the bill. I congratulate the gentleman from Missouri on his frank statement. I am in accord with his views in this respect. If they are not under

the section what is the objection to clarifying the amendment, to say they are not under the bill, as proposed by the amendment offered by the gentleman from Arkansas, because there is uneasiness in Arkansas and probably in other States that the administrator of the law will construe cotton as being within the terms of the section. I trust the amendment offered by the gentleman from Arkansas will be agreed to and at the same time I maintain that cotton, cottonseed, and other agricultural commodities are not within the section. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PACE. Mr. Chairman, it is with considerable hesitation that I rise to oppose an amendment offered by my distinguished colleague from Arkansas [Mr. NORRELL], but for the life of me I cannot understand why the farmers of this Nation are not entitled to the same protection that organized labor is given. We are now farming under a control program for cotton. The cotton farmers, under that program, have reduced their acreage from 25 to 50 percent, in order to cut down the enormous surplus that we have on hand. Why, then, should convict labor be permitted to produce cotton to increase that surplus any more than convict labor should be used to produce a pair of shoes, a plow line, or any other commodity that would compete with organized labor. One great trouble with this Nation today, I think, is that we are not giving the consideration to the farmer that he is entitled to, we are not giving the same protection to the farmer that we are giving to other groups; and while I know that some of you on this floor are tired of hearing about the farmer, let me say to you that for my part I ask no more and I request no less than that the farmers of this Nation be treated with the same consideration and given the same protection that other groups are receiving. I cannot see the wisdom of the amendment of the gentleman from Arkansas, when my farmers are subjected to a great control program, some of them being cut down to one or two bales of cotton, and I cannot see why any State should be privileged to use convict labor in direct competition with the farmers of that State or any other State.

Mr. KITCHENS. Mr. Chairman, I rise in support of the amendment.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. KITCHENS. I yield.

Mrs. NORTON. Mr. Chairman, many of the Members of the House have asked if it is possible to reach some agreement on time, so that they may know when the vote will be taken in the Committee on the substitute Barden amendment. I do not want to be arbitrary about this at all. I would just like to know how many would like to speak on this amendment, so that we can have some idea about how long it will take.

The CHAIRMAN. Let the Chair make a suggestion, as to whether the gentlewoman will designate the amendment to the substitute which is now before the House or the amendment to the Barden substitute itself.

Mr. WHITTINGTON. May I suggest that the lady postpone that request until we dispose of the pending amendment?

Mrs. NORTON. I will be glad to withhold any request for the present, Mr. Chairman.

The CHAIRMAN. The gentleman from Arkansas [Mr. KITCHENS].

Mr. KITCHENS. Mr. Chairman, the fact that convicts in Arkansas grow cotton does not affect the acreage in the State of Georgia at all as the gentleman from Georgia [Mr. PACE] would have you believe. Arkansas, like a good many other Southern States, realized there were very few industries in which to utilize their convicts. We tried the Georgia plan of putting them out in gangs on contract and working them for practically nothing, and we concluded to quit that because it was inhumane.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. KITCHENS. We decided that was not humane nor economical, and that the best way in the world to handle a convict was to give him a place out on a farm and treat him right and let him farm in the open air and sunshine and make an honest living, rather than be supported by taxing the people of the State. That is what the convicts in Arkansas are doing, earning most of their own upkeep. They are being treated justly, honestly, and fairly. They are not being treated like they are in the great State of Georgia, where they have chain gangs, notorious, according to some of the information I acquired recently from the newspapers and magazines. We have no such conditions as that existing in our State.

Mr. WHITTINGTON. Mr. Chairman will the gentleman yield?

Mr. KITCHENS. I yield.

Mr. WHITTINGTON. Is it not true that, in Georgia where they used convicts on highways, those convicts are in direct competition with labor that is unemployed?

Mr. KITCHENS. Absolutely. They were in direct competition. Any work a convict may do must necessarily be in competition. But is he to be put up and stall fed at expense of honest people?

Now, we are allowed so many acres of cotton in Arkansas. Each cotton State has its quota of acres. We have lands for convicts to live on and work. We have spent a lot of money on those lands and homes for those convicts. It has cost us a great deal. We are not able financially to change that program very easily. It would be very difficult and most expensive for us to change. I do not know what we would do with those convicts. We have around 2,000 of them down there. There is no complaint as to their working on the farm. They are being cared for. They are doing legitimate work, there is no industrial work for them, and there is no complaint. I ask that the Norrell amendment be supported. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last five words.

The CHAIRMAN. Does the gentleman rise in opposition to the amendment?

Mr. McCORMACK. In opposition, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized.

Mr. McCORMACK. Mr. Chairman, I am going to endeavor to keep away from this dispute between the great sovereign States of Arkansas, Georgia, and Mississippi on the question involved in the amendment pending before the Committee now, but I want to make a few observations.

When anybody comes before the Ways and Means Committee seeking an increase of tariff, usually it is with the argument that they must protect the American worker and preserve the American standard of living. Today we find the argument in support of the Barden bill that we must protect and preserve the American farmer. The employees covered by the Barden amendment are in the same category as those who are employed in shoe factories at the present time. We might as well say that an employee of a shoe factory is engaged in an agricultural pursuit as to say that those engaged in canneries or in the processing of farm commodities are engaged in an agricultural activity. Leather in its origin is connected with the farm. We might as well say that those engaged in the fabrication of textiles are also engaged in a farming activity as to say that those who are engaged in the canning and other activities covered by the Barden bill are agricultural employees.

Cotton is grown on the farm. Wool is grown on the backs of the sheep on the farm. The fabrication of raw cotton into the finished product, the fabrication of the raw wool

into the finished product is just as much an industrial activity or just as much a farming activity as the canning of farm products. Of course, they are industrial. Employees covered by the Barden amendment—and I have a profound respect for my friend from North Carolina—are engaged in an activity which is separate and distinct from the farm.

If there are small groups directly connected with the farm, let us take care of them in some other way, but do not exempt hundreds of thousands of people. Do not exempt the cannery and other processing plants employing from one to three hundred or more employees. Prepare a proper amendment exempting those directly connected with the farm, if you have an immediate farm problem, without eliminating from the provisions of the wage and hour bill approximately 1,000,000 persons.

The gentleman from Georgia [Mr. Cox], for whom I have a strong feeling of friendship and respect, unnecessarily took a clip at our friend from Georgia [Mr. RAMSPECK] in relation to disowning his own bill. The action of the gentleman from Georgia [Mr. RAMSPECK] in no way constitutes that. The gentleman from Georgia [Mr. RAMSPECK] was trying to bring about a clear-cut parliamentary situation before this committee. If the Ramspeck bill had not been offered we would be in a much better parliamentary situation than we are at the present time.

My friend, the gentleman from Georgia [Mr. Cox] is a man of strong convictions, but the other day he made an unnecessary attack on Members who come from city districts. That was the first time in 12 years that I ever heard that argument advanced. I never knew it was a crime for a man to be born in a big city, nor did I know it was a crime for a man to be born on a farm. I never thought I would see the day when, as a Member of this body, any Member would criticize another Member because he represented a city constituency, or on the other hand, that any man representing a city constituency, would criticize another because he represented a farm constituency. The unfortunate injection of unwarranted and irrelevant argument in this debate did not come from those who opposed the Barden bill; it came from my distinguished friend, the gentleman from Georgia [Mr. Cox]. It ill behooves him to criticize anyone for making strong arguments, because the gentleman from Georgia, himself, is the one who injected unjustified argument into this debate. I hope that during the remainder of the debate we shall hear no such argument impugning the motive of a Member, because he or she represents a country district, or impugning the motive of a Member because he or she happens to represent a city district. [Applause.]

[Here the gavel fell.]

Mr. DEMPSEY rose.

The CHAIRMAN. For what purpose does the gentleman from New Mexico rise?

Mr. DEMPSEY. I rise in opposition to the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from New Mexico is recognized for 5 minutes.

Mr. DEMPSEY. Mr. Chairman, I could not consistently support the amendment offered by the gentleman, who asks that convict labor be permitted to work in competition with farm labor. I do not think that should be considered for a moment. The people of our Nation, I am sure, would not tolerate such a thing. Much has been said here by various Members rather entering the realm of personalities. Such remarks, I believe, have no part or place in consideration of such important legislation. Whether a man comes from the city, or whether he is a member of the Rules Committee, is no reason why abuse should be heaped upon him. There has been much said, too, about whether we desire a uniform wage throughout the United States. Certainly there is nothing in this bill that provides for a uniform wage throughout the country. Thirty cents an hour, or 25 cents an hour, is not the wage being paid in many communities in the United States. That figure was arrived at purely as a minimum subsistence wage and not as one that should be adopted throughout the country as a proper wage.

I do not come from the city; I represent a State that is largely rural. We have no very big towns, speaking of big towns as many of you gentlemen understand the term. Our towns are all small; they are agricultural centers, many of them. But while they are small there is not one of them so small that the employers want to pay less than 30 cents an hour to men engaged in industry; and, so far as I am concerned, I cannot support the Barden amendment upon that basis, notwithstanding the fact I come from an agricultural State.

Why should we, for any reason, exempt the largest dairies in the United States—if not in the world—such dairies as Borden's, such plants as the Sheffield Farms, such cheese manufacturers as Kraft, who get high prices for their products, yet who want to be taken from under the provisions of this bill? I have no tolerance for any such situation. The bigger the industries the less they want to do for those whose need is greatest, except to use their labor on the same basis as peon workers. So, I cannot subscribe to that. I am in favor of bringing the bill to the floor of the House under a wide-open rule, and I have been condemned for it. The original rule was not an open rule because it was my understanding they did not want one. We made a special effort—at least I did—to give in part what was wanted.

I feel that the membership of this House should check and consider these bills and the amendments carefully. Before the vote is cast, let me ask how many Members of this House favor long hours and small wages. Insofar as I am concerned, I do not. I propose to vote for the Norton bill, which I think, in many instances, may go just a little too far. It certainly goes as far as I want it to go. I will vote for any amendments that are really clarifying and helpful, but I will not vote to remove more people from under the provisions of the wage-hour bill; rather, would I vote to put more people under its provisions. I feel that the time has arrived in this country when we should pay an adequate wage; and, frankly, I do not believe that 30 cents an hour is a decent living wage today. [Applause.]

[Here the gavel fell.]

Mr. ENGEL. Mr. Chairman, I rise in opposition to the amendment.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that debate on the Norrell amendment close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. ENGEL. Mr. Chairman, I, like many other Members of Congress, voted for the wage and hour bill with the distinct understanding and sincere belief that the processing of farm products would be exempt from the provisions of the act. The statement has been made repeatedly on the floor of this House that if these amendments pass 1,500,000 men will be deprived of the benefits of the law. That statement is absolutely not correct. If there was anything that Congress intended to do, it was to exempt the processing of farm products from the act. Congress never intended to extend the act to the workers, whatever the number may be, who were employed in the processing of farm products, with the possible exception of the large packing plants. It is because of this reason that various exemptions, including the provision that the law should not apply to the processing of farm products in the area of production and several other provisions, were placed into the act.

Any reasonable interpretation of the area-of-production clause would have carried out the will of Congress. The fact, however, is that the Wage and Hour Division of the Labor Department wrote into the law provisions which Congress did not place there and nullified the exemption provided for in the area-of-production clause.

I went through the Wage and Hour Division of the Labor Department in connection with my work on the subcommittee of the Appropriations Committee which wrote their appropriations. I could not understand how any lawyer could

make the interpretations of the act which were made by the Legal Division. In going through the Legal Division I found that the man who had charge of the opinion section of the Legal Division, and who had charge of writing all the legal opinions interpreting the Wage and Hour Act, including the area-of-production clause, and opinions affecting every industry from United States Steel down to the little farmer warehouse on the corner—that man was 29 years old on January 3, 1940. He was graduated from Harvard Law School in 1935; was in Mr. Justice Cardozo's office for 18 months; was with Mr. Justice Frankfurter 1 month and in some other legal division a few months. In June 1939, or 4 years after he was graduated, he was made Assistant General Counsel of the Wage and Hour Division and placed in charge of writing all the legal opinions of that Division at a salary of $6,500 a year.

The testimony shows that this man never tried a lawsuit. When I was going to law school I had as a professor one of the greatest legal writers of modern times, a wonderful character and a great teacher. However, like most professors, he had had very little practical experience, and was, of course, idealistic. In teaching us law, every once in awhile he would tell us first what the law was and then what he thought the law ought to be.

There is no question in my mind but this young man is a brilliant and intelligent young man with a future. However, I am firmly convinced that he and those in the Division have been trying to rewrite the wage and hour law. They have interpreted the law as they thought it ought to be written, and not as Congress wrote it. The Wage and Hour Division, through their interpretation of the law, have nullified the area-of-production clause and are attempting to rewrite the law in such a way as to bring under the law hundreds of thousands of workers that Congress never intended should be covered by the law. We now hear the argument advanced that these bills will deprive these employees of the benefit of the wage and hour law. As a matter of fact, these people have never been covered by the law, for Congress attempted, by the area-of-production clause and several other clauses, to specifically exempt them from the law.

To show you how ridiculous and absurd the legal interpretation of the area-of-production clause by the Legal Division has been, I call your attention to the testimony given before our subcommittee of the Appropriations Committee by Mr. McNulty and Mr. Vincent. Mr. McNulty is the chief counsel of the Wage and Hour Division, and Mr. Vincent has charge of the Hearing Division, which determines what the rules and interpretations are to be. Mr. Vincent appeared before the subcommittee at my specific request. I now quote from page 399 of part I of the hearings on the Labor Department-Federal Security Agency appropriation bill for 1941:

Mr. ENGEL. I personally feel that the Department has written into the law things that Congress did not write into it, and that they are giving it interpretations not in accord with the intent of Congress. Let us get at this in a given case. Mr. Vincent, you determine the facts in any particular cause and get advice as to the law.

Mr. VINCENT. Yes.

Mr. MCNULTY. We advise as to what we think the law is.

Mr. ENGEL. Here is a case: Tell me where you got this law. Here is a farmer that owns 80 acres of land in a rural community. He grows potatoes or beans. We will say he takes 50 bushels of those potatoes or beans in an old-fashioned steel-tired wagon, hitches an old team of broken-down horses to it, and hauls those potatoes or beans 2 miles to a town of 150 people, in which there is a warehouse owned and operated by some 400 farmers. According to the ruling you made, * * * that warehouse was held not to be in the area of production because it had more than seven employees, but if this farmer went across to the next lot 50 feet away he was in the area of production because they had two employees. Was not that ruling put out by your department?

Mr. MCNULTY. Assuming that——

Mr. ENGEL (interposing). Was not that your ruling? That where there were packing houses or warehouses of that type and they had seven employees they were not in a production area; is that not a fact?

Mr. MCNULTY. Assuming they were not processed by a farmer and the operation not exempt as agricultural.

Mr. ENGEL. I am talking about the processing of farm goods.

Mr. MCNULTY. That is right.

Mr. ENGEL. If this was in a town of 150 people and a man carried a bushel of beans in there or potatoes, and if the warehouse had more than seven employees he was not in the area of production.

Mr. MCNULTY. As to the original definition of area of production, that is correct.

Mr. ENGEL. What do you suppose would have happened in Congress if I should have offered an amendment providing that a case of that kind should come under the act? They would have laughed me out of the House, would they not?

Mr. McNulty, unable to give an intelligent answer or explanation of this interpretation, threw up his hands and said:

All I can say, Congressman, is that I wish somebody had presented these difficulties.

In other words, Congress should have written the law more plainly, and yet they oppose all amendments to the bill. But let us continue with the testimony:

Mr. ENGEL. If Congress did not intend to cover that case, what in the world did they intend to cover by the area-reduction exemption, regardless of conditions?

Mr. VINCENT. May I interpose an explanation?

Mr. ENGEL. Yes, sir; I want your explanation on this thing.

Mr. VINCENT. The original rule fixing seven employees——

Mr. ENGEL (interposing). Was not found in the act.

Mr. VINCENT (continuing). Was adopted——

Mr. ENGEL (interposing). Answer my question first. There is nothing in the Wage and Hour Act saying when you have seven or more employees an institution should not be in the area of production. Is that right?

Mr. VINCENT. That is correct. * * * The effect of that ruling, while I will agree with you that there is nothing in the act by which you can derive the figure 7, it is literally true, nevertheless, that by getting at the initial original regulation it operated to protect many thousands of farmers and little houses that processed their products pending time and opportunity to hold hearings for particular industries.

Mr. ENGEL. Yes. And it raised hell with thousands of others who had more than seven employees.

Mr. VINCENT. I have no doubt it occasioned considerable——

Mr. ENGEL (interposing). And the fact remains that you wrote a provision into that law that was not there. What has the number of employees to do with the question whether the plant is in the area of production or not?

Mr. VINCENT. May I add that the Administrator was under obligation to define the area of production. The area of production is not defined in the act.

Here is a direct admission that they have written into the law provisions which the law itself did not contain; provisions which absolutely nullified the area-of-production clause because practically every warehouse of any kind or processing plant has more than seven employees. They had no explanation. Their only excuse was that the area of production was not defined in the act; that the act needed clarification; and yet they oppose any amendments clarifying the act. But let me continue again from page 401 of the testimony:

Mr. ENGEL. For heaven's sake, if Congress did not intend to exclude these small warehouses, what did they intend to exclude by the area of production amendment? You are bringing everybody under the act that you can. To be perfectly frank, those rulings look perfectly asinine to me. It is apparent that you have tried to cover everybody you could. * * * How do you explain these things?

Mr. MCNULTY. It is inevitable in drawing lines that you have to include one competitor as against the other, and it is impossible not to do it.

Again there was no explanation. I quote again from page 406 and again from page 413 where Colonel Fleming testified:

Mr. MCNULTY. The Administrator has as hard a job to decide what Congress meant by the provision "area of production" as that man has to decide what "general vicinity" means, and I think you will agree to that, Congressman.

Colonel FLEMING. May I say something?

Mr. KEEFE. Yes.

Colonel FLEMING. There were two or three things left to his discretion. One is the definition of an area of production. * * *

Mr. SHEPPARD. What has your answer been insofar as it applies to the area of production as to the will of Congress?

Colonel FLEMING. I find it very difficult to find out what Congress meant by the area of production in the legislative history of the act.

In other words, their only justification for the ridiculous and absurd rulings they made under this clause was that they found it difficult to find out what Congress meant by the area of production. The act was indefinite and it needed clarification and yet we find that the administrators and friends of the Wage and Hour Division are opposing practically all amendments which would clarify the act and do what Congress intended it should do, and that is to exempt from the act the processing of farm products.

I stated in the beginning of my remarks that I supported the wage and hour bill with the distinct understanding that the processing of farm products should be exempted from its provisions. I so stated to the labor organizations in my district and made the statement to several members of the Labor Committee.

Let me tell you briefly what is happening to the cherry industry in my section of Michigan. The greater part of the sour cherries produced in the United States are produced in Michigan. Ninety percent of the Michigan sour cherries are produced in my district. In 1927, the cherry growers, farm organizations, and independent canners came to me while I was a member of the Michigan State Senate and I assisted them in obtaining the help of the Agricultural Department and the State chemists in developing out of the sour cherries a maraschino cherry. In 1929, the Republican Party put a tariff on the importation of maraschino cherries. During that year, approximately 22,000,000 pounds of maraschino cherries were imported into the United States from Italy.

The total sour-cherry crop in the United States is approximately 100,000,000 pounds a year. The cherry producer felt that when the trees then planted would come into production we would have a surplus of sour cherries. If we could develop a maraschino cherry and produce at home these 22,000,000 pounds of maraschino cherries imported from Italy, the maraschino-cherry trade would absorb a part of the surplus. The development of the American maraschino cherry was so successful that, with the help of the tariff provision, foreign importations were reduced to a few hundred thousand pounds a year.

We have in my district a cherry industry that is employing hundreds of people. One farmers' cooperative company barreled up in 1 year as high as 10,000,000 pounds of cherries for the maraschino trade. To our amazement and surprise, and over our repeated protests, the State Department made a reciprocal-trade agreement with France reducing the tariff on maraschino cherries 20 percent, and we are now receiving importations of cherries, not from France but from Italy under the most-favored-nation clause. Farmers' prices are forced down as low as 1½ and 2 cents a pound, and they have been producing cherries at a loss for some time.

To increase the cost of production of these cherries by applying the provisions of the wage and hour bill to that industry means that that industry will be ruined. The growers and processors have been trying to get help from the Federal Government during the last 3 months in order to help them overcome the deplorable condition into which this industry has fallen. They cannot increase the selling price because of foreign competition and lowering of the tariff 20 percent. The selling price is absolutely fixed. The cherries for the maraschino trade are hand-pitted, and a large proportion of the cost is in labor. Any increase in the cost of labor must be borne by the farmer or producer. He is now selling cherries at from 1½ to 2 cents a pound, which is at a loss, and any material increase in cost means that he will be forced out of business.

The farmers are held between a vise. They are being crushed between the lowering of the tariff and threatened importations on the one side and the increased cost of the Wage and Hour Act on the other.

Let me point out just one other matter. Even under the Barden bill, any reprocessing places the entire industry under the Wage and Hour Act. These cherries are placed into brine and packed in barrels. Then they are reprocessed in the same plant by women hand pitting the cherries. I have been told by a canner who is well informed that they can ship these cherries packed in brine in a boat from their docks on Lake Michigan through to Italy, have them hand-pitted over there by woman and child labor, and reshipped to the markets in the East for less money than they could have them hand-pitted for even now in their own factory. I am informed that under either of the three bills before the House, if a cherry-packing plant reprocesses one barrel of cherries, that plant comes under the act. Any material increase in the cost will mean that this industry, which employs hundreds of men in my district, will be out of business. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. TERRY].

Mr. TERRY. Mr. Chairman, in my State of Arkansas we are confronted with a serious situation if the amendment proposed by my colleague the gentleman from Arkansas [Mr. NORRELL] is not adopted. We face a condition there, not a theory. A number of years ago Arkansas, like many other States, kept its prisoners within four walls, leasing them out to private individuals for road construction and other work, kept them in chain gangs with a ball and chain on their ankle, and did other things of that kind that remind us of the Middle Ages. A few years ago Arkansas decided to adopt a humane method of dealing with its prisoners. It purchased a large amount of acreage in the cotton-growing section of the State, and the State now owns 25,000 acres of the best cotton land in the State. We have practically done away with the penitentiary. We have torn down the walls. We now keep our prisoners out in the open air and sunshine on this large farm. There are about 2,000 prisoners working there, and they are under the supervision of paid supervisors and trusties. They work under the honor system. By reason of this farm and the cotton raised on it the prison system is self-supporting.

If the Norrell amendment is not agreed to, Arkansas will face the situation of not knowing what to do with these prisoners. We will have 2,000 prisoners sitting there in idleness, and the State will lose the revenue from the sale of its cotton. If we cannot keep them on this farm we will have to build penitentiary walls again, probably at a cost of $2,000,000 or more. The raising of cotton is the thing they know best how to do.

Mr. ALEXANDER. Will the gentleman yield?

Mr. TERRY. I yield to the gentleman from Minnesota.

Mr. ALEXANDER. We have the same situation in Minnesota, only in reverse. We have a large factory there in which we have invested millions of dollars, which would be useless if section 20 is to remain in the bill and the amendment offered by the gentleman from Arkansas [Mr. NORRELL], and an amendment which I have pending at the desk, are not adopted. Will it be necessary for the Members from Arkansas to vote down the whole Barden amendment or bill if the situation is not corrected as we from Minnesota will have to do?

Mr. TERRY. The Norton bill and the Barden bill both contain the same provision.

Mr. KEEFE. Will the gentleman yield?

Mr. TERRY. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Will the gentleman advise as to what is the proportion of the present prison population that is out on this farm? You do have prisons, do you not?

Mr. TERRY. We have some prisoners that are not on the farm, but very few.

Mr. KEEFE. What is the proportion confined in institutions?

Mr. TERRY. It is extremely small. The State program is to use all prisoners on the State farms as far as possible. Probably over 90 percent are used on the farms.

Mr. Chairman, we will have a serious situation unless the Norrell amendment is agreed to. Someone said a while ago that if the State does not get this cotton quota it will go to other farms. The State with its 25,000 acres of cotton land gets its quota and complies with all the regulations under the A. A. A., and if Arkansas is compelled to abandon the use of this land for the growing of cotton that quota will not go to any other farmer.

Mr. Chairman, I ask that the Norrell amendment be agreed to.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. ELLIS].

Mr. ELLIS. Mr. Chairman, as a friend of labor, let me call attention to a little of the background concerning the serious situation that we have before us. I was a member of

the legislature that helped arrive at the prison reform which we now have in Arkansas. The gentlemen from Arkansas, Mr. TERRY, Mr. GATHINGS, Mr. KITCHENS, and Mr. NORRELL, were also members of the legislature when this took place. The system is being constantly perfected.

Mr. Chairman, experts on prison reform came before our committees and reminded us that back yonder in the early days in England people were put to death on being convicted of grand larceny. They reminded us that people were burned at the stake, even in the early days of this country. They reminded us of the prison walls all over this country. They told us that the trend is away from prison walls. They told us that the trend is away from setting up factories within the penitentiaries to produce goods in competition with labor. They advised us to do something along the line of what we did. We thought we were taking a great liberal step, we thought we were setting up a new era in penitentiaries in this country, and we still believe it. We went out there on those wide plains and purchased land. We did not build even a fence around that land. We constructed buildings on the land, in which 95 percent of our prisoners are today housed when they are not in the fields at work. These buildings are not barred. A prisoner in the Arkansas Penitentiary never sees a bar unless he violates the prison regulations. Surely no one can object to this amendment being adopted in order that Arkansas and other Southern States may continue their present humane treatment of prisoners.

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. ELLIS. I yield to the gentleman from Texas.

Mr. THOMAS of Texas. I should like to make the observation that it is my opinion that during the discussion of this bill it was not the intention of the committee to have this particular amendment apply to agricultural products, and certainly the amendment offered by the gentleman from Arkansas ought to be adopted.

Mr. BARDEN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. ELLIS. I yield to the gentleman from North Carolina.

Mr. BARDEN of North Carolina. The statement of the gentleman from Texas is absolutely correct. This is just one of those things that come up. There is no disposition on my part, certainly, as author of this substitute amendment, to resist the gentleman's amendment.

Mr. ELLIS. I thank the gentleman.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. ELLIS. I yield to the gentleman from Pennsylvania.

Mr. DUNN. Did I correctly understand the gentleman to say the chain-gang system has been abolished in Arkansas?

Mr. ELLIS. Yes, indeed.

Mr. DUNN. Then the gentleman's amendment should be adopted.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. ELLIS. I yield to the gentleman from Georgia.

Mr. RAMSPECK. I wish to say to the gentleman from Arkansas that, as far as I personally am concerned, I am for his amendment.

Mr. ELLIS. Therefore, Mr. Chairman, it appearing that everybody is for the amendment now, I yield the floor. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. NORRELL].

The question was taken; and on a division (demanded by Mr. NORRELL) there were—ayes 90, noes 27.

So the amendment was agreed to.

The CHAIRMAN. Under the unanimous-consent agreement, the so-called Barden bill, the substitute, will be taken up section by section, and Members who have amendments to offer to each particular section will rise when the announcement is made that that section is available for amendment.

Are there any amendments to section 1?

Mr. BARDEN of North Carolina. Mr. Chairman, will the Chairman make clear to me exactly what section he is talking about?

The CHAIRMAN. We are taking the so-called Barden bill section by section, and amendments are in order now to section 1 of the substitute.

Mr. BARDEN of North Carolina. Is not that the section we have just competed?

The CHAIRMAN. No; we have not completed any section. The prior amendment to the substitute was offered before the unanimous-consent agreement was made.

Mr. KITCHENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KITCHENS: On page 1, before line 3, insert the following new section:

"SECTION 1. Section 3 (m) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"'(m) Wage paid to any employee may include a reasonable charge, as determined by the Administrator, for the furnishing to such employee of board, lodging, or other facilities.'"

Mr. KITCHENS. Mr. Chairman, this amendment is designed to amend section 3 (m) of the act so that the minimum wages payable to employees under the act may include a reasonable charge, as determined by the Administrator, for furnishing to such employees board, lodging, or other facilities, when these are furnished to the employees in addition to a cash wage. The regulations issued by the Administrator under section 3 (m) of the act, are impossible of compliance. According to these regulations, an employer is required to ascertain actual cost to him of furnishing an employee with a house or with a sack of flour or some other commodity. It is impossible to determine the specific cost of providing and selling a particular item to a particular customer. Yet the regulations issued by the Administrator seem to require this in the case of an employer who operates a company store. As now interpreted, there is doubt as to the validity of this provision or regulation. It is proposed that it be changed to permit a reasonable charge for such services and facilities as the employer may furnish to his employees.

I think the amendment speaks for itself. I know that some employers may use it, or try to use it, as a subterfuge through which to make excessive charges for such things as a house, but I want to say that most employers are honest, and this charge would be subject to the regulation and investigation of the Administrator, and the amendment so provides.

In my home town we have a little factory manufacturing broadcloth for shirting. The company furnishes the employees the little homes such as the employer can buy or build, and there is given to each of them an acre of ground; also is given them, practically at cost, if not at cost, electricity, water, and gas. Without being permitted to make a reasonable charge for the services rendered and facilities furnished, in connection with the wage paid, the small employer is unable to get by, and such services and facilities will be discontinued. In other words, the little sawmill operator, for example, should be allowed to run a company store. If a man comes into the store and buys for cash, he pays a profit on what he buys, but if he has a charge account, the employer cannot charge anything other than the actual cost of the goods. Yet this employee can go over to his neighbor and that neighbor will charge him a reasonable profit on the cost of the goods in his store. I say that the employer should be permitted to have the same privilege and make a reasonable charge for his goods in order to compete with others in the community. [Applause.]

[Here the gavel fell.]

Mr. BOLLES. Mr. Chairman, I rise in opposition to the amendment.

Mr. BARDEN of North Carolina. Mr. Chairman, will the gentleman yield so that I may propound an inquiry to the gentleman who offered this amendment [Mr. KITCHENS].

Mr. BOLLES. Not out of my time—well, go ahead.

Mr. BARDEN of North Carolina. May I ask the gentleman who offered the amendment if that language is not already in the law?

Mr. KITCHENS. Not as I understand it.

Mr. BARDEN of North Carolina. The law as written now states that the wage paid to any employee includes reasonable cost as determined by the Administrator to the employer of furnishing such employee with board, lodging, and other facilities.

Mr. KITCHENS. There is the trouble. The Administrator says that if he makes any such charges he cannot include any profit, but if he goes in and pays the cash, then he can charge a profit, but that is provided he pays the cash instead of having it charged. That is the difference and the object of this amendment is to cure a misinterpretation of what Congress intended.

Mr. BOLLES. Mr. Chairman, I do not yield further.

Mr. Chairman, the wage-hour law as passed in 1938, and as it stands today, has worked severe hardships on the American farmer in that it has tended to widen the disparity of income between agriculture and industry. However, even more important is the outlook for the welfare of our farmers in the future, if the wage-hour law is not amended.

The existing law now provides for a maximum of 42 hours per week and a minimum wage of 30 cents per hour. In 5 more years the minimum-wage requirement will be advanced to 40 cents per hour, and effective October 1940 the maximum hours will be reduced to 40. The wage-hour law as now interpreted by the Administrator covers practically all agricultural marketing and processing operations. This has occurred primarily because of very narrow definitions given to language contained in the act which supposedly qualify wage-hour exemptions for employees engaged in such operations. One of such regulations is that defining "area of production." The Wage-Hour Administrator has defined the "area of production" in such a way that in actual operation it has meant that virtually none of the agricultural operations is exempt except those on the farm. For example, the Administrator says that before a butter plant—and we have plenty of them in Wisconsin—can be exempt from minimum-wages provisions, it must, first, not have more than 7 employees; second, not be located in a town of more than 2,500; third, not receive any of its cream from more than 10 miles away. This would likewise be true as to the maximum-hours provisions of the law where the Wage-Hour Administrator delimits the application of the term "first processing" with respect to dairy products. Now, before it can qualify for the exemption it must comply with all three of these requirements. Any dairyman knows that there would be practically no dairy plants that could qualify for exemption under these rules. I could count the number of plants in Wisconsin that would be exempted on the fingers of my own hands.

And so the alleged exemptions extended to agriculture in the wage-hour law that we hear so much about really do not exist. My fundamental objection to the present wage-hour law is that it hits the farmer from two directions at the same time. On the one hand, it increases the price of the things he must buy, and on the other side of the ledger it reduces the price of the things he has to sell. The Barden bill, as I believe Congress intended when it passed the wage-hour law, merely takes away one of these burdens imposed upon the farmer by exempting certain agricultural marketing and processing operations.

The hours provision of the wage-hour law inflicts the greatest burden upon agriculture, because it provides for time and one-half for overtime, not at the minimum wage but at the regular rate of pay which the employee is receiving. For example, if the regular wage of an employee in a butter plant is 50 cents per hour and he works 50 hours per week instead of the maximum of 42 hours, he would be paid 75 cents per hour for the extra 8 hours. I know that the average number of hours worked in butter and cheese plants in 1939 was at least 50 hours per week, and many of them worked 65 hours per week.

I know a lot of farmers who work 80 hours per week, or 38 hours more than the present maximum in the wage-hour law. But I have never heard of any legislation proposing to give them time and one-half for overtime.

You have all heard the war cry of the opponents of the Barden bill. They say that increased wages and shorter hours will improve domestic demand for farm products, so that the farmer will actually gain instead of lose. I do not claim to be an economist, but I do like to believe that I still have a little common horse sense.

In the first place, it is certainly obvious that if labor is to get higher wages and to work shorter hours, the money to accomplish this end must be secured from some place. In marketing and processing operations it can come only from three sources: First, the employer; second, the consumer; and, third, the farmer; and I will give any of you just one guess as to which one of these will foot the bill. The extra cost will be passed back to the farmer. The employer will not absorb it and the consumer will not bear the burden, because in most cases the unit retail price is in even cents, thus preventing fractional mark-ups. The farmer will pay the bill because fundamentally he must sell his products at what buyers are willing to pay, and not necessarily at what the farmer is willing to sell.

Any fair-minded person must certainly admit that the extra money needed for higher wages and shorter hours in marketing and processing of agricultural products must be borne by the farmers producing these commodities.

Let us see if the farmer is repaid by improved demand from the recipients of this extra money. It is, of course, quite obvious that if farmers gave marketing and processing employees, let us say, a million dollars through higher wages and shorter hours that the purchasing power of these employees would be improved by a million dollars. But even if these employees spent all of this extra money which they received as a gift from farmers for agricultural products, the American farmer would still be in the position of giving, gratis, $1,000,000 worth of agricultural products to employees marketing and processing his products. The premise that farmers can help themselves by giving purchasing power to industrial groups is as much of a fallacy as pulling yourself up by your own bootstraps.

Opponents of the Barden bill say that agricultural prosperity is dependent upon industrial pay rolls and consumer buying power. Well, we all know that history has proven that industrial prosperity is really dependent upon agricultural instead of the other way around. However, it is, of course, a fact that increased industrial pay rolls do help the farmer; but if the farmer must first dig down into his own pocket to pay for the increase in industrial pay rolls, how in the name of common sense can he gain?

Industrial pay rolls and industrial wages or rates of pay are, of course, two different things. The wage-hour bill will no doubt increase the average rates of wages, but not necessarily total pay rolls. So let us see what relation wage rates have to prices of agricultural products. I have some figures from the Bureau of the Census on manufactured dairy products. I find that wages in dairy-manufacturing plants from 1910–14 to 1922 increased 85 percent, but wholesale prices of manufacturing dairy products had only increased 40 percent, or less than one-half as much. However, that is not all. From 1929 to 1933 wages in dairy-manufacturing plants declined 26 percent, but wholesale prices of manufactured dairy products dropped 50 percent, or almost twice as much. If we use the period of 1910–14 as a base, and let wages in dairy plants and wholesale prices of dairy products equal 100 during that period, we find that by 1921 wholesale prices were only 75 percent of wages, and that ever since 1921 wage rates have been considerably higher than wholesale prices. In 1937 the wage index stood at 160, but the dairy farmer producing manufactured dairy products, of which my own State is a leader, was laboring with an index of 109, or 32 percent less than the wage earner. From 1937 to 1939 wholesale prices of manufactured dairy products declined 22 percent; and, while actual figures are not available, I know that wage rates in dairy plants have not declined since 1937. At the present time it is estimated that wholesale prices of dairy manufactured products are at least 40 percent below wage

rates in dairy-manufacturing plants when compared with 1910–14.

As long as agriculture is below parity when compared with industry, I fail to see how anyone could conceivably endorse the present wage-hour law and not support the Barden amendment. In 1910–14 the average income per capita of all nonagricultural persons was $411 per year, while the per capita income of all persons on farms was $156, or a difference of $255. In 1939 the per capita income of nonfarm persons had increased to $642, while the per capita income of farm persons had increased to $194, or $448 per person less than nonfarmers. In brief, the spread between per capita income of farmers and industrial persons has increased from $255 to $448, or 76 percent since 1910–14. The wage-hour law as it now is administered will tend to widen instead of narrow this spread. I, for one, do not want to be a party to any such policy.

In closing I wish to point out that the dairymen represent a most important group of farmers who are being penalized by the wage-hour law, to which the Barden bill will give relief. There are well over two and one-half million dairy farmers in this country who are directly dependent upon the sale of dairy products for their livelihood. In 1939, the dairy farmers in this country received $1,355,000,000 in cash farm income from the sale of dairy products representing almost 20 percent of the total agricultural cash income. According to the last census, the investment of dairy farmers in land, buildings, and machinery in the United States was about six and one-half billion dollars, of which about one and one-half billion was invested in dairy farms in my own State. These figures only include dairy farmers receiving 40 percent or more of their income from dairy products. On January 1, 1940, there were 25,334,000 dairy cows on farms in the United States. In my own State there were 2,223,000 dairy cows, representing an investment of about $158,000,000. In 1937 the dairy farmers in my State received about $170,000,000 from the sale of dairy products.

Wisconsin produces 10 times as much cheese as the next highest producing State. Out of a United States production of about 480,000,000 pounds of American or Cheddar cheese, Wisconsin produces about 240,000,000 pounds, or almost one-half of the total. She accounts for about 10 percent of the United States butter production. About 60 percent of Wisconsin's butter and about 30 percent of her cheese are made by farmers' cooperative associations. In 1937 the manufactured value of Wisconsin cheese and butter amounted to about $120,000,000.

The Census Bureau reported in 1937 that Wisconsin had 2,179 butter- and cheese-making establishments, employing 3,661 wage earners whose total annual wages were about three and one-half million dollars, or a little less than $1,000 per year per employee. I would like to see these employees receive more money, but I cannot bring myself to believe that these employees should be benefited at the expense of the dairy farmers in my State who are receiving prices for their products that are between 20 and 30 percent below parity. Bring these farmers up to parity, and I will be ready to help labor.

There are almost 1,000,000 men, women, and children living on farms in my State, all of whom are dependent upon the fruits of agriculture for their well-being and happiness. I am a friend of labor, but until I can satisfy myself that the farmer is getting his equitable share of the Nation's income, I will never vote for any wage-hour legislation that lets the farmer pay the bill. [Applause.]

Mr. RAMSPECK. Mr. Chairman, subsection (h) of section 3 of the present law provides this definition of the word "wage":

> Wage paid to any employee includes the reasonable cost as determined by the Administrator to the employer of furnishing such employee with board, lodging, or other facilities—

And so forth. The amendment offered by the gentleman from Arkansas states that the wage paid to any employee may include a reasonable charge determined by the Administrator for the furnishing of such employee with board. The difference between the present law and the amendment, as I understand it, is that under the present law the charge is limited to the actual cost and under the amendment offered by the gentleman from Arkansas the employer would be permitted to charge more than cost if it were a reasonable charge as determined by the Administrator. I do not see, personally, why an employer should be permitted to charge, more than the cost of board or lodging, if he undertakes to furnish them to an employee, and I hope the Committee will reject the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. Is there any further amendment to section 1? Is there any amendment proposed to be offered to section 2?

Mr. BARTON of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BARTON of New York to the Barden substitute: Page 3, line 3, after "SEC. 2", insert "(a)", and after line 12, insert:
>
> "(b) Section 6 (a) of such act is amended by adding paragraph 5 at the end thereof, to read as follows:
>
> "'(5) If such employee is a home worker in Puerto Rico or the Virgin Islands, not less than the minimum piece rate prescribed by regulation or order; or, if no such minimum piece rate is in effect, any piece rate adopted by such employer which shall yield, to the proportion or class of employees prescribed by regulation or order, not less than the applicable minimum hourly wage rate. Such minimum piece rates or employer piece rates shall be commensurate with, and shall be paid in lieu of, the minimum hourly wage rate applicable under the provisions of this section. The Administrator, or his authorized representative, shall have power to make such regulations or orders as are necessary or appropriate to carry out any of the provisions of this paragraph, including the power without limiting the generality of the foregoing, to define any operation or occupation which is performed by such home-work employees in Puerto Rico or the Virgin Islands; to establish minimum piece rates for any operation or occupation so defined; to prescribe the method and procedure for ascertaining and promulgating minimum piece rates and to prescribe standards for employer piece rates, the proportion or class of employees who shall receive not less than the minimum hourly wage rate; and to define the term "home worker."'"

Mr. BARTON of New York. Mr. Chairman, this long amendment simply gives the Administrator power to fix piece rates in Puerto Rico and the Virgin Islands commensurate with the hourly rates where workers are paid by hourly rates. A large proportion of the workers there are on a piece-rate basis, and the amendment was drawn up in conference with the Administrator of the Wage and Hour Act and, I believe, has the approval of the committee.

Mr. BARDEN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BARTON of New York. I yield.

Mr. BARDEN of North Carolina. The gentleman states it was drawn up with the approval of the Administrator. As I understand it, this is amending section 6, on page 3, of the bill H. R. 7133.

Mr. BARTON of New York. That is right; yes. It applies only to Puerto Rico and the Virgin Islands.

Mr. BARDEN of North Carolina. The gentleman understands that the provision, as contained in H. R. 7133, is the same that is in the Ramspeck bill and in the committee bill?

Mr. BARTON of New York. I understand.

Mr. BARDEN of North Carolina. Is this an amendment that meets with the approval of the Wage and Hour Administrator and the Labor Committee, as well as the Resident Commissioner from Puerto Rico?

Mr. BARTON of New York. I do not know about the Resident Commissioner from Puerto Rico. I know that the Administrator says that if we adopt the amendment as set forth, either in the gentleman's bill or in the committee bill, there should be provision for the fixing of piece rates, as well as of hourly rates.

Mr. BARDEN of North Carolina. If that is what it does, then I am in favor of it.

Mr. BARTON of New York. That is what it does; yes.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BARTON of New York. I yield.

Mr. COX. Did not the prior Administrator put together the language contained in the three bills which the gentleman is now seeking to amend?

Mr. BARTON of New York. I did not get that.

Mr. COX. Did not the Administrator who preceded the one now in control put together the language which is contained in the three bills—the Norton bill, the Ramspeck bill, and the Barden bill—which you now again, under the suggestion of the Administrator, propose to amend?

Mr. BARTON of New York. I cannot answer that question. I think that should be answered by the chairman of the committee or the gentleman from North Carolina [Mr. BARDEN] or the gentleman from Georgia [Mr. RAMSPECK].

Mrs. NORTON. If the gentleman will yield, I will be pleased to answer that.

Mr. BARTON of New York. I yield.

Mrs. NORTON. I will say that is not true.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. BARTON of New York. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman's amendment applies only to workers who are paid on a piece-work basis. Is not that correct?

Mr. BARTON of New York. That is correct.

Mr. MARCANTONIO. It does not protect, however, those workers who are now engaged in the processing of sugar in Puerto Rico where an agreement has been entered into between the union and the producers of sugar.

Mr. BARTON of New York. No.

Mr. MARCANTONIO. And the agreement that was made provided that the rate of wages established under the Fair Labor Standards Act shall be paid by the corporations until such time as this Labor Standards Act is amended. So that the Puerto Rico amendment in both the Norton and Barden bills virtually destroys the rate of pay which has been established by an agreement between the sugar corporations and the workers in Puerto Rico. That explains the real reason behind the exemption of Puerto Rican workers from the protection of the wage and hour law. It means a return to the lower wages for Puerto Rican workers.

Mrs. NORTON. Mr. Chairman, will the gentleman from New York yield to me for a correction?

Mr. BARTON of New York. Yes.

Mrs. NORTON. I came in after your amendment had been read and did not clearly understand the question the gentleman from Georgia [Mr. COX] put to the gentleman from New York [Mr. BARTON]. I rise to say now that it is my understanding that the Administrator did agree to this amendment.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BARTON of New York. Yes.

Mr. CRAWFORD. To what industries in Puerto Rico will this piece-rate proposition apply. Is it intended specifically for needlework.

Mr. BARTON of New York. Needlework, and whatever else is done on a piece-work basis. It does not specify.

Mr. CRAWFORD. Has the gentleman from New York any detailed information from the Administrator who I understand promoted this amendment saying to what industry he says this will apply?

Mr. BARTON of New York. No, I have no further information on that except that the Administrator says that a large proportion of industry there is carried on on a piece-work basis, and that if we are to make the Puerto Rican amendment effective, he has to have the right to fix the piece-work wage and hour commensurate with what the bill carries.

Mr. CRAWFORD. The amendment in the bill does not deal with piece work.

Mr. BARTON of New York. It does not specifically cover piece work.

Mr. BARDEN of North Carolina. And this is to make it do for that particular work what the industrial provisions of the law will do on an industrial basis.

Mr. BARTON of New York. That is correct.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CASEY of Massachusetts. Mr. Chairman, I was somewhat surprised to hear the gentleman from Wisconsin [Mr. HAWKS] rise here in defense of canning factories in his State that employ mothers and high-school children and use that as an argument for their exemption from the wage-hour law. I was greatly surprised in view of the fact that the State of Wisconsin has always been one of the foremost progressive States in the Union. As I remember, it was Wisconsin, under the great progressive leader, the late Bob La Follette, that first adopted minimum-wage provisions and workmen's compensation laws. The gentleman from Wisconsin [Mr. HAWKS] has gone a long way from that when when he here asks us to exempt canning factories because they employ mothers and high-school children.

I do not know what that gentleman's conception of a living wage is, but it varies a great deal from the conception of the living wage which I quote here from a statement of the archbishops and bishops of the administrative board of the National Catholic Welfare Conference. That says:

> A wage so low that it must be supplemented by the wage of the wife and mother or by the children of a family before it can provide adequate food, clothing, and shelter, together with essential spiritual and cultural needs, cannot be regarded as a living wage.

With that statement I am in entire agreement.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. Yes.

Mr. CRAWFORD. I grew up on a farm, and I would like to have the gentleman give an interpretation of that ruling with reference to the children at work on the farms with their parents not only in this country but in every agricultural area on earth, not only now but as long as people drew their living from the farm.

Mr. CASEY of Massachusetts. I did not yield for a speech. I yielded for a question.

Mr. CRAWFORD. I have asked the question.

Mr. CASEY of Massachusetts. And my answer is that it has nothing to do with what we are discussing. We are discussing the wage and hour question and not farm labor. Farm labor is already exempt from the act, whether the laborer be employed by the farmer on the farm or off the farm, and I cannot see the relevancy of such a question. I am talking now about a man who wants an exemption for canning factories because they employ mothers and high-school children.

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. I do not yield further. The argument has been advanced here in favor of the Barden bill that you have to give these exemptions because if you do not it will hurt agriculture. I cannot follow that logic. Not a single man has risen on this floor and shown what the cost will be to agriculture to maintain in all of these industries the 30-cents-per-hour minimum. No man has specifically pointed that out. I yield if you can point out what it will be.

Mr. AUGUST H. ANDRESEN. I will be glad to answer the gentleman's question.

Mr. CASEY of Massachusetts. Good.

Mr. AUGUST H. ANDRESEN. Now we pay the 30-cent minimum, but where the shoe pinches up in our section is that when men receive more than that they are required to pay time and a half for overtime on the rates that are paid. I can point out scores of industries where they pay $100 and $125 for 48 hours a week, where they are now compelled to pay time and a half for overtime, and they cannot do it.

Mr. CASEY of Massachusetts. I can see the merit in the gentleman's contention with respect to time and a half, but I am trying particularly to address myself to the 30-cent minimum.

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. Yes; I will be glad to yield to the gentleman.

Mr. HAWKS. I do not know whether the gentleman heard it or not, but I pointed out at the end of my short talk that we were paying well above the 30-cent minimum in our State.

Mr. CASEY of Massachusetts. Then you do not want a minimum-wage exemption there?

Mr. HAWKS. The wage has nothing to do with us.

Mr. CASEY of Massachusetts. I am glad to see we have such unanimity of opinion with respect to wages. The Barden amendments which I oppose have for their primary purpose exempting over a million employees from the minimum-wage provision of 30 cents per hour.

I cannot see where it will hurt the farmer any if this minimum wage is maintained. On the contrary, it will hurt him most severely if it is not. The farmer is a producer, he must find a market. His present difficulty is due to the fact that he cannot find a market for what he produces. His greatest loss is the loss of that part of the American market made up of substandard wage earners. Milo Perkins, who is head of the Surplus Commodities Corporation, says that two-thirds of the city families of America receive an income less than $100 a month. He estimates that if those families could be brought up to $100 a month the farmers would be the gainer by over a billion dollars a year.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. CASEY of Massachusetts. Not now. I am trying to develop this point. In other words, the man who has the greatest stake in the world to bring up wages is the farmer, and he should not be represented here as wishing to reduce the minimum wage to less than 30 cents per hour.

We know that low-income people are eating about half as much as they need and want. They will buy more food and greater varieties if they have the opportunity.

The farmer's real stake is in the bottom two-thirds of our city families who are fighting for an income of $100 a month on which to exist. That is his greatest potential market, and it is right here at home. The overstuffed third at the top has enough to eat anyway.

The industries that would be exempt by the Barden bill employ over a million wage earners who are the lowest-paid workers in the United States. You representatives of the farmers cut them to starvation wages and you deprive the farmer of that market. But wait, more than that, you open up the gates for more exemptions, and even more than that, you prevent other businesses, by allowing unfair cutthroat competition, from paying a living wage to their employees.

The farmers are being misled. They will soon think for themselves and see that the wage and hour law is and will be of more aid to them than the so-called agricultural aid bills.

The opposition of farmers' representatives to it is senseless and unwarranted. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BARTON].

The question was taken; and on a division (demanded by Mr. BARTON of New York), there were—ayes 72, noes none.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment to section 2.

The Clerk read as follows:

Amendment offered by Mr. LUDLOW to the substitute amendment offered by Mr. BARDEN of North Carolina: On page 3, after line 12, insert a new section as follows:

"SEC. 3. Section 7 (b) of the Fair Labor Standards Act of 1938 is amended in paragraph (2) by striking out the words 'two thousand' and substituting the words 'two thousand two hundred'."

Mr. LUDLOW. Mr. Chairman, this is rather an important amendment and I ask unanimous consent to proceed for 3 additional minutes, making 8 minutes altogether.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

Mr. McKEOUGH. Mr. Chairman, reserving the right to object, I merely want to call attention to the fact that by reason of the arrangement made we will probably be accepting amendments here until well into the night; particularly so if we are going to allow additional time to be granted to those offering amendments as the bill is read by sections. I will therefore have to object, with the view of trying to get this business out of the way.

The CHAIRMAN. Objection is heard. The gentleman from Indiana is recognized for 5 minutes.

Mr. LUDLOW. Mr. Chairman, the amendment I offer would not in any way weaken or cripple the wage and hour law but would strengthen and improve it by ironing out what appears to have been clearly an error in the original enactment.

The law as in operation at present fixes a ceiling of 2,184 hours annually on the total number of hours an employee may work without any guaranties as to continuous employment. On October 24, 1940, the ceiling will become 2,080 hours. Bear in mind that under any sort of a haphazard arrangement, without any assurance that his work will continue, the employee may work that number of hours per year.

But if he enters into an annual voluntary wage agreement with his employer for 1 year's continued uninterrupted service he is allowed to work only 2,000 hours a year.

Certainly these constant wage and employment agreements are in the interest of the employee as well as the employer, and certainly they are in the general public interest because they contribute to the stability of society and the general feeling of security and contentment that is so much to be longed for, especially in this time of social unrest and economic insecurity.

That being the case, why penalize the employee who desires to enter into a voluntary constant wage and employment agreement? Why reduce his annual income—for that is what it amounts to—below the possible income of his fellow worker who has no assurance as to constancy of employment?

Is it not in the interest of society to encourage these constant wage and employment agreements and to make the differential in favor not of the haphazard employee but of the employee who has the foresight and constancy to enter into a continuous-employment agreement? Surely it is.

The amendment I offer would merely substitute the figures 2,200 in section 7 (b), paragraph 11, subparagraph 2, of the Fair Labor Standards Act in place of the figures 2,000, so that the employee under these voluntary constant wage agreements "shall not be employed more than 2,200 hours during any period of 52 consecutive weeks." This amendment would improve and strengthen the Fair Labor Standards Act and would operate to the general stability of the industrial situation and the benefit of society. It would give the faithful employee an incentive by enabling him to earn a little more annually as a reward for his constancy.

It has been estimated that if the act were amended as herein suggested that in a reasonable length of time several million employees in this country would be working under annual constant wage and employment agreements that would guarantee constant employment and wages for at least a period of 52 consecutive weeks. Would not every employee or individual rather be assured of continuous employment or a definite income over a period of 52 weeks rather than go on from day to day or week to week not knowing what he or she may earn? Is it not to the interest of the American people to encourage both employers and employees to enter into constant wage and employment agreements? Would not this be in keeping with the intent of Congress in the passage of the Fair Labor Standards Act of 1938?

If this is correct, then should not the present Congress amend the Fair Labor Standards Act of 1938, section 7 (b), paragraph 11, pertaining to voluntary constant wage and employment agreements, so that this paragraph would read—"the employee shall not be employed more than 2,200 hours during any period of 52 consecutive weeks." I hope the committee will adopt the amendment.

I submit that this proposed amendment should commend itself to all friends of the Fair Labor Standards Act.

[Here the gavel fell.]

Mr. CREAL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during all the discussions thus far the remarks which amused me most were those by the gentleman from Georgia [Mr. RAMSPECK]. They always told me when I went to school that when the eye is deceptive the way to tell whether or not two lines are parallel is to prolong them, and if they are not parallel they will cross and thereafter become farther apart. If they are parallel, of course, they will run around the world without getting any closer together or farther apart. To see if an argument is logical prolong it a little.

The gentleman from Georgia [Mr. RAMSPECK] said, in substance, that the processing did not affect the pocketbook of the farmer. That was the substance of his remarks. Let us prolong that a little bit. If 30 cents an hour did not affect the price for the crating of Georgia peaches, would $2.30 an hour affect the price or the consumer consumption? Then you see it could be too high. If it could be too high, then the question is at least debatable, "It it too high?"

I remember quite well that we get our first watermelons from Georgia. Sometimes they are one price in a season and sometimes another. Would he say that the price of packing and assembling at the central depot and the handling, crating, and trucking to Kentucky did not affect the price to the consumer? I have seen them rush into the market and look them over and when the chain-store man told them the price, they would all walk away but one or two fellows, who happened to have the most money. Then the processing did make a change, not only in the value but in the volume consumed. If the gentleman's philosophy is correct, then all the bankers and all the expert businessmen and economists of the country have been wrong all the time in trying to fight off every form of higher transportation, every form of overcharging for processing, every form of intermediary tax to bring their goods to the consumer. It is all wrong on the part of the businessman if this is wrong on the part of the farmer.

For the past 20 years every time I read a controversy, whether in Michigan or Florida, between labor and capital, my first impulse, until I knew more about it, was to be for labor. I assumed that they had made the proper investigations, that capital had sufficient surplus or sufficient dividends to pay more—and most generally that assumption was right. But here my overenthusiastic labor friends who see nothing but labor, here is where you are making your mistake. You regard the farmer as a capitalist. There is where your viewpoint is wrong. If the farmer himself is not a laborer amongst laborers where are you going to find one? You must remember that God Almighty made the country and let it run for several thousands of years that way. Farm labor was the first labor. Man made cities several years afterward and then organized some labor. So the farmer himself, if you will follow him from the time he gets up to the time he quits must be considered a laborer. If you do not believe he is, then do his work and tell me what you think.

If there is a dispute in an industrial plant where assembly men and piece workers and other groups say they are not getting their fair share in comparison with others in the same plant, a different situation is presented. In such case I am for giving the lower-paid group its fair share of the wages. But here you are dealing with one set of laborers taking toll from another in the same class. At the end of the year a great many farmers find that the year's work has not brought them the minimum wage under this law.

[Here the gavel fell.]

Mr. CREAL. Mr. Chairman, other Members have had extensions. I ask unanimous consent to proceed for 2 additional minutes.

Mr. McKEOUGH. Mr. Chairman, for reasons which I have heretofore advanced, I must object to this request as I have to others.

Mr. CREAL. For the reason that the gentleman does not like the line of the argument?

Mr. McKEOUGH. Because I want to get along.

The CHAIRMAN. Objection is heard.

The question is on the amendment offered by the gentleman from Indiana.

The amendment was rejected.

Mr. BUCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCK to the substitute amendment offered by Mr. BARDEN of North Carolina: On page 3, after line 12, insert a new section, to read as follows:

"SEC. 3. (f) 'Agriculture' includes farming in all its branches and includes all service performed—

"(1) On a farm, in the employ of any person, in connection with cultivating the soil or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

"(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

"(3) In connection with the production or harvesting of maple sirup or maple sugar or any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the raising or harvesting of mushrooms, or in connection with the hatching of poultry, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying and storing water for farming purposes.

"(4) In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, any agricultural or horticultual commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

"As used in this subsection, the term 'farm' includes stock, dairy, poultry, fruit, fur-bearing-animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards."

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. BUCK. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BUCK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. McKEOUGH. Mr. Chairman, reserving the right to object, I hate to intrude myself so frequently, but this measure has been under consideration since last week. Several Members will be required to leave the city within the next 24 hours. Because of this, I must object.

Mr. BUCK. I asked for the additional time in order that I might answer questions that are going to be asked by those who oppose the amendment. In objecting to my having this extra time, the gentleman hurts only those who are opposed to the amendment.

Mr. McKEOUGH. Before the gentleman has used his 5 minutes, he may have been able to answer the questions. I must object.

The CHAIRMAN. Objection is heard.

The gentleman from California is recognized for 5 minutes.

Mr. BUCK. Mr. Chairman, as I stated on Friday afternoon, this amendment proposes to write into the Wages and Hours Act the language which has been adopted by the House and the Senate, and approved by the President, in defining agricultural labor in the Social Security Act. The farmer now must adapt his practices to agriculture as it is

defined under that act, as it is defined under the Wage and Hour Act, and as defined under the National Labor Relations Act, and the rules and regulations issued under all three. We had the same trouble about administrative rulings under the Social Security Act before it was amended. Farmers have complained under the Wage and Hour Act. It is only a fair and reasonable proposition that once the Congress has set up a standard in one of these acts it ought to adopt the same standard in the other acts under which the farmer has to operate.

Agricultural labor is exempt under the wage and hour law as it stands at present. It is exempt under section 13 (a) subparagraph (6). But agriculture is defined in section 3 (f) in a very meager manner. Rulings are entirely possible, and have been made, under section 3 (f), which show that agricultural labor under one circumstance will come within the act and others will not.

I hesitate to speak of myself. The gentleman from New York [Mr. WADSWORTH] the other day said it was bad taste, but I shall have to indulge in some bad taste, then. I am a farmer, a fruit producer. I own sufficient acreage so that I maintain my own packing house, and by packing I do not mean one of these meat-packing plants, I mean a shed in which fresh fruits and vegetables are placed in crates so they may be transported to market in their raw or unprocessed state. I do not come within the Wage and Hour Act because that work is performed on my farm. But I have 10, 20, or maybe more neighbors who own small farms of the same kind. They form a cooperative, build a shed down by the railroad track, and do the same work, and many times use the same people a little bit later or a little earlier than I employ them, yet my neighbors come within the purview of the Wage and Hour Act. This is one of the things this amendment is aimed to prevent, discrimination against the small producer, against the small farmer.

I want to remind the chairman and the members of the Committee on Labor that the Wage and Hour Act never would have passed the House had it not been that not one like myself but dozens who are farmers and who are interested in agricultural labor believed that when you put the exemption in exempting agricultural labor that it meant what it said. I concede that the gentlewoman from New Jersey meant it, but the Wage and Hour Administration has never made proper rulings in connection with agricultural labor.

Mrs. NORTON. Will the gentleman yield?

Mr. BUCK. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. Is it not true this takes in all the California cooperatives?

Mr. BUCK. I think it would take in all the cooperatives, provided they were engaged in the normal preparation of fruits, and so forth, for market. I do not mean by that canning. There is a specific statement in the amendment that it does not apply to commercial canning or commercial freezing, or to the handling of any agricultural or horticultural commodity after it reaches the prepared state or after it reaches a terminal point for distribution for consumption.

Mr. BRADLEY of Pennsylvania. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Pennsylvania.

Mr. BRADLEY of Pennsylvania. Just what processing would the gentleman's amendment cover?

Mr. BUCK. Let us take pears. The Pure Food and Drugs Act and regulations thereunder require pears and apples to be washed so that they may be free of spray residue. That is processing. I might be growing apples, as does a Member of the other body, and enough of them so that I can afford to maintain my own equipment; but my neighbors cannot. They must meet somewhere and join together somewhere in order to process their pears.

Mr. MAY. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Kentucky.

Mr. MAY. The purpose of the gentleman's amendment is to protect his neighbors and put them in a position to compete with him in the market?

Mr. BUCK. The gentleman states the embarrasing position I am in, or any other person might be in when he puts all the burden on his neighbors and exempts himself.

Mr. MAY. I think the gentleman is trying to protect his neighbors.

Mr. BUCK. I certainly am.

Mr. HEALEY. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Massachusetts. [Here the gavel fell.]

Mr. BUCK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. BUCK]?

There was no objection.

Mr. HEALEY. Has the gentleman any figures to show how many people will be exempted if his amendment is adopted?

Mr. BUCK. No; I have not, but I may say there will be nothing like the number exempted if this amendment is agreed to that will be exempted if the Barden amendments to section 13 are adopted, because this specifically refuses to exempt employees in canning and freezing operations and also those engaged in terminal operations.

Mr. HEALEY. I take it the gentleman would not go as far as the Barden amendment in exempting processing plants?

Mr. BUCK. I may say to the gentleman that my amendment is very strictly and solely in the interest of agriculture itself. A few minutes ago the gentleman from Massachusetts [Mr. MCCORMACK] stated that there was a straightforward way to act, and that way was to come in and define what agriculture wanted. Now, this is what agriculture wants. This language was presented to the Ways and Means Committee a year ago in connection with the social-security amendment. The legislative counsel and the Bureau of Internal Revenue worked with me and other members of the committee for several weeks to develop the language finally enacted into law. The Bureau of Internal Revenue has found this to be a workable amendment.

Mr. BARDEN of North Carolina. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from North Carolina.

Mr. BARDEN of North Carolina. As I understand the gentleman, this is to be substituted for or take the place of the present definition of agriculture?

Mr. BUCK. Yes; this would amend section 3 (f) to read as the Clerk has reported my amendment.

Mr. BARDEN of North Carolina. It contains a definition of agriculture?

Mr. BUCK. It contains a definition of agriculture which I think is comprehensive and yet does not trespass in any way on industrial operations connected with the processing of agricultural crops.

Mr. BARDEN of North Carolina. Is not the main difference between your suggested definition of agriculture and the present definition in the law the fact that the present definition in the law says "performed by a farmer on a farm"?

Mr. BUCK. That is one of the differences, but there is another difference in there that I pointed out a minute ago and on which the gentleman from Kentucky [Mr. MAY] commented. That is, my neighbors who do the same work of packaging their fruit but off the farm somewhere come within the act, or their labor comes within the act, but mine does not.

Mr. FADDIS. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Pennsylvania.

Mr. FADDIS. I want to congratulate the gentleman from California in his endeavor to put into a piece of legislation of this kind specific instructions from the Congress to the Board which makes it plain to the Board what the intention of the Congress is. This should be done more often.

Mr. BUCK. I thank the gentleman.

Mr. WOOD. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Missouri.

Mr. WOOD. The gentleman has considerable irrigation, canals, and ditches in his State. Does this amendment apply to irrigation and canals?

Mr. BUCK. The gentleman has misunderstood the language. This would not include the construction of any waterways whatsoever.

Mr. WOOD. Does it not cover waterways, canals, and ditches?

Mr. BUCK. I may say to the gentleman that there are in the West a great many districts, including my own, which are irrigated, but this does not touch public works in any way, shape, or manner.

Mr. DONDERO. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Michigan.

Mr. DONDERO. Would this cover cooperatives that are maintained by the farmers themselves in connection with seasonable perishable products?

Mr. BUCK. It would.

Mr. DONDERO. Or would they be exempt from the operation of the law? I have a lot of cooperatives in my district maintained by the farmers themselves on seasonal crops and on perishable crops. Are they exempt?

Mr. BUCK. This amendment is designed to cover them.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. As I understand, most of this debate has been centered around these categorical paragraphs which I show the gentleman. They complain that the reason they have to have these is that the Administrator has given a narrow construction of the law. If the gentleman's amendment is adopted—and the amendment is clear, and the Administrator surely should understand what it states—what effect will it have on these paragraphs?

Mr. BUCK. Of course, that is entirely up to the Committee. I do not know. We have not come to that yet. I am offering this amendment so that we may know exactly what is the definition of agriculture.

Mr. JENKINS of Ohio. If the gentleman's amendment is adopted, does not the gentleman believe a good deal of these will have to be changed?

Mr. BUCK. That is a question I cannot answer. That is up to the Committee.

Mr. BARDEN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from North Carolina.

Mr. BARDEN of North Carolina. This is not an amendment to my bill as drawn; this is an amendment to the original law, taking care of the definition of agriculture.

Mr. BUCK. The gentleman from North Carolina is correct. This is an amendment neither to the bill of the gentlewoman from New Jersey nor the bill of the gentleman from North Carolina; but it must be offered now, in connection with the consideration of their amendments.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. Will the gentleman inform us if this is the amendment that is printed on page 5154 of last Friday's RECORD?

Mr. BUCK. That is right, if anyone wants to read it before voting on it.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from California.

Mr. GEYER of California. As I understand the gentleman's amendment, it would exempt the American Crystal Sugar Co., that owns 32,493 acres.

Mr. BUCK. They are exempt already.

Mr. GEYER of California. It would also exempt others, which I shall name if I can get recognition.

Mr. BUCK. They are exempted already, I may say to the gentleman from California, because their labor is performed on a farm. All of them are already exempted.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Is it the understanding of the gentleman from California that the Administrator of the Wage and Hour Act under this amendment will exempt from the application of the law, the same as the Bureau of Internal Revenue does on the Social Security taxes?

Mr. BUCK. Agriculture is exempt under the present law. If the Administrator has this amendment as a guide, his rulings should agree with the Bureau of Internal Revenue. It is my hope that they will. [Applause.]

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am very sorry to feel constrained to rise in opposition to the amendment of my friend, whom I highly respect, and who is a member of the Committee on Ways and Means, of which I am a member. However, the amendment he has offered may be misunderstood by the members of the Committee of the Whole. The amendment that the gentleman has offered is a very far-reaching one.

The gentleman advances the argument, and properly so, and unexplained it would be very effective, that the Committee on Ways and Means incorporated that provision into the bill reported out last year amending the Social Security Act, that it passed the House, passed the Senate, was signed by the President, and is now law. Of course, it was a part of a very comprehensive change made last year to the Social Security Act.

It was with a great deal of hesitancy that the members of the Committee on Ways and Means included that provision in the bill reported out last year. However, it related to a tax. It related to the taxes imposed under the Social Security Act. I, for one, felt great hesitancy in including it, and I know other members of the Committee on Ways and Means felt the same way I did about it, but in response to the strong personality of the gentleman from California, we decided that insofar as the tax was concerned, having in mind the Social Security Act, we might well err on the side of agriculture.

What does this amendment do? It exempts all farm cooperatives. This is not a question of specifically exempting five or six men employed on a farm. It is not a question of a man who has a farm with a little sawmill on it that he might lease to a friend of his who would hire five or six men. This is a question where, in some cases, several thousand men form a cooperative. I am chairman of a subcommittee conducting hearings on the Patman chain-store bill now. We have had representatives of cooperatives appear before us who testified that their membership is anywhere from 500 to 10,000. A membership of from 3,000 to 5,000 is nothing unusual in a cooperative. They finance themselves, and properly so, and I admire and respect them and encourage them in their efforts. They finance themselves to take the product from the farm. They have their own cooperative, they have their own warehouses, they have their own business management, and they have their own office force.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. BUCK. The gentleman is not under any impression that my amendment applies to the office force and others like that?

Mr. McCORMACK. Oh, no; of course it does not apply to the office force itself, but it takes up the greater part of the activity of a farm cooperative. The gentleman admitted it in response to questions asked by my friend on this side.

Mr. BUCK. I was asked a question whether this would not cover all cooperatives in California, or practically all of them, anyway, I believe the question was, and I said "Yes." May I say, if I have left any wrong impression in the mind of my able friend from Massachusetts, that I meant only so far as they are engaged in their local packing plants in packaging and putting the fruit and vegetables into the crates, and not insofar as they are engaged in the marketing end or anything of that kind.

Mr. McCORMACK. Here is a cooperative composed of several thousand farmers. If they formed an actual corporation and sold stock, they would be subject to the provisions of the law. Why should they not be? Instead of forming a corporation, they form a cooperative. They are in business, and it is certainly a decided step removed from farming. I voted for it in the social security. I erred on the side of being liberal against the imposition of a tax, which was a burden, to try to give them as much relief as possible; but this is a case of the employment of help and the payment of a minimum wage of 30 cents an hour, and certainly what we did on the Social Security Act should not be considered as a precedent for taking the same action in connection with legislation of this kind. I simply rose as a member of the Ways and Means Committee so that the Committee of the Whole in the consideration of this bill would have the benefit of one of the members of that committee who supported the amendment so far as the Social Security Act was concerned, but realizes that there is a wide distinction between erring on the side of relieving of taxation and erring on the side of the payment of wages of 30 cents an hour. I am opposed to the amendment. [Applause.]

Mrs. NORTON. Mr. Chairman, I want to call attention to the fact that if this amendment is adopted it will exempt child labor from the agricultural provisions of the law. Nobody knows how far this amendment goes, but it certainly broadens the present definition of agriculture.

Under section 13 (c) of the act children employed in agriculture are exempted from the prohibitions on child labor. Now when you broaden the definition of agriculture to include the multitude of processing operations carried out with respect to farm products you are legalizing child labor in connection with processing farm commodities.

Mr. KEEFE. Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman, I am taking this time in order to ask a question or two of the sponsor of this amendment, because if other Members of the House know as little about the far-reaching character and effect of this proposed amendment as I do, I think it is a pretty poor way to bring legislation before this House.

The gentleman made the statement that this legislation would take care of him in his fruit operations, as I understand it, and take care of his neighbors who are smaller operators than he is, and would also take care of the gentleman from Virginia [Mr. ROBERTSON] in the matter of handling the apple operations over here in Virginia. Am I correct in assuming that? Is that what the gentleman meant to say?

Mr. BUCK. The gentleman from California needs no legislation to take care of his situation. He is taken care of, if that is the way you care to put it, already in the existing law. Let me say with regard to the second question you asked me, my amendment will put my small neighbors on the same basis as larger operators are now——

Mr. KEEFE. What about the small farmers who have had to form a little cooperative in order to have a little plant to do the processing that you do on your own farm? The fact of the matter is that if those little farmers are located within the area of production as defined by the Administrator today they would be exempt.

Mr. BUCK. No; they would not be exempt. The gentleman is wrong about that.

Mr. KEEFE. Why would they not be exempt?

Mr. BUCK. I will go back again and say that this amendment is designed to define what agriculture is. The area of production exemption comes under subsection 10 of section 13 (a). The subsection that my amendment applies to is subsection 6 of section 13 (a), which refers to persons employed in agriculture. My amendment has nothing to do with area of production, has nothing to do with processing exemptions that the gentleman from North Carolina [Mr. BARDEN] asked for and nothing to do with the bill that the gentlewoman from New Jersey [Mrs. NORTON] submitted. It is entirely an effort to clarify and not necessarily——

Mr. KEEFE. I do not want the gentleman to go into a further speech, but let me ask a specific question. The gentleman made the statement it would not involve canning factories.

Mr. BUCK. That is right. It specifically states in the amendment, if the gentleman cares to peruse it——

Mr. KEEFE. I have perused it and that is why I am up here now. Let me ask the gentleman this further question then. If the gentleman's amendment is adopted, will the canning factories in my State and in the State of Indiana and in the State of Michigan receive the same exemptions that are provided for in the Norton amendment?

Mr. BUCK. Will they receive what?

Mr. KEEFE. Will they receive the same exemptions that are provided for in the Norton amendment?

Mr. BUCK. Certainly they will, if the Norton amendment is adopted. It has not been adopted yet.

Mr. KEEFE. Well, we will put it this way. Suppose the Barden amendments are adopted with your amendment, will the canning factories in my State be involved?

Mr. BUCK. I am sorry I am so stupid in trying to get over the idea of my amendment. It is a definition of agriculture. Agriculture is exempted under the present act. I do not touch in this amendment anything in regard to the canning industry, factories, or anything of that kind whatsoever. If the gentleman will look at subdivision 4 of my amendment, he will see that in order that the amendment shall not confuse agriculture with the canning industry, we put in a specific statement that this will not apply to commercial canning or freezing. You have still to determine what you are going to do with the Barden amendment or the Norton amendment, and this is only an attempt to lay out a chart for the Administrator of the Wage and Hour Division so he will know what agriculture is.

Mr. KEEFE. That is exactly the point. The gentleman is laying out a chart to define agriculture, and in his definition of agriculture, laying a chart out for the Administrator, is going to take care of his situation and the situation of people like the gentleman from Virginia [Mr. ROBERTSON], but he is going to put the pea canners in my State and in other States out on a limb and I do not propose to vote for any such amendment. I want the membership of this House to know that there is a very definite joker in this particular amendment, and they ought to understand it before they vote for it, and the people who are interested in protecting the milk and the vegetable canners, and who are not interested particularly in the first handling and packing of fruit, and that is what this takes care of, to read this amendment and they will see that what I am saying is right.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. Yes.

Mrs. NORTON. I may say to the gentleman that the committee considered this amendment and rejected it.

Mr. KEEFE. That ought to be sufficient answer. If this amendment was submitted to the committee and rejected, there must have been some good reason for its rejection and the House should reject it.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. GEYER of California. Mr. Chairman, I ask unanimous consent to extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GEYER of California. Mr. Chairman, you have heard something about factories in the field. I do not know whether my good friend and colleague from California [Mr. BUCK] knows the source of this amendment or not, but I question very much whether he would present it if he did.

Mr. Chairman, I rise in opposition to the amendment to redefine "agriculture." Now, ladies and gentlemen, it is a known fact that the prevailing wage rates in the packing of fruits and vegetables in the State of California are in excess of the minimum rates required by the Fair Labor Standards Act. And the present 14 workweeks exemption from the hour limitations is sufficient to their needs.

The question, therefore, is, Why is the Congressman from California proposing to enlarge the definition of agriculture to deprive workers from the protection of minimum wages? Ladies and gentlemen, that answer can be found only too clearly in the evidence which I am about to present to this House which has been taken from the sworn statements of witnesses who testified before the Senate Civil Liberties Committee during the last year.

This evidence shows that the now notorious organization, the Associated Farmers of California, adopted a three-point program to exclude from the benefits of the Social Security Act, the Federal wage and hour law, and the National Labor Relations Act all workers engaged in the processing, packing, and handling of agricultural commodities. While the wage and hour law was only pending in Congress at that time, a part of its program called for exemption from this legislation when enacted. This ruthless program to read this group of industrial workers out of all social legislation has been set forth in a resolution of the Associated Farmers for the last 3 years as a matter of public record and is referred to repeatedly in the testimony of the officers of the Association. See testimony of John Watson, president of the Associated Farmers of California, and Harold E. Pomeroy, executive secretary, January 17, 1940, galley pages 16 and 17 JJE.

But this evidence shows that these labor-hating industrialists of my State hate unions. They want the conditions described in Grapes of Wrath to continue. They have taken the law in their own hands so often that they are opposed to all government.

As some of you gentlemen probably do not know who the Associated Farmers are, permit me to explain the membership and policies of the group of so-called farmers and to call attention to their principal contributors. In 1939 there were 5,578 dues-paying members and about 6,000 non-dues-paying members. See exhibit 1. The best clue as to who the members are and whom they represent is shown by their contributors.

Of the $178,000 which they have collected from 1934 through 1939, 74 percent came from processors, oil companies, railroads, utilities, canners, ginning companies, sugar companies, banks, and antiunion employer associations. I wish to set forth at this time in the RECORD as exhibit 2 an exhibit which is contained in part 49 at page 18082 of the hearings held before the subcommittee of the Senate Committee on Education and Labor under Senate Resolution 266. Half the money which was turned over to the Associated Farmers of California was raised through the officers and employees of the California Packing Corporation, the largest canning corporation in the world. See exhibit 3, taken from the Senate Civil Liberties Committee record and introduced at this point in the RECORD.

The testimony before the Senate Subcommittee on Civil Liberties has clearly placed upon their shoulders the responsibility for the vigilante movements which shocked the Nation and gave rise to as much organized violence and bitterness between employers and employees as the country has ever witnessed. This organization, as the evidence shows, secretly financed by the industrial groups in Los Angeles and San Francisco, has striven to drive a breach between industrial workers in cities and working farmers in the agricultural communities. A blueprint of their program for organizing vigilante pickax-handle brigades, complete with squadrons, uniforms, and drilling, is set forth in a detailed memorandum prepared by the Associated Farmers for use in Stanislaus County. It was used to eliminate all unions among cannery workers in that county. See hearings before the Senate Civil Liberties, January 27, 1940, testimony of Fred L. Hogue, president of the Associated Farmers of Stanislaus County, and a member of the board of directors of the Associated Farmers of California. It should be added that this same organization and its supporters are also responsible for the passage of 31 county ordinances against picketing like the one which the Supreme Court recently declared unconstitutional in the case of John Carlson against people of the State of California. See testimony of Henry Fowler, chief counsel of the Senate Civil Liberties Committee, part 47, page 17213. For sponsorship of antipicketing ordinances by Associated Farmers see the testimony of John Watson, president of Associated Farmers of California, on January 27, 1940.

So we are asked now to accept an amendment originating with these farmers. Did I say "farmers"?

I include with other material information on the attempt of manufacturers to control the raw material at its source.

[Hearings, Civil Liberties Committee, San Francisco, December 14, 1939, pt. 48, p. 17474 and ff.]

EXCERPTS FROM TESTIMONY OF DR. THEODORE NORMAN

One of the most interesting features of the California agricultural scene is the extent to which it is part of an integrated system. Like the manufacturers of automobiles and steel, the shippers, canners, and refiners of California farm products also reach back to control the sources of their raw material. This is accomplished in various ways, by direct ownership and operation of farmland, by the operation of leased land, more largely through the use of contracts by which farmers agree to deliver all the produce of a certain acreage to a canner, shipper, or sugar-beet refinery.

The two chief cash crops of the [Imperial] Valley are lettuce and cantaloups and other melons. In 1936, 83.2 percent of the lettuce acreage and 84.2 percent of the cantaloup acreage in five townships in the Imperial irrigation district were controlled directly by shippers through ownership and operation under lease, or indirectly through financing and contracts for the picking, processing, and marketing of the crops.

Turning from areas to individual concerns, we can find numerous striking examples of integration. For instance, California Packing Corporation owns and operates some 20,000 acres of farmland in California, valued at nearly $9,000,000. In Illinois, Hawaii, and the Philippine Islands the corporation leases and operates 47,000 acres additional. In 1936 the corporation had contracts for delivery from 7,779 growers operating 30,917 acres; on February 29, 1936, it had outstanding $604,231 in advances to the growers under contract. Thus, to assure itself of its supplies, this corporation had control, direct or indirect, over the crops on nearly 100,000 acres in various States and possessions of the United States. To process the products of this vast area, of crops otherwise purchased, and fish, the company operates 76 plants, 50 of which are in California.

At the other end of the scale, California Packing Corporation controls the facilities for loading its products on board ships, through its subsidiary, Encinal Terminals, at Alameda, and it has an extensive sales organization with offices in the principal cities of the United States and many foreign countries.

Not only the manufacturers but the shippers of California farm products have reached back to control the sources of supply, and forward to establish sales outlets. Perhaps the most interesting example of the integrated shipping company is the Di Giorgio Fruit Corporation. Through its subsidiary, Earl Fruit Co., it owns 15,075 acres of farmland in California, which includes the 12,000 acres of vineyards mentioned above. This land was valued at about $7,000,000 and the irrigation equipment on it at $1,121,000 additional in 1937. The Earl Fruit Co. also owns land in other States, and International Fruit Corporation, another subsidiary of Di Giorgio, has large holdings in Florida. In 1935 the Di Giorgio Fruit Corporation was the largest shipper of grapes in the country, and was among the leading private shippers of oranges and grapefruit. In 1935 the Earl Fruit Co. was the second largest producer of wine in the United States.

American Fruit Growers, Inc., is another Nation-wide shipping and brokerage firm which controls a considerable amount of farm property. It owns some 15,500 acres of farm land in 10 States, of which 2,500 were planted to citrus, grapes, and vegetables in California. In 1936 this company handled 34,225 cars of fruit, of which about 9,000 cars originated in California and Arizona, where the company maintains 31 packing houses. Of this tonnage about 20 percent was grown by the company on owned or leased farms and about 50 percent more was partially financed prior to harvest, principally in the form of cash loans to growers secured by crop mortgages and marketing agreements. This company, with headquarters in Pittsburgh, has terminal sales offices in 8 large markets and has brokerage connections in other principal markets. In 1935 it was among the 3 largest private shippers of grapes, oranges, grapefruit, apples, peaches, white potatoes, and fresh tomatoes.

California's agriculture, it has been asserted, has many of the characteristics of industry. We see in instances of the sort described above that a large segment of California agriculture is but part of a larger industrial whole, and not only California agriculture but agriculture in any part of the United States where crops similar to California's are grown. The operation of these companies, it will be noticed, are Nation-wide.

TESTIMONY OF DECEMBER 20

Some years ago a great deal of production financing was being done by cotton-financing companies, which in most instances were, and are, closely affiliated with ginning and cotton-oil companies. In 1933 such finance companies refinanced loans covering 45 percent of the State's cotton acreage with the Federal Intermediate Credit Bank of Berkeley. In more recent years the financing done by these companies has declined in importance and in 1939 their production loans covered about 15 percent of the cotton acreage. * * *

TESTIMONY OF JANUARY 17

This table which I offer for the record shows that in the case of the 5,024 orange farms tabulated 197 farms over 50 acres in size—that is, 3.9 percent of the farms—had 31.8 percent of the acreage in these tabulated farms. At the other end of the scale we had 56.3 percent of the farms under 10 acres—that is, 2,827 farms—which have only 18.8 percent of the total acreage. Thus, in the case of oranges, as in the case of the other California crops studied by the economic staff of this committee, there is a considerable concentration of operation in the hands of the larger growers.

Agricultural land owned or leased by certain processors, packers, and shippers of agricultural products

	States where principal acreage operated	Owned	Leased	Total
American Crystal Sugar Co	California	32,493		32,493
Do	Colorado			
American Fruit Growers, Inc	California	21,735		21,735
Balfour Guthrie Investment Co	do	8,535		8,535
Cudahy Packing Corporation	do	3,113		3,113
California Packing Corporation	Illinois	20,000	47,000	67,000
Do	California			
Do	Hawaii			
Di Giorgio Fruit Co	California	15,855	[1] 15,890	31,745
Do	Washington			
Do	Georgia			
Do	Florida			
Godchaux Sugars, Inc	Louisiana	34,140		34,140
Hawaiian Pineapple Co., Ltd	Hawaii	90,000		90,000
Holly Sugar Co	Colorado			
Do	California	6,500	[1] 22,800	29,300
Hutchinson Sugar Plantation	Hawaii	23,000	34,000	57,000
Kings County Packing Corporation	California	1,324		1,324
Libby, McNeill & Libby	do			
Do	Midwest States	5,130	[1] 18,220	23,350
Lihue Plantation Co	Hawaii	24,333	7,139	31,472
Olaa Sugar Co	do	88,336	14,225	102,561
Stokeley Bros. & Co., Inc	Tennessee	5,196	2,349	7,545
Union Sugar Co	California	13,965	4,373	18,338
United States Sugar Corporation	Florida	30,000		30,000
Total				589,651

[1] Includes some land owned outside of California.

Source: Standard financial manuals and record of the U. S. Senate Civil Liberties Committee.

EXHIBIT 1

EXHIBIT 9415.—*Membership of county units*[1] *of Associated Farmers, 1939*

	Dues paying		Estimate by county official
	Individual	Associate	
Total, 11,260	5,192	386	5,682
Colusa	272		
Contra Costa	[2] 31		
Fresno	414	[3] 35	
Humboldt	96		
Imperial	191	[4] 47	
Kern	460	38	
Kings	359		
Lake			300
Los Angeles	1	38	
Madera	128		
Mendocino	40		
Merced			480
Monterey	117		
Napa	3		
Orange		63	[3] 3,900
Riverside		[4] 124	384
Sacramento	160	14	
San Diego	262	[5] 13	
San Joaquin	498		
Santa Clara			1,000
Solano	61		
Sonoma			618
Stanislaus	350		
Sutter	156		
Tehama	7		
Tulare	551		
Ventura	849	43	
Yolo	177		
Yuba	9		

[1] Prepared by the staff of the subcommittee on the basis of material submitted in response to a questionnaire or a subpena from 35 of the 41 county units.
[2] Butcher's statement.
[3] 27 associate members plus 8 sustaining members.
[4] Contributing members.
[5] Mailing list.
[6] San Diego has both contributing and association memberships.

Source: Hearings before Subcommittee of Senate Committee on Education and Labor under S. Res. 266, Jan. 26, 1940.

EXHIBIT 2

EXHIBIT 8199.—*Contributions, classified by groups, directly to the Associated Farmers of California, Inc., for period from May 1, 1934, to Oct. 31, 1939*

[Prepared by the committee staff from data submitted under subpena by the Associated Farmers of California, Inc., ecw: lp—S. F.]

	1934	1935	1936	1937	1938	1939	Total	Percent
County units of the Associated Farmers of California, Inc	$417.25	$1,000.00	$1,850.00	$8,830.50	$15,006.19	$19,368.71	[1] $46,472.65	[1] 26.0
Canners League of California	2,000.00	1,200.00	3,000.00	2,500.00	1,500.00	3,500.00	13,700.00	7.7
Dried Fruit Association	2,500.00	1,250.01	3,180.39	2,600.00	2,500.00	2,500.00	14,530.40	8.1
Citrus and Walnut Association		4,293.50	3,575.76	1,750.19	250.00		9,869.45	5.4
Cotton oil and ginning companies		500.00	10.56	2,834.96	4,395.65	200.00	7,941.17	4.4
Can, Box, and Lumber Co	2,600.00	3,850.00		3,200.00	1,975.00	1,350.00	12,975.00	7.3
Sugar companies	1,500.00	3,150.00		2,250.00	2,250.00	1,500.00	10,650.00	5.8
Oil companies	1,473.25		779.07	742.35	1,024.71	500.00	4,519.38	2.5
Railroads	5,000.00	900.00	3,594.00	2,288.00	2,600.00	2,788.00	17,170.00	9.6
Utilities	1,250.00	1,925.00	1,500.00			1,500.00	6,175.00	4.0
Banks	1,250.00			40.00			1,290.00	.7
Employer associations	10,306.00	5,100.00		150.00	5,000.00	1,500.00	22,056.00	12.4
Sundry—Industrial		1,200.00	50.00	2,515.00	1,065.00	450.00	5,280.00	3.0
Sundry—Miscellaneous	9.00	553.53	1,885.87	1,970.51	491.95	1,003.00	5,913.86	3.3
Total	28,305.50	24,922.04	19,425.65	31,671.51	38,058.50	36,159.71	178,542.91	100.00

[1] Any additional contributions by these companies and associations made indirectly through the county units are included in the figures for and credited to the county units.

Source: Senate Civil Liberties Committee, pt. 49, p. 18082.

EXHIBIT 3

EXHIBIT 9444.—*Contributions to the Associated Farmers of California secured directly or indirectly through efforts of officers of the California Packing Corporation, 1934–39*

[Prepared by members of the committee staff from material from the files of the California Packing Corporation, Jan. 27, 1940—HW/lp]

	1934	1935	1936	1937	1938	1939	Total
American Box Corporation		$250.00					$250.00
American Can Co	$1,300.00	1,650,00		$500.00			3,450.00
Associated Oil Co	332.50						332.50
California & Hawaiian Sugar	500.00	1,050.00		750.00	$750.00		3,050.00
California Door Co			$50.00				50.00
Canners League of California	2,000.00	1,200.00	3,000.00	2,500.00	1,500.00	$3,500.00	13,700.00
Columbia Steel Co		200.00					200.00
Continental Can Co., Inc	600.00	300.00		350.00			1,250.00
Crown Zellerbach Corporation		500.00		250.00	250.00	250.00	1,250.00
Davies-Johnson Lumber Co		50.00			50.00		100.00
Dried Fruit Association and dried fruit expense fund	2,500.00	1,250.01	3,026.70	2,500.00	2,500.00	2,500.00	14,276.71
Fibreboard Products, Inc	500.00	750.00		500.00	500.00	500.00	2,750.00
General Petroleum Corporation			75.77	74.20	129.82		279.79
Hancock Oil Co				20.00			20.00
MacMillan Petroleum Corporation					25.00		25.00
Pacific Gas & Electric Co	1,250.00	625.00	1,000.00			1,500.00	4,375.00
Paraffine Cos., Inc		250.00		250.00	250.00	250.00	1,000.00
Richfield Oil Co				25.00	141.86		166.86

EXHIBIT 3—Continued

EXHIBIT 9444.—*Contributions to the Associated Farmers of California secured directly or indirectly through efforts of officers of the California Packing Corporation, 1934–39*—Continued

	1934	1935	1936	1937	1938	1939	Total
San Joaquin Light & Power Co			$500.00				$500.00
Southern Pacific Co	$2,500.00		2,225.00	$1,300.00	$1,300.00	$1,300.00	8,625.00
Spreckels Investment Co., J. D. & A. B	500.00	$1,050.00		750.00	750.00	750.00	3,800.00
Standard Oil Co. of California	650.75		360.90	321.64	277.88		1,611.17
Stockton Box Co		50.00			50.00	50.00	150.00
Union Oil Co	338.50		182.14	173.36	154.69		848.69
Texas Co	151.50		75.26	93.15	90.34		410.25
Tidewater Associated Oil Co					145.12		145.12
Western Can Co				50.00			50.00
Western Pacific R. R. Co	400.00	400.00		208.00	208.00	208.00	1,424.00
Atchison, Topeka & Santa Fe	1,500.00		1,335.00	780.00	780.00		4,395.00
Pacific Can Co	100.00			100.00			200.00
Chanslor-Canfield Midway Oil Co			35.00	35.00	35.00		105.00
Barnsdall Oil Co			25.00		25.00		50.00
Union Pacific R. R. Co	600.00	500.00	34.00		312.20		1,446.00
Underwood Lumber Co		50.00					50.00
Rio Grande Oil Co			25.00				25.00
Holly Sugar Corporation	500.00	1,050.00		750.00	750.00	750.00	3,800.00
	16,223.25	11,175.01	11,949.77	12,280.35	10,974.71	[1] 11,558.00	74,161.09

[1] According to the testimony of A. W. Eames, vice president, no campaign was conducted by the officers or employees of the California Packing Corporation to raise funds for the Associated Farmers of California in 1939. Contributions for 1939 have been listed in this table in the case of companies whose contributions over a period of years had been actively solicited by the officers and employees of the California Packing Corporation.

Source: Senate Civil Liberties Committee hearings, Jan. 26, 1940, galley p. 95 G. B.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GEYER of California. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

Mr. ELLIOTT. Mr. Chairman, I object.

Mr. GEYER of California. Mr. Chairman, I ask unanimous consent to insert in the RECORD some charts and tables to which I have referred.

The CHAIRMAN. That is a request that must be made in the House.

Mr. GEYER of California. But these are merely the exhibits which are taken from these records, and they are a part of my speech.

The CHAIRMAN. But they are records taken from another body—another hearing. The gentleman can obtain that permission in the House.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate upon this amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

Mr. THOMAS F. FORD. Mr. Chairman, I object.

Mrs. NORTON. Then that all debate close in 5 minutes.

Mr. CRAWFORD. Mr. Chairman, I object.

Mrs. NORTON. Mr. Chairman, I move that all debate on this amendment close in 5 minutes.

The CHAIRMAN. The question is on the motion of the gentlewoman from New Jersey that all debate upon the amendment close in 5 minutes.

The question was taken; and the Chair announced itself unable to decide.

The Committee again divided; and the Chair announced—ayes 67, noes 102.

So the motion was rejected.

Mrs. NORTON. Mr. Chairman, may I inquire how many gentlemen expect to offer amendments. [After a pause.] I ask unanimous consent that debate upon this amendment close in 15 minutes.

The CHAIRMAN. Is there objection?

Mr. HINSHAW. Mr. Chairman, I object.

Mr. CRAWFORD. Mr. Chairman, how many Members have arisen to request time?

The CHAIRMAN. That is beyond the knowledge of the Chair.

Mr. FADDIS. Mr. Chairman, reserving the right to object, only one Member has spoken in favor of this amendment. All of the other speakers have been against it. Certainly it is fair that those in favor of the amendment should have a fair share of the time. I will object to any limitation of debate at this time.

The CHAIRMAN. For what purpose does the gentleman from California [Mr. HINSHAW] rise?

Mr. HINSHAW. I rise in support of the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. HINSHAW. Mr. Chairman, apparently the House has the idea that this amendment offered by the gentleman from California [Mr. BUCK] has special reference to the State of California. I think the House is in error in that belief. The gentleman from California [Mr. BUCK] has offered an amendment and, merely by way of example, referred to a particular situation in his own district. I think that one of the things we should consider is the business of not messing up various laws that are on our books with definitions of the same thing that do not coincide with each other. I think that is very important. Perhaps if the social-security definition of "agriculture" is wrong, that might be amended; but I understand the Ways and Means Committee very carefully went over the definition of "agriculture" and decided that this was the proper definition. If, as the chairman of the committee says, this would take child labor in agricultural first processing from under the provisions of the act, then I would like to see an amendment placed in the act that would prevent that. I do not believe that should be done.

Certainly, as the gentleman from California has said—and this is not by any means confined to the State of California—the act as it now stands exempts the very large farmer with a packing plant on his own farm, and is a detriment to his neighbors who are smaller and make use of cooperative packing plants. From that standpoint, certainly the amendment of the gentleman from California [Mr. BUCK] should be agreed to.

As far as the statement of the gentleman from Wisconsin [Mr. KEEFE] is concerned, he understands, of course, that substantially all of these packing plants come under the seasonal exemption. At the present time, as far as seasonal work is concerned, his own plants come under that, and it has nothing to do with the definition of "agriculture." There is no joker in this amendment at all.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. KEEFE. Does the gentleman mean to say that if the definition of "agriculture" is contained in this amendment, it will have no effect at all upon the canning business of this Nation?

Mr. HINSHAW. The canning business is considered to be a seasonal industry, is it not?

Mr. KEEFE. The canning business has a 14-week exemption at the present time; that is true?

Mr. HINSHAW. Yes; that is true; under section 7 (b) (3), I believe, and section 7 (c).

Mr. KEEFE. If the Norton amendment is passed, they will be permitted to work for 60 hours a week, will they not?

Mr. HINSHAW. Well, that is getting a little beyond my present subject. Perhaps the gentleman has thought that all out, but I do not see that the definition of "agriculture" has anything to do with the canning business. It is specifically exempted in the definition.

Mr. KEEFE. The definition of "agriculture" is what controls the Administrator when he makes his rulings, and that is what I am interested in.

Mr. HINSHAW. No. I have section 526.3 of the rulings before me, and that states that a seasonal operation is one which ceases production, apart from such work as maintenance, repair, clerical work, and so forth. That is what the gentleman must be referring to.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. CRAWFORD. If I understand subsection 4 of the Buck amendment in setting forth this definition, it says—

the provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

Mr. HINSHAW. Yes, that is correct.

Mr. CRAWFORD. As I understand, that is a clear-cut exemption of all our commercial canning factories and it in no way involves them. Then when you come to the seasonal provision in this law as it now stands, and as it is in this amendment, they will still be exempt?

Mr. HINSHAW. Yes.

Mr. CRAWFORD. I agree with the gentleman from California that it seems to me the gentleman from Wisconsin [Mr. KEEFE] was incorrect in the observations he made a few moments ago, and I am in favor of this amendment.

Mr. HINSHAW. I thank the gentleman very much. I am in favor of it myself and I hope it is adopted. [Applause.]

Mr. Chairman, under authority granted to extend my remarks I should like to add for the RECORD that I am strongly in favor of establishing minimum wages. I cannot agree, however, with all the provisions of the act relating to maximum hours as there are so many different situations requiring different treatment that to lay down fast rules is bound to work serious injustices. Many workers in my district object to the maximum-hours provisions and rulings as they effect an actual reduction of total wages that may be earned; and employers object because of the virtual necessity imposed of hiring part-time workers who are not familiar with the work. Rules that are fair in one situation are unfair in another. I will not be surprised if within another 2 years the workers themselves come in and demany broad amendments to the maximum-hours provisions for the purpose of removing the strait jacket in which they now find themselves.

Following are three of the many letters I have received bearing directly upon this subject. It will be noted that the objections voiced are in opposition to the maximum hours limitations, not minimum wages, and that they refer to seasonal operations:

THE NATIONAL GRANGE,
Washington, D. C., April 24, 1940.

To the Members of the House:

We regard it as urgently necessary that Congress should pass the Barden bill, H. R. 7173, to amend the Fair Labor Standards Act of 1938, commonly known as the Wage-Hour Act.

Under the act, those who are engaged in agricultural pursuits, together with those employed in handling or processing agricultural commodities in the area of production are exempted. However, this exemption has been largely nullified by the wholly illogical and unwarranted interpretation or ruling made by the former Administrator of the act, Mr. Andrews. While his successor has been in office for about 6 months, this ruling still stands.

The purpose of the Barden bill is to amend and clarify the original act so as to give agriculture and the processors of farm commodities in the area of production the exemptions to which they are justly entitled.

Under the Agricultural Adjustment Act it is the declared purpose of Congress to give agriculture price parity with the other groups in our national life. But during the past 2 years the exchange value of farm commodities as compared with commodities that farmers must buy has stood at only about 75 percent of the pre-war level, 1909–14. No industry could be expected to function very long under such a tremendous handicap and remain solvent.

The Wage-Hour Act, as it has been misinterpreted, simply operates to make the old disparity greater than ever. As we see it, Congress has a responsibility in this matter that it cannot afford to evade. We trust that the Barden bill may be enacted.

Yours sincerely,

THE NATIONAL GRANGE,
By FRED BRENCKMAN,
Washington Representative.

AGRICULTURAL PRODUCERS LABOR COMMITTEE,
Los Angeles, Calif., April 25, 1940.

HON. CARL HINSHAW,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN HINSHAW: The Agricultural Producers Labor Committee directly represents the great majority of fruit and vegetable growers on the Pacific coast. These farmers are solidly behind the Barden bill.

Under the present definition of area of production more than 70 percent of the establishments where these fruits and vegetables are washed, graded, and packed are subject to both the wage and hour provisions of the Act, and the farms are required to pay the increased costs imposed by the Act, while the other 30 percent are not subject to the act. There is no economic justification for excluding part of the farms from the act and imposing the costs on other farmers, when all of their operations are clearly within the well-established area of production, and were intended by Congress all to be exempted.

The burden to Pacific coast fruit and vegetable farms arises primarily from the hours provisions of the act; the 14-workweek exemption is entirely inadequate, and the farm is required to pay time and a half for a large part of its labor. California pays the highest agricultural wage in the United States and the pyramiding of time and one-half on the high wage means double penalty to these growers.

It does not benefit those Pacific-coast farmers to force up agricultural wages in competing areas, because experience shows such increases are not reflected in better prices or better markets.

Very truly yours,

IVAN G. MCDANIEL.

THE WHOLESALE JEWELRY TRADES ASSOCIATION,
OF SOUTHERN CALIFORNIA,
Los Angeles, Calif., March 27, 1940

HON. CARL HINSHAW,
House of Representatives, Washington, D. C.

DEAR SIR: Overtime requirements of the wage and hour law are a great burden and handicap to wholesale jewelers.

The reason for our existence is that we service the retail jeweler, and to do this satisfactorily it is necessary that we have a full force of employees always on hand to serve them. During the busy retail seasons we must be open longer than the time prescribed in the wage and hour law. We cannot pass this additional expense along to the retailer or consumer; therefore it becomes a burdensome loss to us.

We earnestly urge your careful consideration of our problem and request your support of bill (H. R. 8045) introduced by Congressman CASEY.

Yours verly truly,

THE WHOLESALE JEWELRY TRADES ASSOCIATION,
OF SOUTHERN CALIFORNIA,
ARTHUR P. CARE, *President.*

[Here the gavel fell.]

The CHAIRMAN. For what purpose does the gentleman from Pennsylvania rise?

Mr. FADDIS. I rise in favor of the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. FADDIS. Mr. Chairman, once more I want to congratulate the gentleman from California [Mr. BUCK] in endeavoring to write into this piece of legislation definite and exact instructions to a bureau to act in accordance with the desires of the Congress. In a free country any delegated power which is not clearly defined and bound by rules is dangerous. Too many times in the past the Congress has granted unlimited powers to an agency, commission, or bureau, only to find that that agency, commission, or bureau has undertaken to exercise more power in enforcing or administering the law than the Congress itself has the power to exercise.

In regard to the amendment offered by the gentleman from California [Mr. BUCK] it plainly states that it applies to the

processing and handling of fruits and vegetables and other agricultural products in their natural state. It does not and cannot be interpreted as applying to canning or any process of that kind.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. BUCK. Not only can it not be implied but it specifically states in the amendment that it does not apply to commercial canning or commercial freezing.

Now, may I state to the Committee, in case there has been some misinterpretation, as the gentleman from Wisconsin misinterpreted the amendment, that this does not affect the necessity of the Committee's voting on the Barden amendment or the Norton amendment, either or both, to section 13. It does not interfere with it; it has nothing to do with them at all. My amendment, as the gentleman from Pennsylvania pointed out, is a logical definition of agriculture. It is thus exempted under section 13 and has nothing to do with these new conditions.

Mr. FADDIS. The gentleman has, of course, stated the case correctly. I regard it as very important in this or any other piece of legislation that Congress should definitely state its objectives and definitely state its intentions in writing legislation. It is essential to the success of representative government that the boards, bureaus, or commissions should be held strictly to the letter of the law. Not very many days ago we had the Walter-Logan bill in front of us. It was the frequent and deliberate misinterpretation of acts of Congress on the part of bureaus, commissions, and boards which brought about the necessity for the Walter-Logan bill. So I regard this as an excellent opportunity for the Congress to write into a piece of legislation the intentions and the aims they intend for the legislation to accomplish. It is highly essential that the term "agriculture" be clearly defined.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I am sorry I cannot yield now.

Mr. Chairman, there is nothing in the amendment offered by the gentleman from California that is not just toward agricultural workers. It has been stated here by some who wish to crucify everyone who has a business of his own or even his own farm, that this can be applied to cooperatives. Of course, it can be applied to cooperatives not only in the State of California but to cooperatives all over the United States, if you please. It does not apply to any one section or any one place; it applies generally throughout the entire Nation and therefore cannot be discriminatory. It is intended to give a man in business a chance. Unless we do so, we are going to have more instead of less unemployment.

Mr. Chairman, in conclusion I wish it to be definitely understood that this amendment applies only to the processing of fruits and vegetables in their natural state. It does not and cannot be applied to canning factories, to canneries, to industries connected with the processing of cotton into cloth, or wool into cloth, or hides into leather. It applies only to those natural processes which the farmer or the horticulturalist must go through in order to prepare his goods to go from the garden, the farm, or the orchard to the market. It does not and cannot apply to the marketing of those goods. I am not for the Barden amendment, but I am for the Buck amendment.

Mr. Chairman, I believe this is a meritorious amendment and I hope it will be adopted. [Applause.]

[Here the gavel fell.]

Mr. THOMAS F. FORD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, my opposition to this amendment is based on the language in paragraph (4) reading:

> Or in the case of fruits and vegetables as an incident to the preparation of such fruits and vegetables for market.

I am not a lawyer, but I am just thinking of this in a rough way. If the words "on the farm" were added it might be less objectionable, but if this language were deleted, it would, I believe, then constitute a fairly adequate definition. The language, "as an incident to the preparation of such fruits and vegetables for market" if confined to preliminary preparations might be all right, but it might be interpreted to mean the ultimate preparation, in which case I cannot see why it would not operate to exempt people working in canneries and other processing institutions.

Mr. Chairman, I am opposed to all amendments to the Fair Labor Standards Act. It has not, in my judgment, had time to get into operation.

Finally, let me say that I am opposed to all amendments to the Fair Labor Standards Act. If allowed to stand for another 6 months or a year, with such latitude as the Administrator has at his disposal, I am convinced that Colonel Fleming would then be in a position to report to Congress and suggest such amendments as, in his judgment, based on actual experience, were desirable.

With the swarm of amendments that will come from the floor, with the utterly ruinous, and intentionally so, Barden amendments, this act will go to the Senate a jumble of contradictions that will reflect no credit on the House as a deliberative body.

So I am going to oppose all amendments until such time as the act has had an opportunity to be thoroughly tried out.

Mr. ANDERSON of California. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. Is the gentleman opposed to the amendment?

Mr. ANDERSON of California. I rise in support of the amendment.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. ANDERSON of California. Mr. Chairman, I have asked for this time in an effort to help my colleague the gentleman from California [Mr. BUCK] clarify the amendment which he has offered. At the risk of being also in bad taste I want to refer to my own personal experience in the field of agriculture in California to clarify further the statement my colleague made with reference to his own packing shed, his own ranch and the fix that his neighbors, small farmers, find themselves in.

It so happens that my brother and I are engaged in the raising of pears in California. We have a ranch that is large enough to justify the maintenance of our own packing shed. There we pack our pears and make them ready for shipment to market to be sold in the East and elsewhere. In the neighborhood of our ranch are numerous small farmers having perhaps 10 or 20 acres of the same exact commodity we grow. In many cases these farmers, because they cannot afford to maintain their own packing sheds, are forced to haul their fruit to neighboring towns and have it packed there by cooperative packing sheds. Under the present—may I say "goofey"—definition of "area of production" those small farmers come under the terms of the Wage and Hour Act and are certainly penalized because of the fact that they must shoulder additional costs in preparing their fruit for market.

Please do not misunderstand me. None of us in California have any desire to have the wage provisions in the Fair Labor Standards Act eliminated. We already pay wages to agricultural labor that in most cases is far in excess of the present minimum requirement. Naturally we would like to see the wages in competing sections of the country raised to our level. I think that is exactly the point that my colleague from California [Mr. BUCK] was trying to make. He, as a farmer who maintains his own packing shed as we do, is in exactly the same fix in which we find ourselves. We are freed at the present time from the operations of the Wage and Hour Act, but Congress is, in effect, penalizing the small farmer whom this administration continually claims it is trying to assist. This is manifestly unfair.

Mr. Chairman, the district which I represent maintains in several cities that are outside of the area of production, under the present definition, a great many vegetable- and fruit-packing sheds. I have tried to find how the present definition of "area of production" affects them, and I have received two wires in reply that I wish to direct your attention to.

Here is one wire from Watsonville, Calif., reading as follows:

WATSONVILLE, CALIF. 24.

HON. JOHN Z. ANDERSON,
House Office Building, Washington, D. C.:

Nine vegetable-packing sheds in Watsonville vicinity, of whom 7 are subject to Wage and Hour Act unless exempted under 14-workweeks provision, and of those 7 only 1 is exempt under area-of-production definition. Fifty apple packers, of whom about half are subject to act unless within 14-workweeks provision, and of that 25 about 12 are exempt under area-of-production definition. Average packers hourly wages is 80 to 90 cents and other workers therein anywhere from 50 to 60 cents.

There is one example of how the present area-of-production definition works.

Mr. BARDEN of North Carolina. Will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from North Carolina.

Mr. BARDEN of North Carolina. The gentleman understands that whether this definition is adopted or not, if the amendments offered which remove the term "area of production" and setting up the exact exemptions as provided in my bill are adopted, the situation will be taken care of.

Mr. ANDERSON of California. As I understand it, and as it has been explained by the gentleman from North Carolina and the gentleman from California, if this amendment that he has offered is adopted, it in no way affects the specific exemptions set forth in either the Barden, Ramspeck, or Norton bills. If I am not right in that statement I hope you will correct me.

Mr. Chairman, I have another wire here which I should like to read.

SANTA CLARA, CALIF. 24.

JACK Z. ANDERSON,
Member of Congress, Washington, D. C.:

Average wage 45 cents per hour. Approximately one-third to one-half exempt wage-hour law. One shipper, 500 cars, 95 percent exempt, other no exemption. Manifestly unfair. When shippers' seasonal crops already paying one and one-half to two times United States minimum, law should not require overtime on above high values.

SANTA CLARA PEAR ASSOCIATION.

Mr. Chairman, the small farmer in many cases has no exemptions while the large shipper has them. We are penalizing the small farmer rather than helping him as Congress was supposed to be doing by the enactment of the present bill. It seems to me it is about time that the Congress take steps to define agriculture and agricultural labor on a fair and equitable basis. Am I any less a farmer because I happen to grow carrots in the city limits than if I grow carrots 30 or 40 miles outside the city limits? We must define agricultural labor on the basis of the work performed and not on the basis of where it is performed. We must cease saddling the farmer with increased costs brought on by misguided administrative interpretations of the laws that Congress has enacted. [Applause.]

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I certainly was surprised to hear our colleague, the gentleman from California [Mr. THOMAS F. FORD] state a few minutes ago that he would oppose all amendments to this bill. I want to take this opportunity to speak on an amendment which I shall offer in order to protect the industrial and agricultural workers of the United States from unfair competition of long-hour and low-wage foreign workers. If you are on the ocean in a lifeboat which springs a leak through a small hole, you are not going to get to shore if you try to plug that small hole with one hand and take your other hand and make two or three new holes in the boat so that the water can come in.

My amendment will be offered when we reach page 17 of the Barden bill. I notice on page 16 that the committee recognizes the necessity of protecting workers in these wage-hour-protected industries from the unfair competition of American and foreign convict labor. We know that in many parts of our country when we figure the subsistence and other costs of caring for convicts, in addition to the amount of payments which are made to them when they engage in productive work, the convict receives in our American penitentiaries far in excess of the wage which many workers receive in the oriental and many other foreign countries. I sincerely hope that all of those who want to protect the working people of America will support my amendment when it is offered. I propose to offer the following amendment, which I will now read so that you will be familiar with its protecting features when it is offered when we reach page 17 of the Barden bill:

On page 17, line 4, after the period at the end of line 4, insert a new section, as follows:

"SEC. 21. In order to protect the minimum-wage and maximum-hour standards prescribed in sections 6 and 7, it shall be unlawful for any person to import or cause to be imported from any foreign country, in any manner or by any means whatsoever, or aid or assist in importing any goods, wares, and merchandise manufactured, produced, or mined wholly or in part in foreign countries unless such imports are produced, manufactured, or mined under the same minimum-wage and maximum-hour provisions which would be applicable if they were manufactured, produced, or mined in the United States."

Mr. Chairman, I cannot imagine how anyone who speaks on behalf of the working people of the United States when speaking in favor of the Federal Wage and Hour Act will advocate that we should put American industries under the minimum-wage and maximum-hour act and then continue to permit competing imports from foreign countries where the workers work almost twice as many hours for a wage which is much lower than the minimum fixed for competing American industries. If we continue to raise the cost of American production and the importation of cheap foreign imports we will destroy the jobs of many of our American workers who are now employed and make it difficult for the 11,000,000 who are now unemployed to obtain a job. We cannot import the products of cheap foreign labor and then raise the production cost of competing American products. If we do that, we will furnish thousands and thousands, yes, hundreds of thousands, of jobs to workers in foreign lands to the great injury of our American working people.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Has the gentleman conferred with the members of the Labor Committee to see if they are agreeable to his amendment which would protect American labor?

Mr. SCHAFER of Wisconsin. I am speaking on the floor of the House now with reference to the amendment which I shall offer on the floor and ask all of the real friends of American labor to vote for it. Remember, our Lord said: "No man can serve two masters." Your vote on my amendment will determine whether you choose to serve the workers in foreign lands or the workers in the United States, including the 11,000,000 who are unemployed and who want a job and cannot find a job. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BUCK].

The amendment was rejected.

The CHAIRMAN. Are there any amendments to section 2?

Mrs. NORTON. Mr. Chairman, I have had several requests over the telephone from Members who are not present for information with reference to how long we shall run tonight. I have been trying to get an agreement on time to determine whether or not we shall be able to finish the amendments to the Barden amendment today. Evidently that is not possible. I want the House to understand that I am not trying to rush this bill. As far as I am concerned, you can take all week to finish it. I am perfectly satisfied to stay here for the rest of the week. I simply want to try to get some idea about how long it will take to perfect the Barden amendment. If the Members who want to speak or offer an amendment would rise so that we could determine how long it would take, I believe we would be able to come to some definite understanding.

Mr. BARDEN of North Carolina. May I express to the chairman the wish that we go along for at least 30 or 40 minutes or an hour, and then we can tell something about it.

Mrs. NORTON. I believe the Members are rather anxious that the Committee rise at 5 o'clock. However, we would like to find out appproximately how long it might be before a vote on the Barden amendment may be reached.

Mr. COX. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Georgia rise?

Mr. COX. I wish to make an observation touching the question raised by the chairman. I think, Mr. Chairman, in determining the question of how long we should run this afternoon, we should be informed as to whether or not there is a purpose to suspend consideration of this bill by crowding something else in tomorrow morning, as is rumored on the floor.

The CHAIRMAN. The Chair will state to the gentleman from Georgia that the Chairman of the Committee of the Whole cannot make any statement with reference to what may transpire tomorrow.

Mrs. NORTON. May I say to the gentleman from Georgia that that is not the intention of the chairman of the Labor Committee.

Mr. COX. I did not mean to intimate that the chairman had entered into any sort of an understanding; but, Mr. Chairman, it is commonly reported on the floor of the House that there is a scheme on to crowd in something else tomorrow morning, putting off further consideration of this bill until the matter that is raised has been disposed of.

Mrs. NORTON. Mr. Chairman, there have been so many rumors around the floor that it would be utterly impossible to keep track of half of them. However, I wish to repeat that that is not the intention of the Committee on Labor.

Mr. BOLAND. Mr. Chairman, I have just heard a remark about there being some probably sinister motive involved in shifting aside this bill until some other legislation is brought to the floor. The program states specifically that we will have the agriculture appropriation bill conference report up tomorrow, regardless of what may happen to this bill today, and, as far as I understand, that is what is going to happen. We are going to have the conference report on the agricultural appropriation bill up tomorrow.

Mr. COX. In view of that statement, I trust this Committee will stay in session until it finishes the consideration of the pending bill.

The CHAIRMAN. Are there any amendments to section 2 of the Barden amendment?

If not, are there any amendments to section 3?

Mr. HOFFMAN and Mr. BARDEN of North Carolina rose.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

Mr. BARDEN of North Carolina. Mr. Chairman, I believe the Chair will find that I previously sent an amendment to the desk.

Mr. HOFFMAN. Mr. Chairman, I have a preferential motion.

The CHAIRMAN. The gentleman will state his preferential motion.

Mr. HOFFMAN. Mr. Chairman, I move that when we adjourn tonight we adjourn at 5 o'clock.

The CHAIRMAN. The Chair will state that that is not a preferential motion in the Committee of the Whole.

The gentleman from North Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BARDEN of North Carolina: On page 4, line 20, strike out "not."

Mr. BARDEN of North Carolina. Mr. Chairman, this amendment is to strike out the word "not'" in line 20 of page 4. As this provision is now written, there is a double negative in the sentence, and this amendment just strikes out the word "not."

Mr. SABATH. Is that the only "not" in the bill?

Mr. BARDEN of North Carolina. I could answer my friend very nicely, but I do not believe I will right now.

Mr. HOOK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is so much confusion and misunderstanding over these pending amendments that, in my opinion, no Member of this House really understands the full import of what is going on this afternoon. This only emphasizes the foolishness of trying to legislate in this manner. The rule which brought about all this confusion and uproar should have been voted down in the first place. However, there is no use crying over spilled milk, but because this House erred in the first instance is no reason why we should err again. So that we save ourselves from being the laughingstock of the Nation we should vote down all amendments to the Fair Labor Standards Act and wait for at least another year before taking any action. Give it a chance to operate. I will confess that I cannot follow these amendments and I know that the rest of the Members feel the same way.

I notice the amendments make reference to "home work." I should like to have someone on the floor of this House, and especially the chairman of the Committee on Labor, explain to me just what is meant by "home work." What does it mean and how far-reaching is the provision which provides for "home work"?

Many Members have been bewailing the fact that our workmen are not being given the wage they deserve. The trouble is that the standard of living of the American workman is being jeopardized by these amendments and especially because of the "home work" provision contained herein.

In Europe and other foreign countries the standard of living and wages are held down because this "home work" stuff is the order of the day. The factories farm out piece work to the homes, where the women and children are forced to work in order to earn enough for the family, thereby getting around the child-labor laws. If you adopt these amendments you are setting up sweatshops and opening the door for child labor. These canning factories and antilabor sweatshops will take advantage of the "home work" provisions to break down all labor legislation on the books. They will use them to break strikes and force unions back to the days of 1932. You Republicans would not even want those days back. We passed the wage-hour law in the interest of the low-paid worker. Is 30 cents an hour too much? It may be too much for the backers of the proponents of these amendments to pay, but no man with a spark of humanity in his body would ask any man to work for less.

I am fearful of the fact that if you keep this home-work provision in this bill you are going to drag down the American workman to the standard of living in Europe. Oh, I have listened to the pleading of the gentlemen who favor the amendments speak loud and long for the poor workingman, but at the same time feel that $12.30 a week is too much for them to earn. Suffering humanity cries out for help, but that cry is ignored by the sympathizers of these vicious antilabor amendments. I notice that the so-called Norton amendments, which is a misnomer because she does not claim credit for them, provide for the home work. Vote them all down and play safe.

They tell me the textile industry wants these amendments. They manufacture the cloth for vest pockets. I am just wondering whether the vest pockets of some suits do not contain orders to some of those who favor these amendments, and they are used as a transmission belt for some of the statements made in this House.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. HOOK. I yield.

Mrs. NORTON. As the gentleman knows, the Barden bill is under discussion, and if he wants an explanation of anything in the Barden bill, I would suggest he not direct his remarks to the chairman of the Labor Committee but to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN of North Carolina. I will gladly yield for any question the gentleman may have.

Mr. HOOK. What does the phrase "home work" provide for?

Mr. BARDEN of North Carolina. May I say to my friend from Michigan that this refers to, and is generally understood to mean, the general rule of rural home work and it refers only to rural home work. Now, just listen to this amendment——

Mr. HOOK. I refuse to yield further. I have read that amendment. Let me tell you this. When you provide by legislation the vehicle for manufacturing institutions to be able to turn over their production to home work, you have brought about a situation whereby this home-work proposition can be used as a real strikebreaking proposition, and that is a serious proposition and not a laughing matter so far as your home work is concerned.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. HOOK. I yield.

Mr. DINGELL. The gentleman is informed, perhaps, of the condition that has been brought about by the sweatshop system in New York through using the home-work plan.

Mr. HOOK. This home-work provision is nothing but the means of again setting up and bringing back the old sweatshop. You know, as all should know, full well that the Barden amendments seek to deprive the rural homemakers of the protection now given to women and children by the minimum wage in the act.

Mr. COFFEE of Washington. Mr. Chairman, will the gentleman yield?

Mr. HOOK. I yield.

Mr. COFFEE of Washington. I suggest the gentleman yield to the distinguished gentleman from Oklahoma who is perhaps the best expert on the subject of homework.

Mr. HOOK. As I have said, someone mentioned vest pockets and their purpose. I have heard also of cesspools of political iniquity where the political machines are financed from the blood and sweat of the American workmen. They are forced to work for less than enough to keep body and soul together, and the original Fair Labor Standards Act was put on the statute books to try to drain these cesspools of political iniquity so that men and women could not be kept in peonage. So that some day they could exercise their God-given rights and send men to Congress who will protect their constitutional rights in order that the ordinary, common workingman of the United States could at least earn enough to keep from starving.

Vote down all amendments and we will drain these cesspools of political iniquity and bring to the people of America a better day. The issue is clear-cut. If you want child labor, if you want women working in factories for starvation wages, if you want men to be pushed down below the standards of the beast of burden, then vote for these amendments. If you believe that labor is entitled to a fair return for a day's work, then vote down these amendments. Do not be misled by the agrument that agriculture needs these amendments. The farmer does not need them. They are proposed by the processor of agricultural commodities. They will exempt the real sweatshops. They will exempt the very institutions that the original bill intended to cover. Don't go back to your respective districts and tell them you voted for amendments that took away the only protection the low-paid worker has. These should be known as the empty-dinner-pail amendments. In the interest of the democratic spirit of our forefathers, keep the Fair Labor Standards Act intact, without any change.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. BARDEN].

The amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 3, line 13, after section 3, insert "(a)", and on page 5, after line 17, insert the following:

"(e) No employer shall be deemed to have violated subsection (a) by employing any employee during any period of 26 consecutive weeks for a workweek in excess of that specified in such subsection without paying compensation for overtime prescribed therein (1) if such employee is so employed on a salary basis, (2) if such employee has been in the employ of such employer for not less than 6 months, and (3) if the average workweek averaged over such 26-week period does not exceed that applicable under subsection (a)."

Mr. HOFFMAN. Mr. Chairman, this amendment is not complicated and I am sure, if you will read it, you will discover it has but one purpose. It was prepared by counsel for the legislative committee at my request and the object, and the only object, is this: To enable those employers who can give employment during a rush season to those workers who have worked short weeks during the dull season to give that employment without falling under the provision which requires pay at the rate of time and a half for all time over the specified number of hours per week. Note this: It does not have anything to do with the hourly rate. It applies only to those employees who are on a straight-salary basis. It does not apply to any employee who may work for a week or a month or 2 or 3 weeks or 2 or 3 months. It applies only to those that we might designate as old employees who work not less than 26 consecutive weeks.

Perhaps the purpose of the proposed amendment can be best illustrated by a concrete example. Here is a factory making steam traps, in a town of approximately 8,000 population, employing around 80 men. The peak of its business covers a 6-month period running from October to April. The "white collar" workers formerly worked as little as 35 hours per week, and as long as 48 hours at the peak, the average at no time exceeding the former legal hours of 44 or 42 per week.

When the wage-hour law reduced the number of hours from 48 to 44, its employees who were on a salary basis did not receive a cut in wages. When the hours were reduced to 42, they still received the same weekly pay. They received for 42 hours' work the same pay they formerly received for 48. Next October there will be another decrease in the legal hours, to 40 hours per week. The result is that these salaried employees will have received a total increase of 20 percent in their wages, although they work eight hours less per week.

During the past 20 years no "white collar" worker has ever lost by deductions from pay any time due to illness, operations, holidays, vacations, or for any cause whatsoever. As a matter of fact, the employer retained on the pay roll for a period of more than a year one employee who was sick and unable to work. One of the employees, a widow, 37 years of age, with a child 13 years of age, had an operation which took her away from her work 6 weeks, during which time she received full pay. She also was off a day and a half for other reasons, so that, including holidays, she was off 40½ days, for which she received full pay.

Nevertheless, under the law as it stands today, after October 24, 1939, the first time that she worked more than 42 hours, the employer was forced to pay her time and a half.

Many cases might be cited where the employees, during one week, want a day or two days off for some particular purpose. Business is slack. They are perfectly willing to make up the time the following week. The employer is willing. But, without this amendment, if time is taken off one week it cannot be made up the next week unless the employer pays time and a half for all time over the 42 hours.

This amendment, if adopted, will promote amicable relations between the employee and the employer, for it will enable them to arrange the work to suit the convenience of both without any reduction in the pay of the employee.

For example, the employees may be off for a time and work for only 20 or 24 hours a week. Then, because of a busy period, they can work 44 or perhaps 48 hours a week, and they want to do it. It in no way affects their wage, for they are paid by the week or month, and their check is for the same amount, no matter how many hours per week they work.

If some amendment of this kind is not adopted, what will happen is this: These smaller factories are now on a weekly or a monthly wage basis. The employer must meet competition; and if he is forced to pay time and a half for all overtime and the employees work many hours less than 42 hours

per week during certain weeks and the rate of production falls, he cannot meet the competition and he will be forced to put all employees on an hourly wage, and so when the dull season comes along the employee will receive pay for but 20 or 25 or whatever number of hours he actually works, while if this amendment is adopted he will receive the full amount of his weekly or monthly check, for he will have been afforded an opportunity to make up the lost time.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. MARCANTONIO. In the first portion of his address the gentleman mentioned the legislative committee.

Mr. HOFFMAN. Oh, the counsel for the legislative committee prepared the amendment, because I desired to have it drafted in terms similar to those used in the drafting of the bill.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. DINGELL. Will the gentleman tell us how many might be exempted under this amendment?

Mr. HOFFMAN. No one is exempt. This enables a man who has only 25 hours this month to work the next month a longer time, so that the total of his period of employment is the same as though he worked the average number of hours each week or month. He is on a weekly or a monthly salary. It does not apply to the man who works by the hour. It does not exempt anyone from the provisions of the wage-hour law. It does not increase the total number of hours that anyone might work during a 6-month period, under the law as it now stands; nor does it lessen the amount of wage which he would receive.

It merely enables an employee who wants to get off 1 week to make up his time the next week. It enables an employer, who cannot provide the maximum number of hours every week, to pay the same wage for 20 hours' work 1 week that he would have paid had 42 hours been worked, and to require the employee to make up the difference during subsequent weeks.

Mr. DINGELL. As things are now these people are paid overtime and, if this amendment passes, a substantial number would be exempted, would they not? I am trying to get the straight of this thing.

Mr. HOFFMAN. They are paid overtime at this time, but here is what would happen: Unless you adopt something like this to enable those who are on a weekly or a monthly pay basis to work this way, the employer will put them on an hourly basis, and they will not get any overtime at all. Their total number of hours would be less; their wages would be less. It is to those who are working on a salary, who have time off, who have a vacation, and who are never charged for lost time that this amendment will apply.

Mr. TREADWAY. Mr. Chairman, with reference to the amendment offered by the gentleman from Michigan [Mr. HOFFMAN], it seems to me that will take care of the seasonal employment, and is well worth while. I hope it will be adopted by the Committee.

The purpose of the Hoffman amendment is to permit industries whose operations are largely seasonal to have employees make up in rush periods time lost during slack seasons. A large industry which is typical of several in my district manufactures fine stationery, in which the labor cost is by far the largest item. In fact, in 1938 the labor in each box of stationery amounted to 18 cents, whereas the gross profit was only 4½ cents. If time and a half is required to be paid during the rush periods, it would mean an actual loss of 4½ cents, which means that many orders necessarily would go unfilled in this line of goods.

It is a well-known fact that most manufactured products are put on the market by the manufacturer some months in advance of the time of seasonal retail sales. Concerns like this one, which have a large holiday business, do not hear from their jobbers in time to avoid the necessary extra hours to fill these orders. It is to pick up the slack that comes about during the nonactive period of the year and have it apply under the Hoffman amendment that industries such as the one to which I am referring need the benefits of this legislation. It is apparent that it is favorable both to employee and employer, and I therefore hope it will be adopted by the Committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. BARDEN of North Carolina) there were—ayes 74, nays 38.

So the amendment was agreed to.

Mr. FULMER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FULMER: Page 4, line 10, strike out the words "making pulp."

Mr. FULMER. Mr. Chairman, it is my understanding that the purpose of subsection 4 is to exempt employees from the Wage and Hour Act where they cut the trees for any purpose; that is, for sawmilling or for the purpose of making pulp. I know in some instances they ought to be exempt in cutting and logging, but when it comes to cutting and hauling pulpwood, let me give you a picture of the situation in the South. We have been investigating forestry problems recently, and we sent an investigator through the Southern States to investigate what is going on in the cutting, delivery, and selling of pulpwood. When you exempt the cutting and hauling of pulpwood you are simply helping some middlemen and 40 or 50 large pulp and paper mills in the South, and not the wage earners. When these pulp and paper mills moved into the South we hoped that we would have an income for the wage earner and the farmer by receiving a fair wage and a fair price for pulpwood.

What has happened? The pulp mills have a hog-tied monopoly in buying pulpwood as far as the wage earner and the farmer is concerned. These pulp mills refuse to buy direct from farmers. They set up regions composing perhaps two or three counties, then they enter into a contract with a regional agent or contractor. This regional contractor then proceeds to employ one or more subcontractors, and these subcontractors proceed to buy from farmers, usually so many acres of pulpwood timber, employing cheap labor to cut and haul this wood to the railroad stations and load on freight cars. Thousands of farmers do not cut their own timber because of the low prices offered. Then, as stated, these agents or subcontractors representing the mill agent proceed to pick up Negroes and white people and hire them for any price and cut everything on the farmer's land. Under this arrangement the farmer is paid anywhere from 15 cents to $1 for not a regular cord of wood 128 cubic feet but what they call a unit measuring 160 cubic feet. May I state that the wages paid wage earners and the prices paid farmers for their pulpwood is simply highway robbery. No wonder we have thousands of people unemployed in the agricultural South and no wonder farm tenancy is increasing.

Now, the farmer is exempt and his employees living on the farm are exempt, but when you exempt those who cut pulpwood and those who deliver pulpwood to the railroad stations under the wage and hour law you are simply helping middlemen and the pulp and paper mills. I tell you they ought to pay a satisfactory price whereby thousands of wage earners in my country would be able to get enough to buy the real necessities of life. How do you expect business to succeed without this fair and necessary income to labor and farmers?

Mr. BARDEN of North Carolina. Will the gentleman yield?

Mr. FULMER. I yield.

Mr. BARDEN of North Carolina. I think the gentleman is 1,000 percent right. That amendment, as it is worded, was advocated by our good friend from Maine, the late Mr. Smith. It is in both bills, but the making of pulp was never intended to be in there, and should not be in there. I hope the gentleman's amendment is adopted.

Mr. FULMER. I want to thank my friend the gentleman from North Carolina [Mr. BARDEN].

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield.

Mr. ROBSION of Kentucky. The gentleman is talking not about making pulp, but cutting trees.

Mr. FULMER. The provision leads up to cutting trees for sawmilling or the making of pulp. If you eliminate that, it will eliminate the cutting of pulpwood.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I ask unanimous consent that my amendment may be amended by striking out the other three words following "making pulp." In other words, "or other processing."

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. TARVER. Reserving the right to object, Mr. Chairman, let us hear the amendment as amended.

The Clerk read as follows:

Modified amendment offered by Mr. FULMER: On page 4, line 10, strike out "making pulp or other processing."

Mr. FULMER. Mr. Chairman, may I take 1 minute to explain the amendment to my amendment? The reason I am asking that you strike out the words "or other processing," although you strike out "the making of pulp," the fact that it states "or other processing" may include pulpwood. If you are exempting cutting and logging for sawmilling purposes, then there is no other processing that would be necessary.

Mr. BARDEN of North Carolina. This is just for 14 weeks.

Mr. FULMER. Yes.

Mr. TARVER. If you are going to exempt the cutting of logs for pulp, why not exempt the cutting of logs for a chair factory?

Mr. FULMER. There ought to be some exemptions. However, there is quite a lot of logging and cutting done by these large operators that ought not be exempted.

Mr. TARVER. I am not saying that they ought to be exempted, but I think you ought to strike out the entire provision if you are going to strike out "other processing."

Mr. BARDEN of North Carolina. This was mainly in there for an exemption for 14 weeks, for the hours provision, on account of the snow and ice, and so forth, in the sections where they cannot cope with the situation. That is why it was put in there. I think the gentleman's amendment should be adopted.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from South Carolina [Mr. FULMER].

The amendment was agreed to.

Mr. VORYS of Ohio. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. VORYS of Ohio: Page 4, line 23, after the words "packing plant", insert the following: "or the disposal of dead animals by reduction plants regulated by State laws."

Mr. VORYS of Ohio. Mr. Chairman, we have in this bill an exemption from the hours provisions for slaughterhouses. We have a similar exemption in existing law. It is perfectly obvious that both voluntary production of live animals and involuntary production of dead animals on the farm are not governed by law but are regulated by natural processes, and that they may be produced at times when there will be a great many on hand or not any at all.

In Ohio we have a reduction-plant law which regulates the disposal of dead animals very strictly, in the interest of the public health. They must be taken off the farms and must be disposed of promptly.

This whole matter was taken up before the Wage and Hour Administrator by some people in my district who have a rendering plant and who turn dead horses, cows, and so forth, into fertilizer and other useful things; and the Administrator failed to see that, since it was regulated by public law, it should be exempt or that it was clearly within the meaning of the agricultural exemption. It seems to me that both the production of livestock and their death are of such character that not only slaughterhouses but rendering plants should be exempt; the Good Book says, "The Lord giveth and the Lord taketh away and the time of His coming no man knoweth," not even Colonel Fleming; so that the work of disposing of live and dead stock, so important to public health, should be exempted from the hours provision—not from the wage provision—of the law.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman feels, then, that this should be removed from the jurisdiction of the Administrator?

Mr. VORYS of Ohio. The going after dead animals and the times when the animals decide to die should no longer be left to his regulation.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. WHITE of Idaho. Is not a slaughtered animal a dead animal?

Mr. VORYS of Ohio. That is what I thought, but the Administrator claims he is unable to make this exemption under the clear provisions of the agricultural and the animal exemptions. It is just another example of the need for amendment caused by capricious rulings of bureaucrats.

Mr. WHITE of Idaho. Does not the gentleman think that the language of his amendment would exempt all slaughtered animals instead of just animals that died a natural death?

Mr. VORYS of Ohio. No. I think the reference to reduction plants regulated by State laws shows what is meant.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. HEALEY. Is not that mostly an intrastate activity?

Mr. VORYS of Ohio. One would certainly think so, but the Administrator has ruled that these plants are interstate in character because possibly some of their fertilizer or other products trickle across State borders. This is not an academic question but is an important and live question in my State, and I have no doubt in many other places.

Mr. KELLER. Has not the Supreme Court of the United States accepted that view of it?

Mr. VORYS of Ohio. No; there is no way to get to the Supreme Court of the United States; and the Administrator has ruled that these plants and the collection of dead animals are subject to the wage and hour laws.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. SCHAFER of Wisconsin. Under the argument advanced for the gentleman's amendment should not the exemption be applied to undertakers and grave diggers?

Mr. VORYS of Ohio. I doubt very much if they come within the realm of agriculture or of interstate commerce. [Applause.]

[Here the gavel fell.]

Mr. MASSINGALE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I should not rise at all in this discussion except for the fact that I happen to come from an agricultural district and I have been fed full of this argument here to the effect that this bill is in the interest of agriculture. Even the last amendment about regulating the hauling off of dead horses and cows from streams and fields was mentioned as a benefit to agriculture. That is a different kind of benefit you are giving agriculture, though not, of course, new. Since I have been in this Congress—6 years—there has rarely been a bill considered by it but what some Member has made the claim that the bill was intended as a direct benefit to agriculture. As I see this thing, if there is any benefit to agriculture, it is entirely hidden. Now, you take a lot of my people that have been referred to as "Okies," people who have had to quit Oklahoma and Kansas on account of economic conditions on the farm, people who got together a few dollars and bought a second- or third-hand Ford car and went to California. Now, you are going to cut them off out there. You want to get these fellows out there in California without a

dollar and then say to them when they go to work for somebody that is running a business such as the gentleman from California [Mr. BUCK] is running: "You must not pay him enough to live on in California, but let him go back to Oklahoma or somewhere else if he can." I love the gentleman from California [Mr. BUCK]. I think he is a wonderful Member of this Congress, and it must be accredited to him that he is magnanimous and desires by his amendment to bring his neighbors up to the same level of protection he gets from the Board. The way to correct the wrong done to Mr. BUCK's neighbor farmers is to undo the favoritism shown by the Board to the gentleman from California [Mr. BUCK] and not do an injustice to a number of poor individuals who are entitled to the minimum of 30 cents an hour when they can find work to do for him.

If a mistake has been made, the mistake was made in exempting the gentleman from California [Mr. BUCK] and his farm from the operation of this law. When a poor man gets stranded out there in California, whether he is from Oklahoma or anywhere else, is he not entitled to 30 cents an hour for his labor? He is out there with a wife and children in many cases, nowhere to go, with no friends; yet you want to cut him off at the pockets when you get him out there in California and deny him the right to work for the wages that anyone else gets out there. I tell you, Mr. Chairman, it is not right, it is not a fair proposition.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. MASSINGALE. Yes; I yield to the gentleman.

Mr. KITCHENS. There seems to be an idea around that instead of letting him get $12.60 a week, or around there, they should let him starve to death.

Mr. MASSINGALE. I do not know just what the gentleman means, but you are fixing under this program to give the farmer 60 cents a day perhaps if he hauls off dead horses or if he does any kind of work on a farm in California. That is what this bill means. We ought not to do it.

If the bill is worth anything, it ought to have some value to everybody who labors in farm packing plants, whether in California or elsewhere. It is generally known that in California there is much labor on farms, in packing fresh fruits for shipment. What good reason is there why such packer should not pay what the law says? If it is not operating fairly, let us not put in a lot of foolish amendments here that we do not understand, indiscriminate, senseless amendments that nobody understands. If nobody understands the operation of the law, why not take time to consider it? Let the board that grants the exemptions quit putting unreasonable constructions of the law into their rulings. By adoption of the amendments, we are hurting the very poorest, and by letting the law alone no one will be hurt much. I think we should delay any attempt to amend until we do have time to study and understand it. [Applause.]

[Here the gavel fell.]

Mr. BUCKLER of Minnesota. Mr. Chairman, like my friend, the gentleman from Oklahoma, I happen to come from an agricultural district, but I can beat the gentleman from Oklahoma, because, having lived on the farm all my life, I know what the farmer is up against.

Since being a Member of Congress I have supported labor legislation and farm legislation. If I had to make a choice, I perhaps would support farm legislation in preference to labor legislation, but the Barden amendment would injure workers and farmers alike. However, I am getting tired of those who oppose labor legislation, holding up the farmers as an example in order to injure the laboring men. This legislation, as written, is hard for me as a layman and farmer to understand. I feel a little better about the situation, however, when I hear the attorneys here stand up and argue back and forth and ask one another what the bill provides. I do not believe there are many of you who know what the amendments do provide. [Applause.] I have come to the conclusion that as long as we have 300 attorneys in this Congress we will be up against this situation. [Applause.] The reason for this is that you attorneys made your living before you came to Congress because the people did not know what the law was and they got into trouble, and you put in your time trying to get them out. [Applause.]

There is something we should all understand. This bill will cut the wages of thousands of workers, the men and women who are earning 30 cents an hour.

I was here the other day and heard the gentleman from North Carolina [Mr. BARDEN] make a plea for the farmers and a long statement as to the condition the farmers were in. I agree with him. I know the condition of the farmers as well as the gentleman from North Carolina. He cited an incident that he was up against when he, as a farmer, shipped some lettuce. He made the statement that he shipped 25 baskets of lettuce to market and they sent him back 16 cents. I think I can go the Congressman one better. I, myself, shipped two carloads of potatoes, 750 bushels in each car, and I threw in $65 worth of new sacks. I received a report on the one car and they requested that I send $2.54 to finish paying the freight and other expenses. I did not get any report on the other car and did not request any, as I was afraid they would ask me for more money. I never did hear from them about it. So the gentleman from North Carolina [Mr. BARDEN] and I do not disagree on the condition of the farmer, but I do disagree with him on the solution.

I came here expecting to remedy the condition of the farmer. I have helped some since I have been here, but we have not as yet finished the job. I do not agree with the gentleman from North Carolina that you can help the farmers by cutting the poor man's living below 30 cents an hour. I do not believe you can help the farmer by making a man or woman, with a family to support, work for almost nothing. In fact, by cutting their wages, you would reduce their consuming power and thereby further reduce the prices that the farmers now are getting for their produce.

One trouble is that the farmer does not have a market for his produce because labor has not the money to buy with. By reducing wages you destroy the buying power of the workers, who consume and buy his goods.

As long as the special-privilege groups can keep the farmers and the workers fighting each other, just that long will they be able to rob them both.

If these packing plants can get labor down to 10 or 15 cents an hour, I do not see how this will help the farmer. My idea is to raise the standard of living by putting a bottom under labor, which we are attempting to do, and not try to put labor down with the farmer. You also have to put a bottom under agricultural products.

Instead of trying to pull down the wages of poorly paid workers, it is more essential and much more helpful if we try to raise farm prices. We should be passing legislation guaranteeing the farmer parity prices instead of cutting wages and destroying the little market he has now. As a farmer, I expect to support labor on the legislation being considered today and I hope tomorrow when we are trying to get parity prices for farm produce and when we consider other helpful amendments to the farm program that you Members from the laboring districts support the farmer. This will be greater help to the agricultural sections than by trying to reduce the wages of poor people, which would only benefit the big packers and canners. If there are any savings they never would be passed on to the farmer anyway.

This argument is an old trick of the chiselers and the special-privilege groups and they sometimes fool a lot of people with it. They are always trying to split the workers and the farmers, while robbing both groups for many years. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The amendment was agreed to.

Mrs. NORTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. BOLAND having taken the chair as Speaker pro tempore, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under

consideration the bill, H. R. 5435, to amend the Fair Labor Standards Act of 1938, had come to no resolution thereon.

LEGISLATIVE ESTABLISHMENT APPROPRIATION BILL—1941

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, H. R. 8913, making appropriations for the legislative establishment for the fiscal year 1941 with Senate amendments thereto, disagree to the Senate amendments and ask for a conference with the Senate, and that the Chair appoint the conferees.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. RABAUT]?

There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. RABAUT, FERNANDEZ, MCANDREWS, POWERS, and RICH.

THE WAGE AND HOUR LAW

Mr. WELCH. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a brief statement made by me on April 25 on House Resolution 289, which I inadvertently left out of the RECORD at that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. WELCH]?

There was no objection.

The matter referred to follows:

Mr. WELCH. Mr. Speaker, it is unnecessary for me to state that I am unalterably opposed to this hydra-headed gag rule through which the Barden bill strikes at the very heart of the humanitarian wage and hour law.

Mr. Speaker, the issue is clean-cut: Whether 1,500,000 workers should be deprived of the protection of a law which requires the payment of 30 cents an hour, $12 a week, or be forced back under the provisions of the Barden bill to the starvation wage of 5 and 10 cents an hour. [Applause.]

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The gentleman yields 3½ minutes.

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from South Dakota [Mr. MUNDT], may have permission to extend his remarks in the Appendix of the RECORD on the subject of the agricultural appropriation bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota [Mr. CASE]?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon and to include some charts and illustrations which came from the Senate Civil Liberties Committee report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. GEYER]?

There was no objection.

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short editorial.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole today and include therein certain letters I have received.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROUTZOHN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered over the radio on April 23 by William L. Hutcheson.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a few editorials.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to include in the remarks I made in Committee of the Whole this afternoon certain excerpts from a letter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I also ask unanimous consent to extend my own remarks in the RECORD and include a table.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting an article by David Lawrence appearing in today's Washington Evening Star.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

NAVY DEPARTMENT AND THE NAVAL SERVICE APPROPRIATION BILL—CONFERENCE REPORT

Mr. SCRUGHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8438) making appropriations for the Navy Department and the Naval Service for the fiscal year ending June 30, 1941, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask a conference with the Senate on the disagreeing votes of the two Houses.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada? [After a pause.] The Chair hears none and, without objection, appoints the following conferees: Messrs. SCRUGHAM, FERNANDEZ, CASEY, CALDWELL, DITTER, PLUMLEY, and MCLEOD.

There was no objection.

EXTENSION OF REMARKS

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein two telegrams I have received and one letter on the pending legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter of my own and an answer thereto.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short editorial.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CIVIL AERONAUTICS AUTHORITY

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I have just been informed, in answer to an inquiry, that responsible officials of the Railway Express Agency have stated, concerning the proposed reorganization of the Civil Aeronautics Authority, that I may say the officers of this agency who have the responsibility of developing air express feel the Civil Aeronautics Authority, both in its policy and administrative functions, is progressing

along right lines as contemplated in the act and believe real progress has been made.

In view of this, they feel the status of the Authority should remain unchanged, at least for the present, in order that the constructive work which has been done may be continued without interruption as would necessarily result from any change.

Mr. Speaker, I have also talked today with Mr. Gill Robb Wilson, who is the very able president of the National Aeronautic Association, and when I asked him the position of that association on the proposed reorganization plan, which would shift the independent C. A. A. into the Commerce Department, he called my attention to the action taken by the executive committee of his group at Tulsa, Okla., on April 25 against the reorganization. I ask unanimous consent that this statement may be included as a part of my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The matter referred to follows:

The National Aeronautic Association, through its executive committee, in session at Tulsa, Okla., April 25, expressed the following opinion regarding C. A. A. reorganization order No. 4:

"The formation of the Civil Aeronautics Authority came as a result of deep study by the Congress of the United States in an effort to correct past weaknesses in the governmental aid to aeronautical development and to foster and develop civil aeronautics.

"It is the belief of the National Aeronautic Association that the Congress evolved legislation which provided adequate ways and means of correcting past deficiencies and providing for efficient future development of aviation in this country.

"The National Aeronautic Association further believes that the Civil Aeronautics Authority has gone far during its short existence to justify the faith placed in it by the people of the United States through its representatives in Congress.

"Therefore the National Aeronautic Association, in reiteration of its historic position in support of an independent agency to handle all civil aeronautical matters, regards the proposed reorganization order No. 4 as detrimental to the continued safe and efficient development of aviation in the United States."

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Texas [Mr. POAGE] is recognized for 30 minutes.

Mr. POAGE. Mr. Speaker, it is my understanding and hope that on tomorrow we shall vote on the conference report on the most important, the most needed, the most vital, and yet the most misunderstood appropriation bill that annually comes before this House—the agricultural appropriation bill. This bill comes back from the Senate with three very vital matters in disagreement. First, the appropriation of funds for the continuation of the tenant home-purchase program under the Jones-Bankhead bill; second, the necessary funds for the food-stamp program of the Surplus Commodities Corporation; and finally, the most important question of good faith as well as good judgment in providing funds to make the promised parity payments.

Some 3 months ago this bill was passed by this House with scant consideration for the needs of one-third of the people of these United States. We seemed to ignore the fact that 3 years before we had embarked on a program of governmental aid to home ownership in both city and country. Under that program we have appropriated $800,000,000 for slum clearance in the great cities. We have a bill now pending to provide another $800,000,000—a needed work, but a staggering price. At the same session of Congress at which we authorized the ambitious city-slum-clearance program of the United States Housing Authority we authorized a small and modest start on the problem of rural slum clearance—of farm-home ownership by some of those who are now tenant farmers. Some of the finest work of the Farm Security Administration has been done along these lines, and yet this Government has up to date appropriated only $75,000,000 for loans to deal with the rural slums. This cannot be due simply to a desire to economize because during this same time we have given nearly 10 times that amount to the city-housing authorities, and the money that goes to the cities will not be repaid while all we have ever done for the tenant farmer and all we ask for him now is that this Government continue to loan him money which he has and will repay. We have been generous, my friends, with our gifts of public money to the city-slum dweller. Let us not now turn the back of our hand when the even more needy rural-slum dweller asks for a simple and modest loan.

The authorization bill that you and I passed 3 years ago held out the hope to our tenant farmers that their Government would loan them $50,000,000 next year, for the purchase of homes under a program that has proven its soundness. The President's budget recommended that we appropriate at least one-half this amount. The Senate has provided the full amount. This House has provided nothing. Let us, on the morrow, join with the other body and keep faith with the most helpless economic group in this broad land.

Another item in disagreement between the House and Senate is that of funds to carry on the work of the Surplus Commodities Corporation—particularly the "food stamp" program. This is a program of such widely recognized merit that I trust it will receive general support. The Senate has provided $86,000,000 for this work. The House should accept the Senate amendment. The work of the Surplus Commodities Corporation directly aids the relief client in the large city no less than the farmer. In fact, its major benefits are probably effected in the interest of low-income consumers by enabling them to buy a substantially larger amount of needed food. This item might be more properly charged to relief than to agriculture, but here it is in an agricultural appropriation bill, and it should be passed for the good of the entire Nation. It will do little to help the producers of the great surplus staples like wheat and cotton, but it is a step in the right direction. It will materially aid the producers of specialty crops—fruits and vegetables. It is of tremendous assistance to the needy all over the country. It strikes at the problem of surpluses in a fundamentally sound manner. It does not attempt to create prosperity by the distruction of things people need. On the other hand, it encourages production. It puts men and acres to work. It adds to the sum total of things people need, then it gets these things to the people who need them. This is beneficial both to the producer and to the consumer, and it seems to me that this program, small though it is as yet, has been worked out with a sincere desire to conform to sound fundamental economic laws. It is a program of plenty—of wider distribution. It recognizes that there can never be an overproduction of the good and useful things of life if we can but make our system of distribution keep pace with the development of our system of production. We have failed to do this in the past and have been forced to resort to temporary stop-gaps which we have all recognized are not the final answer to our problem, but which have been and still are necessary until we can greatly improve our system of distribution. The "food stamp" plan is helpful. It is certainly a step in the right direction, but it cannot be applied to all sections of the country, much less to all crops, overnight. Nor should we jeopardize its success by too rapid expansion. If it is to build as soundly as I trust it may, it must build rather slowly. The funds provided by the Senate are sufficient to provide for this sound and orderly expansion of this program and they should be voted.

However, the provision for the extension of the food-stamp program cannot under any stretch of the imagination be taken as a justification for the omission from this bill of the funds necessary to make the so-called parity or price adjustment payments long ago promised to our farmers. It is to be devoutly hoped that in the course of time we will so improve our system of distribution that those who need the bountiful production of all our farms will be able to buy it. The food-stamp program should help, but it is as yet but a small factor. It has very little effect, if any, on our great export crops like wheat and particularly cotton. In the absence of a two-price system—that is, a reverse tariff—the price of these export crops will always be the lowest price for which competitive products can be purchased anywhere in the world, cost of transportation taken into consideration. We do not have a two-price system for agricultural products as we do for industrial products. We have not as yet devised an adequate system of distribution in the United States. Millions of our citizens cannot buy the gingham dresses, the

denim shirts, and the cotton sheets that they need. If they could, it would go a long way to solve the cotton problem. We recognize that fundamentally we need increased use of cotton and increased buying power. This administration is doing everything possible to increase the buying power of our people. We are also striving mightily to increase the commercial uses for all our crops, particularly cotton, which constitutes our major surplus problem. The new regional agricultural laboratories will soon be in operation. I have introduced a bill to provide a substantial prize payable to anyone who can devise new uses for cotton. I have been assured of an early hearing on this bill by the Committee on Agriculture. But, with all this, we are faced with a tremendous surplus of cotton at this time and with little or no prospect of any immediate disposition of that cotton. Wheat, corn, tobacco, and rice farmers find themselves in little better position than cotton farmers, but it happens that I am better acquainted with the cotton problem, and inasmuch as cotton has always been by far the most important single item in our American foreign trade, and inasmuch as the production of cotton employs more people than any other single crop in this country, I shall proceed to make special reference to cotton.

In February 1938 we passed, and the President signed, the Agricultural Adjustment Act of 1938, which established what is generally known as the A. A. A. I voted for this act. I realized then just as I do now that it is not a solution of the farm problem, although its provisions, particularly in regard to soil conservation, strike at fundamentals. The farm problem, however, goes much deeper than the A. A. A.; it certainly goes as far as the tariff which for generations has forced my people to sell in an open market and to buy from the industrial sections in a protected market. Actually, the problem goes even deeper than that, but this week we are to deal not with these fundamentals but only with an appropriation bill. This bill cannot reach the fundamental discrimination that has been operative against American agriculture, but it can, and it should, make effective the palliative and temporary relief promised by the Agricultural Adjustment Act. That act proclaimed as one of its major objectives a program to assist farmers to obtain both parity prices and parity income. It undertook to achieve this parity relationship, at least, in part, by the payment of price adjustment or, as our farmers call them, "subsidy" checks.

Nor was the payment of these price-adjustment payments undertaken without consideration. The act establishes a far-reaching program in which all farmers are invited to participate. This program involves in the cotton country, or at least in the Southwest, very substantial reductions in acreage. These reductions are required both for the long-time purpose of protecting the soil and for the immediate purpose of reducing the total production of cotton. Inasmuch as the rest of the world has increased its cotton acreage just about as fast as the United States had decreased its cotton acreage there has been little noticeable increase in world price as a result of our attempt to control production. Although, of course, it cannot be said that had there been no reduction of American cotton acreage there might not have been an even further decline in cotton prices. The market price of American cotton is still determined by the world price and there is no protected American market for even that portion of our crop that we consume domestically as there is for the domestically consumed portion of our industrial production. I have, along with other Members, sought to secure this protection for our cotton farmers, but so far without success.

We must, therefore, face the facts. On the invitation of this Congress our farmers have materially reduced their cotton acreage. The same is true of other staple crops. With this reduction of acreage came as an intended and desired result a reduction in production. In the absence of a return of profitable world prices for our export crops this has, of course, resulted in a very substantial reduction in farm income—the very thing that Congress and the President sought to prevent. This turn of events was not unanticipated, however. In fact, in contemplation of exactly this situation the Agricultural Adjustment Act made provision for price-adjustment payments to the cooperating farmers as a partial compensation for the losses they sustained through their acreage reductions. In other words, we set up a cooperative plan. The farmer agreeing to refrain from planting to capacity—thereby making his individual contribution to the public good—in an effort to control crop surpluses until such date as we are able to establish a more effective system of distribution, and the Government undertaking to partially reimburse the farmer by paying him a sum which when added to his soil-conservation payments and to the price he receives for what he grows, will give him—not parity income, not even parity price—but roughly three-fourths of parity price on that portion of his production which remains available to him after he has made his contribution to the common welfare. This has actually meant in most cases that the small farmer of central Texas has received about one-half of the parity income of which we so glibly speak. I say this not in the attitude of complaint but of gratitude for what we have received. This administration is the first that has ever given us any consideration whatever. The aid thus extended to our people has not made us prosperous. The average tenant farmer in the South earns for his year's work only one-fifth as much as the average industrial worker of the Nation, but the program has enabled millions of American citizens to carry on. They have made their contribution to the program. All we ask now is that the Government of the United States keep faith with these people and that this House vote tomorrow to include the Senate amendment to provide for the continuation of parity or price-adjustment payments.

That you may realize just how substantial the sacrifices of our farmers have been, I desire at this point to insert some figures I secured today from the Department of Agriculture showing the cut in acreage, production, and income that the people of my six counties have taken in their effort to make the general farm program a success. I shall also insert figures to show the relative contribution of the Federal Government.

County and year	Cotton acreage	Cotton production	Value, cotton and seed	Government contribution, all payments	Farmers' contributions, reduced net income
Bell:	*Acres*	*Bales*			
1928	242,000	92,200	$9,502,000	None	
1934	138,000	45,200	3,537,000	$570,000	
1939	129,200	33,000	1,729,860	[1] 966,000	
Reduction	112,800	59,200	7,772,140		$6,906,140
Bosque:					
1928	72,030	20,200	2,082,000		
1934	48,000	7,790	610,000	103,300	
1939	37,100	8,220	439,892	[1] 228,000	
Reduction	34,930	11,980	1,651,108		$1,423,108
Coryell:					
1928	116,000	30,400	3,133,000	None	
1934	71,200	13,100	1,025,000	185,700	
1939	56,100	13,300	697,186	[1] 239,000	
Reduction	59,900	7,100	2,435,814		2,196,814
Falls:					
1928	207,000	90,400	9,317,000	None	
1934	143,000	47,600	3,725,000	575,800	
1939	56,100	38,800	2,033,896	[1] 966,000	
Reduction	150,900	51,600	7,283,104		6,317,104
McLennan:					
1928	289,000	104,000	10,718,000	None	
1934	149,000	41,200	3,224,000	625,900	
1939	153,100	45,500	3,639,000	[1] 1,169,000	
Reduction	135,900	58,500	7,079,000		5,910,000
Milam:					
1928	225,000	77,000	7,936,000	None	
1934	136,000	46,500	3,639,000	480,000	
1939	104,000	29,100	1,525,422	[1] 787,000	
Reduction	121,000	47,900	6,410,578		5,623,578
Total for the 6 counties, reduction	615,430	236,280	32,631,744	4,355,000	28,276,744

[1] 1938. (Figures not available for 1939 but payments were 10 to 12 percent less. 1940 payments will be approximately the same.)

Reductions throughout are comparisons of 1939 as compared with 1928 figure except as above noted.

These figures show a net income from cotton and cottonseed in 1928 of $42,688,000. In 1939 this income had dropped to less than one-fourth of its former amount, $10,056,256. Add to this the $4,355,000 Government contribution, and you still find the farmers of these six counties suffering a net loss of $28,276,744, or approximately two-thirds of their total income.

I do not mean to suggest that this tremendous loss in income has been the result of the farm program. On the contrary, our people feel that had we had no farm program the loss might have been even greater. I do, however, want to suggest that no other group of our American citizenship has suffered any comparable loss in income or buying power. I am advised that the average industrial wage is today 14 percent higher now than it was in 1928. The earnings of many of our industries are back to or are fast approaching the 1928 level. Yet, regardless of the reason, we find a great group of American citizens with their buying power reduced to a small fraction of its former proportions. I do not present these figures to excite your sympathy but rather in the hope that they will arouse your instinct of self-preservation. Can the representatives from the great manufacturing centers that once poured a steady flow of products into the farming regions look at these figures and still wonder what has happened to your markets? Bring back this lost purchasing power in the farming regions and you will wipe out the unemployment of the cities. I do not contend that the payment of the relatively small sum that is provided in the Senate amendment for "parity" would of itself restore all of this loss in income, but definitely it would help. And it would help not only the farmer but every industry in America. For 20 years the Departments of Commerce and Agriculture have kept accurate figures which show that for every dollar added to farm income we have added $7 to the national income. I know of no better investment our Government can make than to aid in the maintenance of farm income and farm markets for American industry. I hope that the representatives from all sections will join together to see that the United States carries out its part of the trade we made with our farmers. [Applause.]

Mr. POAGE asked and was given permission to revise and extend his remarks and to include therein certain tables prepared by the Department of Agriculture.

EXTENSION OF REMARKS

Mr. HART. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article from the magazine Salve Regina, on Father Duffy and the Fighting Sixty-ninth.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. HARTER of Ohio, for an indefinite period, on account of death in family.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 33 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 30, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds Tuesday, April 30, 1940, at 10 a. m., for the consideration of House Joint Resolution 487. Important. The hearings will be held in room 1501, New House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings on the following bill on Tuesday, April 30, 1940:

H. R. 8855, to admit the American-owned steamship *Port Saunders* and steamship *Hawk* to American registry and to permit their use in coastwise and fisheries trade. Hearing will be held at 10 a. m.

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will meet on Tuesday, April 30, 1940, at 10:30 a. m., in room 128, House Office Building, for the consideration of H. R. 9093.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization on Wednesday, May 1, 1940, at 10:30 a. m. In re private bills and consider assignments.

COMMITTEE ON PATENTS

There will be a meeting of the Committee on Patents on Thursday, May 9, 1940, at 10:30 a. m., for the consideration of H. R. 8441, H. R. 8442, and H. R. 8444, all of which relate to amendments to the patent laws.

There will be a meeting of the Committee on Patents on Thursday, May 16, 1940, at 10:30 a. m., for the consideration of H. R. 9384, H. R. 9386, and H. R. 9388, all of which relate to amendments to the patent laws.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1578. A letter from the Archivist of the United States, transmitting a report on a list of papers recommended for disposition by the Department of Commerce; to the Committee on the Disposition of Executive Papers.

1579. A letter from the Archivist of the United States, transmitting a report on lists of papers recommended for disposition by the United States Civil Service Commission; to the Committee on the Disposition of Executive Papers.

1580. A letter from the Archivist of the United States, transmitting a report on lists of papers recommended for disposition by the Federal Trade Commission; to the Committee on the Disposition of Executive Papers.

1581. A letter from the Archivist of the United States, transmitting a report on a list of papers recommended for disposition by the United States marshal for the eastern district of Wisconsin, with the approval of the Department of Justice; to the Committee on the Disposition of Executive Papers.

1582. A letter from the Archivist of the United States, transmitting a report on a list of papers recommended for disposition by the Department of War; to the Committee on the Disposition of Executive Papers.

1583. A letter from the Archivist of the United States, transmitting a report on a list of papers recommended for disposition by the Federal Security Agency, Social Security Board; to the Committee on the Disposition of Executive Papers.

1584. A letter from the Archivist of the United States, transmitting a report on a list of papers recommended for disposition by the clerk, United States District Court for the Eastern District of Oklahoma; to the Committee on the Disposition of Executive Papers.

1585. A letter from the Archivist of the United States, transmitting a report on lists of papers recommended for disposition by the Federal Works Agency, Work Projects Administration; to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 3262. An act to authorize the Secretary of the Interior to grant a right-of-way to the Highway Commission of the State of Montana; without amendment (Rept. No. 2017). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 8958. A bill to authorize the Secretary of the

Interior to grant to the county of Wayne, State of Michigan, an easement over certain land of the United States in Wayne County, Mich., for a sewage-disposal line; with amendment (Rept. No. 2018). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 9441. A bill to accept the grant to the United States of certain land by the State of South Carolina and to authorize its use by the United States Coast Guard; without amendment (Rept. No. 2019). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. House Joint Resolution 519. Joint resolution to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war, and for other purposes; without amendment (Rept. No. 2020). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 9492. A bill making it a misdemeanor to stow away on vessels engaged in interstate or foreign commerce and providing punishment therefor; with amendment (Rept. No. 2021). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 9262. A bill to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes; with amendment (Rept. No. 2022). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 9383. A bill to amend the Canal Zone Code with respect to the trial of joint defendants, the removal of fugitives from justice, and the regulation of criminal procedure in the Canal Zone; without amendment (Rept. No. 2023). Referred to the Committee of the Whole House on the state of the Union.

Mr. CANNON of Missouri: Committee of conference on the disagreeing votes of the two Houses. H. R. 8202. A bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes (Rept. No. 2024). Referred to the Committee of the Whole House on the state of the Union.

Mr. DIMOND: Committee on Merchant Marine and Fisheries. H. R. 7542. A bill to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924; with amendment (Rept. No. 2025). Referred to the Committee of the Whole House on the state of the Union.

Mr. DIMOND: Committee on Merchant Marine and Fisheries. H. R. 8172. A bill to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery; without amendment (Rept. No. 2026). Referred to the Committee of the Whole House on the state of the Union.

Mr. DIMOND: Committee on the Territories. H. R. 8884. A bill to authorize the Legislature of the Territory of Alaska to create a public corporate authority to undertake slum clearance and projects to provide dwelling accommodations for families of low income and to issue bonds and other obligations of the authority for such purpose, and for other purposes; without amendment (Rept. No. 2027). Referred to the Committee of the Whole House on the state of the Union.

Mr. PETERSON of Florida: Committee on Mines and Mining. S. 1542. An act to authorize the Director of the Geological Survey, under the general supervision of the Secretary of the Interior, to acquire certain collections for the United States; without amendment (Rept. No. 2028). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 9254) granting a pension to Henry Howington, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIMOND:

H. R. 9571. A bill to authorize the incorporated town of Sitka, Alaska, to purchase and enlarge certain public utilities and for such purpose to issue bonds in the sum of $200,000 in excess of present statutory debt limit; to the Committee on the Territories.

By Mr. DWORSHAK:

H. R. 9572. A bill to add certain lands to the Cache National Forest; to the Committee on the Public Lands.

By Mr. FAY:

H. R. 9573. A bill to protect the investment of certain property owners who improve the areas between the shore and bulkhead lines in or along navigable waters of the United States; to the Committee on Rivers and Harbors.

By Mr. PLUMLEY:

H. R. 9574. A bill to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to marine schools in the State of Vermont; to the Committee on Merchant Marine and Fisheries.

By Mr. CARTWRIGHT:

H. R. 9575. A bill to amend the Federal Aid Act, approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Roads.

By Mr. RANDOLPH:

H. R. 9576. A bill relating to the admission to St. Elizabeths Hospital of persons resident or domiciled in the Virgin Islands of the United States; to the Committee on the District of Columbia.

H. R. 9577. A bill to amend the act entitled "An act authorizing the Commissioners of the District of Columbia to furnish Potomac water without charge to charitable institutions, etc., in the District of Columbia," approved February 23, 1905; to the Committee on the District of Columbia.

By Mr. RANKIN:

H. R. 9578. A bill for the payment of pension, compensation, or emergency officers retirement pay to persons residing outside the continental limits of the United States or its possessions; to the Committee on World War Veterans' Legislation.

By Mr. SNYDER:

H. R. 9579. A bill to provide for a 10-year program of Federal assistance to the States in providing public-school buildings and equipment determined by surveys and studies to be needed; to the Committee on Education.

By Mr. BREWSTER:

H. R. 9580. A bill providing for the establishment of an Air Corps base in the State of Maine; to the Committee on Military Affairs.

By Mr. O'LEARY:

H. R. 9581. A bill to amend the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. TENEROWICZ:

H. R. 9582. A bill to conserve petroleum resources and increase the use of agricultural commodities by regulating interstate commerce in certain petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. SCRUGHAM:

H. R. 9583. A bill to provide for the disposition of certain moneys received by the United States in connection with proceedings against the Standard Oil Co. of California and others, pursuant to the joint resolution of February 21, 1924 (43 Stat. 15); to the Committee on the Public Lands.

By Mr. HORTON:

H. Res. 473. Resolution creating a select committee of the House of Representatives to investigate all forms of lobbying, and for other purposes; to the Committee on Rules.

H. Res. 474. Resolution providing for the expenses of the investigation authorized by House Resolution 473, Seventy-sixth Congress; to the Committee on Accounts.

By Mr. HOUSTON:

H. Res. 475. Resolution to investigate fire insurance and casualty rates in the United States, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BREWSTER:

H. R. 9584. A bill for the relief of Eben Vaughan Cleaves; to the Committee on Claims.

By Mr. CURTIS:

H. R. 9585. A bill for the relief of Caroline McCune and Arthur C. McCune; to the Committee on Claims.

By Mr. FENTON:

H. R. 9586. A bill for the relief of Michael Kotis; to the Committee on Immigration and Naturalization.

By Mr. GROSS:

H. R. 9587. A bill granting a pension to James G. Laughman; to the Committee on Invalid Pensions.

By Mr. HINSHAW:

H. R. 9588. A bill for the relief of Cora E. Faubion; to the Committee on Pensions.

By Mr. LESINSKI:

H. R. 9589. A bill granting a pension to Frances Folsom Cleveland Preston; to the Committee on Invalid Pensions.

By Mr. MACIEJEWSKI:

H. R. 9590. A bill for the relief of George Colton; to the Committee on Naval Affairs.

By Mr. MARTIN of Iowa:

H. R. 9591. A bill for the relief of certain former employees and materialmen of Joseph P. Casey, and the Foundation Waterproofing Co., contractors with the United States of America, under contract No. W741-Eng-1911 for the clearing of parcel No. 1 in the pool of lock and dam No. 18, Mississippi River; to the Committee on Claims.

By Mr. WARD:

H. R. 9592. A bill for the relief of Lydia H. Breeding; to the Committee on War Claims.

By Mr. WEST:

H. R. 9593. A bill for the relief of Walter Sittner; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7750. By Mr. FLAHERTY: Petition of the Building and Construction Trades Council of the Metropolitan District of Boston, Mass., regarding Relief Appropriation Act; to the Committee on Appropriations.

7751. Also, petition of the Jewish War Veterans of the United States, Chelsea, Mass., urging favorable action on House bill 8977, to provide for the incorporation of Jewish War Veterans of the United States; to the Committee on the Judiciary.

7752. By Mr. MARTIN J. KENNEDY: Petition of the State, County, and Municipal Workers of America, New York City, expressing opposition to the Smith and Norton amendments to the National Labor Relations Act; to the Committee on Labor.

7753. Also, petition of New York Division, No. 9, Order of Sleeping Car Conductors, Yonkers, N. Y., urging support of House bill 9406, requiring Pullman conductors on all trains carrying cars on overnight runs; to the Committee on Interstate and Foreign Commerce.

7754. Also, petition of the International Union, Aluminum Workers of America, New Kensington, Pa., expressing opposition to any and all amendments to the National Labor Relations Act; to the Committee on Labor.

7755. Also, petition of the United Office and Professional Workers of America, New York City, expressing opposition to the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7756. Also, petition of the United Construction Workers Organizing Committee, Washington, D. C., expressing opposition to all pending amendments to the National Labor Relations Act; to the Committee on Labor.

7757. Also, petition of the Progressive Mine Workers of America, Springfield, Ill., to amend the National Labor Relations Act; to the Committee on Labor.

7758. Also, petition of the Retail Dairy, Grocery and Fruit Employees Union, Local 338, New York City, expressing opposition to the Smith and Norton amendments to the National Labor Relations Act; to the Committee on Labor.

7759. Also, petition of the United Irish-American Societies, New York City, urging support of the joint resolution introduced by Senator REYNOLDS and Representative RANDOLPH concerning negotiations with the British Government for the acquisition of certain British possessions in the Caribbean and Central America for the purpose of national defense, in part payments of war debt; to the Committee on Foreign Affairs.

7760. By Mr. MICHAEL J. KENNEDY: Petition of the Progressive Mine Workers of America, urging enactment of certain amendments to the Wagner National Labor Relations Act; to the Committee on Labor.

7761. Also, petition of the Psychologists League, of New York City, urging enactment of House bill 8615, the American Standard Work and Assistance Act, which would eliminate the 18 months clause, wage reductions, and cuts in prevailing rates on Work Projects Administration; to the Committee on Labor.

7762. Also, petition urging enactment of House bill 8985, the Byrne bill, relative to payment in the State of New York of Federal income taxes retroactively by civil-service employees; to the Committee on Ways and Means.

7763. Also, petition of the Ninth District Dental Society of the State of New York, urging passage of legislation to regulate the practice of dentistry in the District of Columbia; to the Committee on the District of Columbia.

7764. Also, petition of the State, County, and Municipal Workers of America, representing 15,000 government employees in the State of New York, relative to the Smith and Norton amendments to the Wagner Labor Relations Act; to the Committee on Labor.

7765. By Mr. KEOGH: Petition of the Cigar Manufacturers Association of America, Inc., New York City, concerning amendments to the wage and hour law; to the Committee on Labor.

7766. Also, petition of the Progressive Mine Workers of America, Springfield, Ill., concerning the National Labor Relations Act; to the Committee on Labor.

7767. Also, petition of the United Irish-American Societies of New York, favoring the Reynolds-Randolph joint resolution, requesting and empowering the President of the United States to enter into negotiations with the British Government for the acquisition of certain British possessions in the Caribbean and Central America for the purpose of national defense, in part payment of the British debt; to the Committee on Foreign Affairs.

7768. By Mr. PFEIFER: Petition of the Association of State Civil Service Employees of the State of New York, Albany, N. Y., urging support of the Byrne bill (H. R. 8985); to the Committee on Ways and Means.

7769. By Mr. KEOGH: Petition of the Association of State Civil Service Employees of the State of New York, Albany, N. Y., urging support of the Byrne bill (H. R. 8985); to the Committee on Ways and Means.

7770. Also, petition of the Air Pilots' Association, Chicago, Ill., opposing the Reorganization Plan No. IV, calling for the abolishment of the Air Safety Board and the new Air Authority, and placing the independent duties of the entire Civil Aeronautics Authority back under the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

7771. By Mr. PFEIFER: Petition of the New York State Farm Bureau Federation, Ithaca, N. Y., urging support and enactment of the Schwartz-Martin wool-labeling bill; to the Committee on Interstate and Foreign Commerce.

7772. By Mr. RISK: Resolution of the Rhode Island Airmen's Association, opposing return of Civil Aeronautics Authority to the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

7773. By Mr. SCHIFFLER: Petition of Ethel V. Ruckman, secretary, and members of the Ladies' Auxiliary to Mound Post, Veterans of Foreign Wars, No. 437, Moundsville, W. Va., urging the passage of House bill 7980, for the relief of dependent widows and orphans of deceased veterans, etc.; to the Committee on World War Veterans' Legislation.

7774. By Mr. SUTPHIN: Petition of the executive board of the New Brunswick College Club, a branch of the American Association of University Women, urging that every effort be made to stop the shipping of weapons and war materials to Japan; to the Committee on Foreign Affairs.

7775. By Mr. VREELAND: Resolution of the Superior Officers' Association of the Newark Police Department, endorsing the policies and practices of the Federal Bureau of Investigation and its Director, John Edgar Hoover, and expressing confidence in their ability and policies in the enforcement of law; to the Committee on the Judiciary.

7776. By the SPEAKER: Petition of the Democratic Union of the Eighteenth Congressional District, Long Beach, Calif., petitioning consideration of their resolution with reference to antialien bills; to the Committee on Immigration and Naturalization.

7777. Also, petition of the International Workers Order, Turtle Creek, Pa., petitioning consideration of their resolution with reference to antialien bills; to the Committee on Immigration and Naturalization.

7778. Also, petition of the International Workers Order, Belleville, N. J., Lodge No. 2584, petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

7779. Also, petition of the United Brotherhood of Carpenters and Joiners of America, Local No. 642, Richmond, Calif., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7780. Also, petition of the American Communications Association, Congress of Industrial Organizations, New York, petitioning consideration of their resolution with reference to Senate bill 3365, concerning unemployment compensation; to the Committee on Ways and Means.

7781. Also, petition of the Alabama State Federation of Labor, Birmingham, Ala., petitioning consideration of their resolution with reference to House bill 3937, concerning seniority; Senate bill 487, concerning longevity; and House bill 3113, concerning Civil Service Court of Appeals and Social Security; to the Committee on Ways and Means.

7782. Also, petition of Carondelet Evangelical Church, St. Louis, Mo., petitioning consideration of their resolution with reference to providing for old-age pensions; to the Committee on Ways and Means.

7783. Also, petition of the State, County, and Municipal Workers of America, Local No. 184, Philadelphia, Pa., petitioning consideration of their resolution with reference to antialien legislation; to the Committee on Immigration and Naturalization.

7784. Also, petition of the Carpenters Local Union No. 133, Terre Haute, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7785. Also, petition of the Parent-Teachers Association, Central High School, Washington, D. C., petitioning consideration of their resolution with reference to an act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia; to the Committee on the District of Columbia.

7786. Also, petition of Conference on Civil Rights (Washington Committee for Democratic Action), Washington, D. C., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

7787. Also, petition of the East Chicago Teamsters and Chauffeurs Local No. 520, East Chicago, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7788. Also, petition of Alabama Association of Registered Architects, petitioning consideration of their resolution with reference to United States Housing Authority program; to the Committee on Banking and Currency.

7789. Also, petition of the Southern Conference for Human Welfare, Chattanooga, Tenn., petitioning consideration of their resolution with reference to National Labor Relations Act; to the Committee on Labor.

SENATE

TUESDAY, APRIL 30, 1940

(Legislative day of Wednesday, April 24, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, our heavenly Father, who alone dost rule and govern the hearts of men: We thank Thee for the manifold blessings of Thy bestowal, for the uplift of gladdening thoughts, for the spirit of understanding by which we share the joy and sorrow of others, but most of all we bless Thee for the strength and calm which Thine unseen Presence brings. Be with us in the deliberations of this day; make reverent our thought, that we may cling to that which is good as again we pledge our fealty to the sovereignty of duty. Purge away the vanity, cruelty, and intolerance that is in the world, and grant that the spirit of the blessed Christ may break down all barriers and answer the desire of all nations, and may we never be content with aught that excludes another from the welcome of Thy loving heart. Through Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Monday, April 29, 1940, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	King	Schwellenbach
Ashurst	Downey	La Follette	Sheppard
Bailey	Ellender	Lucas	Shipstead
Bankhead	Frazier	Lundeen	Slattery
Barkley	George	McKellar	Smathers
Bilbo	Gerry	McNary	Smith
Bone	Gillette	Maloney	Stewart
Bridges	Glass	Mead	Taft
Brown	Guffey	Miller	Thomas, Idaho
Bulow	Gurney	Minton	Thomas, Okla.
Burke	Hale	Murray	Thomas, Utah
Byrd	Harrison	Norris	Tobey
Capper	Hatch	Nye	Townsend
Caraway	Hayden	O'Mahoney	Truman
Chandler	Herring	Overton	Tydings
Chavez	Hill	Pepper	Vandenberg
Clark, Idaho	Holman	Pittman	Wagner
Clark, Mo.	Holt	Reed	Walsh
Connally	Hughes	Reynolds	Wheeler
Danaher	Johnson, Calif.	Russell	White
Davis	Johnson, Colo.	Schwartz	Wiley

Mr. MINTON. I announce that the Senator from South Carolina [Mr. BYRNES], the Senator from Rhode Island [Mr. GREEN], and the Senator from Indiana [Mr. VAN NUYS] are unavoidably detained from the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Oklahoma [Mr. LEE], the Senator from Nevada [Mr. MCCARRAN], the Senator from West Virginia [Mr. NEELY], and the Senator from Maryland [Mr. RADCLIFFE] are detained on public business.

Mr. MCNARY. I announce that the Senator from Vermont [Mr. AUSTIN] and the Senator from New Jersey [Mr. BARBOUR] are absent attending to their duties as members of the Board of Visitors to the United States Naval Academy.

The Senator from Massachusetts [Mr. LODGE] is in Boston, Mass., today attending the primary election in that State.

The Senator from Vermont [Mr. GIBSON] is necessarily absent.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

FARM-TENANCY PROGRAM

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, which was read and referred to the Committee on Appropriations as follows:

THE WHITE HOUSE,
Washington, April 30, 1940.

The PRESIDENT OF THE SENATE.

SIR: My attention has been called to an apparent disagreement between the House and Senate conferees with respect to the farm-tenancy program under title I of the Bankhead-Jones Farm Tenant Act, for which I included in the annual Budget for 1941 an estimate in the sum of $25,000,000.

I am anxious that provision for this program be made in the Department of Agriculture Appropriation Act for 1941, which is now in the final stages of congressional action. I wish, therefore, to advise that if, in view of the many pressing budgetary needs for 1941, the Congress feels this item might better be financed through a loan from the Reconstruction Finance Corporation than by means of the direct appropriation proposed in the Budget, I would have no objection to adoption of the loan plan, provided the language of the bill making provisions for the loan by the Reconstruction Finance Corporation has the approval of Administrator Jones.

Respectfully,

FRANKLIN D. ROOSEVELT.

AMENDMENT OF THE JUDICIAL CODE

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 7737) to amend the Judicial Code by adding a new section thereto, designated as section 266a, to provide for intervention by States in certain cases involving the validity of the exercise of any power by the United States, or any agency thereof, or any officer or employee thereof, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CHANDLER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. CHANDLER, Mr. MILLER, and Mr. DANAHER conferees on the part of the Senate.

PETITIONS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a petition from the executive committee of the American Association of Port Authorities, by J. Alex Crothers, president of the association, Chicago, Ill., praying for the enactment of the joint resolution (H. J. Res. 519) to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war, and for other purposes, which was referred to the Committee on Commerce.

He also laid before the Senate a resolution adopted by the annual conference of the Missouri Valley Synod, Evangelical and Reformed Church, at Washington, Mo., favoring the enactment of the bill (S. 3579) to extend the Federal old-age and survivors' insurance benefits of the Social Security Act to certain employees of religious and charitable organizations, and for other purposes, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Washington (D. C.) Chapter of the Federation of Architects, Engineers, Chemists, and Technicians, favoring the enactment of Senate bill 591, the so-called Housing Act of 1940, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 3524) conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi, reported it without amendment and submitted a report (No. 1552) thereon.

He also, from the same committee, to which was referred the bill (S. 2952) authorizing the Court of Claims to adjudicate and render judgment on certain claims of the Cherokee Indians, and for other purposes, reported it with amendments and submitted a report (No. 1556) thereon.

Mr. BAILEY, from the Committee on Commerce, to which was referred the bill (S. 2705) creating the Great Falls Bridge Commission and authorizing the construction, maintenance, and operation of a bridge across the Potomac River near the Great Falls of the Potomac, reported it without recommendation and submitted a report (No. 1553) thereon.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 246) to suspend section 510 (g) of the Merchant Marine Act, 1936, reported it with amendments and submitted a report (No. 1554) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3775. A bill to accept the grant to the United States of certain land by the State of South Carolina and to authorize its use by the United States Coast Guard (Rept. No. 1559);

H. R. 8423. A bill to amend an act entitled "An act to increase the efficiency of the Coast Guard," approved January 12, 1938 (Rept. No. 1560); and

H. R. 8537. A bill to provide for the enlargement of the Coast Guard depot at Seattle, Wash., and for the establishment of a Coast Guard servicing base at or near Chattanooga, Tenn. (Rept. No. 1561).

Mr. ELLENDER, from the Committee on Claims, to which was referred the bill (S. 217) for the relief of Charles B. Payne, reported it with amendments and submitted a report (No. 1557) thereon.

Mr. MURRAY, from the Committee on Education and Labor, to which was referred the bill (S. 3230) to promote the national health and welfare through appropriation of funds for the construction of hospitals, reported it with amendments and submitted a report (No. 1558) thereon.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred, for examination and recommendation, 15 lists of records transmitted to the Senate by the Archivist of the United States, which appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

AMENDMENT OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT, ETC.

Mr. SMITH, by unanimous consent, from the Committee on Agriculture and Forestry, reported a bill (S. 3886) to amend the Soil Conservation and Domestic Allotment Act, as amended, the Agricultural Adjustment Act of 1938, as amended, and for other purposes, which was read twice by its title, and he submitted a report (No. 1555) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

S. 3877. A bill for the relief of William Joseph Caisse; to the Committee on Claims.

By Mr. WILEY:

S. 3878. A bill authorizing adjustment of the mortgage indebtedness of certain borrowers from the Federal land banks; to the Committee on Banking and Currency.

By Mr. ELLENDER:

S. 3879. A bill to amend section 15 (g) of the Agricultural Marketing Act, as amended, relating to the definition of agri-

cultural commodity; to the Committee on Agriculture and Forestry.

By Mr. THOMAS of Oklahoma:

S. 3880 (by request). A bill to provide for the disposition of trust or restricted estates of Indians dying intestate without heirs; to the Committee on Indian Affairs.

By Mr. REYNOLDS:

S. 3881. A bill for the relief of Dr. John William Phillips; to the Committee on Military Affairs.

By Mr. SHEPPARD:

S. 3882. A bill for the relief of Col. J. A. Rogers; to the Committee on Claims.

S. 3883. A bill granting a pension to Percy McMillan; to the Committee on Pensions.

S. 3884. A bill authorizing the Reconstruction Finance Corporation to make loans or contracts with unincorporated communities or unincorporated associations, provided such communities or associations shall have been authorized under State laws to arrange for such loans; to the Committee on Banking and Currency.

S. 3885. A bill to extend the provisions of the act of May 22, 1934 (48 Stat. 794), so as to include any property which has been seized in violation of international law or which has been confiscated; to the Committee on Foreign Relations.

By Mr. GEORGE:

S. 3887. A bill for the relief of Laura Trice Converse; to the Committee on Foreign Relations.

S. 3888. A bill to provide for the establishment of a laboratory for the making of diagnostic and other studies with respect to diseases of animals and poultry; to the Committee on Agriculture and Forestry.

By Mr. HOLMAN:

S. 3889. A bill to correct the naval record of John B. Dolan; to the Committee on Naval Affairs.

By Mr. BURKE:

S. 3890. A bill for the relief of John A. Kames; to the Committee on Claims.

By Mr. DOWNEY:

S. 3891. A bill to enable Mike Agalsoff, and others, to enter and remain permanently in the United States; to the Committee on Immigration.

ADMINISTRATIVE PROCEDURE—AMENDMENT TO WALTER-LOGAN BILL

Mr. BROWN. Mr. President, I do not yet know what attitude I will take on the Walter-Logan bill, but I am reliably informed that as it passed the House of Representatives it included within its provisions one giving a right of appeal to the courts respecting the decisions of practically all the loaning agencies of the Federal Government, the Reconstruction Finance Corporation, the Electric Home and Farm Authority, the Disaster Loan Corporation, and several other governmental corporations. It was quite obvious from the provision that it was not intended that these agencies should be included. Therefore, I am offering an amendment and a short statement, and I ask unanimous consent that the amendment and the statement I have prepared concerning it be printed in the RECORD at this point in my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the amendment and statement were ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by the Senator from Michigan [Mr. BROWN] to the Walter-Logan bill (H. R. 6324): On line 24, page 14, strike out the comma after the word "agencies" and insert the following: "and lending independent agencies, the Federal Loan Agency, and all agencies and independent agencies grouped thereunder."

MEMORANDUM ON WALTER-LOGAN BILL

If the Walter-Logan bill (H. R. 6324, S. 915) passes the Senate in the form in which it passed the House the Federal Housing Administration and most of the other agencies grouped in the Federal Loan Agency, as set up by one of the President's reorganization plans, will be practically put out of control of their affairs. The agencies included in this group are as follows:

Reconstruction Finance Corporation.
Electric Home and Farm Authority.
R. F. C. Mortgage Co.
Disaster Loan Corporation.
Federal National Mortgage Association.
Federal Home Loan Bank Board.
Home Owners' Loan Corporation.
Federal Savings and Loan Insurance Corporation.
Federal Housing Administration.
Export-Import Bank of Washington.

The only language in the act as it passed the House which undertakes to exempt these agencies from its provisions are the words "all Federal lending agencies" contained in section 7 (b), which is the section setting out the departments and agencies intended to be exempted from the operation of the law.

This language "all Federal lending agencies" does not include any of the agencies above mentioned.

It does not include the Federal Housing Administration and the Federal Savings and Loan Insurance Corporation, because neither of them is a lending agency, while it does not include the other agencies above mentioned because they are all "independent agencies" and not "agencies" under the specific definitions of the act.

Subsection 3 of section 1 defines the word "agency" to mean any department, independent establishment, administration, corporation, or other subdivision of the executive branch of the United States Government with one chief officer as the immediate head thereof, and subsection 4 defines the words "independent agency" as meaning any board, commission, authority, corporation, or other subdivision of the executive branch of the United States Government with two or more officers at the head thereof as a board or commission.

Under these definitions all the agencies mentioned above, except the Federal Housing Administration, are "independent agencies" and not "agencies," and therefore they would not come within the exemption of "all Federal lending agencies" contained in section 7 (b).

As pointed out above, the Federal Housing Administration is not included and cannot by any stretch of the imagination be held to be a lending agency, inasmuch as it has not and never has had the authority to lend any money.

It was understood that all these agencies were to be exempted from the provisions of the act by an amendment to be offered in the House. Such an amendment was prepared and was actually offered, but was withdrawn. This was done apparently under the impression that the term "all Federal lending agencies" included this group. Congressman WALTER, who was in charge of the bill in the House, so stated at page 4722 of the CONGRESSIONAL RECORD of proceedings in the House on Thursday, April 18, 1940. Mr. WALTER said:

"Mr. Chairman, it was the intention of the committee to except from the operation of the bill all of the Federal lending activities. That includes the activities grouped under the President's Reorganization Plans I and II, under the Federal Loaning Agency, together with the Farm Credit Administration, the Federal Farm Mortgage Corporation, the Commodity Credit Corporation, and the Rural Electrification Administration. The committee felt that there ought not to be any right to appeal to the courts in the event there is refusal to grant a loan. Certainly the Federal Housing Administration and the Federal Savings and Loan Insurance Corporation, and these other independent agencies that are not lending agencies, ought to be excepted, together with all of the Federal lending activities."

If this bill is not amended so as to exempt these agencies, Congress had just about as well repeal the acts setting them up.

Under section 4 of the act any mortgagor, who might be aggrieved by the action of the Federal Housing Administration in rejecting an application for the insurance of a loan on his house, could, within 20 days, appeal to an interagency board, to be set up by the Administrator, and if the board did not decide the case to suit him, he could take an appeal either to the Court of Appeals of the District of Columbia or the circuit court of appeals of the jurisdiction in which he lived.

Every act of the Administrator, even acts undertaking to set up construction standards and location standards for houses constructed under the F. H. A. plan, and the promulgation of regulations setting forth the conditions under which mortgages would be insured, would be subject to appeal, first to this interagency board and then to the courts of appeal.

It would be utterly impossible to operate the National Housing Act with any efficiency, expediency, and success under this law as it now stands.

The amendment which is attached hereto would completely straighten out the situation.

ESTATE OF REXFORD M. SMITH—AMENDMENT

Mr. BROWN submitted an amendment intended to be proposed by him to the bill (H. R. 5089) conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representative of the estate of Rexford M. Smith, which was ordered to lie on the table and to be printed.

ARMY PROMOTION SYSTEM—AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 9243) to provide for the promotion of promotion-list officers of the Army after specified years of service in grade, and for other purposes, which was referred to the Committee on Military Affairs and ordered to be printed.

DEFENSE COORDINATION OF THE PANAMA AND FLORIDA CANALS

Mr. SHEPPARD. Mr. President, I submit for reference to the Committee on Printing with a view to its being printed as a document, with illustrations, a statement on the defense coordination of the Panama and Florida Canals.

The VICE PRESIDENT. Without objection, the statement will be received and referred to the Committee on Printing.

SENATOR WHEELER AND THE PRESIDENCY

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an article by Robert Bendiner entitled "Men Who Would Be President—BURTON K. WHEELER," published in the Nation of April 27, 1940, which appears in the Appendix.]

CIVIL AERONAUTICS AUTHORITY AND AIR SAFETY BOARD

[Mr. PITTMAN asked and obtained leave to have printed in the RECORD two articles from the Washington Times-Herald of April 30, 1940; a telegram from Paul W. Hairgrove, president of the Licensed Airmen of America; a telegram from the Associated Aviation Underwriters; and a letter from the San Francisco Junior Chamber of Commerce; all relating to the proposed transfer of the Civil Aeronautics Authority and the Air Safety Board to the Department of Commerce, which appear in the Appendix.]

RESOLUTION OF LEAGUE OF AMERICAN PEN WOMEN ON COPYRIGHT CONVENTION

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a resolution adopted by the National League of American Pen Women favoring the ratification of the copyright convention, which appears in the Appendix.]

"PEACE AS A POLICY"—ARTICLE BY BARNET NOVER

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an article published in the Washington Post on Monday, April 29, 1940, written by Barnet Nover, entitled "Peace as a Policy," which appears in the Appendix.]

SYMPOSIUM OF EDITORIAL COMMENT ON WEST VIRGINIA CAMPAIGN

[Mr. HOLT asked and obtained leave to have printed in the RECORD a symposium of editorial comment on the West Virginia campaign, which appears in the Appendix.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8438) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SCRUGHAM, Mr. FERNANDEZ, Mr. CASEY of Massachusetts, Mr. CALDWELL, Mr. DITTER, Mr. PLUMLEY, and Mr. MCLEOD were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8913) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1941, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RABAUT, Mr. FERNANDEZ, Mr. MCANDREWS, Mr. POWERS, and Mr. RICH were appointed managers on the part of the House at the conference.

ENROLLED JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker pro tempore had affixed his signature to the following enrolled joint resolutions, and they were signed by the President pro tempore:

S. J. Res. 199. Joint resolution amending Public, No. 112 of the Seventy-fifth Congress and Public Resolution No. 48 of the Seventy-sixth Congress; and

H. J. Res. 437. Joint resolution authorizing the President of the United States of America to proclaim I Am an American Day for the recognition, observance, and commemoration of American citizenship.

THE TENNESSEE VALLEY AUTHORITY

The Senate resumed the consideration of the bill (S. 2925) to amend the Tennessee Valley Authority Act of 1933.

The VICE PRESIDENT. The question is on agreeing to the first amendment reported by the committee, which will be stated for the information of the Senate.

The first amendment was, on page 1, line 10, after the word "States", to insert "and the counties therein", so as to read:

Be it enacted, etc., That section 13 of the Tennessee Valley Authority Act of 1933 be, and the same is hereby, amended to read as follows:

"SEC. 13. In order to render financial assistance to those States and local governments in which the power operations of the Corporation are carried on and in which the Corporation has acquired properties previously subject to State and local taxation, the board is authorized and directed to pay to said States, and the counties therein, for each fiscal year, beginning July 1, 1940, the following percentages of the gross proceeds derived from the sale of power by the Corporation for the preceding fiscal year as hereinafter provided"—

And so forth.

The amendment was agreed to.

The next amendment was, on page 2, line 5, after the words "payments to", to strike out "be in lieu of taxes and to", and in line 6, after the word "Corporation", to strike out "for the fiscal year then beginning and to be made upon condition that no State, county, or local taxes shall be assessed or levied against the property, operations, or business of the Corporation", so as to read:

Together with such additional amounts as may be payable pursuant to the provisions hereinafter set forth, said payments to constitute a charge against the power operations of the Corporation.

The amendment was agreed to.

The next amendment was, on page 2, line 19, after the words "United States", to insert "The payments herein authorized are in lieu of taxation, and the Corporation, its property, franchises, and income, are hereby expressly exempted from taxation in any manner or form by any State, county, municipality, or any subdivision or district thereof."

The amendment was agreed to.

The next amendment was, on page 3, line 15, after the word "State", to insert "(including payments to counties therein)"; in line 16, after the words "less than", to insert "an amount equal to"; in line 19, after the word "State", to strike out "plus" and insert "and against"; in line 21, after the word "Government", to insert "and held or operated by the Corporation"; in line 25, after the word "operated", to insert "or said land was privately owned"; on page 4, line 3, after the word "property", to insert "(including payments to counties therein)"; in line 4, after the word "case", to insert *"Provided further,* That the Corporation shall pay directly to the respective counties the 2-year average of county ad valorem property taxes (including taxes levied by taxing districts within the respective counties) upon power property and reservoir lands allocable to power, determined as above provided, and all payments to any such county within a State shall be deducted from the payment otherwise due to such State under the provisions of this section"; and, in line 14, after the word "States", to insert "and counties", so as to read:

The payment for each fiscal year shall be apportioned among said States in the following manner: One-half of said payment shall be apportioned by paying to each State the percentage thereof which the gross proceeds of the power sales by the Corporation within said State during the preceding fiscal year bears to the total gross proceeds from all power sales by the Corporation during the preceding fiscal year; the remaining one-half of said payment shall be apportioned by paying to each State the percentage thereof which the book value of the power property held by the Corporation within said State at the end of the preceding fiscal year bears to the total book value of all such property held by the Corporation on the same date. The book value of power property shall include that portion of the investment allocated or estimated to be allocable to power: *Provided,* That the minimum annual payment to each State (including payments to counties therein) shall not be less than an amount equal to the 2-year average of the State and local ad valorem property taxes levied against power property purchased and operated by the Corporation in said State and against that portion of reservoir lands related to dams constructed by or on behalf of the United States Government and held or

operated by the Corporation and allocated or estimated to be allocable to power. The said 2-year average shall be calculated for the last 2 tax years during which said property was privately owned and operated or said land was privately owned: *Provided further*, That the minimum annual payment to each State in which the Corporation owns and operates power property (including payments to counties therein) shall not be less than $10,000 in any case: *Provided further*, That the Corporation shall pay directly to the respective counties the 2-year average of county ad valorem property taxes (including taxes levied by taxing districts within the respective counties) upon power property and reservoir lands allocable to power, determined as above provided, and all payments to any such county within a State shall be deducted from the payment otherwise due to such State under the provisions of this section. The determination of the board of the amounts due hereunder to the respective States and counties shall be final.

The amendment was agreed to.

The next amendment was, on page 4, line 16, after the word "State", to insert "or county in equal monthly installments beginning", and in line 17, after "31", to strike out "of each year, and it is the intention of the Congress that each State shall redistribute said payments or a portion thereof to counties and other local taxing districts affected by the program of the Corporation", and insert "1940", so as to read:

The payments above provided shall in each case be made to the State or county in equal monthly installments beginning not later than July 31, 1940.

The amendment was agreed to.

Mr. BROWN. Mr. President, I should like to address a couple of questions to the senior Senator from Nebraska. I am not certain that I fully understand the pending bill, and I desire to ask the Senator whether the money which is to be paid in lieu of taxes is to be paid out of the profits of the T. V. A.

Mr. NORRIS. It is.

Mr. BROWN. I am not particularly familiar with the financial record and returns of the T. V. A. operations. The T. V. A. makes substantial profits, does it, out of which these sums may be paid?

Mr. NORRIS. Yes.

Mr. BROWN. There is not any danger that the amount due would become a charge upon the Treasury of the United States?

Mr. NORRIS. I think not.

Mr. BROWN. Why does the Senator cover merely State and county taxes, without including township and city taxes in his bill?

Mr. NORRIS. The Senator will remember that the T. V. A. does not own any distributing systems. They are owned by the different municipalities.

Mr. BROWN. I did not know that.

Mr. NORRIS. And when the T. V. A. sells to a municipality, the contract provides that there shall be paid to the municipality the same taxes that would be paid if the distributing system were privately owned. So there are two sources from which this money in lieu of taxes is paid: First by the T. V. A. proper upon all generating systems, wherever located, and upon all transmission lines; but since the T. V. A. does not own the distributing systems in the various cooperative and farmer organizations and municipalities, Congress, of course, does not attempt to legislate on the subject; but the T. V. A., in making contracts of sale to municipalities and farm organizations, provides that upon such property thus owned by the localities there shall be paid in lieu of taxes a sum equal to what would be paid as taxes if the property were privately owned.

Mr. BROWN. That applies, then, in the two ways the Senator mentioned. The transmission lines are taxed by the municipalities?

Mr. NORRIS. The distributing lines, as distinguished from the transmission lines. The transmission lines are owned by the T. V. A., and upon those lines and upon the generating systems an amount equivalent to taxes is paid.

Mr. BROWN. In my State a transmission line which goes through a township, as distinguished from a county, is required to pay a local township tax. I am speaking of a transmission line, not a distributing line.

Mr. NORRIS. I think that condition applies here also.

Mr. BROWN. Does that type of tax apply? Would the T. V. A. pay any township tax for a transmission line running through a township?

Mr. NORRIS. Under the bill as amended, instead of paying to the States the T. V. A. would pay to the counties, and I take it that the counties would divide up the taxes in the usual way.

Mr. McKELLAR. Mr. President, if the Senator will yield, I will say that we have no townships in Tennessee.

Mr. BROWN. I want to make my point clear to the Senator from Nebraska. If the T. V. A. were located in Michigan, unless the Senator, on line 10, page 1, included the words "townships and municipalities", there would be no tax upon any transmission line, because we do not have in Michigan a county tax upon a transmission line. We have a local tax levied by the township and the city; and I am wondering if the appropriate word to apply to a local agency in the States of Tennessee and Kentucky and Alabama should not be included in line 10. Would the Senator from Tennessee be able to clear up that point?

Mr. McKELLAR. Mr. President, as I have just stated, there are no townships in Tennessee.

Mr. BROWN. What is the condition in Alabama and Kentucky?

Mr. McKELLAR. I do not think they have any townships, either.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. HILL. In Alabama we have taxes levied by counties, municipalities, and the State. We do not have townships.

Mr. McKELLAR. That is exactly the situation in Tennessee.

Mr. BROWN. Then should not the word "municipalities" be included in line 10, page 1, to be certain that a transmission line going through a municipality, as distinguished from a distribution line, would be subject to local taxation?

Mr. NORRIS. I think it would be subject to county taxation, and the county taxation would include school districts and other subdivisions; but the property within a municipality known as a distribution system, unless it happens that a transmission line runs through a municipality, is owned, to begin with, by the municipality.

Mr. BROWN. Yes; I understand that distinction; but I am talking about the transmission line that goes through a city, we will say the city of Florence, Ala. Would that transmission line be subject to taxation by the municipality under the language of the bill? Perhaps the Senator from Alabama can inform me about that.

Mr. NORRIS. Of course, the Senator must bear this distinction clearly in mind: As a matter of law, I presume, none of this property is subject to taxation by the local authorities. This bill is intended not to acknowledge the contention which has been made that all this property should be thrown open to local taxation. I take it that no Senator would want to subject the property of the United States to that kind of a burden and that kind of a danger; but the money paid to the county in lieu of taxes, as I understand, would be divided up, and if part of a transmission line ran through a municipality, it would get its proportionate share of the money just as would every other geographical division.

Mr. BROWN. I am in complete agreement with the Senator's purpose; but I know that in my State the language "and the counties therein" would not cover the situation the Senator is trying to reach. If he said "the various local taxing authorities," I think that language would cover it all right.

Mr. NORRIS. We are dealing here with property of the United States located in seven different States of the Union. The laws of those States do not agree, but in order to harmonize the matter and make it agreeable to all of them this bill was prepared after a conference with the experts of the T. V. A. and also the representatives of the governments of the various States affected.

They have all agreed upon this language. So far as I know, there is no objection from any of the States. If there were a law in some State which might not be met, I take it the experts representing the various States would have pointed

that out to the committee. But they appeared before the committee and advocated the adoption of these amendments, to which no one has objected, so far as I know.

Mr. BROWN. Mr. President, I should not desire to attempt to overturn the work which has been done in the way the Senator has stated; but I wanted to call attention to the fact that, in my opinion, the language in line 10 would not cover the local taxing authorities in such States as Michigan. I am certain of that fact.

I have no particular interest in the matter. I rose principally because I wanted to be certain that there would be no possibility that any part of this burden would fall upon the Government of the United States, because many of us have been somewhat disturbed—and I know my colleague has received many letters, as I have—about the large amount of forest land which has been taken over by the Federal Government, and the consequent loss of real-estate taxes to the States, the counties, and the other local taxing agencies. If this bill in any way proposed to impose a burden upon the United States, I should feel that those of us from States where large areas have been taken over for forestation purposes should request that the Federal Government likewise assume a part of the tax burden which has been thrown upon the local taxing agencies by reason of the Federal Government taking over these lands.

In my State, whose area comprises about 60,000 square miles, about one-eighth of all the property in the State has been taken over by the Federal Government in the form of four or five great forest reserves. I am glad that has been done, but it is giving rise to a real problem in the poorer counties of the State of Michigan, and I know the same situation prevails in many sections of the West which confront the problem of supplying the funds necessary to make up the taxes lost by turning privately owned lands over to the Federal Government.

Since the Senator has assured me that there is no possibility of any of this burden falling upon the Government of the United States, I do not think I have any objection to the bill, nor do I think this is the proper time to raise the question of some contribution by the Federal Government in such cases as I have mentioned.

Mr. DANAHER. Mr. President, yesterday I presented for printing in the RECORD a letter which I addressed to the Tennessee Valley Authority, which appears on page 5184 of the RECORD. In that letter there is an item representing question 4, and on the same page of the RECORD is the reply of the Tennessee Valley Authority. As to item 4, I was advised, and it so appears in the RECORD, that my—

Request for a break-down on this same material by counties necessitates a new tabulation. These data will be in your hands before May 1.

I have not as yet received the answer, nor have I the data therein referred to, but the Authority has telephoned my office within the half hour saying that the material is on its way, and it is expected and hoped that I will have it this afternoon. I ask unanimous consent that the material which I will thus present be incorporated in the RECORD at this point as part of my remarks, in order that the RECORD may be complete in the particular referred to.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

TENNESSEE VALLEY AUTHORITY,
Knoxville, Tenn., April 29, 1940.

Hon. JOHN A. DANAHER,
United States Senate, Washington, D. C.

DEAR SENATOR DANAHER: In further response to your inquiry of April 12, and as advised in our letter of April 23, we are sending you herewith data relating to the cost of lands acquired by the Authority.

Item 4 of your April 12 questionnaire requested, as you will recall, "the amounts in dollars paid for the lands within each of the affected counties taken for use by the Tennessee Valley Authority." The two tables enclosed, Nos. VI and VII, provide an answer to this question and complete the series of tables I to V, inclusive, which were transmitted with our communication of April 23.

As you will observe, table VI is confined to land values only, and for your convenience the lands purchased by the Authority for reservoir purposes in connection with its own dam-construction projects have been tabulated separately.

Believing the data would be of value to you, we have prepared an allocation by counties of the value of the electric utility properties, inclusive of both land and facilities developed thereon, purchased by the Authority from private utility companies. This is the information offered in table VII. Because our records of these properties are governed by forms previously established by their former owners and which are susceptible of break-down by counties only through some device necessarily arbitrary, we have followed the method of distributing the Authority's share of the purchase price of such electric properties by counties in proportion to the amounts of assessed valuation allocated to each county for such properties. We believe that a distribution on this basis, as presented in table VII, gives a reasonably reliable result.

We invite your attention to the explanatory footnotes attached to both tables as an aid in their interpretation.

Yours very truly,

TENNESSEE VALLEY AUTHORITY,
GORDON R. CLAPP, *General Manager.*

TABLE VI.—*Purchase price of land and land rights acquired by the Tennessee Valley Authority to Mar. 31, 1940*

State and county	Reservoir lands purchased for dams constructed by Tennessee Valley Authority		Cost of land and land-rights purchased by Tennessee Valley Authority for electricity operations [1]
	Acres	Cost	
Tennessee:			
Anderson	9,486	$377,723	$16,474
Bedford			14,477
Benton	2,539	94,756	
Bledsoe			11,840
Blount			81,229
Bradley	3,916	387,147	46,118
Campbell	43,474	2,345,233	7,163
Cannon			7,812
Carroll			650
Chester			1,531
Claiborne	30,106	1,352,209	
Clay			863
Cocke			10,786
Coffee			8,083
Crockett			154
Cumberland			1,296
Davidson			279,903
Decatur			2,463
De Kalb			11,303
Dickson			5,109
Dyer			2,565
Fayette			8,805
Fentress			
Franklin			25,265
Gibson			12,448
Giles	1 [2] 1,048	125 [2] 150,625	9,770
Grainger	6,193	334,664	
Grundy			8,504
Hamblen			9,941
Hamilton	30,866	2,825,921	457,647
Hardeman			5,562
Hardin	12,866	642,575	8,870
Hawkins			2,370
Haywood			14,636
Henderson			5,329
Henry			4,773
Hickman			17,385
Houston			150
Humphreys	671	37,264	1,237
Jefferson			12,745
Knox			279,876
Lake			943
Lauderdale			16,541
Lawrence			9,042
Lewis			9,325
Lincoln			19,440
Loudon			19,606
Madison			25,552
Marion	880	55,486	489,459
Marshall			14,815
Maury	[2] 1,840	[2] 374,150	88,815
McMinn	3,073	303,303	26,333
McNairy			8,313
Meigs	15,960	1,345,010	10,721
Monroe			14,274
Montgomery			3,522
Moore			2,884
Morgan			888
Obion			7,414
Perry			1,167
Pickett			
Polk	58	5,972	182,325
Putnam			947

[1] Consists of land only acquired from private utilities at a cost of $3,317,364 (which is also included in table VII), together with land and land rights acquired for substations, transmission lines, etc., constructed by Tennessee Valley Authority. The amounts represent cost of fee land, easements, flood easements, and riparian rights according to the books of the Tennessee Valley Authority after inventory and analysis of property purchased from the Tennessee Electric Power Co. shall have been completed and entered. Lands acquired from private utility companies are entered on Tennessee Valley Authority books at same values (original purchase cost, ordinarily) as previously carried on books of such private utility companies.

[2] Phosphate lands and mineral rights.

TABLE VI.—*Purchase price of land and land rights acquired by the Tennessee Valley Authority to Mar. 31, 1940*—Continued

State and county	Reservoir lands purchased for dams constructed by Tennessee Valley Authority		Cost of land and land rights purchased by Tennessee Valley Authority for electricity operations
	Acres	Cost	
Tennessee—Continued.			
Rhea	12,419	$1,162,905	$4,505
Roane			13,547
Rutherford			38,486
Sequatchie			6,310
Sevier			8,162
Shelby			237,478
Smith			2,423
Sumner			11,076
Tipton			13,917
Union	63,089	3,571,459	
Van Buren			57,635
Warren			85,731
Wayne			10,578
Weakley			24,184
White			166,504
Williamson	[3] 571	[3] 679,280	31,837
Wilson			36,474
All Tennessee counties	[3] 239,056	[3] 16,045,803	3,096,317
Alabama:			
Colbert	15,631	844,809	80,034
De Kalb	54	766	342
Franklin			4,477
Jackson	54,763	2,602,794	7,556
Lauderdale	33,015	1,829,241	131,217
Lawrence	14,212	561,066	3,943
Limestone	42,373	1,852,137	6,928
Madison	14,298	598,673	673
Marshall	56,043	2,954,953	5,705
Morgan	22,739	1,374,645	17,770
All Alabama counties	[3] 253,128	[3] 12,619,174	258,645
Mississippi:			
Alcorn			6,259
Benton			633
Chickasaw			2,698
Clay			1,826
Itawamba			1,166
Lafayette			1,180
Lee			12,693
Lowndes			384
Marshall			1,247
Monroe			3,520
Oktibbeha			734
Pontotoc			3,845
Prentiss			4,964
Tippah			100
Tishomingo	11,574	465,222	5,449
Union			3,160
Yalobusha			131
All Mississippi counties	[3] 11,574	[3] 465,222	[4] 49,989
Georgia:			
Catoosa			304
Dade			2,979
Fannin			437,333
All Georgia counties			440,616
North Carolina:			
Cherokee	24,065	791,769	1,882
Graham			1,375
All North Carolina counties	[3] 24,065	[3] 791,769	3,257
Kentucky:			
Calloway	1,809	96,679	
Livingston	2,116	119,490	
Lyon	4,546	183,118	
Marshall	14,345	838,543	
Trigg	684	17,304	
All Kentucky counties	23,500	1,255,134	
Grand total	551,323	31,177,102	3,848,824

[3] Easement purchases included in these totals are as follows:

	Acres	Cost
Tennessee	1,885	$130,935
Alabama	1,266	162,353
Mississippi	8	669
North Carolina	255	24,222
Total	3,414	318,179

[4] Figures for Mississippi do not include the acreage, easements, and investment for the 1939 purchase which is now in process of being inventoried and analyzed. The Tennessee Valley Authority portion of the purchase price of this block of property was $2,000,000. Its assessed value, approximately $589,000, is distributed by counties in table III of the data submitted to Senator DANAHER on Apr. 23, 1940.

TABLE VII.—*Purchase price of private utility company properties acquired and retained by the T. V. A., by counties, as of Mar. 31, 1940* [1]

Tennessee:	
Anderson	$713,366
Bedford	435,308
Bledsoe	659,894
Blount	568,000
Bradley	1,565,366
Campbell	469,372
Cannon	458,678
Chester	2,196
Clay	2,377
Cocke	476,517
Coffee	193,690
Crockett	8,768
Cumberland	41,590
Davidson	1,412,473
Decatur	253,897
De Kalb	5,941
Dickson	82,388
Fentress	1,584
Franklin	684,055
Gibson	3,852
Giles	134,276
Grainger	6,500
Grundy	213,099
Hamblen	50,071
Hamilton	2,997,644
Hardin	174,282
Hawkins	85,695
Haywood	60,330
Henderson	99,816
Henry	28,150
Hickman	737,924
Houston	116,452
Humphreys	236,072
Jefferson	636,968
Knox	1,783,357
Lake	5,895
Lauderdale	39,642
Lawrence	121,601
Lewis	547,403
Lincoln	246,767
Loudon	1,003,704
Madison	90,215
Marion	3,907,473
Marshall	500,514
Maury	771,592
McMinn	1,836,691
McNairy	110,510
Monroe	980,334
Moore	78,031
Morgan	142,990
Obion	32,930
Perry	99,420
Pickett	792
Polk	6,769,652
Putnam	67,732
Rhea	1,188
Roane	340,245
Rutherford	1,122,928
Sequatchie	451,152
Sevier	700,519
Shelby	2,110,377
Smith	181,015
Sumner	53,869
Tipton	53,765
Van Buren	651,179
Warren	2,702,949
Wayne	779,910
Weakley	58,939

[1] The records of the T. V. A. do not carry a distribution by counties of the purchase price or value of electric properties purchased from private utility companies. For purposes of this table, the total T. V. A. portion of the purchase price of each block of private utility property acquired was distributed by counties in proportion to the allocation of assessed valuations of such property. (The latter values were included in tables I to IV, inclusive, transmitted to Senator DANAHER on Apr. 23, 1940.)

The purchase price of private utility company properties shown in this table includes land as well as other types of electric property. The amount of such land values overlaps the figures shown in the last column of table VI, as follows, by States:

State:	
Alabama	$185,559
Georgia	437,333
Mississippi	12,853
Tennessee	2,681,619
Total	3,317,364

The form of the records makes it impracticable to adjust for such overlapping figures on a county basis.

TABLE VII.—*Purchase price of private utility company properties acquired and retained by the T. V. A., by counties, as of Mar. 31, 1940*—Continued

Tennessee—Continued.	
White	1,726,972
Williamson	$464,619
Wilson	606,025
All Tennessee counties	44,759,487
Alabama:	
Colbert	396,807
Franklin	92,545
Lauderdale	624,793
Lawrence	86,477
Limestone	140,675
Morgan	288,260
All Alabama counties	1,629,557
Mississippi:	
Alcorn	135,582
Itawamba	20,021
Lee	155,517
Prentiss	42,501
Tippah	8,954
Tishomingo	39,415
Union	7,264
All Mississippi counties	[2] 409,254
Georgia: Fannin	4,527,814
Grand total	51,326,112

[2] Figures for Mississippi do not include property acquired by the T. V. A. in 1939, at a purchase price of $2,000,000, which is now in the process of being inventoried and analyzed prior to final entry on the books of the Authority.

Mr. DANAHER. Mr. President, I have given this matter considerable thought and it has given me great concern, as I know it has the Senator from Nebraska, with whom I have had several of the most friendly conversations on the general subject matter involved.

Let me call to the attention of the Senate the remarks of the Senator from Nebraska at the hearing, appearing on page 33 of the report of the Senate committee hearing. Said the Senator from Nebraska:

Oh, yes; the States could provide by statute that when any municipality received anything in lieu of taxation it should be subdivided just the same as though it was taxes—which we cannot say.

That, I agree, is a correct statement of the law, that Congress cannot say how those taxes shall be apportioned, or how the income derivable from rates shall be apportioned in lieu of taxation among the municipal or county subdivisions of the States. The Senator continued:

Some people get an erroneous idea about us, I think, because we do not want to say—and certainly I never would favor an act that would say, as some amendments have been introduced to do—that in all this property the T. V. A. has taken it shall be subject to local taxation, just the same as it always was. The Federal Government could not, in my judgment, ever submit to that kind of thing. If it did, it would be taxed out of existence in 3 months. We would have to pay taxes every time we built a post office or courthouse or improved a place for boats to land along the river, or anything of that kind. In other words, the Federal Government cannot submit itself, cannot afford to submit itself, to the power of local boards to tax the Federal Government. And after all, the Federal Government, when we speak of T. V. A., the Federal Government owns all the properties that they possess. T. V. A. does not own anything.

Mr. President, I agree with that statement of the Senator from Nebraska. I agree with it word for word.

As a matter of interest, merely to emphasize the point made by the Senator from Nebraska, I wrote to the assessors of 8 or 10 Connecticut cities to ascertain the amount of taxes they lose in the individual cities as a result of the Government post offices located there. In the city of Hartford, for instance, the city annually loses $54,114.50 in taxes; the city of Waterbury loses $24,245; the city of Middletown loses $6,046.84; and so it goes, emphasizing clearly that there are large losses locally whenever the Government undertakes to devote local property to governmental use.

The problem raised by T. V. A., however, is not, of course, analogous to that of the post-office situation, and I do not contend that it is. I say, though, that the observations of the Senator from Nebraska were most pertinent when he pointed out the difficulties inherent in the situation which post offices, military reservations, and the like are involved. But, as I see it, if we undertake to extend this particular method of apportionment of taxation back to the counties, and, as the Senator from Michigan puts it, without reference to the municipalities involved, we are undertaking to enter a sphere which it seems to me we should not enter. I believe we go as far as we properly should if we allocate back to the States in question the amount of the tax that is involved.

Mr. President, that is emphasized, as I see it, by other testimony appearing in the report of the Senate committee hearings. Let me read a statement made by Mr. Lapsley, which appears on page 34 of the report of the hearings. Mr. Lapsley said:

Now, Mr. Chairman, I thought it would be interesting to the committee to know this, because the problem is so different in Alabama than it is in Tennessee, and that is that the money collected by the cities in Alabama is not only not paid to the counties and the State but the cities have organized to oppose the passage of any such legislation; and whereas in Tennessee certain cities, I understand, have put the money in trust in the bank and are waiting for the passage of enabling legislation, and are offering to pay the money to the counties and the State, the Alabama cities make no such proposal, and we look on it that as a practical proposition it would be very difficult, if not impossible, to pass any legislation to force the cities to turn any portion of the tax equivalent that they collect over to the States or the counties.

Mr. President, the difficulty confronting us is that we are not creating any standard or yardstick that is applicable generally. Quite the contrary, what we are undertaking to do is to allow agencies of the Government, through their agents in turn—the Tennessee Valley Authority in this particular instance—to enter into an agreement with representatives of the counties affected, and allow them to establish the basis by which there will be recoupment or reimbursement to the individual counties of the amount collected in lieu of taxes. In the absence of a yardstick which can be applied in Tennessee as well as in Alabama, or to some irrigation project in the West, or, if you please, to some military reservation somewhere else, when the Government takes land and uses it for military purposes, it seems to me that we have gone far beyond any of our power when we delegate to creatures of a Government agency the authority to enter into such an arrangement.

Mr. President, there are standards that have been defined in the law, such as the assessment of damages and benefits, for instance, for public improvements. It seems to me that there should be a common formula which could be applied everywhere on some such basis. How best to do it I do not know. The fact that there is this great difficulty in Alabama and other States affected indicates clearly that we confront a very definite problem which requires further and better study.

Let me say further, Mr. President, that the Senate committee hearings contain a statement by Judge Elmer L. Eblen. Apparently he is a county judge of Roane County, Tenn. His statement, illustrative of the difficulties inherent in the situation in Tennessee, appears at pages 42 and 43 of the Senate committee hearings.

He points out there a situation so dire that it naturally arouses our sympathies toward the problem involved, and we can easily see how many of the Tennessee counties have been adversely affected by the situation which has been created by the activities of the Tennessee Valley Authority. But, because of that very difficulty, and because of the legal principle involved, it seems to me that we should not enact this proposed legislation at this time. I have reluctantly come to that conclusion, for I had hoped that we would be able to achieve some formula, some yardstick.

Subsequently Mr. DANAHER asked and obtained unanimous consent to have Judge Eblen's statement printed in the RECORD at this point, as follows:

STATEMENT OF ELMER L. EBLEN, COUNTY JUDGE OF ROANE COUNTY, TENN., TO THE AGRICULTURAL SUBCOMMITTEE OF THE SENATE OF THE UNITED STATES

Mr. Chairman and gentlemen of the committee, I appear as county judge of Roane County, Tenn., and as a member of the legislative committee of the County Judges Association of Tennessee. In

Tennessee the county judges are the fiscal and financial agents of the counties.

I will first take up the matter of Roane County's losses by reason of the selling of the Tennessee Power Co. to the Tennessee Valley Authority. This utility was assessed for the sum of $783,130, which brings in revenue each year in the sum of $23,982. None of this amount has been replaced, although the Tennessee Valley Authority is now operating through power departments at Harriman and Rockwood, Tenn., and furnish electricity for the total of the county, and have set aside 12½ percent for the payment and replacement of these taxes.

Besides this, the building of Watts Bar Dam will take a lot of our best land and will also take two railroads, which in all probability will not be replaced. Our assessment at this time is $9,231,000. It has been estimated by our tax assessor, trustee, and myself that we will lose in the basin area about $1,750,000 of which will take approximately 25 percent of our total valuation. This, of course, includes the utility loss. The estimate is not exact on the basin area of the Watts Bar Dam for the reason that they have not yet purchased the reservoir lands.

It has been said that the citizenship of this area is compensated for their tax loss by their saving in their electric bills. Our estimate on our county shows the following: That about 35 percent of our citizenship are users of electricity. Many of those who use electricity are not home owners. A few of the farmers who are nearby to the cities have electricity, but in our county not over 2 percent of the farmers have any electricity. The other 65 percent of our citizenship gets no saving at all because they are not users of electricity; and as I have heretofore stated, the electric current is furnished to us directly from the power departments of Harriman and Rockwood, Tenn., in this county, and the rural sections are unable to get electric power for the reason that these departments are not interested in building lines in the rural sections, because the same furnishes them no profit. The lowest rate per mile that they asked is $12 per mile. With the payment for the current this makes it so that they cannot purchase the same. What I mean by $12 per mile is that they require that there be enough subscribers on the line to make a total payment of $12 per month per mile. Of course, many of the small farmers would be unable to take electricity at the present prices if there was no guaranty asked. So the saving in electricity brings only profit to about 35 percent of our county, and the other 65 percent being the farmers and the small-home owners. It is upon the small-home owners and small farmers that the raise in their State and county taxes will most effect, because the basin area of the Watts Bar Dam takes the major portion of the best farms in this county, as well as in the other counties through which it passes. These people are already overburdened with taxation and cannot stand a raise in their taxes, and it is for this class that we plead.

As to the loss through the State, as you know there has been a total loss of $1,500,000 to the counties on the generation of electric current and other matters, which might be remedied by our State legislature, which has taken no action. There will be a loss of something like $20,000,000 in assessment by reason of the basin area to be taken by Guntersville Dam, Watts Bar Dam, and Coulter Shoals Dam, and the lands that have already been taken by the building of Norris Dam, which places many of the counties of this State in chaos and upsets their financial structures for the reason that they have become heavily involved in debts heretofore, and the persons and corporations which they owe bought their indebtedness upon the theory that they had these properties subject to taxation; and now it seems likely and probable that by 1942 that in the basin area there will be at least $14,000,000 worth of default in county obligations if there is not some remedy given whereby the counties can supply their losses from the sale of these utilities and from the loss of the lands in the basin area. It is the most serious question in the line of taxation that has affected Tennessee in a generation.

In Tennessee we have a 8-month school terms, and it is most probable that this cannot be carried out unless some tax-replacement bill is passed which makes a substantial replacement of the taxes due both the State and counties. And we are of the opinion that many of the counties of Tennessee by the year 1942 will have only 4- or 5-month school terms unless some step to the effect is taken. It is our understanding that the Tennessee Valley Authority in the contracts made with these municipalities has asked them to set aside 12½ percent for State, county, and municipality taxes. This being true, we see no reason why that some replacement bill should not be passed; and that it should be as adequate as the finances will allow; and, of course, it should be taken from the users of electricity.

It further seems most evident to us that the amounts should be paid directly to the taxing units affected. We find that there would be less red tape and that the money would be more liable to reach the counties, the States, and municipalities without any overhead expense, if it was paid directly to those entitled thereto.

We most respectfully ask and petition your committee to report the best bill possible. We would not attempt to dictate to your honorable committee and to the Members of Congress, but have tried to set out the plight of the various counties of Tennessee and how they are affected; and rely upon you gentlemen to follow the best method possible.

Mr. DANAHER. Mr. President, in Alabama, as has been testified, the situation was so differently handled from the way it was handled in Tennessee, as to suggest that it is still inherently a State problem. If distress temporarily continues in some affected counties in Tennessee, I believe the very existence of the distress will call forth a remedy that can be applied locally, and that the money that is being collected today under the authority of the Tennessee Valley Authority Act, and which is being allocated to the States, would now, and properly hereafter, be allocable within the States by the States themselves.

It seems to me, taking that view of the question, that we should not pass this particular legislation. As I said a while since, I make this statement reluctantly, for the reason that I had hoped, as a result of my conferences with the Senator from Nebraska and of my own attention to the subject, that we could work out some way to handle this situation and provide a proper yardstick adequate for the local situation and properly; but I have found personally that there is no adequate remedy at hand, and I believe that the pending bill suggests no proper one. Therefore, Mr. President, I will personally be obliged to vote against this amendment.

Mr. NORRIS. Mr. President, in answer to the Senator from Connecticut, I desire to say that I have appreciated his earnestness and his fairness in attempting to arrive at what he believes to be a just conclusion upon some of the complicated matters involved in the bill, which on its face seems to be a rather simple one. The Senator has just said in effect, and has said to me often privately, that the bill, as it was introduced by me, is better without the committee amendments than with them. I will not quarrel with the Senator on that question as an abstract proposition. I want to explain to the Senator, and to the Senate, why the committee amendments have been suggested, and why they have been approved unanimously, not only by the subcommittee, but by the full committee itself.

The original bill, without the amendments, provided, as the Senator has stated, that the money which is proposed to be paid in lieu of taxes to any given State should be paid by the T. V. A. to the State itself, and that the State should divide it up as it pleased. It was believed that the State would divide it up in the same manner as it would if it were actually tax money. We must always bear in mind that the money in question is not tax money, because we have to go through the formula at least of refusing to admit that local authorities can tax the property of the Federal Government. I think that is agreed to by everybody.

The several counties in the various States involved have asked for the amendments because the original act provided in section 3 for payments of money in lieu of taxes to two States, Alabama and Tennessee. I think it was the intention of Congress, without any doubt, that when the money was paid to the States—and it has been so paid ever since the T. V. A. Act has been enforced—the States would do just what the Senator from Connecticut has suggested; that by proper legislation they would divide the money up among the counties. But experience has shown that the States did not do it, and therefore various persons and organizations, coming from the counties, and representing the interests of the counties, have appeared before the committee, and have shown what we knew to be true, that the counties heretofore have gotten nothing from the States of Alabama and Tennessee because those States did not, through their legislatures, provide for the division of this money among the counties in which the property was located. The result was that the States got the money, and the counties suffered the loss.

When the T. V. A. bought the property of the Tennessee Electric Power Co. they acquired a great many generating systems and many transmission lines, and in connection with that contract the municipalities bought the distributing systems of the Tennessee Electric Power Co. The Tennessee Electric Power Co. owned the generating systems, the transmission lines, and the distribution systems in the various municipalities themselves. Then the municipalities bought the distributing systems, and the T. V. A. bought the remainder of the property, consisting of generating systems and transmission lines.

That the States should divide up this money was undoubtedly the object of Congress originally, and it is the object in the pending legislation. In fact, it is so stated in the bill, but it can only be stated as the intention of Congress, for it is admitted that Congress cannot say to the States what legislation they shall pass. If Congress expressed, as the original bill provided, its intention that the States should divide up this money, the States would not be legally bound to pay any attention to it. And since they have not done it in the past, the taxpayers' leagues, and the county organizations, and the State organizations, and county judges, called the attention of the committee to the fact that the States have not done what it was intended they should do, and that the purchase of the properties of the Tennessee Electric Power Co. has resulted in adding to the embarrassment, if I may call it that, heretofore existing in regard to the money the Tennessee Valley Authority should pay in lieu of taxes, by virtue of original section 13, and they said, "Our experience shows that the people who ought to get the money paid in lieu of taxes will not, under this bill, get it."

I am in entire sympathy with their position. I think the States ought to pay the money as suggested. The original bill provided that they should. But when I am confronted with the fact that the States may not do so, and that in the past they have not done so, then I am moved by a desire to assist those counties by the adoption of appropriate amendments. Some of the counties are hard hit under present conditions, and some of them will be in such a dilemma as to make it almost impossible for them to meet their indebtedness, indeed, to meet their ordinary running expenses. That will only occur in very few counties, but it will occur in some.

In order to obviate this difficulty I have favored, as the committee has favored, the proposed amendments, so as to provide that the T. V. A., instead of paying the States, shall pay the counties or the units of the States where taxes are as a rule paid, unless there is some State law to the contrary.

Mr. HILL. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. HILL. In my State of Alabama, for instance, the counties collect not only the county taxes, but also taxes for the State.

Mr. NORRIS. Exactly. That is also true in my State.

Mr. HILL. The county is the tax-collecting unit for the county and for the State. The county machinery collects not only the county taxes but also the State taxes. In Alabama there is really no machinery for the State to collect taxes for the counties and then distribute the money to the counties. All the machinery is in reverse. The counties collect both the county and State taxes, and then the counties turn over to the State the State taxes which have been collected for the State.

Mr. NORRIS. Exactly.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. McKELLAR. The same thing is true in Tennessee.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. ADAMS. I merely wish to make an inquiry or two.

I notice on page 4 the provision that the determination of the Board of the amounts due shall be final. I have assumed that the Board referred to is the Board of Directors of the T. V. A.

Mr. NORRIS. Yes. I do not have before me the language to which the Senator refers, but I think I am familiar with it.

Mr. ADAMS. It is on page 4, line 13.

Mr. NORRIS. As I understand, it refers to the T. V. A. Board.

Mr. ADAMS. Another inquiry: As I gather from reading the bill, it provides that the T. V. A. shall pay the equivalent of twice the taxes that were paid annually upon the particular property in preceding years.

Mr. NORRIS. No; I do not understand that there is any such provision in the bill.

Mr. ADAMS. As I read it, the minimum annual payment to each State shall be not less than an amount equal to the 2-year average.

Mr. NORRIS. It is an average.

Mr. ADAMS. I see.

Mr. NORRIS. The amount paid shall be not less than the average of the taxes privately paid in the 2 preceding years.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. MINTON. I do not wish to drag in an outside matter which may not have been considered. If it has been considered, I should like to ask the Senator about it.

As I understand, the bill would require the T. V. A. to pay taxes on its plant, according to the method provided in the bill. Is that correct?

Mr. NORRIS. Not entirely. The object of the bill is to provide that the T. V. A. shall pay an amount equal to what the taxes would be upon that part of its property which relates to the generation or transmission of electricity. It is not intended that it shall pay any other sum for taxes on other property.

Mr. MINTON. I think I now understand correctly. Suppose the municipalities in the State of Alabama own generating plants, distribution plants, and so forth, and are not required to pay any taxes on the municipal plants: Was any consideration given to the matter of not applying the law to States which do not require their own municipal plants to pay taxes?

Mr. NORRIS. As I understand the language, the States would all be treated alike, whether or not taxes have heretofore been paid on municipally owned property.

Mr. MINTON. Does the Senator think that if certain States exempt their municipal plants, the Federal Government ought to have to pay taxes on its plants in those States?

Mr. NORRIS. There might be an honest disagreement on that question. My own idea is, and always has been, that if the T. V. A. takes over property which heretofore has been taxed, or if the T. V. A. itself constructs property, or takes it over from some prior owner for the purpose of performing a function from which the T. V. A. makes a profit as a private individual would make a profit, it ought to pay a sum equal to what it would pay in taxes if the property were privately owned and taxes were being paid on it.

I do not mean to say that the proposition I have just laid down is absolute, or that there may not be a good argument in favor of certain exceptions. However, it has always seemed to me to be fair. I believe that a municipally owned generating and distribution system, confined entirely to a municipality, ought to pay a sum equal to what would be paid as taxes if the property were privately owned.

Mr. HILL. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. HILL. Is it not true that in the sale of power by the T. V. A. to a municipality in which the distribution system is owned by the municipality, and the municipality distributes the power, there is a provision in the contract for fixing rates which will provide such a return to the municipality as to enable it to make a payment in lieu not only of municipal taxes but also of State and county taxes?

Mr. NORRIS. Yes.

Mr. HILL. That is the procedure in the Tennessee Valley area today.

Mr. NORRIS. I should like to call the attention of the Senator from Connecticut to the fact that the T. V. A. Act gives authority to the T. V. A. Board to fix the resale rates; and under that provision the T. V. A. may fix the rates which a municipality may charge to its consumers. Before the fixing of the wholesale rates by which the T. V. A. sells power to municipalities and of the local rates charged the ultimate consumers by the municipality they were the subject of a couple of years of careful study and analysis by the best experts the T. V. A. could obtain. The wholesale rates now charged by the T. V. A. to municipalities, and also the resale rates

charged by the municipalities to their consumers or citizens, have been fixed after study, and all the tax items have been included in the rates. So it is not contemplated that any new rates will be established. However, if we assume that the wholesale rate fixed as a result of the study heretofore made is 7 mills per kilowatt-hour, before that conclusion was reached consideration was given to all the items constituting the cost of generating and transmitting electricity, and a rate was fixed which would pay not only that cost but in addition thereto a tax upon that cost.

Mr. HILL. As the Senator says, when the word "tax" is used, it includes not only the municipal tax but also the county tax and the State tax.

Mr. NORRIS. Yes.

Mr. HILL. All the taxes.

Mr. NORRIS. Yes.

Mr. HILL. On exactly the same basis on which any private power company would pay.

Mr. NORRIS. Ad valorem taxes.

Mr. HILL. Ad valorem taxes.

Mr. NORRIS. I call the attention of the Senator from Connecticut to the fact that the taxes we are trying to take care of, and which we think the bill will take care of, are all ad valorem taxes. For instance, I understand that the Legislature of the State of Tennessee has imposed certain other kinds of taxes levied against generating systems. The bill will not take care of those. It is not intended to do so. It is intended to take care of all taxes on property used in the generation, transmission, and distribution of electricity. The bill provides that the T. V. A. shall pay a sum of money equal to the amount it would pay as taxes if it were a private corporation and owned the same property.

I wonder if I have made myself clear to the Senator from Connecticut.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. DANAHER. I quite understand the Senator from Nebraska, and I thank him for his help. However, with reference to the situation in Alabama, does the Senator recall the testimony of Mr. Lapsley before the committee, to the effect that the ad valorem tax in Alabama is only 50 percent?

Mr. Lapsley said:

> And therefore, if the bill is presently confined to ad valorem tax losses, and then if dams and all improvements on the dam properties or locations are excluded, you can well see that it would look like Alabama was getting more than she is entitled to, and yet if you give us all of our ad valorem taxes, we still have got a 50 percent tax loss. Of course, the cities can make up theirs but the counties and States will have to look to these payments from T. V. A.

The situation exhibited by Mr. Lapsley's explanation of the picture in Alabama is described by Mr. Lapsley as follows:

> Alabama feels that if the new formula does not materially reduce the payments which are going to the State at this time, Alabama has no objection, no substantial objection, to the formula.

According to Mr. Lapsley's explanation, under the formula proposed, we have a set of circumstances which will do justice in Tennessee, but not in Alabama.

Mr. HILL. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. HILL. Speaking of Mr. Lapsley, he is counsel for the State Department of Revenue of the State of Alabama; and with reference to this legislation he not only represented the State department of revenue, but was also the personal representative of the Governor of Alabama. I have a letter from Mr. Lapsley, under date of March 22 last, in which he states that this legislation is entirely satisfactory to him, representing the State of Alabama, its revenue department, and its Governor, and suggests two or three minor perfecting amendments, with which the Senator from Nebraska is familiar, and about which I understand there is no dispute. So, as the representative of the State of Alabama, he gives his approval to this proposed legislation.

Mr. McKELLAR. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield to the Senator from Tennessee.

Mr. McKELLAR. If I may speak for Tennessee, the officials of Tennessee and the people of that State, so far as I know and believe, are entirely satisfied with the plan that has been worked out in this bill. I should like to point out to the Senator from Connecticut, if I may, while I am on my feet, the reason why the money is to be paid to the counties direct. It is largely because of the fact that there are only 12 counties out of the 95 in the State that are notably adversely affected—I may say that others are somewhat affected, but 12 are the notable ones—and the Senator can see how important it is to them.

For instance, Bledsoe County has total county taxes of $83,597, of which $17,226, or 21 percent, came from electric companies.

Bradley County had $249,862 in taxes, of which $30,744, or 12 percent, came from the electric companies.

Hickman County had $92,338 in taxes, of which $12,910, or 14 percent, came from electric companies.

Lewis County had $43,031 in taxes, of which $10,299, or 24 percent, came from the electric companies.

Marion County had $221,371 in taxes, of which $82,025 came from electric companies, or 37 percent.

McMinn County had $281,643 in taxes, of which $48,813, or 17 percent, came from electric companies.

The principal loser in the State was Polk County. That county had taxes of $265,772, of which $105,606, or 40 percent of its entire taxation, came from electric companies.

Sequatchie County had taxes of $33,326, of which $7,440, or 22 percent, came from electric companies.

Warren County had $109,790 in taxes, of which $36,780, or 34 percent, came from electric companies.

Wayne County had $77,537 in taxes, of which $18,792, or 24 percent, came from electric companies.

White County had $114,839 in taxes, of which $33,498, or 29 percent, came from the electric companies.

The Senator from Connecticut and other Senators can understand that, since the school systems of the various counties are so vitally affected by the large percentage of the tax money coming from the old electric companies, naturally they desire that the money should be paid directly to them, so that there may not be any doubt or question about it. It was for that reason that the counties in both Tennessee and Alabama requested the amendment to which reference has been made and to which the Senator from Nebraska very generously agreed. I think that is the best way to settle the question.

Mr. DANAHER. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. I yield.

Mr. DANAHER. I thank the Senator from Nebraska.

I want the Senator from Tennessee to understand that I have never been out of sympathy with the objectives the Senator from Nebraska has in mind.

Let me add further that no better statement has been made of the plight of the Tennessee counties than the one submitted by Judge Eblen to the Senate committee, and to which I made previous reference.

With the permission of the Senator from Nebraska, I should like to ask unanimous consent that at the point where I first referred to Judge Eblen's statement it be inserted in the RECORD as part of my remarks.

Mr. McKELLAR. I hope that may be done.

Mr. DANAHER. Mr. President, may we have the order made?

The PRESIDING OFFICER (Mr. MINTON in the chair). Without objection, the matter referred to will be placed in the RECORD as suggested by the Senator from Connecticut.

The matter referred to appears at the proper place in Mr. DANAHER'S earlier remarks.

Mr. McKELLAR. Mr. President, Roane County, referred to by Judge Eblen, is also affected. I should like to call attention to page 372 of the hearings before the House Committee

on Military Affairs, from which I took the figures I referred to a few moments ago. I ask that the table may be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

STATE OF TENNESSEE

Statement showing for certain counties the ad valorem property taxes levied, the amount and percent of taxes, formerly paid on property acquired by Tennessee Valley Authority, the county tax rate for 1938, and the increased rate required if taxes on Tennessee Valley Authority property are not replaced

County	Percent potential loss	County taxes for—			
		General government	Schools	Debt service	Total
Bledsoe:					
Total taxes levied					$83,597
Taxes on Tennessee Valley Authority property	21	$3,486	$7,088	$6,652	17,226
Tax rate per $100, year 1938, $2.97; rate required, $3.74.					
Bradley:					
Total taxes levied					249,862
Taxes on Tennessee Valley Authority property	12	10,463	12,918	7,363	30,744
Tax rate per $100, year 1938, $2.38; required, $2.66.					
Hickman:					
Total taxes levied					92,338
Taxes on Tennessee Valley Authority property	14	2,740	5,785	4,385	12,910
Tax rate per $100, year 1938, $2.12; required, $2.46.					
Lewis:					
Total taxes levied					43,031
Taxes on Tennessee Valley Authority property	24	3,523	5,059	1,717	10,299
Tax rate per $100, year 1938, $2.28; required, $3.					
Marion:					
Total taxes levied					221,371
Taxes on Tennessee Valley Authority property	37	19,845	36,382	25,798	82,025
Tax rate per $100, year 1938, $2.48; required, $3.94.					
McMinn:					
Total taxes levied					281,643
Taxes on Tennessee Valley Authority property	17	10,157	25,013	13,643	48,813
Tax rate per $100, year 1938, $3.22; required, $3.90.					
Monroe:					
Total taxes levied					201,271
Taxes on Tennessee Valley Authority property	11	4,630	9,508	8,764	22,902
Tax rate per $100, year 1938, $2.77; required, $3.11.					
Polk:					
Total taxes levied					265,772
Taxes on Tennessee Valley Authority property	40	25,144	47,495	32,967	105,606
Tax rate per $100, year 1938, $1.89; required, $3.14.					
Sequatchie:					
Total taxes levied					33,326
Taxes on Tennessee Valley Authority property	22	2,015	4,146	1,279	7,440
Tax rate per $100, year 1938, $1.92; required, $2.48.					
Warren:					
Total taxes levied					109,790
Taxes on Tennessee Valley Authority property	34	16,718	20,062	0	36,780
Tax rate per $100, year 1938, $1.65; required, $2.48.					
Wayne:					
Total taxes levied					77,537
Taxes on Tennessee Valley Authority property	24	5,470	8,045	5,277	18,792
Tax rate per $100, year 1938, $2.92; required, $3.86.					
White:					
Total taxes levied					114,839
Taxes on Tennessee Valley Authority property	29	8,268	16,678	8,552	33,498
Tax rate per $100, year 1938, $2.35; required, $3.32.					

NOTE.—In addition the State tax rate on all property in the State is 8 cents per $100.

Mr. DANAHER. Mr. President, will the Senator from Nebraska yield for one further suggestion?

Mr. NORRIS. I yield.

Mr. DANAHER. I should like to address a question to the Senator from Tennessee, if I may. I should like to know if the present situation continues, involving, as Judge Eblen has pointed out, the possibility of a default on county bonds, let us say in 1942, assuming that the Congress takes no action in this matter, what will the State of Tennessee do for the affected counties? Will the State of Tennessee, in the Senator's judgment, allow those counties to continue to suffer?

Mr. McKELLAR. Mr. President, I cannot say what may be done; I cannot speak for the State in that sense; but I think the pending proposal is manifestly just, and, inasmuch as taxes in such large degree came from the companies the Government has taken over, that out of the profits derived from the companies thus taken over, we should certainly provide that the counties shall receive money in lieu of the taxes which they have been in the habit of receiving from the companies, and thereby be able to carry on their schools and other activities.

I hope the Senator will agree that this very just bill may be passed, because I think everyone who studies it realizes, as the Senator from Connecticut expressed himself a moment or two ago, that the objectives of the bill—that is, the restoration of this money to the several counties—should be attained.

Mr. DANAHER. Mr. President, will the Senator yield for one other question?

Mr. NORRIS. I yield.

Mr. DANAHER. I thank the Senator. Let me say to the Senator from Tennessee that he has made reference in detail to the loss to the counties, but he has not made any reference whatever to the enormous benefits which certainly the activities of the Tennessee Valley Authority have brought to them. The improvement of navigation, the increment of land values, the creation of lakes, the reduced electric-utility rates for power and light, and other items must be reflected in enormously increased local values upon which the counties will have an opportunity to recoup. What steps are being taken in that direction?

Mr. McKELLAR. That remains entirely in the future. We do not as yet know what the benefits will be. We hope they may accrue, but certainly at the present time the counties ought to be recouped for their loss of taxation from the electric plants. I hope the Senator will allow it to be done.

Mr. DANAHER. I thank the Senator from Nebraska for permitting the interruption.

Mr. NORRIS. Mr. President, let me say, in conclusion, that while this is a short bill, and on its face it does not seem difficult, it is the result of a great deal of study by anxious, honest men who wanted to reach, tried to reach, and I think finally have reached a just and fair conclusion. The bill may be somewhat cumbersome; it is not in the form which would best suit me. I would agree with the Senator from Connecticut, if we were not faced with what seems to me to be an impracticable condition, that the bill as originally introduced was superior to the bill after the amendments have been agreed to. But we are faced with exasperating conditions which, in my opinion, the original bill would not fully meet. We are required, to begin with, to enact a general law dealing with seven different States, and there is no harmony between the laws of those several States. There are some to which I referred a while ago—Tennessee in particular—that have some other taxes that are not cared for. An examination of the hearings of the House committee will disclose that the Governor of Tennessee appeared there—he was invited also to appear before the Senate committee but thought it was unnecessary—and, as representing Tennessee, expressed himself as in favor of the proposed legislation. He would have been glad to have the Federal Government likewise take care of the special taxes which had been levied by the State of Tennessee against the generation and transmission of electricity; but while his testimony will show that he would like to have that money returned to the State of Tennessee—and it is perfectly natural that any citizen of Tennessee would favor that—he did not claim, when the question was put directly to him, at least, in any of the conversations I have had with him, that such a thing would be fair to the other States or to the Federal Government. He recognized specifically, as his testimony at different times will show, the great benefits that were coming to Tennessee, and he was careful to express the

belief that he was not forgetting those benefits, and that he felt under great obligations, as it were, to the Federal Government because these various improvements had been made. But, after all, while in the particular I have just mentioned some of the representatives would prefer to receive other taxes than ad valorem taxes, they realized that that position would be unfair and could not be sustained in justice or in logic; and they therefore fully and heartily acquiesced in this particular bill.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 4, line 22, after the words "It is", to strike out "likewise"; in the same line, after the word "intended", to insert "by Congress"; and in line 23, after the word "shall", to strike out "in like manner redistribute" and insert "distribute", so as to read:

It is intended by Congress that each of the said States shall distribute all payments made in lieu of taxation paid to municipalities by municipal authorities as provided in contracts made for the purchase of power from the Corporation.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. HILL. Mr. President, on behalf of my colleague the Senator from Alabama [Mr. BANKHEAD], who is necessarily absent, attending to a very important matter in the House of Representatives, I offer a pro forma amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 19, after the words "United States", it is proposed to strike out the period and add the words "for any purpose other than the resale thereof."

The amendment was agreed to.

Mr. DANAHER. Mr. President, will the Senator yield for a moment?

Mr. HILL. Surely.

Mr. DANAHER. Does the Senator from Nebraska agree to that amendment?

Mr. NORRIS. I do not see any objection to the amendment.

Mr. HILL. It does not change the intent and purpose of the language at all.

Mr. NORRIS. No. It is not the intention, of course, to have the language apply to resale.

Mr. DANAHER. I thank the Senator.

Mr. HILL. On behalf of my colleague the Senator from Alabama [Mr. BANKHEAD], I offer another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, lines 22, 23, and 24, and on page 5, lines 1 and 2, it is proposed to strike out the words appearing in said lines, and to insert in lieu thereof the following:

Nothing herein shall be construed to limit the authority of the Corporation, in its contracts for the sale of power to municipalities, to permit or provide for the resale of power at rates which may include an amount to cover tax-equivalent payments to the municipality in lieu of State, county, and municipal taxes upon any distribution system or property owned by the municipality, or any agency thereof, conditioned upon a proper distribution by the municipality of any amounts collected by it in lieu of State or county taxes upon any such distribution system or property, it being the intention of Congress that either the municipality or the State in which the municipality is situated shall provide for the proper distribution to the State and county of any portion of tax equivalent so collected by the municipality in lieu of State or county taxes upon any such distribution system or property.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama on behalf of his colleague.

Mr. HILL. I understand that this amendment also is agreeable to the Senator from Nebraska.

Mr. NORRIS. Yes; I see no objection to it, and in fact I think it is a very good amendment.

The amendment was agreed to.

Mr. HILL. On behalf of my colleague [Mr. BANKHEAD] I offer another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, line 6, after the word "States", it is proposed to insert the words "and counties."

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 5, line 6, it is proposed to strike out the words "and the redistribution."

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 5, line 10, after the word "States", it is proposed to insert the words "and counties", and in line 11 to strike out the words "and to the local subdivisions thereof."

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 5, line 13, it is proposed to strike out the words "local subdivisions" and to insert in lieu thereof the word "counties."

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2925) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 13 of the Tennessee Valley Authority Act of 1933 be, and the same is hereby, amended to read as follows:

"SEC. 13. In order to render financial assistance to those States and local governments in which the power operations of the Corporation are carried on and in which the Corporation has acquired properties previously subject to State and local taxation, the Board is authorized and directed to pay to said States, and the counties therein, for each fiscal year, beginning July 1, 1940, the following percentages of the gross proceeds derived from the sale of power by the Corporation for the preceding fiscal year as hereinafter provided, together with such additional amounts as may be payable pursuant to the provisions hereinafter set forth, said payments to constitute a charge against the power operations of the Corporation: For the fiscal year (beginning July 1) 1940, 10 percent; 1941, 9 percent; 1942, 8 percent; 1943, 7½ percent; 1944, 7 percent; 1945, 6½ percent; 1946, 6 percent; 1947, 5½ percent; 1948 and each fiscal year thereafter, 5 percent. 'Gross proceeds', as used in this section, is defined as the total gross proceeds derived by the Corporation from the sale of power for the preceding fiscal year, excluding power used by the Corporation or sold or delivered to any other department or agency of the Government of the United States for any purpose other than the resale thereof. The payments herein authorized are in lieu of taxation, and the Corporation, its property, franchises, and income, are hereby expressly exempted from taxation in any manner or form by any State, county, municipality, or any subdivision or district thereof.

"The payment for each fiscal year shall be apportioned among said States in the following manner: One-half of said payment shall be apportioned by paying to each State the percentage thereof which the gross proceeds of the power sales by the Corporation within said State during the preceding fiscal year bears to the total gross proceeds from all power sales by the Corporation during the preceding fiscal year; the remaining one-half of said payment shall be apportioned by paying to each State the percentage thereof which the book value of the power property held by the Corporation within said State at the end of the preceding fiscal year bears to the total book value of all such property held by the Corporation on the same date. The book value of power property shall include that portion of the investment allocated or estimated to be allocable to power: *Provided*, That the minimum annual payment to each State (including payments to counties therein) shall not be less than an amount equal to the 2-year average of the State and local ad valorem property taxes levied against power property purchased and operated by the Corporation in said State and against that portion of reservoir lands related to dams constructed by or on behalf of the United States Government and held or operated by the Corporation and allocated or estimated to be allocable to power. The said 2-year average shall be calculated for the last 2 tax years during which said property was privately owned and operated or said land was privately owned: *Provided further*, That the minimum annual payment to each State in which the Corporation owns and operates power property (including payments to counties therein) shall not be less than $10,000 in any case: *Provided further*, That the Corporation shall pay directly to the respective counties the 2-year average of county ad valorem property taxes (including taxes levied by taxing districts within the respective counties) upon power property and reservoir lands allocable to power, determined as above provided, and all payments to any such county within a State shall be deducted from the payment otherwise due to such State under the provisions of this section. The determination of the Board of the amounts due hereunder to the respective States and counties shall be final.

"The payments above provided shall in each case be made to the State or county in equal monthly installments beginning not later than July 31, 1940.

"It is intended by Congress that each of the said States shall distribute all payments made in lieu of taxation paid to municipalities by municipal authorities as provided in contracts made for the purchase of power from the Corporation.

"The Corporation shall, not later than January 1, 1945, submit to the Congress a report on the operation of the provisions of this section, including a statement of the distribution to the various States and counties hereunder by the States of the amounts paid to them; the effect of the operation of the provisions of this section on State and local finances; an appraisal of the benefits of the program of the Corporation to the States and counties receiving payments hereunder, and the effect of such benefits in increasing taxable values within such States and counties; and such other data, information, and recommendations as may be pertinent to future legislation."

PROHIBITION OF FOREIGN SILVER PURCHASES

Mr. TOWNSEND. Mr. President, I move that the Senate proceed to the consideration of Senate bill 785.

The PRESIDING OFFICER. The clerk will state the title of the bill for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 785) to repeal the Silver Purchase Act of 1934 to provide for the sale of silver, and for other purposes.

Mr. KING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	King	Schwellenbach
Ashurst	Downey	La Follette	Sheppard
Bailey	Ellender	Lucas	Shipstead
Bankhead	Frazier	Lundeen	Slattery
Barkley	George	McKellar	Smathers
Bilbo	Gerry	McNary	Smith
Bone	Gillette	Maloney	Stewart
Bridges	Glass	Mead	Taft
Brown	Guffey	Miller	Thomas, Idaho
Bulow	Gurney	Minton	Thomas, Okla.
Burke	Hale	Murray	Thomas, Utah
Byrd	Harrison	Norris	Tobey
Capper	Hatch	Nye	Townsend
Caraway	Hayden	O'Mahoney	Truman
Chandler	Herring	Overton	Tydings
Chavez	Hill	Pepper	Vandenberg
Clark, Idaho	Holman	Pittman	Wagner
Clark, Mo.	Holt	Reed	Walsh
Connally	Hughes	Reynolds	Wheeler
Danaher	Johnson, Calif.	Russell	White
Davis	Johnson, Colo.	Schwartz	Wiley

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the Senator from Delaware [Mr. TOWNSEND].

The motion was agreed to; and the Senate proceeded to consider the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes, which had been reported by the Committee on Banking and Currency with an amendment, to strike out all after the enacting clause and to insert the following:

That all power and authority of the President and the Secretary of the Treasury under the Silver Purchase Act of 1934 with respect to the acquisition of foreign silver shall cease and terminate on the date of enactment of this act; and all proclamations, orders, rules, regulations, and other action promulgated, made, issued, or taken by the President or the Secretary of the Treasury with respect to foreign silver pursuant to any power or authority so terminated shall cease to be effective on and after such date: *Provided*, That nothing in this act shall be construed to limit the authority of the Secretary of the Treasury to acquire and make payment for foreign silver purchased or contracted for prior to the date of enactment of this act.

SEC. 2. Section 1805 of the Internal Revenue Code (relating to the tax on transfers of any interest in silver bullion) is hereby repealed.

Mr. TOWNSEND. Mr. President, the Committee on Banking and Currency, to which was referred in January 1939 the bill S. 785, to repeal the Silver Purchase Act of 1934, and for other purposes, after public hearings and extensive consideration, on March 20, 1940, reported the bill favorably, with amendments, and recommended that the bill in its amended form be passed. The vote in the committee was 14 to 4, constituting a very strong endorsement of my bill, and, incidentally, a distinctly nonpartisan endorsement, which I appreciate. I send to the desk a copy of Senate Report No. 1332, and ask that it be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Banking and Currency, to whom was referred the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

STATEMENT

The bill (S. 785) was introduced on January 17, 1939, and referred to your committee. In its original form it provided for: (1) The repeal of the Silver Purchase Act of 1934 and of all power and authority of the executive branch of the Government to acquire silver; (2) the setting aside of 500,000,000 ounces of silver to meet future subsidiary coinage requirements; (3) the sale of the remainder of the Government stock of silver; (4) the prohibition of imports of foreign silver; and (5) the appropriation of $250,000 to be used by the Bureau of Standards in research with respect to new industrial uses of silver.

Your committee has given extensive consideration to the bill and held public hearings on it in April 1939. A report on the bill was made by a subcommittee to the committee on February 13, 1940, and a substitute proposal was recommended. The Secretary of the Treasury was heard on March 19, 1940.

The substitute reported by the committee provides that (1) all power and authority of the President and the Secretary of the Treasury under the Silver Purchase Act of 1934 with respect to the acquisition of foreign silver shall cease and terminate; and (2) section 1805 of the Internal Revenue Code (relating to the tax on transfers of any interest in silver bullion) shall be immediately repealed. There is a qualifying proviso, however, that nothing in the act is to be construed to limit the authority of the Secretary of the Treasury to acquire and make payment for foreign silver purchased or contracted for prior to the date of enactment of the act; but, except as so qualified, it is contemplated that all acquisitions of foreign silver by the United States shall cease.

A proposal similar in effect to that contained in the substitute being reported by the committee (except with respect to the tax on transfers and without the qualifying proviso just mentioned) was approved by the Senate on June 26, 1939, but was subsequently eliminated in conference.

The main reasons against the continued buying of foreign silver are as follows:

(1) It is unnecessary: The monetary base supporting the currency and banking system has expanded alarmingly since the passage of the Silver Purchase Act in 1934, due to gold and silver purchases by the Government. The country's gold stock, following the devaluation of the dollar in January 1934, had a monetary value totaling about $7,018,000,000. Today the country's stock of gold has a monetary value of about $18,300,000,000.

(2) It imperils the future domestic buying power of the dollar: Reserves held in the Federal Reserve System, swollen by the issuance of gold certificates and silver certificates, are now about $12,500,000,000, which is $5,877,000,000[1] in excess of legal requirements. The last annual report of the Federal Reserve System, for example, emphatically called to the attention of Congress the dangers involved.[2]

(3) It is wasteful of American resources: The purchase of foreign silver by the United States involves bestowing buying power on foreigners and, therefore ultimately, the exchange of American goods and services for imported silver. In the last analysis, payment for imported silver is made with American wealth. The silver certificates or dollars foreigners receive for the silver they sell to the United States may be spent here for airplanes, motorcars, cotton, apples, or any other American product. It would be more in this country's interest to give away American products to Americans at home, rather than to exchange our products for silver which can never be resold abroad except at a great loss. If there were any validity to the argument that the purchase of foreign silver should be continued "because by giving foreigners purchasing power, it makes jobs for American producers of export commodities," it would be a logical step to increase our buying price for silver fivefold or tenfold, and thereby make five or ten times as many jobs for Americans.

(4) It involves bestowal of benefits abroad without considerations of reciprocity: Any foreign country or individual sending silver to the United States benefits from the existing American program, which makes no discrimination in the advantages it bestows. Under this program for example, Japan, Russia, Italy, Germany, Spain, and Mexico have benefited, while those countries were pursuing policies frowned upon by the American people.

(5) There is no prospect of fulfilling the treadmill terms of the Silver Purchase Act of 1934: The 1934 act states that silver must be purchased until the monetary value of the country's stock of silver (valued for the purpose at $1.2929+ per fine ounce) equals one-fourth of the total monetary value of the gold and silver (the gold being valued at $35 per fine ounce). Despite the purchase of more than 2,200,000,000 ounces[3] of silver since the act was passed, at a cost of more than $1,000,000,000, the inflow of gold has been so great that the Silver Purchase Act today requires

[1] March 15, 1940.

[2] Annual Report of the Board of Governors of the Federal Reserve System, 1938, pp. 19–22.

[3] Through 1939.

further silver purchases greater in the aggregate than the 1,332,000,000 ounces required to be added at the time it was passed in June 1934.

(6) The Silver Purchase Act is a demonstrable failure: (a) The Silver Purchase Act of 1934 has not achieved the objects which its sponsors promised in 1934. It has not raised the world price of silver to $1.29 an ounce. Instead, the so-called world price of foreign silver, despite the tremendous purchases of recent years and continuing support, since last July has been 22 percent lower than the average price in June 1934, and notwithstanding the additional fact that the United States Treasury is today absorbing the entire domestic production constituting more than one-fifth of the world's mine production of silver. Under the foreign silver program the United States has cleaned up the vast supplies of demonetized and other old silver in Europe, Asia, and elsewhere. (b) The American silver program has not encouraged other countries to imitate its example and restore silver to a place alongside gold as a basic monetary metal and settler of international balances of payments. On the contrary, the American silver program actually has financed the demonetization of silver coin abroad and the abandonment of the silver standard in its last stronghold, China. (c) The American silver program has not been the promised panacea in "eliminating unemployment," "restoring prosperity," "raising the general level of commodity prices," remedying the "maldistribution of gold," causing "tariff restrictions to vanish," "restoring the peoples' purchasing power," "stabilizing the exchanges," enabling China to "buy our bathtubs, our shoes, and our shirts," and so forth.

(7) Silver buying is not a proper instrument of foreign policy: Virtually the only defense of the present program being made currently is that the buying of foreign silver is a means of carrying out the good-neighbor policy in Latin America, yet it is clear from the statistics that 18 of the 20 Latin American countries either produce only insignificant amounts of silver or produce none at all. The outstanding beneficiary of the American silver program today is Mexico, the world's foremost silver-producing country. Yet, obviously, this country's uninterrupted purchasing of Mexican-produced silver since 1934 has not produced in Mexico the results which might be expected from such purchases viewed as a good-neighbor effort.

Since foreign-silver buying inflates and complicates this country's monetary system its continuance cannot be defended as a proper instrument of foreign policy. If it is advisable and necessary to try to purchase good will abroad, some way should be sought that will not involve the soundness of our own monetary system.

(8) There is no other government in the world that maintains a market for the world's silver: This alone should be a decisive reason for abandoning the purchasing of foreign silver, if, indeed, the general rejection of bimetallism was not a good reason for never embarking upon silver purchases.

(9) Foreign silver buying by the United States is a burden on every American: Although no budgetary appropriation is required for foreign silver purchases, since the law authorizes the Treasury to finance the purchases by issuing silver certificates (a process of inflation), the dollars received by the sellers of silver are spent in competition with the earnings of every American. The foreign seller of silver receives in exchange for his silver certificates some form of American wealth or services paid for in the final analysis by every holder of dollars. The American day laborer and the pensioner, the school teacher and the farmer, the people of the West and the East all help pay the real cost of the foreign silver program.

(10) The foreign silver program has been repeatedly condemned: During the past year and more the buying of foreign silver has been repeatedly condemned in uncounted editorials in newspapers in every State in the Union, regardless of party. Not a single editorial favoring the present foreign silver program has come to your committee's attention. The program has been condemned unequivocally on various occasions by numerous economists, by the Federal Advisory Council of the Federal Reserve System, by the Northwest Mining Congress, by the Chamber of Commerce of the State of New York, by the Chairman of the Board of Governors of the Federal Reserve System in his testimony on S. 785, etc.

(11) The stock of monetary silver has been greatly expanded: Since 1934 there has been a more than threefold expansion in the monetary stock of silver held by the United States, which stock in January 1940 had a "monetary value" of more than $3,800,000,000.

(12) There is no reason for further delay: The fact that it is planned to study the monetary and banking policies of the United States prior to the next session of Congress is no reason for delaying repeal of a costly program which has been so widely condemned and the lack of necessity for which has been so clearly demonstrated.

Mr. TOWNSEND. Mr. President, in June 1939 the Senate, by an overwhelming voice vote, went on record as favoring discontinuance of the Government's foreign silver program. After this Senate action was reversed in the conference of last summer on the monetary bill—House bill 3325—the subject was again brought to a vote in the Senate, and, by the narrow margin of three votes, action was again delayed, following the eloquent plea by our esteemed late colleague from Idaho, Senator Borah, that the Senate postpone action until receipt of a recommendation by the Senate Banking and Currency Committee. Now that committee has spoken, and its nonpartisan recommendation has received wide acclaim throughout the country.

The Senate bill as proposed to be amended provides, first, all power and authority of the President and the Secretary of the Treasury under the Silver Purchase Act of 1934 with respect to the acquisition of foreign silver shall cease and terminate; and, second, section 1805 of the Internal Revenue Code—relating to the tax on transfers of any interest in silver bullion—shall be immediately repealed. There is a qualifying proviso, however, that nothing in the act is to be construed to limit the authority of the Secretary of the Treasury to acquire and make payments for foreign silver purchased or contracted for prior to the date of enactment of the act; but, except as so qualified, it is contemplated that all acquisitions of foreign silver by the United States shall cease.

In asking discontinuance of the present foreign-silver buying I can do no better than to cite a dozen good reasons as given in Senate Report No. 1332 of March 20:

First. It is unnecessary.

Second. It imperils the future domestic buying power of the dollar.

Third. It is wasteful of American resources.

Fourth. It involves bestowal of benefits abroad without considerations of reciprocity.

Fifth. There is no prospect of fulfilling the treadmill terms of the Silver Purchase Act of 1934.

Sixth. The Silver Purchase Act is a demonstrable failure.

Seventh. Silver buying is not a proper instrument of foreign policy.

Eighth. There is no other government in the world that maintains a market for the world's silver.

Ninth. Foreign-silver buying by the United States is a burden on every American.

Tenth. The foreign-silver program has been repeatedly condemned.

Eleventh. The stock of monetary silver has been greatly expanded.

Twelfth. There is no reason for further delay.

In Senate Report No. 1332 each of these reasons is supported briefly by facts. For further facts I refer to the published hearings of the Senate Banking and Currency Committee, a copy of which has been sent to each Senator. Part 1 of the hearings contains the testimony of expert witnesses who testified before the committee. This testimony as it relates to foreign silver I have myself summarized and thus condensed; it appears on pages 182–184 of part 2 of the hearings on Senate bill 785. I call attention to the testimony of the Honorable Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, in favor of my bill.

Mr. President, I also urge careful note of the universal approbation of the purpose of my bill in newspaper editorials throughout the country during the past year and more, as evidenced by typical excerpts printed on pages 198–239 of the hearings. This support has come from all sections of the country—North, South, East, and West, including the mining States. This newspaper support also has been nonpartisan in nature. Perhaps the strongest editorial support I have had has been from the Scripps-Howard newspapers.

I call attention, furthermore, to the endorsement which my bill has received from the Federal Advisory Council of the Federal Reserve System, as printed on pages 239 to 240 of the hearings. That council represents all 12 of the Federal Reserve districts.

Apart from the broad general purpose of Senate bill 785, namely, termination of foreign-silver purchases, the repeal of the silver-profits tax, which the bill would accomplish, would reverse the action taken in this respect when the buying of foreign silver was authorized in 1934. Section 2 of my bill would end the special tax on silver trading. Concerning it I have received much complaint since introducing Senate bill 785, and I have heard no reason for retaining it. There is no doubt in my mind that the cost of administration in the collecting of this tax has been entirely out of proportion to the revenue collected.

When the Silver Purchase Act of 1934 was passed and when the amount of silver estimated to be required by its terms was

one and one-third billion ounces, the Secretary of the Treasury informed the Ways and Means Committee that "it is perfectly possible the Government might get as much as $25,000,000" revenue from this tax. (Hearings, Silver Purchase Act of 1934, May 25, 1934, p. 9.)

What actually has been the result? Instead of buying only one and one-third billion ounces of silver, the Treasury already has acquired about two and one-third billion ounces, with absolutely no end yet in sight. Yet on March 20, 1940, the Secretary of the Treasury reported to the Senate Banking and Currency Committee that actual revenue under the 50-percent silver-profits tax has been only $3,003,197 since June 1934. (Hearings to repeal the Silver Purchase Act of 1934, pt. 2, p. 160.)

As explained by the Treasury in 1934, the special silver-profits tax was incorporated in the Silver Purchase Act of 1934 to protect the Government from competitive buying by speculators. The Secretary of the Treasury stated in 1934, before the act was passed, "The only other person who might be buying and selling silver would be the speculator." (Hearings before the House Ways and Means Committee, p. 9.) If foreign-silver buying is ended, no such protection will be needed. Moreover, the tax has worked a hardship on manufacturers who need to buy and sell silver in the course of their business. This hardship has lain not so much in the amount of the tax collected as in the costly bookkeeping involved.

A Member of the House of Representatives brings to my attention a long letter from one of his constituents dealing with his silver-tax tribulations. The constituent is a bona fide manufacturer of silverware. One day a Treasury representative walked in to look over the record of his silver transactions. I now quote from the manufacturer's letter:

> He [the Treasury agent] spent a week at the ——— Hotel, kept somebody here at the office busy with him for the week checking, taking out all the purchases since 1934 and the settlements of every one of them, and with the grand result that he found that the little rise of a couple of cents over a couple of days during which we happened to ship a very small lot of scrap, the profit being the large sum of $30, of which we were taxed $15 by the Government and paid.

Institution of the silver-profits tax played into the hands of the silver brokers to the disadvantage of our own. Under date of March 16, 1940, a New York bullion broker wrote to the members of the Banking and Currency Committee:

> I estimate that the United States Treasury has paid out to foreign silver brokers, particularly in London, while the 50-percent silver-profit tax has been in effect from 1934 to 1940, probably around $750,000 in commission.

A different example of the queer and unintended effects of this tax, as a result of which a vessel brings silver on its inbound voyage and immediately carries the same metal abroad on its out-bound voyage was reported in the New York Journal of Commerce of March 17, 1939, under the title, "Silver Users Take Profits in London."

Mr. President, I ask to have printed in the RECORD as a part of my remarks an editorial entitled "Silver and Tin," published in the Washington Daily News of April 29, 1940.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial is as follows:

SILVER AND TIN

> The Townsend bill, to stop the Treasury's endless buying of unneeded foreign silver at premium prices, is expected to come up in the Senate this week. It should be passed.
>
> For some reason—possibly because Senator TOWNSEND is a Republican—the administration seems to be against the bill.
>
> There is no sense in this continued purchasing of a metal with which we are already swamped, particularly when we are doing little or nothing toward accumulating metals that we could hardly get along without—tin, for instance, of which there is only about 10 weeks' supply in this country.

Mr. TOWNSEND. Mr. President, after all the debate which has taken place in recent months it should be perfectly clear that my bill, which does not touch domestic silver at all, has as its sole object the termination of the buying of foreign silver, which is a wasteful, unnecessary, pointless, and disturbing process. The case has long been clear. The hearings have been held. The Secretary of the Treasury has been heard. The State Department interposes no objection. The Federal Reserve System approves. Repeal is long overdue. The country waits. I am ready for the Senate to vote on Senate bill 785.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, a number of Senators who are interested in the pending bill in one way or another were under the impression that the consideration of the T. V. A. measure would consume all the afternoon. Therefore they are not prepared this afternoon to go on with the measure now before the Senate. In addition to that, we have a gentleman's understanding that the bill will not be voted on until the Senator from Nevada [Mr. MCCARRAN] shall return. I understand he will be back tonight. So it is obvious we cannot dispose of this measure today. I do not like to ask Senators to proceed with their arguments earlier than they had expected to do so. The Senator from Delaware [Mr. TOWNSEND] has indicated that, so far as he is concerned, he is entirely agreeable to have the bill go over until tomorrow. I think that is the best thing we can do right now.

For that reason I move that we proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. BAILEY, from the Committee on Commerce, reported favorably the following nominations:

Thomas M. Woodward, of Pennsylvania, to be a member of the United States Maritime Commission for the term of 6 years from September 26, 1939, to which office he was appointed during the last recess of the Senate (reappointment); and

Rear Admiral Russell R. Waesche, of Maryland, to be commandant, with the rank of read admiral, in the Coast Guard of the United States for a term of 4 years (reappointment).

Mr. BAILEY, also, from the same committee, reported favorably the nominations of sundry officers in the Coast Guard.

The PRESIDING OFFICER (Mr. MINTON in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

THE JUDICIARY

The legislative clerk read the nomination of James P. Leamy to be United States district judge for the district of Vermont.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of A. Miles Pratt to be collector of customs for customs collection district No. 20, with headquarters at New Orleans, La.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters on the calendar are confirmed en bloc.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 1 o'clock and 43 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 1, 1940, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 30 (legislative day of April 24), 1940

UNITED STATES DISTRICT JUDGE

James P. Leamy to be United States district judge for the district of Vermont.

COLLECTOR OF CUSTOMS

A. Miles Pratt to be collector of customs for customs collection district No. 20, with headquarters at New Orleans, La.

POSTMASTERS

ARKANSAS

Rowan Moody Sankey Butner, North Little Rock.
Leola Garner, Plainview.
Wendell H. Gorman, Strong.

CALIFORNIA

Ernest J. Craghill, Corcoran.
Paul W. Hunter, Fortuna.
Berniece Hamilton, Lawndale.
Toss W. Brown, Lemoore.
Maurice E. Huguet, Martinez.
Eugene M. Griffin, Mount Shasta.
Ralph W. Evans, Palo Alto.
Frank R. Harwood, Santa Ana.
Lloyd B. Wallace, Strathmore.
Edward A. Murphy, Wilmington.

FLORIDA

Robert J. Holly, Sanford.
Chauncey Smith Daniel, Tavares.

KANSAS

Mattie L. Binkley, Brewster.
Roy E. Wetherall, Cunningham.
Jay F. Higbee, Formoso.
Otis Barngrover, Hamilton.
Ada S. George, Lebo.
Joseph M. Steffen, Neodesha.
Harold Goble, Riley.
Mary Gertrude Goddard, Rolla.
Harry D. Burke, Severy.
James E. Gay, Spring Hill.

MAINE

Lyman Ellis, Canton.
Carlton R. Barlow, East Boothbay.
Norman E. Willis, Harmony.
Elgie M. Nichols, Kingfield.
Grace L. Harriman, Searsport.
Mildred A. Holbrook, Wiscasset.

MICHIGAN

Fred Weaver, Dorr.
George W. Penglase, Grosse Ile.
James N. Mulvenna, Hudson.
Arthur E. O'Neill, Saline.

OHIO

Louis J. Elsaesser, Canton.
Edward J. Westerman, Woodsfield.

PENNSYLVANIA

Edward C. Bishop, Cresson.
Henry Bourns, Ellsworth.
Jennie D. Seltz, Galeton.
Albert P. Kearney, Lilly.
Harold D. Akens, Linesville.
James Uhler Fetherolf, Nazareth.
Lawrence Miles McCafferty, New Bethlehem.
Howard R. Miller, New Ringgold.
Elizabeth Anna Leedom, Plymouth Meeting.
Joseph Regis, Jr., Rimersburg.
Francis M. Smith, Sandy Lake.
Irvin C. Davis, Shavertown.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 30, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, offered the following prayer:

Our Father, who art in heaven, whose goodness faileth never, hallowed be Thy name. Condescend, we pray Thee, to hear our prayer. We pray for the presence of Him who is the inspiration of the worthiest thought and action. We praise Thee that back of this marvelous world house, back of our joys and afflictions, back of our problems and perplexities, back of earth's prayers and longings is a good God who has never known defeat. We earnestly beseech Thee to clothe us with the power of those virtues—faith and hope—which conquers doubt, subdues fear, and destroys hate. Amid the torturing conditions of earth may we turn to the will of God for spiritual reinforcement and harken unto His word: For it is written, as I live, saith the Lord, every knee shall bow and every tongue shall confess to God; glory be to Thy name, O Lord most high. In our dear Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 9007. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. RUSSELL, Mr. MCCARRAN, Mr. BANKHEAD, Mr. O'MAHONEY, Mr. LODGE, and Mr. BRIDGES to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 2688. An act to amend section 4884 of the Revised Statutes (U. S. C., title 35, sec. 40); and

S. J. Res. 252. Joint Resolution to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes.

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. GIBSON members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of executive papers in the following departments and agencies:

1. Department of Commerce.
2. Department of War.
3. Administrative Office of the United States Courts.
4. Federal Security Agency.
5. Federal Trade Commission.
6. Federal Works Agency.
7. Office of the United States marshal, eastern district of Wisconsin.
8. United States Civil Service Commission.

DEPARTMENT OF LABOR—FEDERAL SECURITY AGENCY APPROPRIATION BILL, 1941

Mr. TARVER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table H. R. 9007, making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes, with Senate

amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER pro tempore. The gentleman from Georgia asks unanimous consent to take from the Speaker's table the bill H. R. 9007, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate. Is there objection?

There was no objection.

The SPEAKER pro tempore appointed the following conferees: Mr. TARVER, Mr. HOUSTON, Mr. SHEPPARD, Mr. HARE, Mr. ENGEL, and Mr. KEEFE.

ORDER OF BUSINESS

The SPEAKER pro tempore. The Chair desires to make a brief statement. Yesterday afternoon the gentleman from Pennsylvania [Mr. BOLAND], at my instance, in answer to a query, announced that the conference report on the agricultural appropriation bill would be taken up for consideration today. As I say, he did so at my suggestion. Yesterday afternoon late, and this morning, members of the Committee on Appropriations came to me and said they were having the final hearings today on the W. P. A. bill, the so-called relief bill, and asked that they be not called upon to come into the House today to consider the agricultural appropriation bill. I thought that was a reasonable request, and after they had talked with the gentleman from Pennsylvania [Mr. BOLAND] and myself, we agreed not to call that bill up until tomorrow, and to go on today with the amendments to the wage-hour bill. I make that statement in fairness to the gentleman from Pennsylvania [Mr. BOLAND].

Mr. MARTIN of Massachusetts. Mr. Speaker, if the wage hour bill amendments are not finished today, will that bill be in order tomorrow, or will we consider the agricultural appropriation bill conference report instead?

The SPEAKER pro tempore. The Chair would rather answer that later in the day.

LEAVE TO ADDRESS THE HOUSE

Mr. PACE. Mr. Speaker, I ask unanimous consent that upon the conclusion of the legislative business today and of the other special orders I be permitted to address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an article entitled "Let's Build More Houses," and also a letter from Mr. Stewart McDonald, Administrator of the Federal Housing Administration.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include excerpts from the magazine Action and from a series of lectures on the German-British conflict.

The SPEAKER pro tempore. Is there objection?

Mr. SABATH. I reserve the right to object. What is it on?

Mr. THORKELSON. On the World Union.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an editorial that appeared in the Catholic Telegraph Register.

The SPEAKER pro tempore. Is there objection?

There was no objection.

FEDERAL BLITZKRIEG AGAINST CALIFORNIA

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I am bringing some late news of the Federal blitzkrieg against California. I want to read from a Los Angeles Times article:

Secretary Ickes said today that if Congress would appropriate enough money to maintain the national parks he gladly would permit movie companies to use public lands without cost, etc.

He has also entered into a controversy with another official, and I shall put that into the RECORD later.

I ask unanimous consent to extend my remarks, and I beg that my colleagues will read these remarks and give to me the same help they would like me to give to them under similar conditions.

I ask unanimous consent to extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

THE W. P. A.

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. SECCOMBE. Mr. Speaker, we have just been advised that the Committee on Appropriations are now in the closing days of their hearings on the W. P. A. appropriation. I have just returned from an investigation that was conducted in Tuscarawas County of my congressional district relative to the W. P. A. and I therefore wish the Members of the House to know of some of the evidence that was offered during these hearings.

Evidence was produced at this investigation that showed that men had to ride from 15 to 18 miles from their homes to work on W. P. A. projects while there were projects of W. P. A. going on within a short distance of their own home.

Evidence was also produced where men and women were dismissed from W. P. A. because they belonged to certain organizations.

In another instance, 1 gentleman with 10 children could not be reassigned to W. P. A. because he was receiving help to the amount of $5 per month from one of his children.

In another instance, one man received a W. P. A. check for 37 cents and this constituted a pay day and prevented him from further work for 2 weeks.

There seems to be a general lack of cooperation and of administering fair play where the need of a particular family was very much in evidence.

In another instance, approximately 50 or 60 men appeared for work on a project one morning, but found that the tools and implements to do the work were not on the job and they were ordered to return home. There was also a general condition existing where men with large families were not given preference as compared to those who were married but had no children, and veterans were not given the veterans' preference in line with the veterans' preference of the W. P. A. legislation.

As a matter of fact, the largest and most serious handicap is the differential in wage rates between the counties of my congressional district, especially when the dividing line happens to be the main artery of small villages and the differential in the wage scale from the lowest class of unskilled or class B is approximately $8 on the monthly rate. In other words, one county for unskilled or class B labor is $50, whereas the other county affected in unskilled or class B is $42.90, and the lowest bracket in my district for class B unskilled is $39. I am convinced the general classification of these wage rates is entirely unfair and not based on the general average as paid in private industry and that a readjustment should be made at this session of Congress, as I am positive it costs just as much to live in one county of my congressional district as it does in the other. A loaf of bread costs just as much and clothing and other commodities are the same price. The only difference probably would be in the monthly house rent.

It was also shown at this investigation that the provision of after 18 months of continuous work on the W. P. A. that the forced 30-day lay-off has worked an extreme hardship, and not in one single case was their any evidence produced that any person was reassigned after having worked 18 months continuous and being off 30 days, was he or she immediately

reassigned back to work, but in most instances, they had to wait from 3 to 4 months for reassignment, and I am convinced that this provision of the act has worked an extreme hardship on these people, who through no fault of their own have been forced to work on W. P. A. for a livelihood. I am glad I opposed that provision during the last session of Congress and I shall again oppose it when it comes before Congress at this session.

I regret very much that Congress has not seen fit to reappropriate for the P. W. A., which to me was the most constructive piece of legislation that we have ever passed because, first of all, it fixed responsibility and permitted contracts to be made with private contractors who in turn hired union labor and the various men in the building trades were placed at their particular profession and a good construction project was the result. I therefore hope in the coming W. P. A. appropriation bill that no construction work will be done by W. P. A., but will all be contained in a new P. W. A. bill. We must, however, with so many million men still being unemployed, provide for work relief for these needy men and women and we should bear in mind the experiences of this past year and the many hardships these people have faced, when we pass the bill in the next few weeks.

I therefore hope the wage scale will be revised and placed on a more equal basis throughout the Northern States as I believe the only division of comparison where people can live cheaper is in the Southern States and not the industrial States of the North. I therefore hope every Member of the House will study very thoroughly his own congressional district and the conditions therein and will be prepared in the coming weeks during the discussion and debate on this W. P. A. appropriation, so that when we appropriate the necessary funds, we will not have the continued hardship that we have experienced during these past many months. [Applause.]

[Here the gavel fell.]

NEGRO CONGRESS

Mr. ALLEN of Pennsylvania. Mr. Speaker, I ask unanimous consent to proceed for 1 minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ALLEN of Pennsylvania. Mr. Speaker, last week end a group of Negroes held what was known as the National Negro Congress in the District of Columbia. This Congress, as the Youth Congress which preceded it, does not represent the colored people in this country who are trying to live according to democratic and Christian standards. Rather, it was inspired by Communists, white as well as colored, who are trying to ally American Negroes with Moscow in an attempt to overthrow this Government.

I read with amazement and despair that a declaration was passed and applauded by the Negro Congress wherein it was stated that if the United States ever went to war with Soviet Russia they would refuse to defend this country. That is treason. That statement should be repudiated by all Negroes who love this country and who believe in democracy. No intolerant white man could have hurt our American Negroes as much as those deluded members of their own race. The greatest enemies of our colored minority in the United States are those who pass such vicious resolutions as that which I have just read. [Applause.]

No group in America is doing more to undermine the rights of our Negro population than the leaders of the Negro Congress, who are obviously in the pay of the Communist Party in America. [Applause.]

John L. Lewis is equally culpable with the author of that treasonable resolution passed by the Negro Congress. He openly invited the Negro Congress to join his Labor Non-Partisan League, which is the political arm of the C. I. O. Inferentially he approves the composition and program of any group which he invites to affiliate with the C. I. O. There can be no doubt in the mind of anyone that in this instance Mr. Lewis has encouraged the spread of communism.

Much credit must be given to A. Phillip Randolph, of New York, head of the Brotherhood of Sleeping Car Porters, who declined reelection for a third term as president and then resigned from the Congress because it had been financed by the Communist Party.

White people, as well as Negroes, should join in open condemnation of the Negro Communist Congress, its sponsors, and its treasonable declaration which I referred to in my opening remarks.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my remarks and include two short newspaper articles.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MILLER. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article by Herbert Hoover on Russian misadventure.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MILLER. Mr. Speaker, I ask unanimous consent to extend my remarks and include excerpts from certain letters I have received.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. KILBURN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a short quotation from a letter of the Director of the A. A. A.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter and reply thereto.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RICH. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD an address by Hon. Arthur H. James, Governor of the State of Pennsylvania, who spoke in a radio address before the Indiana Republican Editorial Association in the Claypool Hotel, Indianapolis, Ind., Friday evening, April 26, 1940.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

LOBBYING

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and for permission to revise and extend my remarks.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, I should like to know whether the process of formulating legislation, as provided for under the rules laid down by the House of Representatives, has broken down completely. As everyone around the Capitol knows, Nathan Straus, Administrator for the United States Housing Authority, and members of his staff have in the last few weeks been gumshoeing about the Capitol and offices of Congressmen lobbying for the passage of the housing bill that was defeated last year. This is bad enough, and if I had my way these men would be in jail for doing this.

Every bureaucrat should be put in jail for lobbying to put his schemes through Congress.

But Mr. Straus and his crowd are not engaged in just ordinary lobbying. Apparently afraid to face the Banking and Currency Committee, which rightfully is charged with considering legislation pertaining to the United States Housing Authority, Mr. Straus and his crowd have been holding star-chamber meetings in some of the private offices of Congressmen with members of the Banking and Currency Committee to weasel his pet legislation through. The remarkable thing about these meetings is that some of the members of

the Banking and Currency Committee have been invited and others not.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Ohio. No, I do not yield; not now.

In my opinion this is not proper parliamentary procedure.

As for this perfidious action by Mr. Straus and members of his staff, these people should be promptly set back into their seats with enough force so they will stay put permanently. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein an address by Senator W. C. Cordell at the Democratic National Convention at Bristol, Va.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SECREST. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to insert therein a very fine editorial by Dr. Chester D. Swope.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement given before the Flood Committee of the House by myself.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

LOBBYING

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. The gentleman from Ohio, who preceded me, stated that the Rules Committee has broken down. Were it not for the fact that the Rules Committee met today and in response to the requests of many members for hearings on their bills and resolutions, I would not rise to contradict the statement of the gentleman from Ohio and to inform them that the committee acted and granted five special rules on their bills and resolutions. The California and New York delegations will be interested to know that we granted rules on the two Senate joint resolutions on which they had requested action.

The gentleman from Ohio also stated that gentlemen from the United States Housing Authority have had private conferences at the Capitol. I wish to say that I have no knowledge of any conferences and do not know where the gentleman obtained his information, but his innuendo would indicate that a conference was held with me. In this he is in error. I have had no conferences, but I will say that I have requested various heads of departments from time to time to explain their position on resolutions referred to my committee. Personally, I feel that the bill to amend the National Housing Act should be considered, as no legislation has brought about greater benefits to business and to bring about reemployment than this act.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes; I yield to my colleague from Georgia.

Mr. COX. I do not hold any special brief for Mr. Straus, but I think it only fair to him to say that he has not been on the Hill except upon the invitation of a Member of this Congress. I have talked with Mr. Straus myself, and he came upon my invitation. I know he was here upon another occasion and that then he came on the invitation of a Congressman. It is only fair to Mr. Straus that this be said, and I am glad to say it.

Mr. SABATH. I am pleased at this time that I can agree with the gentleman from Georgia [Mr. Cox] that Mr. Straus is an exceptionally sincere and able man, endeavoring to be of real service to the country.

THE AMERICAN NEGRO

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. FISH. Mr. Speaker, I regret that I did not hear the full statement made by my distinguished friend from Pennsylvania [Mr. ALLEN]. I am quite sure, however, that he did not want to convey to the Congress that there is any question of the loyalty of the American Negro. There are very few Negroes in any way affiliated with the Communist Party. Communists have done everything in their power to exploit the injustices or inequalities that may exist among the colored people of America. The Communists were very hopeful that they could go a long way by exploiting these injustices and thus turn the American Negroes into Communists; but I want to go on record as saying that 99½ percent of the American Negroes are loyal American citizens. [Applause.]

[Here the gavel fell.]

Mr. COLMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ALLEN of Pennsylvania. Mr. Speaker, will the gentleman yield for a split second?

Mr. COLMER. I yield.

Mr. ALLEN of Pennsylvania. In answer to the statement made by the gentleman from New York, I want to say that I prefaced my remarks by stating that the Negro Congress, in my opinion, did not represent the Negroes of this country.

Mr. COLMER. I was pleased to hear the statement of the gentleman from Pennsylvania condemning the National Negro Congress, now in session here in Washington. But I am afraid that back of all of this there is something more than the question of the loyalty of the Negro. There are some very prominent white people in national affairs who, I fear, are responsible for stirring up this turmoil among the Negroes. [Applause.] This Negro Congress is nothing more nor less than a communistic affair. And certain organizations who characterize themselves as patriotic American institutions are inviting these communistic Negroes to join them. And I refer to John L. Lewis specifically.

As one who comes from the South, where we have a large Negro population, I desire to here and now warn these self-styled leaders to stay out of the South with that kind of inciting propaganda. The white people of States like Mississippi will not tolerate this communistic aggravation of the southern Negroes. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mrs. NORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I ask to have printed therein an article by Charles P. Ross entitled "Opportunity Knocks for Republicans."

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mrs. NORTON. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER pro tempore. Obviously a quorum is not present.

Mrs. NORTON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 90]

Burgin	Green	Merritt	Schulte
Byrne, N. Y.	Hill	Mitchell	Shafer, Mich.
Byron	Izac	Mundt	Starnes, Ala.
Chapman	Jarman	Nelson	Taylor
Culkin	Jarrett	Patrick	Voorhis, Calif.
Darrow	Jennings	Patton	Ward
Englebright	McLaughlin	Reece, Tenn.	Weaver
Folger	Maas	Rogers, Okla.	Whelchel
Gilchrist	Martin, Ill.	Routzohn	White, Ohio

The SPEAKER pro tempore. Three hundred and ninety-four Members have answered to their names. A quorum is present.

On motion of Mrs. NORTON, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. MAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by the Panamanian Ambassador before the Panama Canal Society, in Washington, on April 20.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

There was no objection.

Mr. BOYKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by the gentleman from California [Mr. KRAMER], on April 6, 1940.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama [Mr. BOYKIN]?

There was no objection.

Mr. TENEROWICZ asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on 11 Senate amendments in the Department of Agriculture appropriation bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma [Mr. JOHNSON]?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two subjects.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. GEYER]?

There was no objection.

Mr. THOMAS F. FORD asked and was given permission to extend his own remarks in the RECORD.

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. VAN ZANDT]?

There was no objection.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Mount Vernon (Ohio) News.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio [Mr. McGREGOR]?

There was no objection.

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. ARENDS]?

There was no objection.

Mrs. CLARA G. McMILLAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered by J. Edgar Hoover.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from South Carolina [Mrs. CLARA G. McMILLAN]?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein two court opinions, one by Hon. George A. Welch, of the United States District Court for the Eastern District of Pennsylvania, Philadelphia, and the second by the Honorable F. Dickinson Letts, United States district judge, District of Columbia, with regard to the activities of the Dies committee.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. MARCANTONIO]?

There was no objection.

AMENDMENTS TO THE FAIR LABOR STANDARDS ACT OF 1938

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5435) to amend the Fair Labor Standards Act of 1938.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5435, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Chair will state that when the House adjourned yesterday the Chair was about to recognize the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Chairman, I will offer my amendment to section 5.

The CHAIRMAN. Are there any further amendments to section 3?

Mr. REED of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of New York: On page 5, line 3, strike out line 3 and all up to and including the period in line 9 and insert in lieu thereof the following: "products consisting wholly or in chief volume of perishable or seasonal fruits or vegetables, including dried fruits, or in handling or transportation in connection with or incidental to such operations, the provisions of subsection (a), during a period or periods of not more than 16 workweeks in the aggregate in any calendar year, shall not apply to his employees in any place of employment where he is engaged."

Mr. REED of New York. Mr. Chairman, I believe you will all recall that when this original legislation was passed we put in a clause relating to the area of production. We provided that the Administrator should determine the area of production. I have some sympathy with the Administrator. I believe we made it very difficult for him. He probably did the very best he could, but he fixed that area of production as a radius of 10 miles from the farm to the processing plant.

I am sure if the Administrator or the Members of Congress that passed that law could have taken a little airplane trip over my district and observed the processing plants distributed along that fruit-growing and vegetable-growing area they would have realized that the so-called area of production was not a very practicable proposition. I happen to know that my farmers out there, who raise a great variety of fruits—strawberries, raspberries, currants, peaches, pears, grapes, gooseberries, and various other fruits—do not care to be put in an iron cage and have a leash put around their necks and told that they cannot take advantage of the market the various processors offer them. I know in my own case, say, with regard to tomatoes, that it may be to my advantage to go 15 miles, even 20 miles to a certain processing plant whose contracts are better and which pays more promptly, or for other reasons. So when you put a leash on a farmer and say, "Here, you must go to a processing plant within 10 miles," it works a very great injustice to him.

All of these various fruits and vegetables which I have outlined mature and are ready for market at various times in the season. It is not uncommon to see 50 to 75 loaded wagons of tomatoes, for instance, waiting their turn, and waiting until long into the night. It is utterly impossible for the processing plants to take care of these products as they rush in from the fields.

What I should like to see is the passing of this Barden amendment so that the 10-mile limit will be eliminated, in

order that my people can take advantage of the market. There is no reason for giving a processor a monopoly of all the produce within the radius of 10 miles. In that situation he can fix his own price with impunity.

Further, it is not fair to these canning industries, or to the farmers, or to the employees, to confine them to 14 weeks. These products do not all mature at the same time. They are not ready for processing at the same time. Sometimes there is a mixture, such as fruit salads, which require that large quantities of the fruits entering into the processing of salads are placed in storage, using the modern processes of refrigeration to preserve them until needed, and then later on their processing will give employment for a period of weeks. We are asking only for 16 weeks. They will give employment for a period of weeks. Otherwise these small processing plants—and most of them are comparatively small—find that because of the increased cost and risk of losing the exemptions they have to shut down.

My amendment simply provides that where the chief volume of perishable products is concerned they may get the benefit of these 16 weeks. It means much to the employees, and it means a great deal to the farmers. I believe this is a reasonable amendment.

I am not quarreling about the minimum wage, but in these processing plants it is utterly impossible, unless you know the business of the farmer, to regulate these things, and no administrator down here can do it. These conditions work tremendous harm to the employers, to the farmers, and to the processors. I am not speaking for the big processors in Chicago and Pittsburgh, and others of that class, I am speaking of the small markets for the farmers in my section of the country.

I believe this is a reasonable amendment, simply extending the time to 16 workweeks to give them a chance to process over a period of time and take care of all these fruits and vegetables that come into production at different times. [Applause.]

[Here the gavel fell.]

Mr. BARDEN of North Carolina. Mr. Chairman, I rise in opposition to the amendment and will ask the gentleman from New York [Mr. REED] if the situation complained of by the gentleman is not taken care of on page 5 in the language that the gentleman proposes to strike out?

Mr. REED of New York. No; it is not, and I will explain to the gentleman what I desire to accomplish.

Mr. BARDEN of North Carolina. Mr. Chairman, the principal difference here seems to be the language used by the gentleman, "wholly or in chief part." I think the language as it is in the amendment now being considered would approximately take care of the situation.

If the vegetable is put in cold storage, it is still a perishable fruit or vegetable and it is still a seasonal fruit, and if it has to be dried, then it can be mixed in with the others; but this exemption provides for the 16-week exemption with respect to the hours' provision for the reason that the gentleman discussed, and that is to take care of the peak season, when a strawberry or a vegetable is not going to wait for the calendar. It is going to spoil if you do not use it, within a certain time, or preserve it.

Mr. REED of New York. I will say to the gentleman, if he will yield, it is not my purpose in any way to interfere. I am going to support the gentleman's amendment; but I do think, after the experience we have had, that my amendment is most reasonable. I have given very careful study to it, and I simply want to be sure that I have full opportunity to carry out the purpose which I have in mind.

Mr. BARDEN of North Carolina. I will say to the gentleman from New York that I see no chance in the world for the Administrator to misinterpret this language. A vegetable on cold storage is just as perishable as before it was put on cold storage.

Mr. REED of New York. We thought that, too, about the area of production, and we have seen what happened.

Mr. BARDEN of North Carolina. Area of production is different.

Mr. REED of New York. Let us play safe and give this benefit to the farmer. Let us give him the benefit of the doubt.

Mr. BARDEN of North Carolina. I think the amendment as now written will take care of the gentleman's situation even better than the amendment he has offered, and I hope the committee will stand by the amendment as written in the bill.

Mr. REED of New York. I would like to see the amendment passed. I think it is going to save us a great deal of trouble in the future if my amendment is adopted. I prefer to have the Congress enact the law and make it specific rather than pass it on to others.

Mr. BARDEN of North Carolina. I may say to the gentleman that this issue was discussed at the time we prepared the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. REED].

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments to section 3? If not, we will pass on to section 4. Are there any amendments to be offered to section 4?

Mr. TARVER. Mr. Chairman, I move to strike out the last word in section 4.

Mr. Chairman, I am not one of the Members of the House who proposes to get all "hot and bothered" about these proposed amendments to the Wage and Hour Act. I voted against the enactment of the Wage and Hour Act because I believed that the wage provisions of the act would probably not achieve the results that at least some of their proponents hoped for. I was in favor of legislation affecting the subject of hours. But although I opposed the enactment of the act, I do not favor its repeal by indirection. I believe that an opportunity should be accorded those administering the Wage and Hour Act to show that it can be made to work for the benefit of industry and of labor in this country. I am personally doubtful as to the effectiveness of their efforts, but so far as I am concerned, I do not intend to vote for discriminations in favor of one industry as against another where there is not some logical reason for the adoption of an exception. I do not believe in making fish of one and fowl of another.

At the last session of the Congress I voted to take up in this House the provisions of the Norton bill or the committee bill, under suspension of the rules, and I think it would have been far better for those who are interested in trying to obtain some undoubtedly needed amendments to the existing law if that bill had been considered and had been passed by the Congress. I think it is better to get something of a character recognized as needed by practically everybody rather than to attempt to get a great deal in the way of drastic amendments and get nothing, and I think that is the situation with which you are confronted here today. If you proceed to the adoption of drastic amendments to the Wage and Hour Act, the result is going to be that the Senate will not consider them, and if they are considered and passed by the Senate, they will not be signed by the President.

There are certain amendments included in the Norton bill or the committee bill which will be vastly beneficial to a great many thousands of workers in this country, and I can conceive of no reason why we should refuse to agree to those amendments and enact them into law just because there may be a large percentage of us who favor the enactment of additional amendments. Half a loaf is better than no bread. And when I speak of bread, I wish to point out that the means of livelihood of scores of thousands of workers would be vastly improved by the committee amendments. In time there will be other amendments. The people of the United States will not permit indefinitely to remain on the statute books any law or any part of a law if it shall have been thoroughly demonstrated to be unfair or unjust either to industry or labor. We have this law; let us give it a fair trial. It is a practical proposition, and I say to you that the membership of the House who really want to accomplish something in the way of effective amendments to the Wage and Hour Act at this session of Congress would, in my judg-

ment, be wise to abandon their efforts to very drastically amend the existing law and adopt the modifications which have been recommended by the committee and which have some chance of passing.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. TARVER. Gladly.

Mr. COX. Does the gentleman regard the Barden amendments to be drastic?

Mr. TARVER. In some respects I do.

Mr. COX. In what respects?

Mr. TARVER. Discussing the details of the Barden bill is impossible for me to undertake in the 5 minutes allowed me. I will say that if the House passes the Barden amendments and the Senate should concur with the action of the House, the net result in my judgment would be that no legislation would be enacted at this session, because I feel sure, and I think the gentleman feels sure, that legislation going as far as the Barden amendments would be vetoed by the President. I am anxious to get something done in the outstanding cases where amendments to this act are generally recognized as necessary, and we cannot get it done if we insist on all we want in the way of amendments.

Mr. COX. Does the gentleman not think we should meet our responsibility as we understand it, and do what we think is right?

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment. I take these few minutes to clarify my position, and a difficult position it is. Originally I was for the wage-hour law, long before many of my Republican colleagues were willing to vote for it. I think it is generally understood why I was for the wage-hour law. However, if you will look over the remarks I made at the time, I think you will find that I declared that reforms should come very slowly, that as we found that injustices had been committed we should be willing to amend the act. But all these New Deal measures that we have passed meet great resistance whenever attempts are made to reconsider and amend. I have had much experience as a farmer. I know that anything added to the expense of processing is generally taken out of the farmer; it is not handed on to the consumer. Processors have to compete for the consumer's trade. It is a paradox that a government should enforce extraordinary expenses on the processor and then under trade agreements enforce more competition. Of course, the farmer has to bear this processing expense, and we can well understand his situation.

First we have the Norton amendments. I had rather expected that they would be sufficient to meet my approval, but when I hear that the Norton amendments are not to be supported by the committee itself, I do not know where I would be left if I did not vote for the Barden amendments. I want to help relieve the present conditions so plainly shown to be needed. Both bills seem to remedy the imposition of the act on those already receiving high wages. Many of us realize that the banks are now closing at 2 o'clock instead of 3 because of the act, although we did not attempt to cover in such well-paid employees. I said at the time that I voted for the Wage and Hour Act that I feared that many of those rural communities that performed so-called piece work might be adversely affected. It reminded me of the many Cape Cod widowed families of my boyhood days. They were glad enough to have a little work at home if they could earn even very small wages. Well do I remember those great packages of tags, where they put in a little red string and tied it—at very small pay, but it was so much better than nothing. I dreaded lest that rural home work should be wholly taken away, because of this wage-hour bill. My own section, I trust, has outgrown the need of it. So I refer back to you that although I was willing and wanted to bring about a Wage and Hour Act, in relation to large industries and protect ourselves from our own miserable competition in many ways, yet I was not so foolish as not to know that the time would surely come when we ought to try to amend the act, and unless I can see real support for the Norton bill I am going the full way for the Barden amendments. I repeat again, whatever you put onto the cannery you put onto the farmer. I well understand what it means to have goods sent to market and then have word sent back asking for the expense of shipment. The farmer was wholly at their mercy. Nowadays in my section, and I think also in yours, the farmers have usually formed their own cooperatives for processing. We also use the refrigeration availabilities, and our farmers want to be able to take from the freezer any time of the year and put the goods on the market. [Applause.]

[Here the gavel fell.]

The pro forma amendment was withdrawn.

Mr. BLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND: On page 8, line 21, strike out all of subsection (f) and insert in lieu thereof the following:

"(f) Canning, processing, or preserving of any product consisting wholly or in chief volume of perishable or seasonal fruits or vegetables, including dried fruits, or in handling or transportation in connection with or incidental to such operations to the extent any employer in either case is so engaged."

Mr. BLAND. Mr. Chairman, the purpose of this amendment is to clarify the evident intent in section (f).

When the conference report on the wage and hour bill was before the House I supported it. I voted for it because I believed that the small-canning people, who were giving me great concern, had been taken care of in the language "area of production." But I find the interpretations to be such that they have not.

I want to call attention to the fact that in the Barden amendment that has been offered to section (f) it prohibits any person from receiving the benefit who does anything else except can, preserve, and so forth, perishable or seasonal fruits or vegetables. If, perchance, in order to carry on a small factory for a short time, pork and beans are canned or taken care of, or some soups, some things that are not seasonal or perishable, if one article is taken care of in that factory, then the cannery does not get the benefit that is intended by section (f).

I am simply asking that the party who is engaged in canning, processing, or preserving of any product consisting wholly or in chief volume of perishable or seasonal fruits or vegetables, including dried fruits, or in handling or transportation with or incidental to such operations, to the extent any employer in either case is so engaged, may still receive the benefits under this paragraph.

In other words, instead of putting an inhibition against the whole factory if one can of pork and beans is canned, I say "to the extent that he is canning perishable or seasonal commodities" he shall be entitled to the benefits that are intended here. It is the unintentional language in the amendment, I think, which defeats the amendment.

Now, it is said that this is trying "to chisel." There are as many small canneries in my district as probably any district in the United States. If the farmer cannot send his goods to that cannery, he would be dealing with them at a loss, and he does get something by dealing with the cannery. Unskilled labor, seasonal labor, labor that works partly on the farm and partly in the cannery, labor that cannot compare with the canneries in the large industrial centers, labor that is entitled to a little pittance to help out is glad to come there and cooperate with the farmer in making a living.

The gentleman from Kentucky [Mr. CREAL] put his finger on it yesterday when he said it is not between labor and capital, but this is between labor and labor, because the farmer is a laborer himself. [Applause.]

I am just asking that he shall have an opportunity not only to raise his crops, not only to meet competition, but be given an opportunity to provide work for these people in the factory. I am pleading for the laborers in my district, in my section, in asking for this reasonable amendment.

[Here the gavel fell.]

Mr. HEALEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, on yesterday the gentleman from Oklahoma [Mr. MASSINGALE], who represents an agricultural district, and the gentleman from Minnesota [Mr. BUCKLER], who also represents an agricultural district, exploded the theory that the Barden bill was proposed in the interest of and for the benefit of the farmer. These two men, with a sincerity that has characterized their every action since they have been Members of the Congress, stated that they could not subscribe to the philosophy that the farmer is benefited by decreasing the wage of the masses of American workers. Mr. Chairman, a million and a half American workers will be affected by the Barden bill.

I do not believe there is any answer to the arguments advanced by the gentleman from Oklahoma [Mr. MASSINGALE] and the gentleman from Minnesota [Mr. BUCKLER] against the passage of the Barden bill. I think they have hit at the very nub of this whole question when they stated that in their sound judgment—and they represent farmers—that the plight of the farmer cannot possibly be relieved by attempting, through the methods contained in this bill, to lower the purchasing power of so many million American workers.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. Not just now.

I want to take occasion, before the debate will have concluded on this very important measure, to pay a tribute to the gentleman from Georgia [Mr. RAMSPECK], a member of the Labor Committee.

I believe he represents the enlightened and progressive leadership of his section of the country. As a Member of this Congress he has displayed on all occasions sincerity and outstanding ability on whatever assignment the Congress has seen fit to place him. As chairman of the Civil Service Committee he reported a very difficult and complex bill to the House, and the manner in which he handled that bill called forth the admiration of all Members. [Applause.] As a member of the Committee on Labor he has given thoughtful and profound consideration to all of these very complex measures affecting the workers of our Nation. In his speech of yesterday he stated that the philosophy of the Barden bill was not helpful to the great section of the country that he represented. He does not believe that the industrial future of the South depends upon low wages and long hours. In his opinion, the South will be helped by stimulating purchasing power. By paying fair wages, the wage earners of the South will be enabled to buy the products of southern industry and industrial workers there will be encouraged to greater productivity if they were paid a fair and decent wage.

Mr. KEEFE. Mr. Chairman, will the gentleman yield for a question?

Mr. HEALEY. I yield.

Mr. KEEFE. I have listened with a great deal of interest to the gentleman's remarks. Would the gentleman be kind enough to tell the House whether or not he favors the Norton bill?

Mr. HEALEY. I do not favor many of the provisions of the Norton bill.

Mr. KEEFE. The gentleman does not intend even to support the bill presented by the committee of which the gentleman from Georgia [Mr. RAMSPECK] is a member.

Mr. HEALEY. I cannot support it in toto because I believe it exempts from the provisions of the Wage and Hour Act many persons who require its protection, and these exemptions are not warranted by the facts.

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it always has been my conviction that in a country as vast and diversified as the United States of America, where the cost of living and production varies so greatly, the attempt to force all the members of any single industry to comply with a universal or uniform standard is sheer idiocy and impossible of accomplishment. Notwithstanding that fact, I think there are good arguments both for and against the wage-hour bill, although I opposed it in its original form because I felt that it was exceedingly difficult, if not utterly impossible, for any agency justly and equitably to enforce a law of its kind.

My purpose in rising at this moment is to read to the Members of the House a letter I received recently from one of the most prominent and intelligent members of the Ozark Canners' Association, and I would like to ask the indulgence of the Committee and crave the attention of the ladies and gentlemen present to what this canner himself has to say:

CHAMBERLAIN CANNING CO.,
Anderson, Mo., April 13, 1940.

The Honorable DEWEY SHORT,
Representative from Missouri, Washington, D. C.

DEAR MR. SHORT: At a committee meeting of some of the Ozark canners at Fayetteville last Wednesday it was stated that there is some possibility of the "area of production" being adjusted to a 75-mile radius rather than the 10-mile radius under which we are operating now.

The same arguments that we used against the 10-mile radius last year apply to this prospective ruling. It is unfair. We would much rather all canners were required to pay the wage minimum, which we do not protest, than to have some few canners of the Ozarks have to pay a higher wage than is required of the others, but at the same time have to sell their product on a competitive basis with these other canners.

In this district many growers expect to sell their fresh vegetables and fruits on the fresh market. The fresh market is not always stable, and when the growers cannot get a satisfactory price there they offer their product to the canner. If there is no "area of production" restriction, the canner may bid for these fruits and vegetables. If there is the restriction, the canner cannot handle them, and the grower, who is already out his harvesting and transportation expenses, has a total loss on his hands; besides the waste of good vegetables which must be dumped.

To one who is familiar with the fruit and vegetable business in this or any district, it is evident that this "area of production" ruling works a severe hardship upon the farmer—the very man who needs every fair advantage and opportunity possible.

We also protest the unfairness of a canner in a town of 2,500 population having to pay the minimum wage while a canner within 2 or 3 miles of the city limits may pay any price he pleases. This situation occurs in several instances. Both canners draw from the same producing territory and sell to the same consuming territory.

Frankly, we personally would be glad to see all canners compelled to pay the wage minimum. We do not feel that, on the whole, canners have paid their labor enough. Housewives would be willing to pay a few cents on the dozen more, and if all canners had to pay their labor a little more we could obtain sufficient increase on the canned goods to pay the higher cost of production. As it stands, only a few canners have the higher cost of production, and they can obtain no more for their canned goods than do their neighbors who have the lower cost of production.

We believe further that canners of perishable products should be released from the restricted-hours portion of the law because, like Nature herself, crops continue to grow, regardless of law, and they must be handled as they are ready or the loss will be heavy and the cost needlessly advanced. It is all right for the restricted-hours portion to be applied out of canning season, but during canning season at the peak of the harvest load we may need our crew 60 hours during 1 week. There might only 1 such week occur during the season, and it would be impractical to try to obtain extra help for that short period—impractical and in some instances impossible.

If your views coincide with ours—and we believe we are looking at it fairly for the industry as a whole—we will appreciate your doing all you can to bring about a fair and equal ruling applicable to all canners. We understand the hearing on this will be this week.

With kindest regards, I am,
Yours very truly,

S. G. CHAMBERLAIN.

I am very happy that such a reasonable and sound letter comes from a constituent of mine. For the benefit of the Members of the House, let me say that after contacting the Wage and Hour Division of the Labor Department I have been informed that these prospective hearings will be held as follows:

On the 1st of May hearings on packing of citrus fruits in the area of production. On May 6 hearings on the packing of noncitrus fruits and vegetables in the area of production. On May 9 hearings on the canning of all fruits and vegetables in the area of production. You gentlemen whose districts are vitally affected by this legislation I am sure will want to attend these hearings and register the interest of your constituencies before this particular Division administering the wage-hour law.

Mr. WOOD and Mr. RAMSPECK rose.

Mr. SHORT. I shall have to yield first to my colleague from Missouri.

Mr. WOOD. Does not the gentleman believe that the committee bill covers all the objections made in the letter he just read?

Mr. SHORT. No.

Mr. WOOD. The committee bill raises the exemption to 60 hours a week on perishable products.

Mr. SHORT. It takes care of some of the problems, it is true, but not all.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. CASEY of Massachusetts. I would like to add what the writer of that letter said, because really the Barden amendments discriminate between employers engaged in the same industry. The canner of fresh fruits and vegetables gets an exemption, whereas the canner of fresh fruits and vegetables, and also dry lines, such as pork, beans, soups, and so forth, does not get any exemption.

Mr. SHORT. That shows, of course, the complicated nature of the problem and the complicated state of the law itself. It only goes to show that the wage-hour law should never have been enacted in the first place, but since it is now the law, we should enact certain amendments which would give relief to the greatest number in small industries that are threatened with total destruction. Because of the complex nature of the problem, I do not think it is possible for any Federal agency under any administration, regardless of its political color, to administer such a complicated law with justice to all members of any given industry.

Already several amendments have been adopted which have added only confusion to our present difficulties, and no doubt other amendments will be adopted that will further complicate our problem. Perhaps the Congress should blame itself for enacting such a measure rather than blame any poor individual who is bold enough to attempt the administration of it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

Mrs. NORTON. Mr. Chairman, I would like to see if we cannot reach an agreement as to time. I ask unanimous consent that all debate on this section and all amendments thereto close in 30 minutes.

Mr. ELLIS. I object.

Mrs. NORTON. Mr. Chairman, I do not want to be arbitrary, but this bill is going to take considerable time unless we can get some agreement. Will the gentleman reserve his objection?

Mr. ELLIS. Mr. Chairman, I was on the floor seeking time to be heard on the amendment which has just been acted on, and I was denied the privilege of being heard. I am going to object to all limitations of time hereafter.

Mrs. NORTON. I am sorry the gentleman could not be heard. Mr. Chairman, I move that all debate on section 5 and all amendments thereto close in 35 minutes.

Mr. REED of New York. Will the gentle lady yield?

Mrs. NORTON. I yield to the gentleman from New York [Mr. REED].

Mr. REED of New York. Has the gentlewoman covered all of those who wish to discuss this section?

Mrs. NORTON. I think the Chairman can divide the time to take care of every Member who rose.

The CHAIRMAN. The question is on the motion offered by the gentlewoman from New Jersey [Mrs. NORTON].

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were—ayes 74, noes 83.

So the motion was rejected.

Mr. GWYNNE. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GWYNNE to the Barden substitute: On page 7, after the word "effects", in line 4, insert the following new paragraph:

"Section 13 (a) of such act is further amended by striking out clause (8) and inserting in lieu thereof the following:

"'(8) any employee employed in connection with the publication of any newspaper with a circulation of less than 5,000; or'."

Mr. GWYNNE. Mr. Chairman, my amendment is a very simple one. It will be remembered that in the present wage and hour law, weekly and semiweekly newspapers having a circulation of less than 3,000 are exempt. The purpose of my amendment is to extend this exemption to all newspapers having a circulation of less than 5,000. If we adopt the amendment, we will be carrying out what I believe was really the intention of the House when we passed the original Wage and Hour Act. We had in mind at that time inserting language in this bill which would exempt from its provisions country newspapers as we know them. Unfortunately, however, we did not pick the figure that carries out our thought and intention. In my State, for example, and in a great many other States undoubtedly, most of the small papers are now exempt. We have in Iowa, however, 50 papers with a circulation of between three and five thousand. They are published under substantially the same conditions as the papers that are now exempt. Furthermore, it should be borne in mind these papers are published in small towns where sweatshop conditions do not prevail. They are paid in practically every instance, and this is true in my State particularly, not only above the minimum but above the maximum. There is no reservoir of skilled labor in these small towns who can get out these papers in time of peak loads. It is rather stretching the imagination to say that the publishing of a country newspaper is interstate commerce. We had a survey made in my State, and we found that only 4 percent of the circulation of the small papers in Iowa went outside the State and 8 percent of the revenue was received from outside the State.

Mr. CARLSON. Will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Kansas.

Mr. CARLSON. The fact is the present law provides for an exemption of weeklies and semiweekly newspapers from the provisions of the Wage and Hour Act up to 3,000 subscribers. I am hoping your amendment will be adopted. When they do job printing, as well as publishing, they come under the Wage and Hour Act, and this works a real hardship. Here is an opportunity for Congress to remedy this situation.

Mr. GWYNNE. That is correct. My amendment would remedy this situation.

Mr. TALLE. Will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Iowa.

Mr. TALLE. The gentleman from Iowa [Mr. GWYNNE] deserves a lot of credit for presenting this amendment. It is constructive. It will make the law more suitable to the conditions which prevail in the weekly newspaper business. In my district there are a great many country weeklies which would be well served by this amendment. I cannot believe that the present law was intended at the outset to apply to these little newspapers. I want to assure the gentleman of my support.

Mr. GWYNNE. I thank the gentleman.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The original exemption, it seems to me, was based on the argument it was difficult in these small towns to get substitute help.

Mr. GWYNNE. That is right.

Mr. CASE of South Dakota. That same condition certainly exists for small dailies as for the weeklies which are published in the same-sized town or have a small circulation.

Mr. GWYNNE. That is true.

Mr. KNUTSON. Will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Carrying the thought of the gentleman from South Dakota [Mr. CASE] a little further, all newspaper work is more or less seasonal. You will have a heavy run of advertising in the spring and again before harvest, then right before Christmas. There are lulls in between. The labor used

on a newspaper is highly skilled. You cannot lay them off in slack times and put them on in rush times; so the newspapers have to carry them over the entire 12 months.

Mr. GWYNNE. That is true.

It has been argued by many lawyers that if we had not written any exemptions in the law at all, the newspapers might have been exempt. Under the law we exempted retail service establishments where the major portion of their business is intrastate. In my State we have a sales tax, and under the sales-tax law it becomes necessary to decide what is and what is not a service establishment. It has been held in Iowa that a newspaper is a service establishment. Therefore they all might have been exempt if we had not put this 3,000 limitation in the original law.

Mr. SHORT. Will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Missouri.

Mr. SHORT. I am heartily in favor of the gentleman's amendment. I know the gentleman is a good lawyer and I would like to ask him this question: If we continue to add exemptions to the present law, it will soon be a bill of exemptions.

Mr. GWYNNE. We are not adding an exemption here. We are just fixing one up.

Mr. CASE of South Dakota. As a matter of fact, the gentleman's amendment would simply clarify a section that is now subject to a great deal of problematical interpretation.

Mr. GWYNNE. That is correct.

[Here the gavel fell.]

Mr. BARDEN of North Carolina. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I wish to make a few remarks that may be regarded as akin to the remarks of the gentleman from Georgia [Mr. TARVER]. Many Members of this body are unquestionably very serious in their work of trying to make a workable law out of the wage-hour law. This action is justified as a result of a report filed in this Congress by Mr. Andrews, the ex-Administrator of the wage and hour law, who was, as is the present Administrator, required by law to report to this body. I wish to read you an excerpt from the report by Mr. Andrews, the Administrator, a report filed by him as required by the law. This has to do with the area of production:

> This procedure of investigation and redefinition for individual industries will not produce satisfactory results. In each instance it is clear that no amount of care or study can result in a definition of "area of production" which will not create a discriminatory situation.
>
> The term "area of production" as used in section 7 (c) and section 13 (a) (10) is ambiguous and is subject to a great variety of possible interpretations. The term was used previously in the N. R. A. definition of "agriculture," and was the cause of great administrative difficulties at that time. It has had an even more disturbing history to date under the Fair Labor Standards Act.
>
> The difficulties of arriving at any approximate definition of what constitutes the "general vicinity" or "rural regions" are apparent. All of these considerations lead to the conclusion that any precise, definite, uniformly applicable, and at the same time equitable and justifiable definition of "area of production" as used in the act cannot be found. Its elimination or clarification of its meaning by the Congress therefore appears necessary.

Mr. Chairman, that is what I have attempted to do, and I regret to have to oppose an amendment that raises the exemption to newspapers having 5,000 circulation. I have lots of such newspapers in my district, and it is not popular for me to oppose this amendment. However, I sincerely hope we will continue our serious and sincere effort to make this a workable bill and not attach amendments to it just because somebody has written to us. I hope this amendment will be defeated. Possibly some of these newspapers may need relief, but this certainly has no bearing on agriculture, and I do not care to fly any false flag. I am not going to be a party to it. I am on a serious mission. A great many Members of this House have encouraged me and have consulted and counseled with me on this bill, and I should like for them to be just as serious now as they were then.

This pending amendment, in my opinion, is not so good. I do not see any good purpose served by it. It may make the editors feel better, but I believe now we had better look to the common good of the situation.

If we should take this bill today, if it were possible to do so, and strike out of section 13 (a) (10) six words, we would make a fairly workable bill out of it; that is, if we should strike out that provision which states "area of production as defined by the Administrator," it would be a pretty good bill, and I wish there were some way to do it. [Applause.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN of North Carolina. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Would not the gentleman be more satisfied to leave the definition of "area of production" to a court rather than to an administrative body?

Mr. BARDEN of North Carolina. I am sorry the gentleman has mentioned that. Many lawsuits have been started to try to define it, and each one of them has been dismissed by reason of the Administrator's filing a special appearance and denying that the court has jurisdiction over him unless the complainant comes to the District of Columbia to sue him.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. BARDEN of North Carolina. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I was under the impression the gentleman's bill would correct this evil of the ruling on the area of production.

Mr. BARDEN of North Carolina. The only way we could arrive at a correction without using the definition was to set out the individual operations, and that is what the section we are now considering attempts to do.

Mr. ROBSION of Kentucky. Does the gentleman believe his bill corrects this condition?

Mr. BARDEN of North Carolina. Certainly I think so. If I did not, I would not be supporting it. But the bill or the purpose it was intended to serve will not be helped if it is loaded with bad amendments.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I ask that all debate on this section and all amendments thereto close in 45 minutes.

Mr. WHITTINGTON. Reserving the right to object, Mr. Chairman, I should like to make the suggestion that it might facilitate matters if the amendments were read so that before we agree to a limitation we may know what amendments are to be considered. I ask unanimous consent, Mr. Chairman, that all pending amendments to section 5 be reported.

Mr. RAMSPECK. Mr. Chairman, I believe that would take too much time, and I object.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia that debate on section 5 and all amendments thereto close in 45 minutes?

There was no objection.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the wage and hour law should be considered for the good it will do underpaid workers and the jobs it will create in industry or on the farm. The pending amendment is like practically all the other amendments that are attached to the wage-hour bill—they are for elimination of employees from under the act. There may be certain inequalities that have arisen since the wage-hour law was enacted, and I know there are many injustices that should be corrected in time, giving longer hours of work to certain manufacturing establishments like canning plants and others which are dealing with foodstuffs which may spoil if they are not taken care of in a short time. Time is an element in caring for foodstuffs, and we should permit longer hours to be worked to care for the foodstuffs, thus giving all people cheaper foodstuffs, more foodstuffs, and a happier people without injuring any person. That is what we want to do with the act—help everybody. I think the Congress is justified in changing the law. When this law was enacted they made too many exemptions. They exempted anyone who worked on a farm; they exempted anyone who worked in any establishment that employed less than eight people. There were so many exemptions when the law was enacted that the law applied to too

few people. No wonder it would not work. If this law is ever to be successful, it ought to put a floor on the wages of everybody—on all our people the country over—therefore, how can anyone who is receiving less than 25 cents an hour get along in this day and age, and that was the wage that was to be paid at the time the law was enacted. Today the minimum is 30 cents per hour. How can anyone get along on that rate when you have the highly unionized forces of labor that get a dollar, or a dollar and a quarter, or a dollar and a half an hour? Some unionized labor get the high wages, while these poor fellows who get almost nothing can hardly exist, and now they want to take away any floor established so they will fall. That was the great trouble when we enacted this law; it should have included everybody. Why was it not so written? That is what I wanted to know at the time the original bill passed the House of Representatives.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. RICH. For just a question.

Mr. CASE of South Dakota. The gentleman knows, certainly, that men working even in country print shops get more than 25 cents an hour. This is not a problem of wages so far as the small newspaper is concerned; it is a problem of hours when the press breaks down or some rush work comes in and extra help is not available, and the paper is working against the dead line for publication.

Mr. RICH. Certainly; go over here to the Government Printing Office and they get from $1.50 to $1.75 an hour. I am not objecting to exempting the small newspapers any more than I am for any poor laboring man.

Mr. CASE of South Dakota. This exemption does not apply to large publishing plants but simply to the small newspapers who have to take their business when they can get it. Some days or some weeks they may have a light run, and other times a heavy run.

Mr. RICH. I am not particularly speaking so much against this one amendment as I am against all the amendments. All the amendments tend to take away from the little fellow, and yet this administration has said that they are trying to help the little fellows, but they do not help them. That is the trouble with this New Deal administration. They did not help the little fellow, and that is what I want to do—give all people a minimum wage so they can live.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the distinguished legislator from Missouri.

Mr. SHORT. Does not the gentleman believe that when you place such vast, discretionary power in the hands of a single individual, such as the Administrator, you will always have a government by the whims and fancies of a capricious individual rather than fixed law and established principles?

Mr. RICH. The gentleman is absolutely right.

Mr. SHORT. Does the gentleman feel it is possible for us ever to administer equitably a just and fair law?

Mr. RICH. I would say it could not be done under the present administration.

Mr. SHORT. Or under any administration?

Mr. RICH. We might get an administration whose word is good and one that will do what it says it will do, but when you get a man as administrator, or a man in the White House who is nothing but a dictator, how can you expect to have a good administration? [Laughter and applause.]

The CHAIRMAN (Mr. COOPER). If the Committee will kindly indulge the Chair a moment, there were 11 Members who rose and indicated they desired recognition. The time was fixed at 45 minutes. Without objection the Chair will recognize those listed for 4 minutes each, and those remaining on the list are the gentleman from South Dakota [Mr. CASE], the gentleman from Kansas [Mr. CARLSON], the gentleman from Illinois [Mr. ARENDS], the gentlewoman from Illinois [Miss SUMNER], the gentleman from New York [Mr. REED], the gentleman from Washington [Mr. COFFEE], the gentleman from Iowa [Mr. HARRINGTON], the gentleman from Mississippi [Mr. WHITTINGTON], the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], and the gentleman from Georgia [Mr. [RAMSPECK].

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. May we not have the amendment now pending voted upon before the subsequent amendments are offered?

The CHAIRMAN. The Chair was just about to put the question on the pending amendment.

The question was taken, and the amendment was agreed to.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, in order that each of the Members listed to speak may have 5 minutes, I will withdraw my request for time on this section and make my remarks on the next section.

Mr. CARLSON. Mr. Chairman, in view of the fact that the committee has adopted the Gwynne amendment, I withdraw my request for recognition on my amendment.

Mr. REED of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of New York: On page 8, line 21, strike out all of line 21, and everything down to and including line 5, on page 9, and insert the following:

"(F) Canning, processing, or preserving of any perishable or seasonal fruit or vegetable (including handling and transportation in connection with or incidental to such operations), but only to the extent that he is engaged in such activities."

Mr. RAMSPECK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. RAMSPECK. The section which the gentleman seeks to strike out, as I recall, was stricken out by the amendment offered by the gentleman from Virginia [Mr. BLAND], which I thought was adopted.

The CHAIRMAN. The gentleman is correct in that understanding, and the Chair invites attention to the fact that the amendment of the gentleman from Virginia having been adopted, which struck out the language referred to in the amendment of the gentleman from New York, the amendment would not be in order, certainly, in the form presented.

Mr. REED of New York. Mr. Chairman, I would like to reserve the right to redraft the amendment and offer it later.

The CHAIRMAN. The Chair sustains the point of order made by the gentleman from Georgia [Mr. RAMSPECK].

Mr. ARENDS. Mr. Chairman, I move to strike out the last word for the purpose of obtaining information from the gentleman from North Carolina [Mr. BARDEN].

I would like to ask the gentleman from North Carolina if his interpretation of the language on page 7, paragraph (A), beginning in line 12 and ending after the word "casein" in line 16, would include buttermilk. Would the gentleman have any objection to inserting an amendment to include buttermilk, or does the gentleman interpret this language to mean that buttermilk is included?

Mr. BARDEN of North Carolina. Mr. Chairman, may I say to the gentleman that no one in this House or anywhere else ever intended that the Administrator should make a distinction in the tastes of milk in interpreting the term "the area of production," but I understand that he did. Therefore, in drawing this amendment, if you will read the wording of it, you will see it reads as follows:

Cooling, freezing, separating, pasteurizing, drying, fermenting, grading, packing, making, or preparing for market, of milk, skim milk, cream, whey, butter, etc.—

And that is all I know that a cow gives.

Mr. ARENDS. I just wanted the gentleman's interpretation of it.

Mr. BARDEN of North Carolina. I do not think there is a question about it, and the dairy folks have approved it.

Mr. ARENDS. They have approved of it?

Mr. BARDEN of North Carolina. Yes.

Mr. ARENDS. I thank the gentleman for his opinion on the matter. Mr. Chairman, I yield back the balance of my time.

Mr. REED of New York. Mr. Chairman, the gentleman from Virginia [Mr. BLAND] in his amendment evidently accomplished what I desire to accomplish by my amendment, and therefore I withdraw my amendment and yield back my time.

Mr. COFFEE of Washington. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COFFEE of Washington: Page 11, in section 5 (b) R, after the word "operations", in line 3, insert a period and strike out all down to and including line 11.

Mr. COFFEE of Washington. Mr. Chairman, this amendment is designed to clarify section 5, subsection (b) R, of the bill denominated the Barden bill. This amendment is somewhat unique as an amendment, in that it is an amendment that seeks to eliminate an exemption and restore to the coverage of the Wage and Hour Act one of the largest industries of the United States, namely, the lumber industry. Numerous lumber manufacturers have expressed vigorous opposition to the proposal contained in the Barden bill for an exemption of lumber operations, where the employees number 15 or 16 or less. A similar proposal contained in the original Black-Connery bill was discussed by Dr. Wilson Compton, secretary-manager of the National Lumber Manufacturers Association, in the joint hearings on the bill in 1937. At that time it was pointed out that a proposal to exempt employers of 25 or less men would exempt 20 percent of the national lumber production and 86 percent of the sawmills of the United States. A law which permits an employer of 15 men to pay 30 cents an hour, and requires the employer of 16 men to pay 30 cents per hour, is not fair. If statutory standards are to be applied, no competitor should be exempted. Such or similar exemption would, of course, encourage a stampede or decentralization of ownership and operation, especially in logging and sawing. It is difficult for the Administrator to enforce the law in a widely scattered industry like lumber; but to attempt to solve that difficulty by spreading an exemption over the thousands of small enterprises in which the lower average wages already prevail is merely a form of destruction not only of the present lumber industry, especially in the South and the Northeast, but also of the wage and hour standards themselves. Again I assert that Congress ought not to enact any regulatory provision which it is not able and willing to enforce promptly, uniformly, and impartially upon all competitors.

The amendment which I have offered, Mr. Chairman, is supported by the following organizations interested in lumber manufacturing in the United States, and I am appearing here at their request and offer this amendment: The West Coast Lumbermen's Association, the Western Pine Association, the Southern Pine Association, the Southern Hardwood Producers, Inc., the Southern Cyprus Manufacturers Association, the Northeastern Lumber Manufacturers Association, the California Redwood Association, and the Appalachian Hardwood Manufacturers, Inc., and the National Association of Lumber Manufacturers. In other words, the very firms and corporations engaged in the lumber industry themselves ask that the exemption that this bill seeks to give to the lumber industry be wiped out, and that they all be placed under the provisions of the Wage and Hour Act. This amendment is supported by the great labor organizations, the C. I. O. and the A. F. of L., and it is endorsed by all of the great lumber associations in America who seek to have extended to them the provisions of the Wage and Hour Act. The small operators having 15 or less should not be permitted to pay starvation wages when the law requires great corporations with tremendous investment, as well as small ones with only 16 and 17 or more employees, to come under the provisions of the Wage and Hour Act.

In the interest of fair play, Mr. Chairman, I request that this amendment, which will wipe out the exemption accorded to small isolated lumber operators, be adopted in order that the great lumber industry, one of the greatest industries in America, shall not be penalized by subjecting it to the unjust competition provided by those isolated, sequestered lumber operators in some sections of the United States, where wages as low as 10 cents an hour are paid.

STATE OF WASHINGTON

Mr. Chairman, I take advantage of this opportunity to discuss the Barden bill in general with particular reference to my own State of Washington. I want to give a few facts and statistical data which will show irrefutably the deleterious effect which the passage of the Barden amendment would have upon wage and hour conditions in my State.

The State of Washington has a minimum-wage law which requires payment of 37½ cents an hour to women and minors employed in canneries. In fresh fruit and vegetable packing houses, women and minors must be paid 27½ cents an hour, with extra pay for overtime worked beyond 10 hours a day. Most of the other important fruit and vegetable canning and packing States have no such minimum-wage laws.

Washington has one of the highest wage levels in the Nation in the industries to which the Barden bill would give a complete wage exemption, and thus stands to lose most from a competitive standpoint if the Barden bill is passed.

Examples: Washington apples compete with apples grown in other parts of the country. Wages of apple-packing-house workers in Washington averaged more than 36 cents an hour in 1939, while in the Cumberland-Shenandoah apple-growing area (southern Pennsylvania, Maryland, Virginia, West Virginia) the average wage was less than 22 cents an hour, in Illinois and Michigan 26 cents an hour and in New York 31 cents an hour. More than three-fourths of the Washington workers earned 30 cents or more an hour in 1939 as compared with 13 percent in the Cumberland-Shenandoah area, 25 percent in Illinois and Michigan, and about 69 percent in New York.

In plants packing mixed vegetables, Washington workers earned an average of 44 cents an hour in 1939. The employees of competing plants in Texas averaged about 20 cents. Almost three-fourths of the employees in Washington earned 30 cents or more an hour as compared with only about 3 percent of those in Texas.

In 1938 the average wage of employees in Washington pea canneries was 46 cents an hour. In Maryland the average wage for pea canneries was 26 cents, in New York 30 cents, in Illinois 36 cents, Wisconsin 32 cents, Minnesota 35 cents, 33 cents in Indiana, and 34 cents in Iowa. No employees covered in the Washington survey earned less than 30 cents an hour, while 86 percent of the workers in Maryland, 43 percent in New York, nearly 12 percent in Illinois, 29 percent in Wisconsin, 13 percent in Minnesota, 40 percent in Indiana, 26 percent in Iowa earned less than 30 cents.

Washington string-bean cannery workers earned an average of 45 cents an hour in 1938, as compared to an average hourly wage of 24 cents in competing string-bean canneries in Maryland, and 26 cents in New York. All Washington workers in such plants earned 30 cents or more an hour, while this was true of only 10 percent of those in Maryland.

The lumber industry in Washington would be placed at a serious competitive disadvantage with respect to other lumber-producing States by the provisions of the Barden bill exempting from the wage standards of the act lumber mills employing less than 15 men. Under this provision more than 98 percent of the lumber produced in Washington would be subject to the act. In the Northeastern States of New Hampshire, Maine, and Pennsylvania, on the other hand, 50 percent of the production would be exempt from the act's minimum wage; in the South Atlantic States of North Carolina, South Carolina, and Virginia 30 percent of the production would be exempt, and in the Central States (Kentucky, Tennessee, West Virginia, and Ohio) 44 percent would be exempt. The enormous handicap under which the Washington lumber industry would be placed in competing for markets with lumber produced in the other States just mentioned is apparent.

Wages in Washington logging camps, sawmills, and lumber plants are the highest in the entire United States lumber and timber industry, due largely to effective union organizations. Washington lumber competes with lumber produced under nonunion conditions in other States, where prior to the Fair Labor Standards Act low wages prevailed. The Barden bill, exempting most plants in many of these States from the wage standards of the act, will once more subject Washington lumber to the cutthroat competition of lumber produced under substandard labor conditions.

There are more than 11,000 cannery workers in the State of Washington, as well as thousands of workers in apple,

lettuce, and other fresh fruit and vegetable packing houses, whom the Barden bill would exempt from the act's wage provisions.

Figures on earnings cited are based on data obtained by the Women's Bureau, United States Department of Labor, which are set forth in the Appendix of the RECORD, page 2265; 1938 figures show wage rates which prevailed before the Fair Labor Standards Act became effective; 1939 figures show wage rates which prevailed while the 25-cent rate was effective.

RESIST EFFORTS TO EVISCERATE LIBERAL LEGISLATION

Mr. Chairman, we are continually confronted in this Congress with frantic efforts being exerted by predatory groups and their sympathizers, and by reactionary interests in general, to emasculate, eviscerate, or abrogate in entirety progressive legislation. The first 6 years of the New Deal embraced a program of consideration and adoption, of reform legislation, the objective of which was to lighten the burden of the common man; to effectuate a more equitable distribution of wealth; to mitigate the disparity between entrenched financial power in the hands of the few and the indigence imposed upon the distributees of such financial power. For this purpose many administrative agencies were created and given wide latitude and extensive powers. The manipulations of stock-market operators were circumscribed; the main causes of bank failures were eliminated; customers' deposits were guaranteed; the issuance of securities based on wind and water was ended nationally; a limitation was placed upon the hours of work and a minimum wage was provided for employees of industries engaged in interstate commerce.

Now, however, we are confronted with the dilemma of defending these measures against both concerted and sporadic attacks. Arrows barbed with vitriol are being shot into our legislative mill. The air is oppressed with lugubrious croakings of those who would return us to "normalcy" and balance the Budget at the expense of human misery. Vast financial resources are being employed in a puissant effort to weaken, undermine, and circumscribe the functionings of Federal agencies in the interests of the masses. Those voracious groups upon whose muddied boots certain progressive Federal agencies have trod are squirming like stuck pigs. The tories are emerging from their rabbit warrens. Factitious liberals are now boldly resuming the true color of their original raiment. Let no one delude himself that the people have changed. Gallup polls continue to reveal that the majority of the American people are liberal in their predilections and favor the continuation of a progressive program of legislation. They want no detours or surrenders. Certain political events in recent weeks reveal this fact conclusively. Let the Members who have been reading the wrong columnists and have been enmeshing their minds in editorials appearing in reactionary newspapers, discern the signs of the times.

Mr. Chairman, personally, I will not be a party, wittingly, to any program seeking to turn back the clock. The time has come to call a spade a spade and recognize and earmark legislation for what it is and what it seeks to bring about.

Any measure which would exempt vast numbers from the operations of a wage and hour bill will not find favor with the rank and file of the American people. Iron out inequities, of course; eliminate irregularities and clarify ambiguities, but do not prefer geographic areas; do not restore our fellow Americans to peonage.

TOBACCO COMPANIES VIOLATE WAGE-HOUR LAW

An example of the kind of interests seeking to emasculate the wage-hour law is contained in a recent press release setting forth the fining of two very large tobacco first-processing companies in North Carolina. The press release describes the fining of the Southern Tobacco Co., of Wilson, N. C., and the James I. Miller Tobacco Co., of Henderson, N. C., $7,000. The companies were also ordered to make restitution of $20,000 to some 700 employees.

The Southern Tobacco Co. processes leaf tobacco and tobacco stems, and the Miller Co. sells and distributes the Southern Co.'s products. These two companies supply the giant tobacco corporations, which do the final processing of the tobacco into cigarettes, pipe tobacco, and other finished products. The two companies are extremely close to these giant corporations.

The companies were found guilty of failure to pay the minimum wage, failure to pay overtime, failure to keep adequate records, falsification of records, and the shipping in interstate commerce of goods produced in violation of the Fair Labor Standards Act.

The actual discovery of the violations by these two handmaidens of the giant tobacco corporations was almost accidental. The records kept by the two companies showed that they were paying the minimum wage. But the fact was that the minimum wage was actually being divided twice and three times among employees who were not listed on the records. In off season, when these employees went to the State unemployment-compensation offices to try to get compensation, the officials in those offices went to the companies and asked for their records. The first group of employees who went to the unemployment-compensation offices and made claims were threatened by individuals serving the interests of the two companies and told that they would be jailed for false claims and seeking to injure the companies if they did not desist. But the number of those applying for claims was so large that the officials of the State unemployment compensation administration simply had to look into the matter. Through these officials it was brought to the attention of the regional enforcement office of the Fair Labor Standards Act. The decision of Federal Judge Meekins on March 20, 1940, was the result.

Now I submit that this story of actual happenings in one of the richest industries in the country is clear evidence of the type of motivation behind the Barden and other amendments designed to remove a million and a half of the lowest-paid employees from the protection of the act. These two companies which kept false records showing that they were paying the minimum wage when, in fact, they were splitting that minimum wage two ways and sometimes three ways to other employees not listed on their books, typify the inhuman extent to which interests are willing to go to protect their large margins and destroy the law. These two companies, paying as low as 5 and 10 cents an hour to employees in this first processing operation, are certainly not the type of employers this Congress wants to prevail in our land. On the basis of humanity and morals much might be said regarding them, and others like them. I content myself with merely pointing out the facts, and saying that from an economic point of view they are tragically short-sighted in that their unwillingness to participate in spreading the much-needed purchasing power in the lowest-income groups will in the end defeat the whole economic machine out of which they are now taking their handsome profits.

Now, more than ever, is there exigent need for the expansion and strengthening of the Wage and Hour Act. The following illustration is a case in point:

WAGE AND HOUR DIVISION FINDS WORKERS GETTING 1 CENT PER HOUR

Investigation of a Syracuse, N. Y., firm by the Wage and Hour Division revealed the company, one of the largest employers of home workers in the country, was paying wages as low as 1 cent an hour, and that the majority of workers were receiving less than 5 cents an hour. The company produces hand-knitted and crocheted infants and children's wear and women's bed jackets and employs between 2,000 and 3,000 home workers from Maine to Virginia and into the Midwest. A Federal grand jury returned a 21-count indictment against the company on April 19.

NORTH CAROLINA LABOR SPEAKS

It is interesting to note that the North Carolina Federation of Labor, in State convention in Raleigh on August 14, 1939, passed a resolution vigorously denouncing the author of the Barden amendment, and criticizing it in no uncertain terms. The gentleman from North Carolina incurred the wrath of this State body of the A. F. of L. because of his proposed amendments to the wage and hour bill, and in connection therewith Maj. A. L. Fletcher at such convention charged that—

The Fair Labor Act is being subjected to one of the most vicious counterattacks known in the history of labor legislation. Enemies

of labor are trying to kick the foundation from beneath the act in the pretense of doing something for agriculture. Behind that smoke screen they have tried to regain this salient so recently won, and they will try again. If they succeed, nothing less can be expected than further attacks by victorious reactionary forces on other positions so dearly gained and held by labor.

Throughout the country those who support the Barden amendment have been designated the "dime-an-hour bloc." This is a black eye which has been handed the South. I agree with the gentleman from Georgia [Mr. RAMSPECK] when he fulminated on this floor that the South cannot prosper or progress on the basis of low wages and long hours.

Why should not there be more uniformity in wages in the United States? In Seattle they sell a high-grade shoe for $7.95 a pair; in Raleigh, N. C., the same pair of shoes costs the same price. Yet in Seattle the shoe salesman is paid $40 per week, while in Raleigh the shoe salesman is paid but $15 per week. In Tacoma, Wash., the price of Coca-Cola is the same as it is in North Carolina—5 cents—yet the soda clerk in Tacoma gets $22.50 per week, while the clerk in North Carolina receives but $10. One can purchase the same make of mouse trap, Hershey bar, chewing gum, aluminum ware in Portland Oreg., as he can in North Carolina at the same retail price, but the clerk in North Carolina receives less than half the wage that is paid to the clerk on the Pacific coast.

Query: Who benefits by the low wages paid in the South? Not the worker. Not the consumer—the consumer pays just as much for his goods in the South as the buyer does on the west coast. There is something wrong somewhere.

Mr. Chairman, in conclusion, I hope that the Barden bill is decisively defeated in this House.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. COFFEE].

Mr. WHITTINGTON. Mr. Chairman, I desire recognition on this amendment.

The CHAIRMAN. The gentleman from Mississippi is recognized.

Mr. WHITTINGTON. Mr. Chairman, I have no objection at this time to the objective of the gentleman from Washington [Mr. COFFEE]; but in order to obtain that, I do not believe it is necessary to adopt his amendment, which would strike out the pending section.

This section, as I understand, is intended to enable farmers to use labor on the farm in what are called small tractor or portable-sawmill operations. It is barely possible that the number of those employed might not be as many as 15. A smaller number is usually employed. But, with all deference, it strikes me that the farmer or the man who has a small tractor or portable mill, who uses this tractor mill after the crops are laid by to manufacture lumber to sell to his neighbors or use on his own farm, should not be within the provisions of this Wage and Hour Act.

As I understand the purpose of the provision of the bill, it is to provide for just such cases. If the amendment offered by the gentleman from Washington [Mr. COFFEE] is adopted, it means that the labor generally employed on the farm which on occasion is used by the farmer to operate a small tractor sawmill may not be utilized for that purpose. I call attention to the section which the gentleman proposes to strike out:

> The cutting of timber for manufacture into lumber, or the manufacture, preparing for market, or marketing, of lumber (including handling or transportation in connection with or incidental to such operations), during any calendar year if his employer at no time during such calendar year employed in connection with or incidental to all such operations in the aggregate more than 15 employees.

Those words "in connection with or incidental" are for the purpose of enabling these small tractor sawmills to use farm labor after they have harvested their crops.

I believe, under all the circumstances, there is not any competition between them and the large manufacturer.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. MAY. As a matter of fact, the amendment offered by the gentleman from Washington [Mr. COFFEE] would put the small portable sawmill out in the woods on the same level with these large operating companies?

Mr. WHITTINGTON. I have said that; yes. My thought is that those large companies are embraced in the existing law. They are all covered by the existing wage and hour law. Personally, I trust the amendment of the gentleman, to strike out this provision intended to help the farmer who uses his farm labor incidentally in connection with this work, will not be adopted and that the amendment will not be agreed to.

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. The gentleman from Mississippi yields back 2 minutes.

The question is on the amendment offered by the gentleman from Washington [Mr. COFFEE].

The question was taken; and on a division (demanded by Mr. COFFEE of Washington) there were ayes 20 and noes 31.

So the amendment was rejected.

Miss SUMNER of Illinois. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

> Amendment offered by Miss SUMNER of Illinois: On page 7, line 15, after the words "skimmed milk", insert "buttermilk."

Miss SUMNER of Illinois. Mr. Chairman, the author of this bill, the gentleman from North Carolina [Mr. BARDEN], has already said that line 15 would include buttermilk, but I offer the amendment for the purpose of clarifying the situation and to show what is the intention of the Congress.

It should be made to include an industry operating in the districts of many of us, particularly in Illinois. It affects the farmer both going and coming; that is, it both buys farm products and sells the finished product to farmers; buys buttermilk and then sells it back to the farmer in a consolidated form which is used as hog feed and poultry feed.

This industry employes about 50 individuals in Illinois. It sells to 100,000 farmers. Under existing law it is considered that it is under the wage and hour law, while the competitor, using skimmed milk instead of buttermilk, is not under the wage and hour law.

For that reason I sincerely hope that you gentlemen will see fit in your wisdom to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Illinois.

The amendment was agreed to.

The CHAIRMAN. Does the gentleman from South Dakota [Mr. CASE] seek recognition?

Mr. CASE of South Dakota. Mr. Chairman, the adoption of the Gwynne amendment makes unnecessary the amendment I intended to offer.

The CHAIRMAN. The gentleman from Iowa [Mr. HARRINGTON] is recognized.

Mr. HARRINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. HARRINGTON: At the end of section 5, on page 11, line 14 of H. R. 7133, add the following:
> "(c) Section 13 (a) of the Fair Labor Standards Act of 1938 is amended by inserting after the word 'establishment' in clause 2 thereof the words 'including all banks and trust companies.'"

Mr. HARRINGTON. Mr. Chairman, the purpose of the amendment I have just offered is to exempt the many country banks throughout the Nation which are now subject to the provisions of the Fair Labor Standards Act. In most country communities the bank operates as a service establishment. Hardly ever are there more than three or four employees, and in most cases only one or two in the smaller communities.

The amendment does not exempt or exclude all banks as a group. It exempts only those banking institutions from the Fair Labor Standards Act of 1938 the greater part of whose selling or servicing is intrastate in character. Banking institutions in the large metropolitan centers are far better equipped to enable them to comply with the wage-hour law. The noncity banks of this country are far less able to employ

additional help and to meet the requirements of the Wage and Hour Act with respect to the number of hours of employment of their staff members and at the same time give their local customers and farmers and other townspeople the banking service to which those individuals have become accustomed. It is those banks that will get relief from this proposal.

Mr. BARDEN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. HARRINGTON. I yield.

Mr. BARDEN of North Carolina. Does not the gentleman believe that the banks have solved this situation pretty well by moving up their closing hours, and so forth?

Mr. HARRINGTON. I do not agree with the gentleman. I know that many banks in the State of Iowa in the small country communities have to strike a balance every afternoon. They have to have at least one employee stay to do the work.

Mr. BARDEN of North Carolina. But may I say to the gentleman we have heard of no bank closing in the United States in recent times, have we?

Mr. HARRINGTON. No; and I want to help them along a little further. I would like to see those banks prosper.

Mr. BARDEN of North Carolina. Does not the gentleman feel it would be better not to bring that amendment into this picture?

Mr. HARRINGTON. I think they would get along a lot better if my amendment were adopted.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HARRINGTON. I yield.

Mr. MAY. Has the gentleman any figures showing the amount of compensation received by the employees of these small banks throughout the country—whether or not it is larger than the wage-hour scale anyway?

Mr. HARRINGTON. In most sections—at least in the small communities of my State—I think the ordinary bank teller or clerk gets between $75 and $110 a month. I imagine it is very much the same throughout the Middle West.

Mr. DARDEN of Virginia. Mr. Chairman, will the gentleman yield?

Mr. HARRINGTON. I yield.

Mr. DARDEN of Virginia. One of the things that has got to be guarded against in the gentleman's amendment is that the long hours required of the country banker are required not in order to discharge the business of banking but to accommodate the merchants beyond the actual need for accommodation. In shortening hours to get under the Wage and Hour Act the country bank in most every instance has been able to attend to its business. But the country banks as a whole are not rendering the type of service, the very long hours of service desired by the merchants, and I doubt very seriously if those long hours are justified. That is where most complaints come from—not from the bank people themselves on the ground that they cannot attend to their work, but from the merchants on the ground that the banks do not stay open long enough to make change and render other incidental service to the merchants in the small communities.

Mr. HARRINGTON. But the bank itself, of course, after the close of business, must take a balance every day. This requires overtime employment of the same people, and that is what I am trying to correct to enable them to do that without the burden of paying overtime.

Mr. DARDEN of Virginia. So far as the bank work is concerned, they can get all of their work done within the regular hours. Does not the gentleman think that is right?

Mr. HARRINGTON. Yes; I think the gentleman is right.

Mr. REES of Kanssa. Mr. Chairman, will the gentleman yield?

Mr. HARRINGTON. I yield.

Mr. REES of Kansas. As a matter of fact, a number of small banks, the banks in these rather small communities, are closing on Saturday afternoons because they want to comply with the Wage and Hour Act. Is not that correct?

Mr. HARRINGTON. That is true in the State of Iowa, and I assume it is true also in the State of Kansas.

Mr. REES of Kansas. And in a great many of the States, but there is a demand that the banks stay open longer.

Mr. HARRINGTON. That is correct.

Mr. REES of Kansas. The gentleman's amendment is limited in its operation.

Mr. HARRINGTON. I limit it to those banks the greater part of whose selling or servicing is in intrastate commerce. This excludes the large banks that do an interstate business. It applies simply to the small country banks, whose business is done, in the case of 99 percent of them, within a radius of 25 miles.

Mr. REES of Kansas. That is true. The amendment would not apply to those banks engaged in interstate business where drafts go to New York and elsewhere.

Mr. HARRINGTON. This is intended to relieve those small country banks whose business is intrastate in character.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HARRINGTON. I yield.

Mr. ARENDS. One of the reasons for the banks remaining open for only a few hours a day is because they have to close in order to keep their books and take their balances.

Mr. HARRINGTON. Yes.

Mr. ARENDS. They would like to remain open longer for the service they are rendering in these small communities.

Mr. HARRINGTON. I thank the gentleman for his contribution. He is quite correct.

Mr. CARLSON. Will the gentleman yield?

Mr. HARRINGTON. I yield to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. I think the gentleman has pointed out one of the places in the wage-hour law that should be amended. The banks close on Saturday afternoons in the rural communities and this is a real inconvenience to the farmers and merchants of these sections. The banks are rendering a real service and I think the gentleman's amendment should be adopted. Let us take advantage of an opportunity and correct this situation.

Mr. GEYER of California. Will the gentleman yield?

Mr. HARRINGTON. I yield to the gentleman from California.

Mr. GEYER of California. I would like to point out that these little bank clerks get $75 a month. Now the gentleman is going to exempt them and he is going to work those people from daylight to dark.

Mr. HARRINGTON. Oh, no.

Mr. GEYER of California. Let us adopt it and maybe we will kill the whole thing.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. HARRINGTON].

The question was taken; and on a division (demanded by Mr. HARRINGTON) there were—ayes 37, noes 33.

So the amendment was agreed to.

Mr. MARTIN of Iowa. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Iowa to section 5 of the substitute offered by Mr. BARDEN of North Carolina: Page 7, after line 4, insert before the period and quotation mark a new clause, as follows: "(2) Any individual employed by a corporation or association, the activities of such corporation being located outside of the corporate limits of any incorporated city or town, when not less than two-thirds of the capital investment of said corporation is in real and personal property used by it in its agricultural pursuits, when two-thirds of its employees are voting stockholders in said corporation, when no individual stockholder in such corporation may own or vote more than one share of voting stock owned by him at any stockholders' meeting, and when each holder of voting stock shares equally in the profits of the corporation after satisfaction of prior obligations; or".

Mr. MARTIN of Iowa. Mr. Chairman, the amendment I have introduced is intended to exempt both seasonal and year-round processing of agricultural commodities produced and processed by the Amana Society in my district and by other organizations of similar type. I understand there are approximately 8 or 10 such organizations in the entire United States. In my district this organization owns a tract of land of approximately 26,000 acres and the organization consists of approximately 1,500 people engaged in farming and processing of their products.

Farmers and processors live side by side in their seven unincorporated villages, and, as I stated before, the total population of all seven villages is approximately 1,500 people. Members of the society may be transferred from farm work to processing work as occasion may require, but their processing work is carried on on a year-round basis.

I set out in my remarks in the general debate last Friday the general historical background of this organization, because I wanted to bring the situation before Congress more fully than is possible under the 5-minute rule for amendments. My remarks appear in the CONGRESSIONAL RECORD at page 5155. As I stated there, the Amana Society was a very prosperous organization until the depression of the last decade. They are still carrying on and they are determined to abide by the laws of the State of Iowa and the Nation, although they are finding it extremely difficult to continue their operations during the long-drawn-out depression, together with the expense and complication brought on through the application of the wage-hour law.

The Amana Society rewards its membership in many ways other than on a dollars and cents wage basis. The organization takes great pride in the quality of its products. In fact, quality rather than price is their goal. The members of this organization also take great pride in their citizenship and their obedience to the laws of the land. There is no finer group of people in the country than the members of the Amana Society. Many of them served loyally in the World War and they have to this date taken care of their own aged and sick and needy. All they ask is to be allowed to continue their joint enterprise of farming and processing their farm products on their own land in their own way.

Last January I received a letter from the Wage and Hour Division, enclosing a copy of some correspondence from Calvert Magruder, general counsel, in which the statement was made with reference to processing of agricultural products by the Amana Society, "the Fair Labor Standards Act makes no express exemption in favor of such organizations or of cooperatives as do some other statutes and the definitions regarding employment in section 3 of the act seem clearly to apply." An opinion written by Mr. Magruder held that the worker-members of the Amana Society are employees of their own organization within the meaning of the Fair Labor Standards Act of 1938. This ruling means that about 534 worker-members of this joint enterprise, as well as 406 nonmember employees are all considered as employees of the society within the meaning of the act.

As I set out in my remarks last Friday, one ground for the ruling is that if in the joint enterprise third persons who are not joint owners are employed, then the relationship of employer and employee is held to exist not only between the corporation and the third person but also between the corporation and the joint owner-worker.

No satisfactory explanation of that ground has ever been made by the Wage and Hour Division, and I frankly cannot see how such a ruling can possibly be justified on that ground. Another ground was that if the direction of the labor is vested in any one member or group, then the relationship of employer and employee is considered by the Department to exist. In other words, these joint owners of this agricultural enterprise cannot arrange for the proper direction of their own work in the processing of their own products on their own land, without placing themselves within the administration of the wage and hour law. That is their fate regardless of the relationship of the member to the organization and the mutual obligations existing and based upon centuries of that relationship in their organization.

The Wage and Hour Division gave no consideration whatever to the difficulty of determining the true value of the security offered the members of this society by the society itself. A result of their arbitrary application of this wage and hour law to this society has given rise to this requested amendment to provide an exception to the wage and hour law so that they may continue unmolested in working their soil and processing their products. They do not want to divide neighbor against neighbor, living under identical conditions, so that some will be within the wage and hour law as to hours and money wages and others not, nor can they afford to place their farmers within the wage and hour law in order to keep up their fair dealing with one another.

As I stated last Friday, the amendment I have offered here is carefully drawn to limit its application to organizations which combine agricultural and industrial pursuits under a joint owner-worker relationship located wholly outside the corporate limits of any city or town and where not less than two-thirds of the capital investment of such organization is invested in property used by it in its agricultural pursuits, and also when two-thirds of its employees are voting stockholders in said corporation.

Mr. RAMSPECK. Will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Georgia.

Mr. RAMSPECK. Do these organizations compete with other business?

Mr. MARTIN of Iowa. Yes; they do.

Mr. BARDEN of North Carolina. Will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from North Carolina.

Mr. BARDEN of North Carolina. I believe this started out as a religious group?

Mr. MARTIN of Iowa. That is right.

Mr. BARDEN of North Carolina. They take care of all of their own charity; they take care of their own relief and take care of all of the things that, for instance, the W. P. A. and other relief bills take care of?

Mr. MARTIN of Iowa. They take care of their own aged, needy, and unfortunate. They cannot measure their reward or their wages in dollars and cents as simply as is contemplated by this bill.

Mr. BARDEN of North Carolina. Some exception was made in the agricultural bill for these people?

Mr. MARTIN of Iowa. Yes; in H. R. 3800.

Mr. BARDEN of North Carolina. That bill was passed by the House and Senate and the Department of Agriculture recognized the peculiar situation.

Mr. MARTIN of Iowa. That is right. The amendment is drawn so as to narrowly limit it to organizations of this kind. I do not believe it will be profitable for processors to undertake to circumvent the law by organizing, as is provided in this particular amendment. In other words, the requirements are a little too drastic. If you will read it, you will find the requirements are calculated to narrow it down.

Mr. CASEY of Massachusetts. Will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Massachusetts.

Mr. CASEY of Massachusetts. I am very much interested in the statement the gentleman is making. Will he tell us how many members there are in these organizations?

Mr. MARTIN of Iowa. I do not know the number in the other States, but in this particular organization to which I refer there are about 1,500 people who belong to the organization. They own about 26,000 acres of land. There are about 550 worker-members and owner-members. They really have the relationship of owner-workers. We have had a ruling from the Wage and Hour Division which holds that they are within the wage-hour law.

Mr. CASEY of Massachusetts. How many other organizations are there besides this one?

Mr. MARTIN of Iowa. Approximately 8 or 10. The Department of Agriculture gave me that information in connection with H. R. 3800.

These good people sent a large number of their membership to the World War, and they are some of the best citizens in my district. They take pride in conforming to the laws of America and the State of Iowa. They are a very thrifty and prosperous people. The hard times struck them, and then came the wage-hour law that worked to their further disadvantage. They cannot measure their reward to the members entirely in dollars and cents. It does not work out that way. This law has hit them extra hard, and it may even mean putting their business organization out of

existence. They want to continue their business within the law, and they want their business to continue in existence. The adoption of this amendment will help them. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. MARTIN].

The question was taken; and on a division (demanded by Mr. RAMSPECK) there were—ayes 66, noes 5.

So the amendment was agreed to.

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Ohio: On page 11 line 14, after the period insert, "Notwithstanding any of the foregoing provisions of this subsection, the provisions of section 6 shall apply to all employees engaged in any of the operations specified in subparagraphs (A) to (R), inclusive, of clause (11) of this subsection.

Mr. BROWN of Ohio. Mr. Chairman, this amendment simply provides that the wage provision of the general wage and hour law shall apply to the Barden amendments. In other words, we have heard a great deal here in the last 3 days from both the proponents and the opponents of the Barden amendments to the effect that no one in Congress wants to reduce the $12.60 weekly minimum wage now paid. If this amendment is adopted, the industries exempted under the Barden amendment from the provisions of the wage and hour law will be exempted only from the hour provisions and not from the payment of the minimum wages provided for in the wage section of the law. This amendment is very simple. If the gentlemen have been honest in their positions and are consistent in wishing to see that $12.60 per week is the minimum wage to be paid to anyone under this law, everyone will vote for this amendment. I expect unanimous support of the amendment. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I certainly take great pleasure in supporting the amendment of the gentleman from Ohio [Mr. BROWN] who has just taken his seat. Like him, I have heard many Members rise here during the debate and say no, they would not exempt anybody from the 30-cent-an-hour-wage provision. Here is the opportunity to make good on it.

I wish to devote these few minutes I have to refuting a statement made here yesterday by my beloved colleague the gentleman from Georgia [Mr. COX] and by the gentleman from Wisconsin [Mr. HAWKS], who set himself up as a judge of my knowledge of farming. I do not claim to be a farmer, and never have, but I do represent some farmers, and some mighty good ones. If the gentleman from Wisconsin and my colleague from Georgia, either one, would take the trouble to look up the district I represent, they would find that I have a farming section extending 75 miles north and south on the Chattahoochee River where several thousand farmers are engaged in all types of agriculture. That district runs east and west over 50 miles, and includes several hundred dairies that supply the Atlanta market, as well as several hundred truck and poultry raisers who are interested, of course, in agricultural conditions.

I do not claim to be an expert on farming processes, but I have made personal inspection of canning plants, and I know something about the intense humidity that exists in those plants, and the trying conditions under which these people work.

I have based my position on this bill not upon hearsay but upon my own observations and my own knowledge of the conditions existing in my own and other States, and upon the historical conditions that we have had in the South during the years since the War between the States. We have tried to maintain the old type of civilization in the South, which has "gone with the wind," and the day has come, it seems to me, when we may as well forget that. What we need to do in this country is to raise the income of the farmers, and we cannot do it by lowering the income of the people who buy their products. This is why I am opposed to the Barden bill, because it seeks to exempt from both the wage and hour provisions.

The gentleman from Missouri read a most interesting letter here a while ago which some of you heard. In that letter a representative of one of his canneries said that if they had a 60-hour week they would not need it very often but that would be sufficient. The Norton bill, the bill reported by the committee, gives them a 60-hour week throughout the year, and, in addition, gives them 14 weeks, which they can select at any part of the year or from time to time as desired, to operate without any limitation of hours whatever. Why should we go any further? What necessity is there for going any further, except to take out of the pockets of some of the lowest-paid workers in America the mere pittance of 30 cents an hour which they need to buy farm commodities with. That is what the Barden bill does. I cannot go along with it.

There has been a rumor here on the floor that the committee is going to desert its own bill. I cannot speak for anybody else, but I am going to vote against the Barden bill and for the committee bill, and I am going to vote it straight down the line whenever the chance comes to me.

I believe we ought to have amendments. I believe we ought to eliminate the area of production. We ought, for these processors of farm products, to fix hours at 60 per week, as we have done in the committee bill, which gives everybody as long as they need or ought to have to work any human being in a canning plant or a packing plant in this enlightened age. [Applause.]

[Here the gavel fell.]

Mr. BARDEN of North Carolina. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. All time has expired on section 5.

The question is on the amendment offered by the gentleman from Ohio [Mr. BROWN].

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments to section 5? If not, we will turn to section 6. Are there any amendments to section 6?

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 11, line 19, strike out the period and insert a comma and the following: "or (4) any employee employed during any calendar year in connection with or incidental to the wholesale distribution of goods by an employer, more than 50 percent of whose dollar sales volume during the preceding calendar year consisted of sales to retailers of agricultural food products."

Mr. DIRKSEN. Mr. Chairman, section 13 of the original Fair Labor Standards Act deals with exemptions and subsection (b) of that act exempts those who are under the jurisdiction of the Interstate Commerce Commission or under the provisions of the Motor Carrier Act.

This amendment will add an exemption there to include those employees who are working for wholesale grocers—that is what it amounts to—50 percent of whose dollar volume is in the form of agricultural food products.

In the first instance the act exempted retailers, but, obviously, the retailer cannot get along unless he has some goods to sell, and everywhere in the country you have small wholesale plants that have a couple of drivers who drive around and service these retail stores. Retail distribution is different from what it was years ago. Once upon a time I was in the grocery business and you used to get all of your goods by rail. Later on came a kind of decentralization and little wholesale plants were set up. Most grocers operate on small inventories; that is, these small, independent grocers. They buy a couple of cases of this and a couple of bundles of that and a few bags of this and they have to have service all the time. They do business out in the neighborhood and they open up early and they keep open late. Lots of people have no refrigerators and, of course, all of these grocery stores keep open late hours in order to give them the benefit of refrigeration of meats and vegetables and things of that kind. So there has grown up a difficulty, because no matter how well he pays his chauffeurs or drivers, the Wage and Hour Act comes in, and, of course, he has to pay overtime, and this is somewhat of a penalty on the wholesaler. Since we started out in the first instance and exempted the retailer, why not give the small wholesaler a break who sells agricultural food products?

There is no provision in this amendment relating to wages. That is not involved at all. There is only the matter of saving him against a penalty if a driver has to make a hurry-up call with a rush order of a bag of navy beans to a store 12 or 15 blocks from the wholesale plant. It is simply doing nothing more than expediting and facilitating wholesale food service to the retailers in most of the communities of the country, and since the element of wages is not involved, only the element of hours, it occurs to me that this amendment ought to commend itself to the favorable consideration of this committee.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. AUGUST H. ANDRESEN. By agricultural food products does the gentleman mean coffee, tea, sugar, spices, beans, and all of the customary things that come under agriculture?

Mr. DIRKSEN. Whatever would be implied in any ruling that was made by the Administrator relating to agricultural food products, but it has particular relationship to the products and growth of this country, and more especially to the perishables.

Mr. AUGUST H. ANDRESEN. The gentleman would not take in very many wholesalers with his amendment.

Mr. DIRKSEN. I think it would take in most of the wholesalers, because distribution in that field has changed a great deal in the last few years.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. DONDERO. The gentleman's amendment simply indicates to the House what happens when you try to place all business in a legislative strait jacket such as we have done before——

Mr. DIRKSEN. Precisely.

Mr. DONDERO. It simply imposes conditions upon business so they cannot operate, or it penalizes labor so that they must discharge labor in order to get along.

Mr. DIRKSEN. Now, another thing about it. I know lots of boys who work for wholesalers and they have never complained about it. However, there comes a time if a wholesaler is technically in violation of the act and there is an accumulation of overtime, and suddenly an employee is aggrieved for one reason or another and then presents his case in court, the Fair Labor Standards Act is self-enforcing, with the penalties written in the law. Suddenly the wholesaler is caught unawares and his business almost placed in jeopardy as a result of a possible implication of the law as it stands at the present time.

We have relieved the retailer and I see no reason why the small wholesaler, whose sales of agricultural food products are in excess of 50 percent of his dollar volume, ought not to have the same benefit so that he can in more facile manner conduct his business and provide service for the retailers in the area that he may serve.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments to be offered to section 6?

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. BRADLEY of Pennsylvania. Yes.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate upon section 6 and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I do not blame my Republican friend the gentleman from New York, Mr. BRUCE BARTON, for being apprehensive lest there be a case of mistaken identity in regard to the parentage of the Barden bill. He was very nice and genial about it. He even went so far as to say that research of the family trees of himself and the gentleman from North Carolina might indicate that they are cousins, but he made it clear that that relationship would not extend to this legislative creature conceived in the fertile brain of the gentleman from North Carolina. The physiognomy of the Barden bill is so repulsive to the gentleman from New York [Mr. BARTON] that he does not want anyone in the United States to think that it is his creature. I do not blame him for that, but I feel it is something for my Republican friends to think about regarding this bill; for if the Barden bill passes this House, the responsibility is going to be the responsibility of the Republicans, because, notwithstanding the fact that its sponsor be a gentleman on the Democratic side of the House, more Democrats will vote against the bill than will vote for it. If it passes, it is going to pass because of Republican votes. It remains for the gentlemen on the Republican side to determine whether or not they think the gentleman from New York [Mr. BARTON] was right with regard to the fact that he wanted no one to think that he had anything to do with this piece of legislation, and whether the Republicans as a party are willing to accept responsibility for its passage, because that is just what the situation is going to be. As I say, more Democrats will vote against it than will vote for it. If it passes, the responsibility will be the responsibility of the Republican Party.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. Yes.

Mr. SCHAFER of Wisconsin. Under what line of reasoning does the gentleman hold that a small Republican minority in a New Deal controlled Congress and administration can be held responsible for the enactment of legislation introduced and sponsored by a New Deal leader?

Mr. BRADLEY of Pennsylvania. Oh, I did not yield to the gentleman for a speech. I repeat, if this legislation passes, the responsibility will be upon the Republican Party. I hope they are not going to say to the country that they are responsible for its passage, for they certainly will not be able to place responsibility on the Democratic side, because in overwhelming numbers we are going to vote against the bill, and I hope we will be joined by those who say they like to be considered as friends of the underprivileged and of labor.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. Debate has been exhausted on section 6.

Mr. KITCHENS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. KITCHENS: On page 11, line 19, after the word "act", insert the following: "; or (4) foremen having the right to hire or fire or recommend hiring and firing; and service, maintenance, and other workers not engaged directly in the production of goods for commerce."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Arkansas.

The amendment was rejected.

Mr. KITCHENS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KITCHENS. Mr. Chairman, this amendment is desired to provide a limited exemption from the maximum-hours provisions of the act, but not from the minimum-wage provisions. To give production employees opportunity to get a full week's work every week, which almost uniformly they want to have, it is necessary that certain other employees be available a few extra hours each week. Maintenance and service workers must keep the plant in operating condition.

In its present form, as interpreted by the Administrator, the wage and hour law is applied to many employees not engaged in the production of goods for commerce. It is generally neither necessary nor desirable to exempt such em-

ployees from the minimum-wage provisions. Most of such workers are already paid substantially more than the minimum wage. But the application of the maximum-hours provisions has seriously curtailed the earning power, not only of these workers but of the production employees, who cannot work a full 42-hour week unless repair and maintenance workers and others of that general character are permitted to work a longer week.

The CHAIRMAN. Are there any further amendments to be offered to section 6?

Mr. GROSS. Mr. Chairman, I ask unanimous consent to return to section 5.

Mr. RAMSPECK. Mr. Chairman, I reserve the right to object. Will the gentleman advise us for what purpose?

Mr. GROSS. To offer an amendment.

Mr. RAMSPECK. Mr. Chairman, I object.

The CHAIRMAN. Are there any further amendments to be offered to section 6? [After a pause.] The Chair hears none. Any amendments to section 7? [After a pause.] The Chair hears none. Are there any amendments to be offered to section 8?

Mr. COFFEE of Nebraska. Mr. Chairman, I move to strike out the last word. There is some confusion in reference to what the Barden amendment will do as compared with what the Norton bill will do. The principal objectives of the Barden bill are to clarify the erroneous interpretations of the Wage and Hour Administrator.

The Norton bill, or the committee bill, unless it is amended, legalizes the interpretations that have been made by the Wage and Hour Administrator. The Barden bill embodies essentially the intentions of Congress when the original bill was passed.

There has been some discussion here with reference to the livestock-processing provisions. I want to call your attention to this: The Barden amendment, insofar as it affects the livestock and meat industry, is for clarification purposes only and does not give the processors of livestock any greater exemption than Congress intended to give the industry when it passed the Fair Labor Standards Act of 1938, with this exception: That 16, instead of 14, tolerance weeks during the year are provided.

The Members of the House will remember that when this legislation was being considered by Congress, the need for flexibility as to hours in the processing of livestock products was recognized. It was pointed out that flexibility is needed because of the highly perishable nature of meat products and because of the wide and irregular fluctuation of livestock receipts in the terminal market. Congress recognized this need and provided under section 7 (c) of the Fair Labor Standards Act that the limitation of hours should not apply—

> In the case of an employer engaged * * * in handling, slaughtering, or dressing * * * livestock * * * during a period or periods of not more than 14 workweeks in the aggregate in any calendar year * * * to his employees in any place of employment where he is so engaged.

Congress intended, and everyone believed, that under this language any processor could work any present employees at a packing plant, where livestock is slaughtered and dressed, 14 weeks without the payment of overtime penalties. This is what Congress clearly intended and is a reasonable interpretation of the plain language used.

Fourteen months after this act became a law, the Wages and Hours Administrator, Mr. Andrews, without notice to any interested parties and without any hearing, undertook to interpret this language by a bulletin and held that the exemption only applied to the employees working on the killing floor and only applied to the employer and not to the employees. This interpretative bulletin, No. 14, for all practical purposes repeals the exemption which Congress had given the livestock and meat industry. If the hours exemptions were to be limited only to the operations listed by the wage and hour officials, the flow of livestock through marketing channels would be dammed up, creating the very condition which Congress hoped to avoid through the application of these same exemption provisions of the law.

It should be understood that this exemption applies only to the hours provision and has nothing whatever to do with the wage provision. It should also be pointed out that the wage scale in the packing industry runs from 60 cents to $1.27 per hour, and, according to the latest figures from the Department of Labor, the packing industry pays a higher average hourly rate, a higher weekly rate, and a higher yearly income than the average of all industries reporting to the Department of Labor.

Every livestock shipper is interested in preserving these tolerance weeks from overtime penalties because if the packer is forced to pay time and a half during these seasonal runs of livestock to the terminal markets the shipper knows he is the one that must stand the burden of that extra cost through lower prices for his livestock. Without this exemption, some packers would not purchase in excess of what they could process in a regular workweek, and, as a consequence, could put their product on the market at a lower cost than the packer who cleaned up the yards and had to pay time and a half overtime. This, of course, would tend to force all packers to refuse to purchase in excess of what they could process during a regular workweek, or pay a lower price for the livestock that would be processed with overtime penalties. In either case the shipper would lose. If the packers refused to buy, the shipper would stand a serious loss in shrink and yardage expense. If the packer had to pay time and a half overtime to process the product, and could not pass it on to the consumer because of competition, the shipper undoubtedly would be forced to bear the burden through lower prices for his livestock.

The Barden amendment will clear up most of the confusion caused by the Administrator's ruling and except for the two additional tolerance weeks, which the farm groups have insisted are necessary, the packing industry is not granted any exemptions under this Barden amendment beyond what everyone thought the original act provided.

The Barden amendment is also necessary to correct the unreasonable construction of the area-production exemptions which Congress provided in the original law to take care of the processing of seasonal and perishable agricultural commodities.

Because of the limited time at my disposal I have confined my remarks to the provisions pertaining to the livestock and meat industry. I am not impressed by the loose talk of some who are opposing the Barden amendment and who try to convey the impression that these amendments would pave the way for the exploitation of labor. The Barden amendments are necessary to specifically put into the law the exemptions that Congress intended in the original act and to remove the confusion and friction that are resulting from the administrative interpretations. Unless clarifying amendments to the wage-hour law are enacted, both labor and industry processing will be placed in a strait jacket under bureaucratic regulations. [Applause.]

[Here the gavel fell.]

Mr. KEEFE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. KEEFE. I yield.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

Mr. AUGUST H. ANDRESEN. Reserving the right to object, Mr. Chairman——

Mr. RAMSPECK. Does the gentleman have an amendment to this section?

Mr. AUGUST H. ANDRESEN. I can take it up on the next section just as well.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. GROSS. Mr. Chairman, I object.

Mr. RAMSPECK. Mr. Chairman, I move that all debate on section 9 and all amendments thereto close in 5 minutes.

The question was taken; and on a division (demanded by Mr. GROSS) there were ayes 60 and noes 47.

So the motion was agreed to.

The CHAIRMAN. The gentleman from Wisconsin [Mr. KEEFE] is recognized for 5 minutes.

Mr. KEEFE. Mr. Chairman, ought it not be perfectly apparent to every Member in this Chamber what the purpose is behind the offering of all these amendments, and their acceptance, practically without question? Now, let us see exactly where we stand on this thing. I, for one, believe there should be some amendments to the wage and hour law—some clarifying amendments; but are we going to be denied any amendment to this law simply because we are too stupid to see what this thing really means? Here you have a substitute amendment known as the Barden bill, which we have already amended 14 times. Is there a Member of this body who, when he is called upon to vote, will know what he is voting for? Is there a Member of this body who will have any idea what the Barden bill will really mean when you get through emasculating it by these various amendments? I, as a Member of Congress trying to represent my people, will therefore be called upon in a short time to vote "yes" or "no" on a bill which I cannot understand because of these many hurried amendments. There is not a Member of this House, including the author of the substitute himself, who can tell us what this Barden bill will mean when you finally get through amending it.

Now, the very obvious purpose is to so clutter up the Barden bill with amendments that it will be defeated, or perhaps the purpose is to vote for the Barden bill—I do not know which—in the hope that it will ultimately be killed and prevent consideration of the Norton bill.

I want to call the attention of my friends on the Republican side to the danger that you face unless you kill the Barden bill and also kill the Ramspeck bill. You are not going to have a chance to vote on the Norton bill or to offer any amendments to the Norton bill. So far as I am concerned, I am going to vote against the Barden bill with all of its amendments. [Applause.] I am going to vote against the Ramspeck bill. I want an opportunity to honestly and seriously consider the Norton bill, which, if you consider it and study it, you will find, with the acceptance of one amendment which I suggested to the gentleman from Georgia yesterday, will take care of every canning plant in my State and give to them every exemption that any honest person ought to ask for. But I want a chance to vote on that Norton bill. I want a chance to offer amendments. If you vote up this Barden bill, we will not have that chance, and you know very well that the Barden bill, as it has been amended, has no chance whatever of ultimate passage. That is the purpose—to kill the whole thing.

Now, I am calling your attention to it because that is the parliamentary situation, and let us not fall into that trap. Let us kill the Barden bill as it has been changed, with all these 14 amendments that no one understands, and let us get back to the bill that was considered by the committee and offer amendments thereto, and let us write decent, sensible legislation and stop the puttering around that we are doing here now.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. HEALEY. Does not the gentleman think that the best way to meet the objective he is talking about, of having decent, sensible legislation, is to refer the whole matter back to the committee, where it can be properly studied?

Mr. KEEFE. I do not, because the committee has studied it, and the committee brought us the substitute for the Norton bill. We have that before us now. [Applause.]

[Here the gavel fell.]

Mr. BARDEN of North Carolina. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. All time for debate on section 9 has expired.

Mr. RAMSPECK. Mr. Chairman, I offer an amendment to section 10.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. RAMSPECK: Page 14, line 17, strike out the word "accrued" and insert "is discovered by the employee affected."

Mr. RAMSPECK. Mr. Chairman, subsection (b) of section 10 limits the rights of an employee to sue for wages not paid in accordance with the act. The language of the Barden bill limits this right to 6 months from the date the action accrues, even though the employee may not know he is entitled to it. This amendment simply gives him a 6-month period after he discovers his rights; and I think perhaps the gentleman from North Carolina will agree with me that the employee ought to have at least that long to employ a lawyer and file suit after he finds out he has not been properly paid.

Mr. BARDEN of North Carolina rose.

The CHAIRMAN. Does the gentleman from North Carolina rise in opposition to the amendment or in support of the amendment?

Mr. BARDEN of North Carolina. I do not rise in opposition, but I would like to be heard.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. HINSHAW. Mr. Chairman, will the gentleman from North Carolina yield in order for me to ask a question of the gentleman from Georgia about his amendment?

Mr. BARDEN of North Carolina. I prefer not to yield.

Mr. Chairman, let us review a little history in connection with this legislation.

When the Norton bill was reported from the committee I voted for the Norton bill. When I appeared before the Rules Committee I appeared for the Norton bill and was for the Norton bill. I think the bill which I had presented was in better shape and presented the questions that had arisen in better shape than did the Norton bill. But let me say to the membership of the House at this time that the amendments which have been adopted are objectionable to me. I do not like the amendments which were suggested in connection with the banking institutions, and so forth. I fear I recognize why they were adopted. When the amendment with reference to hours came up a minute ago I noticed that a great many Members voted for the amendment. There was no discussion of the amendment.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BARDEN of North Carolina. Not at this time.

Mr. Chairman, let me say to the membership now that I am not for the so-called Barden bill as it now is, and I expect to vote against its substitution. [Applause.]

Mr. COX. Mr. Chairman, will the gentleman yield to me?

Mr. BARDEN of North Carolina. I shall be pleased to.

Mr. COX. In view of the fact that the gentleman is laying down on his proposition, is it not agreeable to him for the debate to be suspended and a vote taken killing it?

Mr. BARDEN of North Carolina. I do not like the phrase "lay down." There has never been one drop of fighting blood in the gentleman's veins more than there is in mine, but I am after some legislation that will relieve the agricultural situation in this country, and I say that this bill now loaded with the amendments—and most of the amendments I must say were loaded on by the Republican side of the aisle, not by the Democrats in this House—entirely alters its original purpose.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BARDEN of North Carolina. No; I do not care to yield.

If this situation has arisen, why should I let pride of authorship stand in the way of advantageous and constructive legislation? [Applause.] Never for a minute have I had any pride of authorship superior to my desire for constructive legislation. All I wanted was that the agricultural situation should be dealt with properly and wisely. I say to you now

that the bill I originally supported and tried to bring on this floor is better than this substitute with the amendments attached.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. BARDEN of North Carolina. Yes; I shall be pleased to.

Mr. KEEFE. It is a fact, is it not, that the original bill bearing the name of the gentlewoman from New Jersey [Mrs. NORTON] is the committee substitute?

Mr. BARDEN of North Carolina. That is correct.

Mr. KEEFE. And that the bill before us represents the considered judgment of the Committee on Labor.

Mr. BARDEN of North Carolina. May I say to the gentleman that I am a member of the Committee on Labor and took part in the discussion of every provision of that bill. The thing that brought about the trouble, remember, was the fact that the committee directed its chairman to use every parliamentary means to bring that bill before this House, and there was a refusal to bring that bill before this House.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. BARDEN of North Carolina. I yield.

Mrs. NORTON. The gentleman surely has not forgotten that the chairman of the committee, with the advice of the leadership of the House, brought up that bill under a suspension of the rules; that she did exactly what she was directed to do. The gentleman certainly has not forgotten that, has he?

Mr. BARDEN of North Carolina. May I say to the gentlewoman from New Jersey that while she asked to bring it up under suspension of the rules, that was not the direction given to the gentlewoman by the committee. The committee told her to use every parliamentary means possible.

The gentlewoman was directed to use every parliamentary means possible, and the normal, customary way of bringing legislation before this House is through the Rules Committee under a rule.

Mrs. NORTON. Will the gentleman yield?

Mr. BARDEN of North Carolina. I am delighted to yield.

Mrs. NORTON. And the chairman of the Labor Committee then endeavored to get a closed rule. I am perfectly willing to take the responsibility for requesting a closed rule, because I knew that what would happen is exactly what has happened. The wage and hour provisions would both be destroyed and the principle of the bill wiped out with the amendments that were to be offered. I take full responsibility for that.

Mr. BARDEN of North Carolina. May I say to the gentlewoman from New Jersey that I have not lost confidence in the House. If the full membership of the committee had been here I think we would have been in pretty good shape. We will come out of it yet. Do not think I have lost confidence in the House or in the American people. Something good will come out of this fight yet.

[Here the gavel fell.]

Mr. RANDOLPH. Mr. Chairman, I have been a member of the House Labor Committee during my four terms of service in this body. I labored diligently for the passage of the wage-hour legislation because at the time the measure was debated and passed, I felt the principles of that proposal needed to be written into the law of this Nation. I have declined until this moment to take part in the debate upon the so-called Barden, Ramspeck, and Norton bills because I did not want to be misunderstood in connection with any utterances that I might make.

I recall that on June 14, 1938, when this House was considering the conference report on the wage and hour bill, I stood here in the Well and said:

This measure is not 100-percent perfect.

There are those of us who have felt that there should be amendments to the act so that the hardships wrought in some instances to certain seasonal business could be eliminated. We did not, however, desire to see the legislation torn asunder by foes who neither at the time of its passage or now have favored this great humanitarian effort in pioneering to aid the low-wage earner of America.

If I may be indulged another reference, I recall my statement of May 4, 1938, when in the course of House debate I stated that there was a need for the establishment of the principle of wage-hour legislation. I feel just as strongly now that we cannot allow enemies of the act to wreck its helpful features even though it had been my hope that we could draft and pass amendments to take care of the very bad situation which has arisen through the failure of the Administrator to properly define "area of production."

Since the gentleman from North Carolina [Mr. BARDEN] rises and makes the statement that he will not support his own bill as it now has been amended, I feel that I should make just a very brief comment at this time. In my opinion, the gentleman from North Carolina, in the fostering of his bill, has been genuinely interested, as he understood it, not in the utter emasculation of the present act but in an earnest desire to be of service in the equalization of the benefits of this law and in wiping out any disadvantages of the law so far as any particular group of people in this country are concerned. The trouble in which we find ourselves today in the administration of this act is due to the rulings and the opinions which have been given by the Administrator of the Wage-Hour Division in connection with the promulgation of those regulations which affected labor and especially the preparing of fresh fruits and vegetables in this country. I attended many of these hearings with other Members of Congress to argue against the rulings of the Administrator from the standpoint of area of production, but we were met with an almost adamant attitude. I have been plainly discouraged and saw no way out but to support certain amendments to help agriculture. The gentleman from North Carolina [Mr. BARDEN] has said that he will not allow his support to go further with his bill, which is weighted down with those amendments which strike at the very heart of the Wage and Hour Act. Personally, as one member of the Labor Committee, I admire the frankness and the fearlessness of the gentleman from North Carolina in standing in this House this afternoon and saying that he will not allow his prestige to be carried further in connection with the Barden bill, for, just as the gentleman from Wisconsin said, the bill has been loaded down with crippling amendments.

Mr. KEEFE. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Does the gentleman favor the adoption of the committee substitute to the Norton bill?

Mr. RANDOLPH. I was a member of the committee that voted to report that bill out, because I felt we had given it most careful consideration, and that upon the floor of the House amendments could be offered, and perhaps we could bring about a correction of the inequalities in the present law.

Mr. KEEFE. Does the gentleman believe, in view of the present situation, that we should not get ourselves into the position where we will not have an opportunity perhaps to even consider the Norton bill?

Mr. RANDOLPH. I think it should be considered and the House given the opportunity to amend it.

Mr. GIFFORD. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I am very much confused, for I said I would vote for the Barden bill. The gentleman from North Carolina [Mr. BARDEN] has not told us what amendments have been added that he does not like. Was it the Brown amendment?

Mr. RANDOLPH. No; I do not so understand.

Mr. BROWN of Ohio. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Is the gentleman opposed to the Barden amendment at this time because of the amendment I offered placing a floor under wages?

Mr. RANDOLPH. I may say to the gentleman that I was called from the floor at the time his amendment was offered and passed. There were perhaps a dozen other amendments that were passed which are objectionable. I have not said anything about the gentleman's amendment.

There are other amendments which have been added that I certainly do not favor.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from New York.

Mr. MARCANTONIO. Is it not very likely that what has happened to the Barden amendments will also happen to the Norton amendments? Amendment after amendment will be tacked on to the Norton bill, and those of us who are in favor of the principles of the Fair Labor Standards Act will find ourselves at the end of the reading of the Norton bill in the same identical position that we now find ourselves at the end of the reading of the Barden bill. Would it not be more advisable for the Committee to now rise and report the bill back with the enacting clause stricken out, then the committee can make a real study of the Fair Labor Standards Act. By such a procedure we will prevent the destruction of this law which was enacted for the protection of American workers.

Mr. RANDOLPH. I believe the action of the Administrator in the past in connection with the area-of-production provision has been absolutely wrong. We have tried to correct that situation. This House can and must meet its responsibility.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last three words.

Mr. HOFFMAN. Mr. Chairman, a great many things might be said in answer to the statement of the gentleman from Wisconsin [Mr. KEEFE] if we on this side cared to get into the same situation you are in over on the majority side, but we do not. The gentleman from Wisconsin [Mr. KEEFE], in substance, charged that the Members of the House did not know what was now before them; that we should vote down the Barden amendments and that, if one certain amendment was adopted, his people in Wisconsin would be taken care of.

However, the woes of the rest of us, which are due either to the unjust provisions of this act or to its maladministration—which most of the Members on the majority side will admit exist—are not so easily disposed of.

If the gentleman from Wisconsin does not understand the bill, that is not the fault of the members of the committee. It is not the fault of those of us who have read the bill, who for more than 2 years have studied the proposed legislation. For the last 2 years an earnest and conscientious effort has been made to correct certain imperfections that everyone concedes exist in this legislation, one of which, the most serious perhaps, is the one just referred to by the gentleman from West Virginia [Mr. RANDOLPH], who, if I understood him correctly, admitted that the act needed amendment; that the Administrator had been at fault in more than one instance.

Not so long ago this afternoon the gentleman from Pennsylvania [Mr. BRADLEY] stated that if this legislation went through, if the Barden bill was adopted, the responsibility would rest on the minority side. I well recall that in the honeymoon days of this administration the gentlemen on that side almost without exception were perfectly willing to be the rubber stamp of the occupant of the Executive Mansion and say that whatever was wanted down there they would stand for here on the Hill.

As a matter of fact, there was more or less of a scramble on the majority side to see who could be the first to proclaim his loyalty to, and the length to which he would go to carry out the slightest wish of, the Chief Executive. A smile from the occupant of the White House was ample reward for support of what was then termed "must" legislation.

Now, in the days of adversity, after the honeymoon is over; after the chickens have come home to roost; after the bad effects of the quack remedies which have been rammed down the throats of the American people have been demonstrated; after the leader has admitted that, notwithstanding the expenditure of untold sums of money, the exercise of unlimited grants of power, his policies have proven to be a failure; when we have the relief problem, for which he knew the remedy; when we are confronted with national bankruptcy and all his cake is dough, you want to pass the responsibility over to the Republican side and cast upon us the burden of getting you out of the mess you have gotten into.

The gentleman from Pennsylvania [Mr. BRADLEY] said just a few moments ago that upon this side rested the responsibility for the legislation which was now before the House. If you will let us alone and agree to accept the legislation which we will advocate, we will go into conference over here and hand you some, which will not only put us on the road toward prosperity, but will give us once more in this country constitutional government.

Accepting legislation from us should be nothing new to you because your legislative ideas have been furnished and your legislative measures have been handed to you by executive departments and by the bureaus and the heads of departments down there for the last 6 years, so I do not know why you should balk now, having become accustomed to the practice of taking what is handed you.

There are some over here who, as I stated before, with reference to this legislation and with reference to other labor legislation, have been endeavoring for 2 years and more to bring forth constructive amendments. Every time we proposed one you would charge us with being antilabor. Now, go to the country in November, if you wish, with the N. L. R. A. and the wage-hour law, as they are—unamended, unfair, unjust, a burden upon those who would give employment; a hindrance to those who would earn a livelihood for themselves were it not for the unfair restrictions contained in those laws. I for one, and I speak only for myself, will be glad to meet you on that kind of a platform with your Labor Board and your wage-hour Administrator, and your David Saposs, and all the rest of that crew that has been uncovered over here by that investigating committee which you control.

From the records of the N. L. R. B. itself has come the evidence which brands it as unfair and biased; as the instigator of labor disputes; as the most unfair, unjust, un-American agency which has ever existed in the history of our country.

Next week strike down, if you will, all amendments to the N. L. R. A.; take that Labor Board with its crew of wreckers, a crew which even its friends now seek to disown, and ask the judgment of the people of America on your refusal to give relief.

I challenge the majority party to go to the country in November with the Wagner law and the wage-hour law unamended.

I say go to the country with that record, which smells to high heaven, and if we do not give you a whipping in November, then I miss my guess. [Applause.]

[Here the gavel fell.]

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. MARCANTONIO. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN (Mr. PARSONS). The gentleman from New York offers a preferential motion which the Clerk will report.

The Clerk read as follows:

Mr. MARCANTONIO moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. MARCANTONIO. Mr. Chairman, I offer this motion in all sincerity and in all earnestness. It is not offered simply for the purpose of obtaining the floor to make a speech. I direct my remarks to every Member of this body who sincerely believes in the basic principles of the fair labor standards law. My own position is well known. I am opposed to both the Barden and Norton amendments. I appeal, however, not only to those who take my position on these two bills, but I also appeal to those who favor only the Norton amendments and to those who seek corrective legislation only, but who do not want to see the act destroyed.

Let us analyze the situation in which we find ourselves, those of us who believe in the principles of the Fair Labor Standards Act. The Barden amendments have been loaded down and they have been practically abandoned, or at least

I think I can safely say that the overwhelming majority of this Committee is opposed to voting for the Barden amendments, and upon the defeat of the Barden substitute and the defeat of the Ramspeck substitute which will follow, of course, we then will be confronted with the Norton amendments.

Now, those of you who are for the Norton amendments—I personally am opposed to them—but those of you who are for the Norton amendments and also are in favor of the basic principles of this act, consider what you are going to be up against. We are going to have added onto the Norton amendments many of the Barden amendments. When the Norton amendments are read for amendment you are going to have amendment after amendment adopted to the Norton amendment and you will find yourselves—those of you who believe in this law—in exactly the same identical position that we find ourselves now after the reading of the Barden amendments. The Fair Labor Standards Act will have been completely knifed. Therefore, there is only one sane procedure and one safe procedure, safe from the standpoint of those who toil and also safe from the standpoint of the farmers, and that is that the enacting clause be stricken out and this entire matter sent back to the committee. Otherwise, you will have to accept the responsibility for the virtual destruction of this act, unless you who favor the Norton amendments support my motion.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. THOMAS of New Jersey. I would like to say to the gentleman that I do not always agree with everything the gentleman from New York says, but on this particular point I agree with him 100 percent, and I think that all of us should take this opportunity to send this bill back to the committee. It is a hodgepodge and the sooner we send it back to the committee the better legislation we will get out of it. [Applause.]

Mr. MARCANTONIO. I thank the gentleman for his observation.

I think that in light of the fact that the Administrator is beginning to hold hearings on the question of area of production, in the light of the fact that we are not going to get any real legislation here but amendments that are going to load down the Norton amendments, and in the light of the fact that the Norton amendments will be used by the enemies of the Fair Labor Standards Act as a vehicle with which to ride over this law and kill it, the only just action is to send this bill back.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. In just a moment, please. I want to complete this thought.

Consequently, I make this proposal and I offer this motion in all fairness to both sides of the aisle and in all fairness to those who believe in the basic principles of the Fair Labor Standards Act. I am convinced that the overwhelming majority of this House is in favor of continuing these basic principles. I am also convinced that some of those who seek amendments are doing so in all sincerity and that those who seek to emasculate this law are only a minority, but who will command a majority unless you drop the Norton amendments.

Therefore, I say to the supporters of the Norton amendments, why play into the hands of this minority. Consequently, for the sake of the basic principles of the Fair Labor Standards Act, for the sake of sane and intelligent legislation, there is only one course we can now pursue and that is to send this bill back. First, such a course will insure adequate study and make possible equitable recommendations. Second, the law has not been given sufficient time to demonstrate what changes are needed. Third, and above all, such a procedure will save the act from destruction.

In the name of the American workers and in the name of American farmers I do hope that you will give the proposal which I have made your most serious and earnest consideration. [Applause.]

Mr. BROWN of Ohio. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I rise in opposition to this motion because I believe it is time we passed on fundamental issues. I have listened for almost 2 years to different Members of this House rise on the floor and tell how they love labor, and how they fought for the rights of labor, and how they intend to protect the rights of labor, and then this bill comes here and these amendments are offered and everyone talks about how he does not want to reduce the wages paid to labor, but as soon as an amendment is offered and adopted by this House which writes into the law a continuation of the minimum-wage provisions of the present law, as far as the Barden amendments are concerned, immediately some of these men who have paraded backward and forward across the Well of this House rise in all their majestic glory and wrap the robes of sanctimony around their noble forms and tell us they are opposed to the Barden amendments because of the fact they contain a provision that protects labor and holds the minimum floor of wages at 30 cents an hour. [Laughter and applause.]

I say to you, if you are consistent, if you believe in the rights of labor as you preach here, if you are not a demagog, then you will vote against this amendment and vote for the Barden amendment with the provision in it that protects labor against a reduction of wages.

The CHAIRMAN. The question is on the motion of the gentleman from New York.

The question was taken.

Mr. MARCANTONIO. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. MARCANTONIO and Mrs. NORTON to act as tellers.

The Committee again divided; and the tellers reported—ayes 62, noes 127.

So the motion was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Georgia [Mr. RAMSPECK].

The question was taken.

Mr. RAMSPECK. Mr. Chairman, I ask for a division, and ask unanimous consent that the amendment be again reported.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that the Clerk again report his amendment. Is there objection?

There was no objection, and the Clerk again reported the Ramspeck amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The Committee divided; and there were—ayes 84, noes 22.

So the amendment was agreed to.

Mr. O'CONNOR. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: On page 14, line 16, strike out the words "six months" and insert "two years"; also strike out "six months" in line 17 and insert "two years."

Mr. O'CONNOR. Mr. Chairman, the language which I seek to change by this amendment has been somewhat helped by the amendment adopted by the House changing it to "date of discovery," rather than "date of accrual," some of the vice was thereby removed, but I wish to call your attention to this:

But no action to recover such liability shall be maintained unless commenced within 6 months from the day when the cause of action accrued—

Or as it is "date of discovery"—

or 6 months from the date of enactment of the Fair Labor Standards Act amendments of 1939.

The framers of this law intended for it to be sort of self-executing and reduce the cost of administration. In other words, if the employers of labor did not live up to the law, they could be sued for overtime and back pay. In other words, a suit would lie against the employer; $10,000,000 in suits today are pending against employers for failing to

comply with the provisions of the Fair Labor Standards Act. If you adopt this bill as it is written you cannot go back beyond a period of 6 months from the date of the enactment of this bill for recovery for violation of the law, which may have occurred a year or two ago or at any time after the act was passed, and thereby let those employers go scot free who have been violating the law except for the last 6 months. At the present time, in the absence of this law, your local statutes of limitation control. They vary from 3 years to 10 years within which time actions could be maintained. If you adopt this law, then you confine the bringing of actions to a period of 6 months from the date of discovery. That is the shortest limitation with reference to a remedy of this kind that is known in history. I think this amendment should be adopted in justice to labor. I fully analyzed this bill during general debate and showed that it was a clear attempt to scuttle the wage and hour law.

The gentleman from North Carolina [Mr. BARDEN], for whom I have a very deep regard, and I am confident he is one of the most sincere men on this floor, made the statement in opening the debate upon this bill, upon its being read for amendment, that there was a feeling of unanimity on the part of the farmers in favor of his bill. I think the gentleman was in error when he made that statement. I have in my files a letter dated April 22, coming from Great Falls, Mont., reading as follows:

Our attention has been called to the statement that all farm organizations are favoring amendments to the present wage and hour bill.

We wish to inform you that the Montana division, Farmers Educational and Cooperative Union of America, is opposed to any amendments to the present Wage and Hour Act. As employers of a considerable number of people, we are satisfied with the present act.

We have had no complaints from any of the cooperatives affiliated with us on the provisions of this act and our membership recognizes that in order to purchase the products of our farms at a price which will enable us to enjoy a fair standard of living, it is necessary that the working people of this Nation be employed and receive a fair wage.

We urge you to oppose any attempt to amend the Wage and Hour Act. We are informed that both A. F. of L. and C. I. O. labor organizations in Montana are opposed to any change in this bill, and we wish to add our support to that of organized labor in this matter.

That is signed by Harold Brown, one of the leading thinkers and students on farm problems in the Northwest, and secretary of the Montana division, Farmers Educational and Cooperative Union of America, one of the strongest farm organizations in the West. They are opposed to any change in the wage and hour law.

The farmers of this country are not going to be duped in this matter. They fully realize that their market is here at home, provided we will continue to give life to that market by giving to the underpaid labor 30 cents an hour. There is no doubt but that underconsumption is the cause of farm surpluses today. It is not overproduction. Give the American people enough to eat and that will solve the problem. We must not forget that the great bulk of farm products is foodstuffs. Millions of ill-fed and ill-clothed people, farmers and city workers alike, look to us and have a right to look to us for help. Let us overwhelmingly defeat these Barden amendments. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana.

The amendment was rejected.

Mr. FRIES. Mr. Chairman, I move to strike out the first word.

Mr. Chairman, this certainly has been a field day for the Members of Congress to pay tribute to the American farmers. I never heard so much baloney about our American farmers as I have heard in the past few days.

I happen to represent a district which has 15,223 farmers, a group of the finest people in America, and I am always happy to vote for legislation beneficial to their cause. I have not as yet received one word from any farmer in that district asking me to vote for the Barden amendment or any other amendment to emasculate the wage and hour law. The only farmers that I know of who are interested in the Barden amendments and emasculation of the wage and hour law are farmers who spend their winters in Florida and their summers in Canada.

We in America who believe that the 11,000,000 people in this country who have been benefited by the Fair Labor Standards Act needed this legislation to bring them out of the sweatshops and out of the slave areas in this country think they are entitled to the same consideration from this United States Congress as any financiers or any other group of people in this United States.

I am bitterly opposed to any amendments to the Fair Labor Standards Act which will bring harm to the American people, people who have a right to live as American citizens under this form of government. Those who believe that the masses of the common people are born to be herded into corrals of misery and suppression to serve the whims and wishes of the privileged groups are absolutely in sympathy with emasculating all humanitarian legislation. I say to those people that the reason we have the war in Europe at this moment is because the representatives of those governments, responsible to the people that they represented, failed to recognize the rights of the common people and caused such fear, hatred, distress in those countries that it eventually brought about this horrible war.

I am saying to the people from the South I am very happy we have such a man as the gentleman from Georgia, BOB RAMSPECK, so vitally interested in the welfare of humanity. The gentleman from Georgia believes that human rights are above property rights. I want to say to some of the other gentlemen from the South, who are constantly endeavoring to destroy every piece of humanitarian legislation, that it is a disgrace the way they operate in the South in dealing with the underprivileged people. People in some sections in the southern part of the country have been disfranchised. American citizens have been denied the right to vote. There are 4 States which have 35 Representatives in this House whose combined vote is less than that cast for the gentleman from Illinois [Mr. SCHUETZ]. There are 7 Representatives from the State of Mississippi whose combined vote is less than that cast for the gentleman from Illinois [Mr. SABATH], who has the smallest district in the State of Illinois.

If we are going to tolerate such conditions in America we must naturally expect humanitarian legislation to be destroyed. Those people, who believe in property rights above human rights and who are constantly talking about communism, "reds," and un-American activities in connection with needed social legislation, are doing more to bring about that condition of subversive activities than any group anywhere in the United States.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FRIES. I yield for a question.

Mr. SCHAFER of Wisconsin. In certain Southern States below the Mason and Dixon's line where they talk much about "reds" and communism they sabotage the fourteenth amendment to the Constitution so that in 7 congressional districts in Mississippi the total vote cast in the 1938 election was less than 36,000, or less than one-half of the vote ordinarily cast in a single congressional district above the Mason and Dixon's line.

Mr. FRIES. That is just what I stated a moment ago. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. Are there further amendments to section 10? [After a pause]. The Chair hears none.

Are there amendments to section 11?

Mr. CASE of South Dakota. Mr. Chairman, if we are trying to perfect the bill, I ask unanimous consent that the date "1939" appearing in line 18, on page 14, be changed to "1940."

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

The CHAIRMAN. Are there amendments to section 11? The Chair hears none.

Are there amendments to section 12?

Mr. SCHAFER of Wisconsin. Mr. Chairman, I have an amendment to section 12.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: Page 17, line 4, after the period insert a new section as follows:

"SEC. 21. In order to protect the minimum-wage and maximum-hour standards prescribed in sections 6 and 7 it shall be unlawful for any person to import or cause to be imported from any foreign country in any manner or by any means whatsoever, or aid or assist in importing any goods, wares, merchandise, manufactured, produced, or mined wholly or in part in foreign countries unless such imports are produced, manufactured, or mined under the same minimum-wage and maximum-hour provisions which would be applicable if they were manufactured, or produced, or mined in the United States."

Mr. RAMSPECK. Mr. Chairman, a point of order.

Mr. SCHAFER of Wisconsin. Mr. Chairman, this amendment is offered for the purpose of protecting those——

The CHAIRMAN. The gentleman from Wisconsin will suspend. The gentleman from Georgia makes a point of order. The gentleman from Georgia will state his point of order.

Mr. RAMSPECK. Mr. Chairman, I make the point of order that the amendment is not germane to this bill. The amendment deals with the question of foreign commerce. The bill deals only with interstate commerce, with wage and hour provisions within this country. The amendment offered by the gentleman undertakes to regulate foreign commerce. It would be more appropriate on a tariff bill than on a bill amending the Wage and Hour Act.

The CHAIRMAN. Does the gentleman from Wisconsin desire to be heard on the point of order?

Mr. SCHAFER of Wisconsin. I do, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. SCHAFER of Wisconsin. In the first place, Mr. Chairman, the point of order comes too late, because I had started to speak on my amendment before the point of order was made.

In the second place, the gentleman who made the point of order apparently is not familiar with the bill, which, on page 16, section 20, proposes to regulate and prohibit convict-produced goods, not only produced in the United States but in foreign lands. It specifically refers to foreign convict-produced goods; and even though the point of order had been made at the proper time it could not be sustained because this amendment is clearly germane to the bill, as it also relates to foreign production.

The CHAIRMAN. The Chair will ask the gentleman to point out the particular language in the bill to which he refers.

Mr. SCHAFER of Wisconsin. I will read. Page 16, lines 13 to 17:

* * * the United States, or place noncontiguous but subject to the jurisdiction thereof, or from any foreign country, into any State, Territory, Puerto Rico, Virgin Islands, or district of the United States, or place noncontiguous but subject to the jurisdiction thereof.

This language of the bill specifically refers to foreign commerce and foreign products and has a prohibition with reference to convict-produced foreign goods moving into this country.

The CHAIRMAN (Mr. PARSONS). The Chair is ready to rule.

The section under discussion, known as section 12, page 16, is headed "Prohibition against interstate transportation of convict-made goods," and in the course of describing what shall be prohibited the section does prohibit the transportation in interstate commerce of penal- or reformatory-institution-made goods from the States, Territories, and any district of the United States or from any foreign country.

The amendment offered by the gentleman proposes to prohibit the importation into this country of any goods manufactured, mined, or otherwise, from any foreign country that does not comply with our minimum wage rates.

The Chair thinks that in construing this amendment to section 20 it is clearly germane, because it prohibits the importation of foreign-made goods that does not prescribe minimum rates. The point of order is overruled.

Mr. SCHAFER of Wisconsin. Mr. Chairman, this amendment is offered in order to protect agriculture and industry in the United States and the workers employed therein from the unfair, cheap, chiseling competition of foreign imports which are produced by workers who labor long hours for wages which are way below the minimum fixed under the Wage and Hour Act.

Mr. Chairman, I cannot imagine how anyone who speaks on behalf of the working people of the United States when speaking in favor of the Federal Wage and Hour Act will advocate that we should put American industries under the minimum-wage and maximum-hour law and then continue to permit competing imports from foreign countries where the workers work almost twice as many hours for a wage which is much lower than the minimum fixed for competing American industries. If we continue to raise the cost of American production and the importation of cheap foreign imports we will destroy the jobs of many of our American workers who are now employed and make it difficult for the 11,000,000 who are now unemployed to obtain a job. We cannot import the products of cheap foreign labor and then raise the production cost of competing American products. If we do that, we will furnish thousands and thousands, yes, hundreds of thousands, of jobs to workers in foreign lands to the great injury of our American working people.

Remember, it was our Lord who said, "No man can serve two masters." When a vote is reached on my amendment, we will have an opportunity to see who chooses to serve our American workers and who chooses to serve the workers in foreign lands.

Mr. CASEY of Massachusetts. Will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield to the gentleman from Massachusetts.

Mr. CASEY of Massachusetts. In this connection, it is interesting to point out that ever since 1916 Great Britain, as well as the Scandinavian and other countries, has had a minimum-wage and maximum-hours law.

Mr. SCHAFER of Wisconsin. All right. I thank the gentleman for his contribution.

Mr. CASEY of Massachusetts. I am helping the gentleman out.

Mr. SCHAFER of Wisconsin. The gentleman knows that we import from Cuba, Russia, China, and Japan many products which compete with the products of our American business institutions and the American workers employed therein. In these and other foreign countries the workers receive wages as low as $2 a week, and work as much as 100 hours a week. The gentleman from Massachusetts can point with pride to the wages and hours in Great Britain, but I do not. My amendment proposes to protect our American workers from unfair cheap, chiseling imports from the British Empire, particularly from India, where many hundred million ill-housed, ill-fed, and ill-clothed British subjects toil and sweat for starvation wages, and their maximum-hour limitation is 7 days a week and 24 hours a day.

Mr. CASEY of Massachusetts. We want to follow the Scandinavian countries rather than China and Japan.

Mr. SCHAFER of Wisconsin. Then vote for my amendment. I am now talking about the cheap oriental labor of China and Japan, the half-naked, loin-cloth labor of India, the cheap regimented slave labor of Russia, and the barefoot cheap peon labor of the South American countries and Cuba. The vote on this amendment will reveal where many of the so-called friends of the American working men and women really stand. [Applause.]

Mr. Chairman, I sincerely hope that the parliamentary situation will permit me to obtain a record roll-call vote on my amendment, for the Good Lord also said, "Wherefore by their fruits ye shall know them." Mr. Chairman, a record roll-call vote on this amendment will reveal just where political friends of our working people stand, and whether they take their position on the American workers' side or on the side of the cheap oriental, Indian, Cuban, Russian, and other foreign

workers. I take my position on the side of the working men and women of the United States. Where do our New Deal brethren stand? [Applause.]

Mr. RAMSPECK. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin [Mr. SCHAFER].

Mr. Chairman, I would like to point out to the members of the committee who really want to remedy what some of us think are defects in the present wage and hour law that if you want to be absolutely certain you will not get any amendments at all, you ought to support the amendment offered by the gentleman from Wisconsin. We all know that it would be necessary for the President to veto any bill if it contained such an amendment. It is in direct conflict with the trade-treaty program, which the Congress has recently extended, and cannot be effective in legislation of this kind.

All of us would like to see the standard of living in America protected, and most of us have voted for measures which tended to protect that standard of living; but there would be absolutely no way for the Wage-Hour Administrator to determine whether or not this amendment was complied with. It would be unworkable and almost impossible of administration. We had this question up in the committee when the original act was considered. The late beloved Billy Connery, of Massachusetts, felt very strongly about it, and at first I was inclined to agree with him, but it was pointed out to us by representatives of the State Department, the Tariff Commission, and other agencies that would have to deal with this matter that it would be utterly impossible to place such a provision in an act of this kind and have it administered satisfactorily. So if you want to destroy any possible amendments to the wage-hour law at this session, then vote for the gentleman's amendment. If you want to solve this problem, I hope you will vote the amendment down.

Mr. CLEVENGER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, as a member of the House Committee on Agriculture, and a textile man when I am home, and interested vitally in the unemployment of some 9,000,000 or 10,000,000 people in this country, I wish to call your attention to one thing that is taking place now, and I am going to tell you, at the expense of possibly not interesting you, how I came upon this particular matter of which I speak.

I happen to deal in white uniforms for nurses. A gentleman came into my store, and he had the standard $15.75-a-dozen aprons, which he quoted me at $12.60. On examination of the material of which these aprons were made—and I hope the gentleman from Pennsylvania [Mr. BRADLEY] is listening, because he was talking about "chiselers"—being somewhat familiar with most of the textiles in this country, I decided it was not made in the United States. I visited this factory in the city of Cleveland, and the gentleman showed me the piece goods from which this garment was made. It was made in Japan.

The hours of labor have just recently been shortened by the Japanese Government from 96 hours per week to 84 in the interest of public health. They have a situation there of almost convict labor, of forced labor, because many of the girls sign up for 5 years in these textile plants, and they work at about 29 cents a day.

I just called the Bureau of Foreign and Domestic Commerce, and I find that 81,689,000 square yards came into this country last year, and there is evidently now a quota of about 7,268,000 square yards per month.

I examined this piece goods and found that it is laid out in folds all ready for the American cutting machine. Across the end of that piece in letters not over an inch high are the words "Made in Japan." You can tear that right off and throw it away. On the other end of that piece of goods is 3 or 4 inches of extra cloth, made to replace it. This cloth is shipped over here in Japanese ships manned by naval reservists being paid about $4.84 a month, yet we are trying with our subsidized merchant marine to pay a wage of $72.50 for a seaman, and who wants to hire for less?

I have this material here. Look at it. All you have to do is tear that little label off, "Made in Japan," and there are 60 yards of goods that I paid 6½ cents a yard for. Some of you North Carolinians should take that down and see if you can make it in North Carolina for 8½ or 9 cents a yard. There is too much old Kings Mountain Scotch in me to want to expose any person in the State of North Carolina to competition with such sweated labor as that.

These workers live over there in a little huddled place, on a bamboo mat. They bathe in a common pit of hot water. They live worse than any convict, more crowded than any concentration camp you can find in Europe; and they compete with men and women of your race and mine.

I am informed by one of the present Members of the House that while visiting one of the very large Japanese mills some time ago he found that young Japanese girls of about the age of 14 years are brought in from the agricultural areas. Those young girls are then placed inside the factory compounds for a period of about 4 years at a wage rate of $4.50 per month, plus certain other benefits such as food, shelter in factory compound, a small amount of schooling, flower culture, and so forth. Those girls in this manner thus dedicate 4 years of their life to the manufacture of Japanese textiles, largely for export. It is this type of competition the American millworker is up against.

I come back to the language of Confucius, "One picture is worth a thousand words," and here it is. It may not be the reciprocal-trade treaty, but it is part and parcel of what puts 11,000,000 people on the pavements looking for work in the United States of America. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 30 minutes.

Mr. GROSS. I object, Mr. Chairman.

Mr. RAMSPECK. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 30 minutes.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SCHAFER].

The question was taken; and on a division (demanded by Mr. SCHAFER) there were—ayes 93, noes 111.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mrs. NORTON and Mr. SCHAFER of Wisconsin.

The Committee again divided; and the tellers reported that there were—ayes 109, noes 120.

So the amendment was rejected.

Mr. SUMNERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUMNERS of Texas: Page 15, beginning in line 24, strike out all of section 12 as amended.

Mr. SUMNERS of Texas. Mr. Chairman, the section which my amendment proposes to strike out deals with the disposition of prison-made goods.

The Committee on the Judiciary has had responsibility for a long time for dealing with this matter. This is a rather delicate matter to deal with. Many people interested in the rehabilitation of prisoners are fully convinced that there is no substantial chance for their rehabilitation unless they are given a chance to work. Our committee has been able to get those interested in rehabilitation of prisoners, and those interested in protecting the American workingman against prison-made goods together up to this time. The first bill was passed a good while ago. It made prison-made goods subject to the law of the State into which they were shipped. A few years ago additional legislation was had which put the Federal Government at the border line of the State guarding the State against the violation from without of State policy, and making it against the law to ship prison-made goods into a State in violation of the policy of that State.

There is probably some necessity for additional legislation. This year a bill has been introduced in the Committee on the Judiciary which is identical in its effect with this amendment which it is proposed to strike from this bill. Since the introduction of that bill it has been submitted to the Department of Justice. The Department of Justice advises that some of the smaller States, by reason of their inability to equip themselves to take care of all the things which they could use necessary to give reasonable employment to their convicts, so those convicts may fit themselves for life when they retire from their positions, exchange commodities with other smaller States similarly situated. One State will make enough for itself and another small State, and they exchange commodities. Instead of each of them having a fully equipped little factory for each thing produced, one will make one thing and another will make another thing, and they exchange. This bill with the section in it would make that exchange impossible. To do it this way would probably irritate and do harm both to the prisoners and to free labor.

At this time America is tremendously interested in trying to do what it can to rehabilitate these men before they are turned out.

It is not wise legislation, it is bad legislation to deal with so important a thing and so delicate and I may say so difficult a thing in this way. It is recognized by everybody that it is necessary in order to carry this good work on that these prisoners be provided with something to do. The people who are interested in protecting free labor and the people who are interested in these people in prison are now in full agreement as to the scope within which convict labor should be held. The bill in the Committee on the Judiciary, to which I have referred, has disclosed that it is necessary—at least highly desirable—to get the people interested in agreement if possible. You cannot do that on the floor of the House in this sort of situation and the matter ought not to be legislated in this sort of way. We ought not to bring into friction the people who have a common interest in doing something that would be fair to free labor and at the same time calculated to help make these people fit to be citizens of this country when they are released from their imprisonment. [Applause.]

A letter from the Department of Justice with regard to the bill referred to as identical with this section is printed herewith:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., March 28, 1940.

Hon. HATTON W. SUMNERS,
Chairman, Committee on the Judiciary, House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: This acknowledges your oral request for my views concerning a bill (H. R. 8853) to prohibit the transportation of prison-made goods in interstate and foreign commerce.

The bill under consideration would make it a criminal offense to transport in interstate or foreign commerce any goods, wares, or merchandise manufactured, produced, or mined, wholly or in part, by convicts or prisoners, except those on parole or probation. The penalty for violations of the act is to be fixed at imprisonment for a term not exceeding 1 year or a fine not exceeding $1,000, or both. The bill contains a provision that it shall not apply to goods manufactured in Federal penal and correctional institutions for use by the Federal Government. In view of the last-mentioned limitation the bill would not directly affect any activities of the Department of Justice, but would be restricted in its effect to the products of State institutions.

In view of the foregoing considerations, the pending measure involves questions of legislative policy, concerning which I prefer not to make any suggestions, beyond calling attention to the following circumstances, which you may desire to weigh in connection with reaching a final conclusion as to the merits of the bill.

By the Hawes-Cooper Act (act of January 19, 1929; 45 Stat. 1084) it was provided that convict-made goods, except those produced in Federal institutions for use by the Federal Government, transported into any State and remaining therein, should upon arrival and delivery in such State become subject to the operation and effect of its laws, as though they had been manufactured in such State, and should not be exempt therefrom by reason of being introduced in the original package or otherwise. By its terms this act became effective as of January 19, 1929. Its objective was to subject to State prohibitions against the sale of convict-made goods all such goods introduced from other States.

By the Ashurst-Sumners Act (act of July 24, 1935; 49 Stat. 494; U. S. C., title 49, sec. 61) it was made a criminal offense knowingly to transport convict-made goods from one State or from any foreign country into any State for the purpose of receiving, possessing, selling, or using such goods in violation of the laws of such State. Again, the products of Federal institutions were excepted. Thus the Ashurst-Sumners Act implemented State restrictions against the sale of convict-made goods by prohibiting the importation of such goods into any State forbidding their sale or use. Violations of the act were made punishable by a criminal penalty.

The bill under consideration would carry existing legislation a step further by placing a ban on transportation in interstate or foreign commerce of any convict-made goods, again excepting products of Federal institutions.

This bill may prove detrimental to the best interests of some of the smaller States, which are unable to absorb all of the products of their prisons. I am informed that several States have met this problem by entering into agreements for the exchange of prison-made goods. This, for example, is true of Utah, Wyoming, and Nebraska, the first of which produces canned goods, the second blankets, and the third automobile tags. I am also informed that State prisons of Tennessee sell automobile tags to the State of Mississippi, while certain articles of clothing produced in Alabama institutions are sold to the States of Tennessee and South Carolina for use in their public institutions. I suggest that consideration should be given to the effect that the pending legislation would have on such transactions between State governments. In addition, the necessity of affording useful employment to prisoners as a rehabilitating measure should not be overlooked.

Sincerely yours,

ROBERT H. JACKSON,
Attorney General.

[Here the gavel fell.]

Mr. SWEENEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am utilizing this time to read to the House a short editorial published in the Cleveland Plain-Dealer of April 24, 1940, entitled "Those Who Need It Most":

THOSE WHO NEED IT MOST

The Federal wage-hour law recognizes, as must all thoughtful citizens, that wages below the level of decent subsistence hurt everyone.

They bring privation, often semistarvation, to their recipients. They hurt business because extremely low-paid workers are out of the market for most of the products of manufacturing industry and the distributive trades. They hurt the farmer because families struggling to exist on a grossly inadequate income cannot even buy enough food.

This latter point is well expressed by Secretary Wallace of the Department of Agriculture in opposing pending amendments to the Wage and Hour Act, which would exempt 1,500,000 workers, including processors of agricultural products.

This group includes many of the most depressed of America's working population. Those who attended the Catholic social workers' convention in Cleveland last year have not forgotten the dramatic appeal which a Texas bishop made on behalf of the pecan shellers, a group of workers which would be exempted by the pending amendments. The churchman warned his audience not to misunderstand him when he talked about a $1.29 wage: "I do not mean $1.29 an hour, or $1.29 a day. I mean $1.29 a week!"

No one has argued that the wage-hour law, in its present form, is an ideal measure. It is capable of improvement. But to change it to exclude those who stand in the greatest need of its protection would be short-sighted public policy and rank inhumanity.

There is no lobby here of small children who work for from 4 to 10 cents an hour, children of 8, 10, and 12 years of age. There is no lobby here of pecan shellers and men and women of that type who are going to be exempted under this law. We ought to be extending the law to include all groups in the country, and not exempt anyone. They have not the money to come here and lobby. The only recreation they get is the privilege, perhaps, of an opportunity to visit the public park on a Sunday. The Master said, "Suffer the little children to come unto me and forbid them not, for of such is the Kingdom of Heaven." It seems the only friends the victims of child labor have is organized labor. They are on record against these amendments.

How any red-blooded man in this Congress can vote for the Barden amendments is beyond my conception. I can visualize the children in the Southland and elsewhere, I can visualize the children in the sweatshops of New York and elsewhere, in the needle trades, and in the thousands of tenements and shacks where "home work" for a few cents a day is carried on, in States where they have no minimum-wage or maximum-hour laws. Do you want to continue this slavery?

We should not only keep the standard of $12 as a minimum but in due time an intelligent Congress should, and I am

sure will, bring it up to a proper increased standard after the highest amount per hour is reached under the present act.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SWEENEY. I yield.

Mr. BROWN of Ohio. If the gentleman will read the amendment that was inserted in the bill to the Barden amendment, he will find that the amendment provides that the Barden amendment will not apply to wages and that the minimum-wage requirements shall remain in the bill.

Mr. SWEENEY. That is an adroit way of circumventing the law to provide longer hours. I am for hour regulation as well as wage regulation, I will say to my distinguished friend from Ohio.

Mr. BROWN of Ohio. Is the gentleman opposed to the amendment I inserted to fix a minimum of 30 cents an hour?

Mr. SWEENEY. No; I am not opposed to that if it protects the $12 per week, but it ought to be standard throughout the country. [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I rise for the purpose not of engaging necessarily in a political controversy, but I am here for the purpose of accepting the challenge of the gentleman from Michigan [Mr. HOFFMAN], when he invited my party to go to the polls this fall on the issue of the existing labor legislation. I do not know that I have the right to accept this challenge for my party, but I have the right to accept it for myself, and I am going to admit there have been some abuses in the administration of the labor statutes that we have enacted; but, aside from that, I am not afraid to confront the people of this country on a platform built on the Wagner Labor Relations Act and the Wage and Hour Act because this is the first effort of a great political party to raise the standard of living and provide decent working conditions for labor in this country. [Applause.]

I can recall prior to this legislation when coal miners in my district, and when coal miners in many States of the Union, were loading coal at the shameful rate of 15 or 20 cents per ton, and soon after the legislation was enacted they were being paid from 50 cents to 65 cents per ton—starvation wages before and reasonable wages afterward—with which the coal operators were able to operate in my district and make a profit on their operations.

So I accept the challenge of the gentleman from Michigan [Mr. HOFFMAN], because that situation was not confined to my district alone.

There are some thirty or forty thousand people engaged in the coal industry, but there are about 40,000,000 in this country who make their living by toil, and every one of them ought to be happy to support the Democratic Party in the coming election because of the legislation it has enacted during this administration. Prior to this administration all over America infant children were being made helpless victims of sweatshop methods, just as though we had not progressed beyond the slavery of the Dark Ages. In many places in this great Christian Republic able-bodied men were being paid starvation wages and subjected to unbearable working and living conditions, and yet my friend the gentleman from Michigan [Mr. HOFFMAN] throws down the gauntlet and challenges the Democratic Party to the battle front at the ballot box upon that issue. I cheerfully accept his challenge and am perfectly willing to submit to the electorate of my country the issue, and when the gentleman from Michigan and his party hear from the 40,000,000 people of America that work for their support at the next election, he will be submerged beneath a mountain of ballots of those who are still unwilling to go back to the dark and distressful days of 1932 and 1933, when the clouds of despair and disappointment hung over our country like a nightmare. I am afraid that if my good friend the gentleman from Michigan goes to the country on that issue he may find himself at home, to his own disappointment and even to my regret from a personal viewpoint, for he is a likeable fellow and I am very fond of him.

I am not averse to some amendments to the legislation that may be necessary, particularly with reference to its administration. There have been abuses, and all abuses ought to be corrected, but I believe the Democratic Party, if it is let alone, will correct them, and I do not believe in sabotaging a statute that is only 4 years old before you have a reasonable opportunity to give it a trial, and for this reason, so far as I am concerned, I accept the challenge of the gentleman from Michigan and will go to the polls on the issue this fall. [Applause.] Let us not repeal labor's Magna Carta of liberty by such proceedings as we are here considering. The law is only 4 years old and has not had a fair test, and, so far as I am concerned, I shall vote against both the Barden and the Norton amendments. In a few days we will probably be again called upon to consider amendments to the Wagner Act, another new statute not yet fairly tested.

Mr. Chairman, I repeat, I accept the challenge of the gentleman from Michigan. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, I am proud of the fact, when I noticed the result of the recent vote on the Schafer amendment, which was defeated, that I am a Republican, because there were not more than five Members at the most on the Democratic side of the House who supported that particular amendment. I was much pleased to see my good friend the gentleman from Oklahoma [Mr. MASSINGALE] among those five; also the gentleman from Oregon [Mr. PIERCE] and the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. I want the gentleman to know that I supported it.

Mr. KNUTSON. The gentleman from Pennsylvania voted for it.

Mr. DUNN. I am glad to have the opportunity to support such an amendment.

Mr. H. CARL ANDERSEN. These gentlemen are correct. I am glad they voted for the principles of the American market for the American farmer and laboring man. I repeat further that when you Members went through the tellers on the "no" vote on the Schafer amendment there was not a Republican voting against that fundamental principle, and who will deny that fact? When I think, for example, of the approximately 300,000,000 pounds of Asiatic starches brought into this country duty-free, competing with the farmers of the Nation, starches which could have been manufactured in our Nation, manufactured instead by peon labor, mostly in Asia, earning from 12½ cents to 25 cents a day, I consider it ridiculous that this House would not go on record as opposing that kind of competition, not only detrimental to the American farmer, but also to the American workingman.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. Yes.

Mr. DINGELL. The gentleman mentioned starches. Does the gentleman know that they came in under the Smoot-Hawley tariff bill?

Mr. H. CARL ANDERSEN. If the gentleman has anything constructive to add to my protest on this vote, I shall be glad to hear from him further. Mr. Chairman, I yield the balance of my time.

The CHAIRMAN. The time of the gentleman from Minnesota has expired. The Chair recognizes the gentleman from Pennsylvania [Mr. SACKS].

Mr. SACKS. Mr. Chairman, I am opposed to the Barden bill because I feel that it is an attempt to sabotage the Fair Labor Standards Act. Labor has been under the domination of privileged groups for at least 12 years under the governmental control of Republican policies. Under Franklin D. Roosevelt and the liberal Democratic Party labor was able to demand and receive consideration at the hands of their Government. The wage and hour law, the creation of the Democratic Party, was passed and placed upon the statute books, with the support of the Democratic administration. Today an attempt is being made to remove from our laws these beneficial measures. It is the duty of the liberal Democrats to oppose this vicious attempt. America needs consideration for the underpaid and underprivileged. Industry must realize that unless labor is given an opportunity to raise its standard of living, the products of their industry will not

be distributed and their profits curtailed. Common sense should decree the necessity for protection to labor. Democracy to survive requires more consideration for the great masses. Their earning must be preserved. Let us not forget that legislation must be formulated not alone to protect the investments of capital but to protect also the rights of labor.

Therefore, to continue our progress toward unification of capital and labor and more harmonious existence among the great masses, let us defeat the Barden bill and go forward with the wage and hour bill as it now exists. Defeat the reactionary attempt to destroy labor's magna carta, the wage and hour law.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. ALEXANDER] for 3 minutes.

Mr. ALEXANDER. Mr. Chairman, I am on record as being in favor of the Barden bill, but if this amendment of the gentleman from Texas [Mr. SUMNERS] fails to carry, I am forced to serve notice on the House at this time that I shall have to vote against the Barden bill. I think I can also state that every Member from Minnesota, as well as from our adjoining States out there, will have to vote against the Barden bill if this amendment of the gentleman from Texas does not carry, because it will impose a great hardship and additional financial burden on many of the farmers of our districts if this amendment to section 12 of the wage-hour law is not taken out. In Minnesota we have a prison factory manufacturing and distributing binder twine and farm machinery, which is very important to the farmers of the Northwest. If this law is allowed to pass, a farmer having bought farm implements from our factories will be unable to even buy replacements or repair parts, and that affects not only Minnesota farmers but also farmers from the Dakotas, Iowa, Wisconsin, and other adjoining States.

By the way, who is it that is interested in the insertion of this particular section in this bill? As the gentleman from Texas has so aptly said, it has no place in this bill. There is no justification for inserting any such clause into this wage-hour bill at this time. Who is it that is interested in it? I call attention to the fact that all the goods made in all the prisons in the United States and which go into competition with the product of private industry amounts to only about one-twentieth of 1 percent of the Nation's total.

I wish I had time to read several extracts from a book that I have here, the Federal Trade Commission Report of the Agricultural Implement Machinery Industry, of date June 6, 1938, in which page after page is taken up with evidence, with testimony, with proof, indicating that it is the International Harvester Co. and the Harvester Trust that is back of this movement. I think after the committee gets into the House I shall ask permission to insert some of these paragraphs that I have here as a part of my remarks. They stand here as a public record showing how the International Harvester Co. and the Harvester Trust and those allied groups or companies putting out farm machinery and binder twine have sought for years to buy, to control, and to otherwise influence the State Legislature of the State of Minnesota, and I do not doubt they have gone into other States in similar manner. I hope the Sumners amendment will be agreed to and that this monopoly-backed section will be stricken out because it is not in the interest of anyone but the greedy and self-serving, and we have had too much of that in America already. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The question occurs upon the amendment offered by the gentleman from Texas [Mr. SUMNERS].

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments to section 12?

Are there any amendments to section 13?

Mrs. NORTON. Mr. Chairman, in section 13, I would like to ask unanimous consent to change the figures "1939", line 6, to "1940."

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

The CHAIRMAN. The question now occurs on the substitute offered by the gentleman from North Carolina [Mr. BARDEN] to the so-called Byrns amendment to the Norton bill.

Mr. WOOD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOOD. If the Barden substitute is voted down, then the Ramspeck bill will be in order, will it not?

The CHAIRMAN. The Barden substitute, so-called, is now before the committee for a vote.

Mr. WOOD. And if it is not accepted, then the next in order will be the Ramspeck bill?

The CHAIRMAN. Then the vote will occur upon the amendment offered by the gentleman from Tennessee [Mr. BYRNS], which is the so-called Ramspeck bill.

Mr. WOOD. And if that amendment is voted down, then the next in order will be the committee amendment to the original bill, H. R. 5435?

The CHAIRMAN. Then will be the committee substitute for the bill H. R. 5435.

Mr. WOOD. And if that is voted down, then it would revert to a consideration of the original bill?

The CHAIRMAN. The gentleman is correct.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry?

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. If the Barden substitute is adopted to the Byrns substitute, that means that the Byrns substitute will not be open to amendment?

The CHAIRMAN. The gentleman is correct.

Mr. McCORMACK. And if the Byrns substitute is adopted with the Barden amendment, then the committee substitute will not be open to amendment?

The CHAIRMAN. The gentleman is correct.

Mr. McCORMACK. And, in turn, if that is adopted, it means that the Norton bill itself will not be open to amendment?

The CHAIRMAN. The gentleman is correct.

The question is on the substitute offered by the gentleman from North Carolina [Mr. BARDEN].

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were ayes 66 and noes 156.

So the substitute was rejected.

The CHAIRMAN. The question now occurs upon the amendment offered by the gentleman from Tennessee [Mr. BYRNS], the so-called Ramspeck bill.

The amendment was rejected.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment to H. R. 5435: Strike out all after the enacting clause and insert:

"That section 5 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following:

"'(e) No industry committee appointed under subsection (a) of this section shall have any power to recommend the minimum rate or rates of wages to be paid under section 6 to any employees in Puerto Rico or in the Virgin Islands. Notwithstanding any other provision of this act, the Administrator may appoint a special industry committee to recommend the minimum rate or rates of wages to be paid under section 6 to all employees in Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands, engaged in commerce or in the production of goods for commerce, or the Administrator may appoint separate industry committees to recommend the minimum rate or rates of wages to be paid under section 6 to employees therein engaged in commerce or in the production of goods for commerce in particular industries. An industry committee appointed under this subsection shall be composed of residents of such island or islands where the employees with respect to whom such committee was appointed are employed and residents of the United States outside of Puerto Rico and the Virgin Islands. In determining the minimum rate or rates of wages to be paid, and in determining classifications, such industry committees and the Administrator shall be subject to the provisions of section 8 and no such committee shall recommend, nor shall the Administrator approve, a minimum wage rate which will give any industry in Puerto Rico or in the Virgin Islands a competitive advantage over any industry in the United States outside of Puerto Rico and the Virgin Islands.'

"(b) No wage orders issued by the Administrator prior to the enactment of this act pursuant to section 8 of the Fair Labor Standards Act of 1938 shall after such enactment be applicable with respect to any employees engaged in commerce or in the production of goods for commerce in Puerto Rico or the Virgin Islands.

"SEC. 2. Section 6 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following:

"'(c) The provisions of paragraphs (1), (2), and (3) of subsection (a) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands engaged in commerce or in the production of goods for commerce only for so long as and insofar as such employee is covered by a wage order issued by the Administrator pursuant to the recommendations of a special industry committee appointed pursuant to section 5 (e).'

"SEC. 3. Section 7 (c) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"'(c) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of that specified in such subsection without paying the compensation for overtime employment prescribed therein if such employee is so employed in connection with the—

"'(1) making of dairy products (except ice-cream mix, ice cream, malted milk, and processed cheese), including, among other things, the cooling, pasteurizing, printing, or packing thereof;

"'(2) compressing or storing of cotton;

"'(3) processing of sugar beets, sugar-beet molasses, sugarcane, or maple sap into sugar, molasses, or sirup, but not the refining of sugar;

"'(4) extracting (but not fermenting or refining) oils, juices, or sirups from domestic fruits, vegetables, nuts, or seeds;

"'(5) preparing, cleaning, grading, packing, drying, refrigerating, freezing, preserving, peeling, shelling, storing, or canning fresh or dried fruits and vegetables, but not when those operations are performed at a terminal establishment;

"'(6) preparing, cleaning, grading, packing, roasting, crushing, shelling, or storing nuts, shelled or unshelled, but not when those operations are performed at a terminal establishment;

"'(7) preparing, curing, grading, or bagging raw grease wool, mohair, or rabbit fur;

"'(8) handling, grading, loading, slaughtering, or dressing livestock;

"'(9) handling, storing, grading, slaughtering, refrigerating, picking, dressing, or packing poultry, but not when those operations are performed at a terminal establishment;

"'(10) handling, storing, grading, candling, freezing, drying, or packing of eggs, but not when those operations are performed at a terminal establishment;

"'(11) hatching, handling, or boxing chicks, poults, ducklings, goslings, or wild fowl;

"'(12) handling, grading, cleaning, polishing, handpicking, hulling, delinting, fumigating, drying, packing, or storing of whole seeds, beans, peas, or grains, but not when those operations are performed at a terminal establishment;

"'(13) handling, drying, baling, grinding, decorticating, or packing hops, fiber crops, or forage crops;

"'(14) preparing honey;

"'(15) handling, grading, or packing nursery or horticultural stock; or

"'(16) the felling of trees, logging, or operations incidental to the felling of trees or logging performed prior to, and including, delivery of the logs to a mill for sawing, making pulp, or other processing;

and if such employee receives compensation for employment in excess of 60 hours in any workweek at a rate not less than one and one-half times the regular rate at which he is employed. In the case of an employer engaged in any of the operations specified in paragraphs (1) to (16), inclusive, of this subsection, the provisions of subsection (a), during a period or periods of not more than 14 workweeks in the aggregate in any calendar year, shall not apply to his employees in any place of employment where he is so engaged. As used in this subsection, the term "terminal establishment" means an establishment which (1) is located either in the urban area where the products are to be consumed or at transportation centers for the purpose of servicing consumer markets, (2) receives the major portion of its goods from other establishments at which such goods have been previously concentrated or prepared, and (3) distributes its goods to wholesalers, retailers, consumers, or manufacturers.'

"SEC. 4. (a) The heading of section 11 of the Fair Labor Standards Act of 1938 is amended by inserting at the end thereof the following: '; Rules and regulations.'

"(b) Section 11 of such act is amended by adding at the end thereof the following:

"'(d) The Administrator shall have power to make, issue, amend, and rescind such regulations and orders as are necessary or appropriate to carry out any of the provisions of this act. Without limiting the generality of the foregoing, such regulations and orders may define terms used in this act, make special provision with respect to, including the restriction of, and the piece rates to be paid for, home work subject to this act to the extent necessary to safeguard the minimum standards provided in this act or in any regulation or order issued pursuant thereto, and make special provision for voluntary constant wage plans consistent with the purposes of section 7. The regulations and orders of the Administrator shall be published in the Federal Register and shall be effective upon publication or at such later date as the Administrator shall direct.

"'(e) No provision of this act imposing any liability or disability shall apply to any act done or omitted in good faith in conformity with any regulation or order of the Administrator, notwithstanding that such regulation or order may, after such act or omission, be amended or rescinded or be determined by judicial authority to be invalid for any reason.'

"SEC. 5. (a) Section 13 (a) of the Fair Labor Standards Act of 1938 is amended by striking out all of clause (1) and inserting in lieu thereof the following: '(1) any employee employed in a bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesman, or any employee employed at a guaranteed monthly salary of $200 or more; or.'

"(b) Section 13 (a) of such act is further amended by striking out clause (10) and inserting in lieu thereof the following: '(10) any employee employed in the ginning of cotton; or (11) any switchboard operator, during any calendar year, employed in a public telephone exchange which at all times during the preceding calendar year had less than 500 stations; or (12) any employee employed in the cleaning, packing, grading, or preparing fresh fruits and fresh vegetables in their raw or natural state when such operations are performed immediately off the farm; or (13) any employee employed in handling, tying, drying, stripping, grading, redrying, fermenting, stemming, or packing, when those operations are performed prior to storage, and storing leaf tobacco.'

"SEC. 6. Section 13 (b) of the Fair Labor Standards Act of 1938 is amended by inserting before the period at the end thereof the following: '; or (3) any employee of an employer subject to the provisions of part I of the Railway Labor Act.'

"SEC. 7. (a) The heading of section 14 of the Fair Labor Standards Act of 1938 is amended by inserting at the end thereof the following: '; Home work in rural areas.'

"(b) Section 14 of such act is amended (1) by inserting '(a)' after 'SEC. 14.'; (2) by striking out 'learners, of apprentices, and of messengers employed exclusively in delivering letters and messages' and inserting in lieu thereof 'learners and of apprentices'; and (3) by adding at the end thereof a new sentence as follows: 'The Administrator may by regulation or order provide for the employment of telegraph messengers engaged primarily in the delivery of letters and messages at such wages (but not less than 25 cents per hour) lower than the minimum wage applicable under section 6 as will prevent curtailment of opportunities for such employment with a public telegraph carrier.'

"(c) Section 14 of such act is further amended by adding at the end thereof the following:

"'(b) The Administrator shall promulgate regulations permitting the employment, in rural areas, of employees in the home at such wages lower than the minimum wage applicable under section 6, and containing such provisions governing the piece rate to be paid, the time of day during which such work shall be performed, and such other provisions, as the Administrator may prescribe. No such regulation shall be promulgated with respect to any employees (1) if in the opinion of the Administrator the application of section 6 to such employees does not have the effect of curtailing the opportunities of such employees for employment; (2) if the promulgation of such regulation would in the opinion of the Administrator have the effect of curtailing employment in the factories or industrial establishments, if any, in which similar work is performed; or (3) if the promulgation of such regulation would in the opinion of the Administrator give the employer or employers of such employees a substantial competitive advantage.'

"SEC. 8. Section 15 (a) (1) of the Fair Labor Standards Act of 1938 is amended by striking out the first semicolon therein and inserting in lieu thereof a comma and the following: 'or issued to carry out any provision of section 6 or section 7, except that no provision of this act shall impose any liability upon any person for violating any of the provisions of this section if such person, in a proceeding brought to impose such liability, establishes by a preponderance of the evidence that at the time he acquired a property interest in the goods transported, offered for transportation, shipped, delivered, or sold, or sold with knowledge that shipment or delivery or sale thereof in commerce was intended, he had no knowledge or reason to believe that such goods were produced in violation of any of the provisions of section 6 or section 7, or in violation of any regulation or order of the Administrator issued under section 14, or issued to carry out any provision of section 6 or section 7; and.'

"SEC. 9. Section 15 (a) (2) of the Fair Labor Standards Act of 1938 is hereby amended to read as follows:

"'(2) to violate any of the provisions of section 6 or section 7, or any of the provisions of any regulation or order of the Administrator issued under section 14, or any of the provisions contained, pursuant to section 8 (f), in any order of the Administrator issued under section 8, or any of the provisions of any regulation or order of the Administrator issued to carry out any provision of section 6 or section 7.'

"SEC. 10. The first sentence of section 16 (b) of the Fair Labor Standards Act of 1938 is amended to read as follows: 'Any employer who violates any provision of section 6 or section 7, or any provision prescribing minimum wages or minimum piece rates contained in any regulation or order of the Administrator issued under section 14, or any provision prescribing minimum piece rates contained in any regulation or order of the Administrator issued under section 11 (d), shall be liable to the employee or employees affected in the amount of their unpaid minimum compensation, or their unpaid minimum overtime compensation, as the case may be, and in an additional equal amount as liquidated damages.'

"SEC. 11. Section 17 (including the heading thereof) of the Fair Labor Standards Act of 1938 is hereby amended to read as follows:

"'INJUNCTION PROCEEDINGS

"'SEC. 17. The district courts of the United States, including the District Court of the United States for the District of Columbia, and the United States courts of the Territories and possessions, shall have jurisdiction, for cause shown, and subject to the provisions of

section 17 (relating to notice to opposite party) of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., 1934 ed., title 28, sec. 381), to restrain violations of section 15. Any such action may be brought in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found. No costs shall be assessed against the Administrator in any proceeding under this act.'

"SEC. 12. The Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following:

"'PROHIBITION AGAINST INTERSTATE TRANSPORTATION OF CONVICT-MADE GOODS

"'SEC. 20. In order to protect the minimum wage and maximum hours standards prescribed in sections 6 and 7, it shall be unlawful for any person knowingly to transport or cause to be transported, in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting any goods, wares, and merchandise manufactured, produced, or mined wholly or in part by convicts or prisoners (except convicts or prisoners on parole or probation), or in any penal or reformatory institution, from one State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof, or from any foreign country, into any State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof. Nothing herein shall apply to commodities manufactured in Federal penal and correctional institutions for use by the Federal Government. Any person who violates the provisions of this section shall be subject to the penalties provided by section 16 (a). The provisions of this section shall not be deemed to repeal or supersede any other act relating to the transportation or sale of goods made by convicts or prisoners.'"

Mr. McCORMACK (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the committee amendment be dispensed with and that it be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. COFFEE of Nebraska. Mr. Chairman, reserving the right to object, I would like to take this opportunity to inquire of the chairman of the Committee on Labor as to whether or not it is expected to complete this bill tonight or whether the Committee will rise and take it up later?

Mrs. NORTON. I will say that as soon as the first paragraph is read the Committee will move to rise. We could not possibly be expected to finish the bill tonight.

Mr. COFFEE of Nebraska. I have no objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. BARDEN of North Carolina. Mr. Chairman, reserving the right to object, as I understand it, the committee amendment will be open to amendment?

The CHAIRMAN. The Chair will state that that portion of the bill which is in italics is a substitute offered by the committee for the original Norton bill and is considered as one amendment. Any portion of it is subject to amendment if the further reading of the bill is dispensed with and it is placed in the RECORD at this point.

Is there objection to the request of the gentleman from Massachusetts?

Mr. BUCK. Reserving the right to object, Mr. Chairman, are committee amendments to be considered first?

The CHAIRMAN. Any amendment offered by members of the Labor Committee, of course, will be in order first; and members of the committee offering them will be recognized by the Chair.

Mr. BUCK. The Chair is aware that the gentleman from California has filed an amendment to the first section?

The CHAIRMAN. The Chair is perfectly aware of that and will be happy to recognize the gentleman when it is appropriate to do so.

Mr. WHITTINGTON. Reserving the right to object, Mr. Chairman, I would like to ask if it is the purpose to take the bill up for amendment section by section, just as we did the Barden bill?

The CHAIRMAN. The Chair cannot answer that, because that is a situation under the control of the House.

Mrs. NORTON. Mr. Chairman, it is the intention of the committee to take the bill up section by section, exactly as the Barden bill was considered.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman from Massachusetts modify his request to include the provision that the committee substitute may be considered for amendment section by section?

Mr. McCORMACK. Mr. Chairman, I have no objection to modifying my request as indicated by the gentleman from Mississippi, and ask unanimous consent that my request be considered as so modified.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that the reading of the amendment be dispensed with, it to be printed in the RECORD at the point offered, and that it may be considered for amendment section by section. Is there objection?

There was no objection.

Mrs. NORTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. RAYBURN, having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5435) to amend the Fair Labor Standards Act of 1938, had come to no resolution thereon.

FARM-TENANCY PROGRAM

The SPEAKER pro tempore laid before the House the following letter from the President of the United States.

The Clerk read as follows:

THE WHITE HOUSE,
Washington, April 30, 1940.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: My attention has been called to an apparent disagreement between the House and Senate conferees with respect to the farm tenancy program under title I of the Bankhead-Jones Farm Tenant Act, for which I included in the annual Budget for 1941 an estimate in the sum of $25,000,000.

I am anxious that provision for this program be made in the Department of Agriculture Appropriation Act for 1941, which is now in the final stages of congressional action. I wish, therefore, to advise that if, in view of the many pressing budgetary needs for 1941, the Congress feels this item might better be financed through a loan from the Reconstruction Finance Corporation than by means of the direct appropriation proposed in the Budget, I would have no objection to the adoption of the loan plan, provided the language of the bill making provisions for the loan by the Reconstruction Finance Corporation has the approval of Administrator Jones.

Respectfully,

FRANKLIN D. ROOSEVELT.

ORDER OF BUSINESS

Mr. WARREN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WARREN. Is the Chair in position to state at this time what the program will be for tomorrow?

The SPEAKER pro tempore. We will continue further consideration of the Wage and Hour Act amendments until completed.

Mr. WHITTINGTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WHITTINGTON. Has business in order on Calendar Wednesday been dispensed with?

The SPEAKER pro tempore. It has not.

CALENDAR WEDNESDAY

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday may be dispensed with.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a communication from one of my constituents.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CASEY of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein an article from the Boston Post entitled "Million Hit in Proposed Barden Bill."

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MICHAEL J. KENNEDY. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein an editorial from the New York World-Telegram.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein quotations from the New York World-Telegram.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana [Mr. THORKELSON]?

There was no objection.

Mr. GRANT of Indiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short editorial.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana [Mr. GRANT]?

There was no objection.

Mr. CONNERY asked and was given permission to extend his own remarks in the RECORD.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include two short newspaper articles.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. COSTELLO]?

There was no objection.

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. MARTIN J. KENNEDY]?

There was no objection.

The SPEAKER pro tempore. Under a previous special order, the gentleman from Georgia [Mr. PACE] is recognized for 30 minutes.

CONFERENCE REPORT ON AGRICULTURAL APPROPRIATIONS BILL

Mr. PACE. Mr. Speaker, according to an announcement made this morning by the floor leader, we will have before us for consideration on Thursday the report of the conference committee on the agricultural appropriation bill.

One of the items which we must act upon is the Senate amendment providing an appropriation of $212,000,000 for parity payments to the farmers of this Nation, and I want to make this advance appeal to you Members who are interested in the welfare of the farmers to be here tomorrow and aid us in securing approval of that amendment. The $212,000,000 will not give the farmers what they are entitled to, that is, parity prices for their crops, but it will be a help in that direction and is certainly the very least they should expect.

You will recall that when this bill was first before the House a few weeks ago I had an amendment providing an appropriation of $600,000,000 for parity payments, but I was unable to get enough Members of the House to go along to secure the adoption of that amendment. It should have been adopted; that amount should be appropriated for two reasons:

First, it requires that amount to give farmers 100-percent parity prices for the five basic commodities—cotton, corn, wheat, rice, and tobacco—and the Congress has promised the farmers parity prices for these crops at the earliest possible moment. That is what I understood, and that is what the producers of these five commodities understood when Congress asked them to carry on their farming operations under the control provisions of the Agricultural Adjustment Act of 1938. In that act Congress said—

> It is hereby declared to be the policy of the Congress to assist farmers to obtain parity prices for such commodities and parity of income.

and in section 303 of that act Congress provided as follows:

> If, and when, appropriations are made therefor, the Secretary is authorized and directed to make payments to producers of corn, wheat, cotton, rice, or tobacco in amounts which, together with the proceeds thereof, will provide a return to such producers which is as nearly equal to parity price as the funds so made available will permit.

The second reason I drew my amendment for $600,000,000 was because the best authorities in the Department of Agriculture estimate that the manufacturers' protective tariff, now in force, is costing the farmers of the Nation at least $600,000,000 each year. As this extra burden has been placed on the backs of the farmers, for the special benefit and protection of industry, I certainly think that it is only fair that the Congress, which in 1930 passed that tariff act, should cancel or relieve that burden on the farmers by providing for them special benefits or parity payments in an equal amount. The farmers ask only equality of treatment. That they have the right to demand, and no member of this House who undertakes to represent them and speak for them should be willing to accept anything less than equality.

Unfortunately, due to the peculiar legislative situation and the consideration which this bill has already received, it is now impossible to amend the bill so as to increase the amount, and we are forced to accept what we can get, that is, the $212,000,000, which is the same amount appropriated for parity payments for 1939 and 1940.

Why do you hesitate, gentlemen, about approving this $212,000,000? Would you go back on your promise to the 32,000,000 farmers of this Nation? Are you not familiar with the economic condition of the farmers today? Have you forgotten what you have done for business and industry and many other groups? Do you realize that every time you helped these other groups you were adding to the farmer's burden and increasing his cost of the necessities he must buy? Do you think it is fair to try to balance the Budget, which we all want to do, at the sole expense of the farmer? Since you voted for billions for the Army and Navy and national defense, have you forgotten that the proper defense of this Nation also includes proper provision and protection for those millions of patriotic and liberty-loving Americans who must produce the food and fiber to feed and equip the Army, the Navy, the Air Corps, and 100,000,000 other citizens?

Is it possible that you do not understand what parity prices mean? Let me try to explain it to you. In the Agricultural Adjustment Act Congress defined "parity price" as being "that price for the commodity which will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the period from August 1909 to July 1914" and "parity income" as being "that net income of individuals on farms from farming operations that bears to the net income of individuals not on farms the same relation as prevailed during the period from August 1909 to July 1914."

After long investigation it was found that the period from August 1909 to July 1914 was a fair or parity period. That is, the income of the farmers and the income of people not on the farm was fair and on a basis of equality. Also, that the farmers' products had a fair purchasing power—that is, that a pound of cotton or a bushel of wheat or a bushel of corn could be exchanged for a proper or fair amount of nails, or shoes, or clothing, or other things the farmer had to buy. In other words, that during those years, 1909 to 1914, on the average the price the farmer received for what he sold and the price he paid for what he bought was on a parity, on a fair basis. And to give the farmer a parity price today means to give him that price for his cotton, corn, wheat, and other products,

as will buy the same amount of goods which the same products could buy during the period 1909 to 1914.

Is the farmer receiving that kind of price for his products today? He most certainly is not. One of the best ways to show what has happened to the farmers is to refer to the 1913 catalog and the 1940 catalog of one of the large mail-order houses, as their prices are the same in all parts of the country. What do we find? Work shirts could be ordered from the 1913 catalog for an average price of 57 cents. The average price in the 1940 catalog is 73 cents, or an increase of 28 percent. At January 15 prices in 1913 it took 4.7 pounds of cotton to buy a work shirt. The cost now is 7.2 pounds of cotton, or 53 percent more than in 1913. The cost of bib overalls has increased 39 percent in price, and in cotton from 5.8 to 9.6 pounds, or 66 percent.

Common nails have not changed much since 1913, the same old nail, and used for the same purposes, but the price has gone up 74 percent. In 1913 it took 31 pounds of hogs to buy 100 pounds of eightpenny nails, but in January of this year it took 70 pounds of hogs to buy the same amount of nails, an increase of 126 percent.

Neither has there been much change in the ax during these 27 years, but in 1913 it required 1.2 bushels of wheat to buy a 4-pound ax, while in January of this year it required 2.2 bushels. In 1913 you could buy a long-handled, round-point shovel for 48 cents. The cheapest shovel of this type which you find in the catalog is 79 cents, an increase of 65 percent.

These are just a few samples. On page after page in the two catalogs you will find the same thing—increased cost to the farmer, without a corresponding increase in the price of his product. Just how long do you think he can continue to keep going under such conditions? Do you say that you have nothing to do with it, that you are not responsible, that the farmer is just the unfortunate victim of circumstances? No such thing. You are partly if not largely responsible. I want to read you this list of 23 laws passed by Congress, every one of which has increased the other fellow's income, or guaranteed him a better price. Here it is, listen:

Act of August 15, 1876 (19 Stat. 200, p. 5; U. S. Code 25:261): Commissioner of Indian Affairs authorized to prescribe prices at which goods are to be sold to Indians.

Act of October 15, 1914 (38 Stat. 730, ch. 323, p. 2): Supplemented Antitrust Act of 1914, prohibiting difference in prices to purchasers to lessen competition, etc.

Act of June 3, 1916 (39 Stat. 213, p. 120; U. S. Code 50:80): Secretary of War authorized to determine prices to be paid for military supplies in time of war.

Act of September 7, 1916 (39 Stat. 735, p. 18; U. S. Code 46:817): Shipping Board (i. e., Maritime Commission, at present) authorized to prescribe just and reasonable rates, fares, and charges of common carriers by water in interstate commerce.

Act of August 10, 1917 (40 Stat. 281, 284–286): Fixed guaranteed prices of wheat; authorized President to fix price of coal and coke during period of war.

Act of October 6, 1917 (40 Stat. 421 (c)): President authorized to fix prices of articles necessary for conduct of war, produced under license to use processes, etc., owned or controlled by an enemy or ally of an enemy.

Act of February 28, 1920 (41 Stat. 483–487; U. S. Code 49:6, 15): Interstate Commerce Commission authorized to fix charges, etc., of common carriers in interstate commerce, etc. (Amended by act of March 4, 1927, 44 Stat. 1447, p. 2.)

Act of June 10, 1920 (41 Stat. 1073, pp. 19, 20; U. S. Code 16:812, 813): Federal Power Commission authorized to regulate charges of licensees under Federal Power Act, if no State commission has such regulatory power.

Act of August 15, 1921 (42 Stat. 166–167; U. S. Code 7:212): Secretary of Agriculture authorized to prescribe charges, etc., of stockyard owners or market agencies in certain cases.

Act of September 21, 1922 (42 Stat. 1000, p. 5 (c, d)): Authorized Secretary of Agriculture to designate as "contract markets," governing boards which prevent misleading reports or manipulation of prices of grain in interstate commerce.

Act of June 25, 1926 (44 Stat. 769, ch. 674): Provided that owners of potash rights agree to market the potash produced, at a reasonable price.

Act of May 18, 1933 (48 Stat. 65, p. 12; U. S. Code 16:831k): Tennessee Valley Authority to fix schedule of resale prices in contracts for sale of surplus electric power.

Act of June 19, 1934 (48 Stat. 1072, p. 205; U. S. Code 47:205): Federal Communications Commission authorized to prescribe charges for communication by wire or radio or transmission of energy.

Act of June 6, 1934 (48 Stat. 889, p. 9) (Securities and Exchange Act of 1934): Prohibited manipulation of security prices.

Act of August 14, 1935 (49 Stat. 649, ch. 532; U. S. Code Supp. 7:218c): Act of August 15, 1921, above, made applicable to live-poultry dealers and handlers.

Act of June 30, 1936 (49 Stat. 2036, ch. 881, 2039, p. 6; U. S. Code Supp. 41:35, 40): Secretary of Labor to determine minimum wages to be paid by Government contractors.

Act of April 26, 1937 (50 Stat. 77–81; U. S. Code Supp. 15:833): National Bituminous Coal Commission authorized to prescribe maximum and minimum coal prices for code members.

Act of June 3, 1937 (50 Stat. 247 (f); U. S. Code Supp. 7:608c): Secretary of Agriculture authorized to fix prices for milk.

Act of August 17, 1937 (50 Stat. 693, VIII): Amended antitrust laws relating to contracts in restraint of trade by providing that contracts prescribing minimum prices which are lawful in intrastate transactions are not to be rendered illegal in the resale of such commodity at the minimum price elsewhere.

Act of September 1, 1937 (50 Stat. 904, p. 201) (Sugar Act of 1937): Provided for regulation of sugar prices to consumers.

Act of June 21, 1938 (52 Stat. 822–824; U. S. Code Supp. 15:717c, 717d): Federal Power Commission authorized to fix charges of natural-gas companies.

Act of June 23, 1938 (52 Stat. 955, p. 5; U. S. Code Supp. 46:1131): Maritime Commission authorized to prescribe minimum-wage scales in contracts under Merchant Marine Act. Same (p. 964, p. 43; U. S. Code Supp. 46:845a): Maritime Commission authorized to prescribe rates, etc., of carriers subject to Intercoastal Shipping Act.

Act of June 25, 1938 (52 Stat. 1064, p. 8; U. S. Code Supp. 29:208): Administrator of Wage and Hour Division authorized to fix minimum wages.

Surely you know that when you throw protection around the other fellow, increase the price he can charge, guarantee him a minimum price, or regulate his rates or charges upward, you are at the same time increasing the cost to the farmers, increasing his burden that much, and reducing the purchasing power of his crops to that extent. Congress is partly responsible for the inequality borne by the farmers, and it should immediately do justice and either guarantee them a parity price or compensate them for the extra burden placed on them.

I realize that the farmers are not well organized, as they should be, and that they cannot come here and make their demands like some of these other organized pressure groups, but I have the idea that the farmers of this Nation are doing a lot of thinking and figuring these days, and if the unfair burdens they bear are not soon lifted and the inequalities visited upon them are not soon corrected, they will rise up and strike down many Congressmen who profess to represent them today.

How long do you think organized labor would submit to such treatment? While the farmer is being denied a parity price for his crops, let us see what the organized worker has been doing. Here is a table prepared by the Department of Agriculture showing what has happened to factory workers and those employed in the building and construction trades since 1913. Listen to it:

Weekly earnings in building and construction, and of factory workers, 1913, 1919, and 1939

Occupation	1913 (May 15)			1919 (May 15)				1939 (June 1)			
	Wages per hour	Hours worked per week	Earnings per week[1]	Wages per hour	Hours worked per week	Earnings per week[1]	Estimated parity earnings[2]	Wages per hour	Hours worked per week	Earnings per week[1]	Estimated parity earnings[2]
Plumbers	0.578	45.2	26.13	0.769	44.2	33.99	44.71	1.526	37.9	57.84	37.24
Electricians	.518	45.4	23.52	.755	43.7	32.99	40.24	1.532	37.6	57.60	33.52
Stonemasons	.567	44.9	25.46	.764	44.5	34.00	43.56	1.544	38.8	59.91	36.28
Steam fitters	.556	44.6	24.80	.753	43.4	32.68	42.43	1.589	37.8	60.06	35.34
Carpenters	.516	44.7	23.07	.759	43.8	33.24	39.47	1.401	38.7	54.22	32.87
Painters	.485	45.8	22.21	.732	45.1	33.01	38.00	1.365	36.4	49.69	31.65
Bricklayers	.690	44.1	30.43	.883	43.6	38.50	52.07	1.662	38.4	63.82	43.36
Factory workers	[3]	[3]	[4] 12.21	[3]	[3]	[4] 24.00	[5] 20.60	[3]	[3]	[6] 24.34	[5] 17.14

[1] Weekly earnings in building and construction computed from union wage rates and hours worked per week from data furnished by the Bureau of Labor Statistics.

[2] Computed by multiplying weekly earnings in building and construction on May 15, 1913, by the index of the cost of living for June 1919 of 171.1 and for June 1939 of 142.5 (1913=100) compiled by the Bureau of Labor Statistics.

[3] Not available.

[4] Average for the years 1914 (1913 not available) and 1919 estimated by the Bureau of Labor Statistics.

[5] Computed by multiplying weekly earnings in 1914 by the index of the cost of living for June 1919 of 168.7 and for June 1939 of 140.4 (1914=100).

[6] Average of January–November 1939, estimated by the Bureau of Labor Statistics.

Bureau of Agricultural Economics, Department of Agriculture.

Now compare that with the figures from the following table, which shows the price the farmer was receiving in March 1940, for his products and the parity price he should be receiving in order to be on an equality with other groups and in order for his products to have a fair or parity purchasing power. Here it is:

Prices of farm products

[Estimates of average prices received by producers at local farm markets based on reports to the Agricultural Marketing Service. Average of reports covering the United States weighted according to relative importance of district and States]

Product	5-year average, August 1909–July 1914	March average, 1910–14	March 1939	February 1940	March 1940	Parity price, March 1940
Cotton, pound.....cents	12.4	12.4	8.31	10.0	10.0	15.87
Corn, bushel.....do	64.2	61.3	44.4	54.7	56.0	82.2
Wheat, bushel.....do	88.4	88.9	56.7	84.1	85.0	113.2
Hay, ton.....dollars	11.87	12.06	6.67	8.10	8.22	15.19
Potatoes, bushel.....cents	69.7	67.5	64.6	75.2	77.0	86.5
Oats, bushel.....do	39.9	40.3	26.9	37.7	38.6	51.1
Soybeans, bushel.....dollars	(1)	(1)	.73	.96	1.01	-------
Peanuts, pound.....cents	4.8	4.8	3.4	3.6	3.6	6.1
Beef cattle, hundredweight.dollars	5.21	5.29	7.00	6.84	7.00	6.67
Hogs, hundredweight.....do	7.22	7.41	7.10	4.97	4.87	9.24
Chickens, pound.....cents	11.4	11.4	14.3	12.2	12.8	14.6
Eggs, dozen.....do	21.5	19.6	16.0	20.2	15.4	[2] 21.8
Butterfat, pound.....do	26.3	27.1	22.7	29.7	28.4	[2] 35.0
Wool, pound.....do	18.3	18.7	20.0	27.8	27.3	23.4
Veal calves, hundredweight..dollars	6.75	6.92	8.69	8.80	8.81	8.64
Lambs, hundredweight.....do	5.87	6.22	7.43	7.61	8.05	7.51
Horses, each.....do	136.60	138.40	83.00	78.20	78.20	174.80

[1] Prices not available. [2] Adjusted for seasonality.

Let us analyze these two tables a minute. For example, let us see what has happened to the carpenters during the last 27 years. In 1913 he was paid on the average of 51 cents an hour, was working about 45 hours per week, and was earning $23.07 per week. At the same time the farmer was receiving 12.4 cents for cotton, 64.2 cents per bushel for corn, 4.8 cents per pound or $96 per ton for peanuts, and 7.22 cents per pound for hogs.

Now, let us see the situation today: On June 1, 1939—and there has been no reduction in wages since then—the same carpenter was receiving $1.40 per hour, nearly three times as much as in 1913; he was working only 38.7 hours per week, and his average weekly earnings were $54.22. But you will notice that on the basis of parity—that is, on what his salary will buy today as compared with what it bought during the period 1909–14, his salary would be only $32.87. That is, the carpenter is receiving nearly twice the parity wage. That is all right—I am glad to see him get it.

But—what has happened to the farmer in the meantime? This table shows that his average price for cotton from 1909 to 1914 was 12.4 cents per pound. Also that due to the increase in cost of the things he must buy he should now get 15.87 cents per pound, the parity price, in order for a pound of cotton today to buy the same things which it bought in 1913. But, instead of getting nearly twice the parity price, as is the carpenter, the cotton farmer in March of this year was receiving only 10 cents per pound for his cotton, or only 63 percent of the parity price. In other words, the farmer must struggle along with a 63-cent dollar for his work while others receive from 100 to 200 percent of parity. And, mind you, the farm program has reduced the farmer's cotton production; he has less bales to sell; and even if he should get the parity price for his cotton today he would still be far short of parity income. To bring him up to a parity income, he would have to produce and sell at the parity price—15.87 cents per pound—the same amount of cotton which he produced and sold in the period from 1909 to 1914.

The same is true of other crops. Corn should be bringing 82.2 cents per bushel, while in March it was selling for 56 cents. Peanuts should bring 6.1 cents per pound, while they sell for 3.6 cents. Hogs should bring $9.24 per hundred pounds but sell for only $4.87.

The farmer does not object to the wage earner, the factory worker, or others receiving a better wage. Certainly I do not. We want them to live a better life, to have a better standard of living, to enjoy more comforts, and give their children a better education and better advantages. We want them to have more and better food. We realize that when the industrial worker makes more money he can buy more farm products. But we do feel that it is unfair, that it is unjust, that it is unequal, that it is wrong for the Congress to pick out selected groups, legislate them into improved conditions, and in doing so increase the cost of manufacturing or processing the necessities which the farmer must buy, increase the farmer's cost of living, and not at the same time make adequate provision for the farmer and help him bear the increased burden. These wage earners, these factory and industrial workers do not ask or expect preferred treatment over the farmer. They seek the privilege of a good standard of living, and I believe they want the farmers of this Nation to enjoy the same privilege. The farmer also wants to live decently, to enjoy some of the comforts and pleasures of life, to give his children a good education and decent clothing; he, too, wants to save something for rainy days and old age. He has the same impulses of affection for his loved ones as any other citizens; he has the same pride in his home, in his good name, in his credit. And he is entitled to the same treatment.

That is what parity means. It means equal treatment. It means keeping the price of farm products on the same general level with other costs. It means keeping the farmer on the same plane with other groups. It means justice, fairness, equality—nothing more, nothing less.

It is estimated that the present population of the United States is 130,000,000, and of these, 32,059,000 are living on the 6,920,000 farms in this Nation. You will see that exactly one-fourth of our people live on the farm. Well, you will agree that they are as good as any other citizens, will you not? That they are entitled to the same comforts, pleasures, rights, privileges, and income as any other American? You agree to that statement? All right; let us see what this one-fourth of our people who live on the farm receive. In 1939—last year—they received only 6.6 percent of the total national income. Can you believe it? Here are the figures for the last 30 years:

National income, United States, 1909–39

Year	Total	Nonfarm[1]	Farm[1]	Farm as a percentage of total
				Percent
1909	$26,415,000,000	$22,070,000,000	$4,345,000,000	16.4
1910	28,114,000,000	23,474,000,000	4,640,000,000	16.5
1911	28,480,000,000	24,251,000,000	4,229,000,000	14.8
1912	30,394,000,000	25,798,000,000	4,596,000,000	15.1
1913	32,133,000,000	27,560,000,000	4,573,000,000	14.2
1914	31,919,000,000	27,367,000,000	4,552,000,000	14.3
1915	33,210,000,000	28,404,000,000	4,806,000,000	14.5
1916	39,036,000,000	33,198,000,000	5,838,000,000	15.0
1917	47,385,000,000	38,482,000,000	8,903,000,000	18.8
1918	55,357,000,000	44,856,000,000	10,501,000,000	19.0
1919	60,354,000,000	48,756,000,000	11,598,000,000	19.2
1920	64,552,000,000	56,478,000,000	8,074,000,000	12.5
1921	54,210,000,000	49,883,000,000	4,327,000,000	8.0
1922	57,546,000,000	52,109,000,000	5,437,000,000	9.4
1923	66,171,000,000	59,620,000,000	6,551,000,000	9.9
1924	68,824,000,000	61,898,000,000	6,926,000,000	10.1
1925	73,278,000,000	65,852,000,000	7,426,000,000	10.1
1926	76,564,000,000	68,695,000,000	6,869,000,000	9.1
1927	76,457,000,000	69,618,000,000	6,839,000,000	8.9
1928	78,117,000,000	71,209,000,000	6,908,000,000	8.8
1929	80,372,000,000	73,542,000,000	6,830,000,000	8.5
1930	73,571,000,000	68,456,000,000	5,115,000,000	7.0
1931	62,384,000,000	59,303,000,000	3,081,000,000	4.9
1932	48,355,000,000	46,551,000,000	1,804,000,000	3.7
1933	45,771,000,000	43,174,000,000	2,597,000,000	5.7
1934	52,540,000,000	49,164,000,000	3,376,000,000	6.4
1935	57,007,000,000	52,770,000,000	4,237,000,000	7.4
1936	66,722,000,000	61,599,000,000	5,123,000,000	7.7
1937	70,753,000,000	65,282,000,000	5,471,000,000	7.7
1938	64,687,000,000	60,236,000,000	4,451,000,000	6.9
1939 [2]	67,608,000,000	63,150,000,000	4,458,000,000	6.6

[1] National income available for living. For method of derivation see The Agricultural Situation, May 1, 1937, p. 19.
[2] Preliminary estimates.

You will notice that 30 years ago, in 1909, the total national income was $26,415,000,000, and of that the farmers received $4,345,000,000, or 16.4 percent; while last year, in 1939, the national income had increased two and one-half times, or to $67,608,000,000; but the farmers' part of it had not in-

creased in the same proportion. The farmers' national cash income had practically stood still, being only $4,458,000,000, or 6.6 percent of the total. While the total national income increased 250 percent the farmers' part of it dropped from 16.4 percent to 6.6 percent. Let it be understood that these figures represent the cash farm income, and do not include food and feed consumed on the farm, nor do they include the conservation, benefit, and parity payments made to the farmers during the last several years, which have totaled about $3,000,000,000. But as no one knows how long Congress will continue to appropriate these benefit and parity payments they were not included in these comparative figures.

Do you understand now why there have been hundreds of thousands of farms sold under foreclosure during the last few years? Do you understand why the farm States are financially unable to match Federal funds for old-age assistance? Do you understand why farmers are unable to pay their taxes? Do you understand why the farmer finds it such a hard job to keep his home in repair, to buy necessary farming implements, and to provide his family with the ordinary comforts enjoyed by those who live in the cities? It is because they represent 25 percent of the total population but receive only a little over 6 percent of the total national cash income.

You Members from the great industrial sections can render no greater service to your own people than by joining us in the fight to improve farm prices and to increase the income and buying power of the 32,000,000 people who make their living on the farm. How can the farmers buy your automobiles, your farm implements, your tractors, your radios, your fence wire, and the hundreds of other things which you manufacture, if they do not have the money? The only money they get is what they receive for their crops. If they had received parity prices for their products during the last few years their income would have been increased by $20,000,000,000. Think how many extra men that would have put to work and how much business would have been improved all over the Nation.

Let me say, gentlemen, that in my opinion the best market in the world today is the American farmer. Just give him the income, the buying power, and he will make the wheels of industry hum. Some of those in high places tell us that we must buy sugar from Cuba and the Philippines so that the Cuban and the Filipino will buy American automobiles and tractors. At the same time the farmers of Florida and Louisiana and the Western States have the land and are begging for the right to grow more sugarcane and more sugar beets, and I believe if they were permitted to do this, and the importations of sugar from Cuba and the Philippines were cut down proportionately, that the cane and sugar-beet farmers of the United States would buy more automobiles and tractors and other American products than all the Cubans and Filipinos put together.

The same is true of foreign oils. We are told that we must buy about a billion pounds of coconut and other oils from the Philippines, cottonseed oil from Brazil, peanut oil from Japan, and other oils from other foreign countries so that the people in those countries will buy American automobiles and other manufactured products from us. Well, I believe in being a good neighbor, I believe in international trade when it does not actually hurt us, but I also believe that the American farmer has the first claim on the American market for the sale of his crops. We should first set up and enforce the rule that we will buy from the American farmer as long as he can produce what we need, and exchange with foreign countries for any extra we need and for the things we cannot produce ourselves.

We do not produce, and therefore must buy from abroad, such things as coffee, rubber, silk, tin, tungsten, and many others. Let us buy those things from those countries which will buy our surplus cotton and wheat.

Under the present farm program the cotton farmers of the South have voluntarily reduced their cotton acreage over 12,000,000 acres. That much of our cotton land has been taken out of the production of cotton. Of course, this has reduced the amount of cotton we produce, but at the same time it has greatly reduced the amount of cottonseed, which is crushed into oil. The great majority of our farmers consented to these reductions because they understand that we have an enormous surplus of cotton on hand and realize that this surplus must be substantially reduced to ever get a proper price for cotton. On August 1 of last year we had on hand 14,000,000 bales of cotton. The crop last fall totaled 11,600,000 bales, making a total supply of 25,600,000 bales. From last August 1 to February 1 we had consumed 4,626,000 bales in this country, and up to March 25 we had exported 5,100,000 bales. On this basis it appears now that for the year ending August 1, 1940, we will use in the United States about 7,500,000 bales and will export about 6,500,000 bales, making a total disposed of for the year of about 14,000,000 bales. This will leave us with a carry-over of 11,600,000 bales, exactly what we produced last year, on next August 1, at which time we will start gathering the 1940 crop, which it is now indicated will be about 12,000,000 bales. Therefore you will see that on next August 1 we will have in the warehouses and in the fields a total supply of 23,600,000 bales of cotton.

This would indicate that our farmers may want to continue to reduce their cotton acreage for several more years, and the point I am making is that while the farmers are making this sacrifice, reducing their cotton acreage, and thereby greatly reducing the supply of cottonseed oil, you Members from the great hog- and lard-producing States and you Members from the great dairy States should not only be glad to vote for these appropriations for parity and benefit payments but the Congress should protect the cotton farmers against the unfair competition of oils produced in foreign countries. Yet every month thousands and thousands of pounds of cottonseed oil, crushed from cottonseeds grown with cheap labor in Brazil, are unloaded at the port of Savannah, Ga., practically in sight of our own cotton fields.

You understand, I suppose, that cottonseed oil, peanut oil, lard, butter, soybean oil, coconut oil, and other similar oils are all directly competitive and mostly interchangeable. It is the total of all of these that go to make up our total supply of oils and fats or vegetable oils, and each directly influences the price of the other. This Nation is not producing any more oils and fats than we need and consume, but this billion pounds shipped in here each year from the Philippines tax-free creates a surplus and is sufficient to break the market and keep down the price. Last year, in talking with the present United States Commissioner to the Philippines, I raised strenuous objections to this Philippine oil entering our country. His reply was:

> Why, Mr. PACE, we could not afford to stop the importation of that oil. Think of the bad effect it would have on the economic welfare of the Filipinos.

I told him then, and I tell you now, that when it comes to an issue of the welfare of the cotton, peanut, and hog farmers of this Nation and the welfare of the Filipino, I intend to try to protect my own people. These foreign oils are costing our farmers untold millions of dollars each year. For instance, here is a news item which I clipped from a newspaper day before yesterday:

> MEMPHIS, TENN., April 27.—The National Cotton Council predicted today "disastrously low" cottonseed prices this fall "unless powerful measures are taken to forestall a glutted domestic fats and oil market."

But I did not mean to get off on this foreign-oil question, for I get mad every time I think about it. I was asking you to vote for this appropriation of $212,000,000 for parity payments.

I have heard some of you refer to these parity payments as being just a subsidy. I do not think it is, and I do not look at it that way. I regard it as merely an equalization fund, to which the farmer is entitled under every principle of justice, fairness, and equality. But, for the sake of the argument, let us say it is a subsidy. What of it? Certainly the farmer would not be the first or the only one receiving a subsidy.

What do you call the protective tariff, if it is not a subsidy? It is estimated to cost the American people over $3,000,000,000 each year, and every dollar of that money is going into the

pockets of the manufacturers and businessmen whose products are protected. And, as I stated a few minutes ago, the farmers' part of that extra burden, that subsidy to the manufacturer, is $600,000,000 each year.

The Government pays approximately $8,000,000 each year in subsidies to the Air Mail Service, to save them from losses.

You have voted a subsidy of between thirty and forty million a year to the ocean-steamship lines to help them along.

It costs the Government around $50,000,000 each year to operate and maintain the airports and airfields, for the use of private citizens and companies.

The annual expenditures and interest on public investments for rivers and harbors for the use of private business is over $100,000,000.

Federal and State expenditures for the construction and maintenance of roads is over $1,000,000,000 each year.

Most of the railroads of the Nation were constructed through the help of large grants of cash or land.

You appropriate over $80,000,000 each year to put into the retirement fund for Government employees.

You appropriate millions and millions every session of Congress to carry on the great social-security program; including unemployment insurance and old-age pensions. The farmers do not get one penny of that.

And I could go on and on. Do not talk to me about a subsidy for the farmer, when you have about subsidized everybody else.

But the greatest subsidy of all is one not paid to the farmers, but paid by the farmers. At this very hour, and for several years past, the farmers have been selling their products at less than it cost to produce them. The farmer has had to take the loss. In doing so he has used up his money, has watched his land go down, worn out his work stock and farm implements, and, in the end, has stood by and seen his home sold to pay a debt he made in order to carry on his farming operations. Yes, it is the farmer who, year after year, has subsidized the balance of the Nation, furnished them with food and fiber for less than the cost of production. The people have no right to ask or expect to buy farm products at less than cost or at cost, and the present system that requires such a thing should be changed and corrected at once.

Mr. Speaker, the two greatest problems facing this Congress and the Nation are farm income and unemployment. These must be solved before we can have any permanent prosperity, and it so happens that the two are closely related and interlocked. In fact, as I see it, there is no hope of putting any considerable portion of the unemployed to work until we have substantially increased the farmer's income and improved conditions on the farm. Why do I say that? Just listen:

The farm population of this Nation has stood still for the last 30 years. Here are the figures:

Farm population, nonfarm population, and number of farms in the United States, Jan. 1, 1910–39 [1]

Year	Farm population	Nonfarm population	Number of farms	Index numbers, 1910–14=100		
				Farm population	Nonfarm population	Number of farms
1910	32,077,000	59,340,000	6,362,000	99.6	94.9	99.1
1911	32,110,000	61,000,000	6,390,000	99.7	97.6	99.5
1912	32,210,000	62,270,000	6,420,000	100.0	99.6	100.0
1913	32,270,000	63,950,000	6,450,000	100.2	102.3	100.5
1914	32,320,000	66,000,000	6,480,000	100.4	105.6	100.9
1915	32,440,000	67,440,000	6,520,000	100.8	107.9	101.6
1916	32,530,000	68,750,000	6,560,000	101.0	110.0	102.2
1917	32,340,000	70,490,000	6,540,000	100.4	112.8	101.9
1918	31,770,000	72,320,000	6,520,000	98.7	115.7	101.6
1919	30,930,000	73,770,000	6,470,000	96.1	118.0	100.8
1920	31,614,000	74,247,000	6,448,000	98.2	118.8	100.4
1921	31,763,000	75,932,000	6,500,000	98.7	121.5	101.2
1922	31,749,000	77,800,000	6,510,000	98.6	124.5	101.4
1923	31,130,000	80,117,000	6,400,000	96.7	128.2	99.7
1924	30,817,000	82,549,000	6,350,000	95.7	132.1	98.9
1925	30,830,000	84,330,000	6,372,000	95.8	134.9	99.2
1926	30,619,000	86,166,000	6,340,000	95.1	137.8	98.7
1927	30,170,000	88,217,000	6,260,000	93.7	141.1	97.5
1928	30,188,000	89,735,000	6,270,000	93.8	143.5	97.7
1929	30,220,000	91,029,000	6,290,000	93.9	145.6	98.0
1930	30,169,000	92,328,000	6,289,000	93.7	147.7	98.0
1931	30,497,000	93,190,000	6,390,000	94.7	149.1	99.5
1932	30,971,000	93,608,000	6,530,000	96.2	149.7	101.7
1933	31,693,000	93,694,000	6,720,000	98.4	149.9	104.7
1934	31,770,000	94,464,000	6,770,000	98.7	151.1	105.4
1935	31,801,000	95,351,000	6,812,000	98.8	152.5	106.1
1936	31,809,000	96,215,000	6,830,000	98.8	153.9	106.4
1937	31,729,000	97,148,000	6,820,000	98.5	155.4	106.2
1938	31,819,000	97,999,000	6,850,000	98.8	156.8	106.7
1939 [2]	32,059,000	98,870,000	6,920,000	99.6	158.2	107.8

[1] Population estimates for the years 1911–19 and number-of-farm estimates for all except census years have been rounded to the nearest 10,000.

[2] Preliminary.

You will notice that in 1910, 30 years ago, the farm population was 32,077,000, and that last year it was 32,059,000, or a loss of 18,000 for the 30 years. You will also notice that during the intervening years the farm population has made only small changes back and forth around those figures. But during these 30 years the total population of the United States has increased from 91,417,000 to 130,929,000, or 40 percent, and all the time the number of people who remained on the farm has been the same. That of itself speaks louder than words.

But, in addition, the rate of births has been much greater among the farm population than with the balance of the people. This table shows the difference for the 10 years, 1910 to 1919:

Birth and death rates per 1,000, United States and farm population, and natural increase of the farm population, 1910–19

Year	United States population		Farm population			
	Birth rate	Death rate	Birth rate (115 percent of column 2)	Death rate (88 percent of column 3)	Natural increase rate (column 4—column 5)	Excess of births over deaths
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1910	27.5	15.4	31.6	13.6	18.0	580,000
1911	27.6	14.6	31.7	12.8	18.9	610,000
1912	27.6	14.3	31.7	12.6	19.1	620,000
1913	27.5	14.4	31.6	12.7	18.9	610,000
1914	28.1	13.9	32.3	12.2	20.1	650,000
1915	27.8	13.8	32.0	12.1	19.9	650,000
1916	27.6	14.3	31.7	12.6	19.1	620,000
1917	27.3	14.5	31.4	12.8	18.6	600,000
1918	27.1	18.5	31.2	16.3	14.9	470,000
1919	25.1	13.3	28.9	11.7	17.2	540,000
Total						5,950,000

You will notice that for 1919 among all the people, including farmers, there were born each year 25.1 babies to each 1,000 persons, and deaths at the rate of 13.3 per 1,000. But with the farm population alone the birth rate was 28.9 per 1,000 persons, and the death rate was only 11.7 per 1,000. This shows that each year among the farm population there is an average increase of births over deaths of 595,000 persons. As the farm population remains practically the same from year to year, this means that each year an average of 595,000 people leave the farms for the cities.

Why do they leave the farm? Principally for two reasons: First, because living conditions are supposed to be better in the cities, with more comforts and pleasures, and, second, because income on the farm is so low that it offers little promise for the future. This constant drift of around one-half million people from the farms to the cities each year is alone sufficient to bring about an unemployment problem, even if you did not have over 10,000,000 unemployed in the towns and cities.

And the only way you can stop these concentrations of our population in the cities, which in itself is a constant danger to good government, is to make life on the farm more attractive and more profitable, to give the men and women and boys and girls on the farm the same opportunities, the

same standards of living, the same promise in the future, the same return for their labor, and the same income as is enjoyed by those who live in our towns and cities.

You will not solve unemployment merely by bringing back prosperity in town or to the great industrial centers. A careful study, going back over a hundred years, shows that, without exception, when you try to create prosperity merely by raising wages in the industrial centers, or improving conditions in the cities, you bring about an immediate rush from farm to city. It will always be that way. It is natural, it is just human, for a person to try to better his condition, and to go to where he thinks he can make the most money. To bring real prosperity, to really solve unemployment, you must increase the farmers' income and make living on the farm worth while.

You are not going to solve unemployment merely by appropriating two or three billion dollars for relief, as you have done each year for the last several years. A W. P. A. worker is paid from 25 cents to a dollar an hour. A cotton farmer must sell his cotton at a price that gives him from 25 cents to a dollar a day, working from daylight to dark. If he can leave the farm, do you blame him for going after the better pay? Of course not. You cannot solve unemployment in the cities in that way. You can get a satisfactory and permanent solution only by making life on the farm worth while and attractive, so that our boys and girls will want to stay there and return there.

Mr. Speaker, I hope no Member will take what I have said to mean that I think this Congress and this administration has not done anything for the farmers and farming conditions. We certainly have, and I am glad that I was given the opportunity to help with much of it. No fair-minded person will, upon reflection, contend that the farmer has been forgotten. I shall never forget the dark days of 1932, when cotton was selling for around 5 cents per pound, wheat for 32 cents, corn for 19 cents, hogs for 2¾ cents, cattle for 3½ cents, and peanuts for $20 per ton.

I repeat and insist that we will not give justice and equality to the farmer until we insure him a parity price for his crops, but I also insist that we have been helpful in many ways. May I mention a few?

We have put a bottom under the price of the five great basic crops—cotton, corn, wheat, rice, and tobacco—through the loan provisions of the Agricultural Adjustment Act. While the bottom may be too low, the farmer who produces any of these five crops now knows that his price will never go below 52 percent, or a little over half, the parity price. For the law provides that when the price starts below that point the Commodity Credit Corporation must—not may—make the farmer a loan of not less than 52 percent nor more than 75 percent of the parity price. But the farmers should have 100-percent parity, not just a part of it.

We have provided cheap money for the farmers for crop loans, at 4-percent interest, through the Emergency Crop Loan and the Production Credit Associations.

We have provided cheap money for farm loans through the Federal land banks, and reduced the interest rate on these loans from 5 and 6 percent to 3½ percent. And just a few days ago we passed in this House a bill keeping this rate on both Federal land bank and Commissioner loans at 3½ percent for at least another 5 years.

Through the Farm Security Administration we have provided funds for the rehabilitation of farmers who have lost everything they had and are worthy of being given another chance.

When farmers are found in destitute condition, or when they have suffered a complete crop failure on account of drought or too much rain or other disaster, as we had in my section last fall, we have provided funds for outright grants to be made to them to keep body and soul together.

We have set up the Surplus Commodity Corporation and provided it with ample funds to buy up and distribute or divert surplus farm crops. This reduces farm surpluses, increases the farmers' price, and at the same time gives help to those in a destitute condition. I have taken a deep and special interest in this surplus commodity fund, for it is from that source that we secure the money with which to operate each year the peanut-diversion program. The 24 counties in my congressional district produce nearly one-fifth of all the peanuts grown in the entire United States. They have become a major crop with us, and, in my opinion, this peanut-diversion program is one of if not the best programs of the Department of Agriculture. It has at times about doubled the market price of peanuts and has meant millions of extra dollars to the farmers of my district. I am now working day and night to get the Department to give us the program again this fall.

We have provided funds—$500,000,000 each year—for what I believe is one of the greatest programs ever set up for the farms and the farmers of the Nation—that is the soil-conservation program. When you go out and see how we have let our lands wash away, down to the rivers and the sea, you must be thankful for a program which teaches a farmer how to save and conserve his soil, encourages him in the best methods, and then pays him cash money as an inducement to keep doing it and for any financial sacrifice he must make in the effort.

Another great program just getting well under way is the farm-tenant purchase program, under which those who are deserving and dependable may borrow money at 3 percent interest, payable in 40 years, and secure something they have never had before, a small farm and home of their own. A large percentage of the farmers in my State are tenants, and I know what this program is going to mean to the man who has looked forward to owning but never had the money to buy a home of his own, something to work for, to love, and to fight for.

And has anything finer ever been done than to give the farmer the blessings and benefits of the rural-electrification program? I mentioned a few minutes ago the job we have of trying to keep the boys and girls on the farms. Well, I believe this program is going to be a great help along that line, for under it the farmer, his good wife, and children may have and enjoy all of the comforts and conveniences which only the city folks have had. I hope this program can be expanded and enlarged until every farmhouse in my district can have electric lights and power.

We have set up a great program for research into new uses and new markets for farm commodities. Some new markets and new uses must be found before we can hope to dispose of some surplus crops or expand our production very much. We are building four great regional laboratories, one in each section of the Nation, and through these the work will be directed.

We have started and provided funds for a farm forestry program to help the farmers reforest their barren lands or put them to other useful purposes. We need this badly in my country.

Two years ago we provided for the insurance of the wheat crop against loss for almost any cause, including rain, drought, freeze, hail, insects, but not for failure to work and cultivate properly. And just last week we amended that law so as to also include insurance on our cotton crops. Under it the farmer will have the same security enjoyed by a businessman who carries insurance; that is, he will know when he plants his crop that he is guaranteed at least 75 percent of his normal production. I hope this proves so successful we can soon extend it to all crops.

We appropriated $130,000,000 for a special or price-adjustment payment for our cotton farmers for 1938, $212,000,000 for parity payments in 1939, $212,000,000 for parity payments for this year, and I am appealing to you now to vote for this amendment so our farmers can know, before they plan and plant their crops next spring, that this money as a step toward parity prices will be on hand for them in 1941.

I could go on and mention other things which we have done and tried to do to be helpful to the farmers, but my time does not permit. What I wanted to show is that anyone is foolish or does not know who would say that the farmer has been forgotten. But I again repeat that we have not done for the farmer what he deserves, or given him equality of treatment until we bring the price of his crops up to the

full parity price and have given his cotton, corn, wheat, peanuts, and other crops the same buying power enjoyed by other commodities and groups.

In other words, the present farm program is not the full answer to our farm problem. Then, too, there are some features of it that are not working fairly and should be corrected. I shall mention just one.

A few years back we planted about 40,000,000 acres in cotton. Now, under the control program, we are planting about 27,000,000 acres. That means that the cotton farmers are cooperating to the extent of reducing their cotton acreage over 12,000,000 acres, and thousands of them do not have any other cash crops to plant on that acreage. Of course, when we reduced the production of lint cotton that much we also reduced the production of cottonseed the same amount. As I have already explained, our cottonseed is bought to be crushed into oil, and the price we get for the seed is controlled absolutely and entirely by the price of the oil.

It is very difficult and in many cases impossible for our cotton farmers to make a bare living on the small acreage allotted to them. They must find and produce some other cash crop. Now, you would certainly think that for their idle acres these cotton farmers would have and should be given the first claim on any other crop that produced vegetable oil, in order to make up for their heavy reduction in the production of cottonseed, or else they should receive a better price for the cottonseed they do produce on account of taking that much oil off the market.

Well, it happens that soybeans are also crushed into oil. The oil from soybeans and the oil from cottonseed are almost exactly alike, and are used for the same purposes. While our cotton farmers of the South have been reducing their cotton acreage, let us see what has happened in the Northwest, particularly in the States of Ohio, Indiana, Illinois, and Iowa. In 1929 the farmers in that section were not planting enough soybeans to hardly notice, only about 2,000,000 acres, and the few that were grown were used for hay or plowed under to build the soil. From 1924 to 1933 they produced on an average of only 9,760,000 bushels of soybeans, and of that only 1,942,000 bushels were crushed into oil and only 94,000,000 pounds were made into cake and meal.

But now watch it. In 1934 soybean production jumped to 23,095,000 bushels, of which 9,105,000 bushels were crushed into oil. In 1935 it went to 44,378,000 bushels produced and 25,181,000 bushels crushed. In 1938 up to 62,729,000 bushels produced and 44,470,000 bushels crushed. And last year production climbed to 87,409,000 bushels, and over 60,000,000 bushels were crushed. Last year 9,023,000 acres were planted in soybeans and present reports are that at least 10,610,000 acres are being planted this year.

The Northwest has just about expanded its acreage of soybeans, mostly for soybean oil, up to what the South has taken out of cottonseed. While the cottonseed oil mills in the South were standing idle, or running on half time last fall, they were building new soybean oil mills in the Northwest as fast as trains could bring the machinery. The people around Decatur, Ill., were so happy and prosperous over the situation that their newspaper, the Herald and Review, got out a soybean special edition on December 31, 1939, of 64 pages, showing pictures of all their new soybean mills and storage plants and telling of how soybeans had replaced their reduction in corn and oats.

The oil crushed from soybeans this year is estimated to exceed 500,000,000 pounds. That means that soybean oil has been increased during the last few years to where it amounts to as much or more than the loss in cottonseed oil the cotton farmers have had to take under the cotton-reduction program. That is not right. The farm program should not have that effect; it should not produce any such result. And, worst of all, while this has been going on the cattle, hog, and dairy farmers of the Northwest have been threatening and howling their heads off for fear we would compete with them a little by using some of our idle lands for the raising of cows and hogs and for dairying. You need not take my word for the soybean situation. I read you the following from a statement by an official of the Department of Agriculture and published last month in the Department's pamphlet entitled "The Agricultural Situation":

> The rapid increase in soybean production in the United States during the past 6 years has provided many farmers with a new cash crop, and other farmers with valuable hay, forage, and green-manure crops. On the other hand, the greater soybean production has materially increased the domestic surplus of edible fats and oils, and has been an important factor depressing prices of lard and cottonseed oil. * * *
>
> In the four States where the greatest increases in soybean acreage have taken place—Ohio, Indiana, Illinois, and Iowa—soybean acreage has tended to take the place of land previously planted to oats and corn. These four States in 1939 accounted for 61 percent of the total soybean acreage and 91 percent of the beans harvested. * * *
>
> The necessity for finding a more profitable crop than oats, and in some cases corn, has been important in bringing about increased soybean production.
>
> Soybeans grown in this country, when milled, yield about 80 percent of their weight in high-protein cake and meal, useful primarily as a concentrated livestock feed and also for making vegetable glues and plastics. In addition, the domestic soybean yields 14 to 16 percent of its weight in edible oil, which is similar in many respects to cottonseed oil and lard.
>
> During 1939 the crushing capacity of mills located in commercial soybean areas was expanded sharply; it is estimated that such mills are now capable of crushing 80,000,000 bushels of soybeans annually. * * *
>
> Increased production and crushings of soybeans have intensified the problem of making profitable disposition of the growing surplus of food fats and oils produced in this country. Aside from butter, for which production in most years is about equal to consumption requirements, the principal food fats and oils produced in the United States are lard, cottonseed oil, and soybean oil. The chief outlet for cottonseed oil and soybean oil is in manufactured cooking fats; hence these oils compete directly with lard. * * *
>
> * * * production of cotton seed oil during the next few years is likely to continue 200,000,000 to 300,000,000 pounds smaller than the 1,545,000,000-pound average for the 10 marketing years prior to 1934. The reduction in cottonseed-oil supplies, together with increased domestic requirements resulting from population growth, would about offset the loss in export outlets for lard. However, soybean-oil production in 1940, and in subsequent years, is expected to total well over 500,000,000 pounds compared with an average production of less than 20,000,000 pounds annually during the 10 predrought years.

The farm program should not have this effect between the two sections and it should either be corrected or else the farmers in my State should be permitted to plant unlimited acreage in peanuts and produce without restrictions such hogs, cattle, dairy products, eggs, and other crops as are adapted to our soil and climate.

Peanuts are also an oil-producing crop. In fact, they produce the finest vegetable oil in the world, which can be used for many purposes. While there is some reason to limit the production of peanuts for edible purposes, as that market is very limited, certainly there can be no good reason why the farmers who have taken such severe cuts in cotton acreage should not be permitted to plant that acreage in peanuts for crushing into oil. Nothing else would be fair in view of what is taking place in other sections of the country, and I hope to have such a plan approved before another planting season comes around.

No, we cannot say that the present farm program is perfect, that it is a complete answer to the problems of agriculture. No plan will be the answer unless or until it gives the farmer a full parity price for his full crop, and, in conclusion, I again appeal to you to approve this amendment and help toward a parity price with cash until we can perfect a system that will do it without any calls on the United States Treasury. [Applause.]

Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein certain tables relating to the subject matter which I have just discussed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia [Mr. PACE]?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WOLCOTT. Mr. Speaker, I have had a great many requests for information concerning the probability of taking

up the home-loan bank bill, H. R. 6971, this week. Can the Chair give the House any definite information as to whether that bill will be considered this week?

The SPEAKER pro tempore. Upon the completion of the bill that has been under consideration today, and which will be under consideration tomorrow, the conference report on the Agricultural Department appropriation bill will be taken up. That will probably be Thursday. We hope to dispose of that on Thursday and then take up the conference report on the transportation bill, which, of course, will preclude consideration of the so-called home-loan bank bill this week.

PERMISSION TO ADDRESS THE HOUSE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY]?

There was no objection.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY]?

There was no objection.

Mr. COOLEY. Mr. Speaker, I voted for the Fair Labor Standards Act of 1938 hoping that the act would be fairly and effectively administered. I thought that those in the executive branch of the Government charged with the duty of administering the law would reasonably interpret its provisions according to the true intent and meaning of those of us who were responsible for its enactment, but by administrative interpretation the intention of Congress has been distorted and in some instances completely annihilated.

I was particularly interested in the Biermann amendment, which provided exemptions of industries and employees engaged in processing perishable agricultural commodities. I collaborated with the author of the Biermann amendment, and at my suggestion language was inserted the effect of which we at that time understood would exempt from the provisions of the act tobacco warehousemen and their employees and the employees of tobacco stemmeries and redrying plants. At the time the bill was being considered, in an effort to emphasize the meaning of the language contained in the Biermann amendment, amendments were offered which would have specifically and definitely exempted employees engaged in the businesses to which I have just referred, but upon the assurance of the chairman of the committee in charge of the bill that the language of the Biermann amendment was clear and unambiguous and upon the chairman's statement to the effect that additional amendments were wholly unnecessary, the language then in the bill was accepted and the fight for additional amendments was abandoned. Unfortunately, by administrative interpretation the very definite meaning of the language was distorted by those charged with the duty of fairly interpreting and administering the Fair Labor Standards Act.

Those who were interested in providing an exemption for the industries and employees to which I have referred were not moved by any desire on their part to prevent the payment of fair and just wages to those engaged in handling and redrying leaf tobacco. The exemption was sought, and, in fact, was actually provided, for the reason that those of us who are familiar with the nature of the work, the character of the commodity, and the characteristics of the employees knew that the provisions of the act should not be applicable to this type of processing.

I am sure that no person familiar with cotton farming would employ either a white man or a Negro to pick cotton at a fixed price per hour or per day. I am likewise sure that no person who was free to exercise his own good judgment would employ people to stem tobacco at a fixed price per hour or per day. Some people can pick three or four times as much cotton in a day as others and some employees can and do stem three or four times more pounds of tobacco in a day than do others. A fixed wage per hour would destroy the incentive of those who really want to work. Under such a system, the employee who produced little would receive the same pay as the employee who produced much. Even now those engaged in handling, stemming, and redrying tobacco can earn a wage far in excess of that which is paid to either farm hands or domestics.

In placing an administrative interpretation upon the area-production section of the bill the Administrator has completely destroyed the exemption provided in the bill by Congress.

I was well pleased when I observed that H. R. 5435, the Norton bill, which was reported by the Committee on Labor, specifically and definitely provided exemption from both the wage and hour provisions of the Fair Labor Standards Act for employees engaged in handling, drying, stripping, grading, redrying, fermenting, stemming, packing, and storing leaf tobacco.

The Barden bill, H. R. 7133, likewise provides a similar exemption along with many other exemptions, but the Barden bill which was offered as a substitute for the Norton bill was today amended in such a way as to make it objectionable even to its author. By amendment to the Barden bill the wages provisions would still be applicable to those engaged in the businesses to which I have referred. Now that the House has rejected the Barden bill, I hope that the exemption provided in the Norton bill will be retained to the end that the original intention of Congress with respect to this particular exemption may be carried into effect. An attempt to enforce the provisions of the present law upon the businesses I have referred to will result in great loss to both the employers and employees engaged in the first processing of leaf tobacco. Employees will lose their jobs and will be forced upon relief rolls in many of the towns in North Carolina and other tobacco-growing States. I urge you, therefore, to retain the exemption provided in the Norton bill.

EXTENSION OF REMARKS

Mr. BUCK asked and was given permission to extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. BOLAND]?

There was no objection.

Mr. BOLAND. Mr. Speaker, on April 23, 1940, there was introduced in the House of Representatives House Joint Resolution No. 521, as follows:

Joint resolution authorizing the recognition of American women's interest in aviation and directing their attention to and urging their cooperation with the coming Nation-wide celebrations of National Aviation Day on August 19, 1940, and for other purposes

Whereas the development of aviation, both as an important industrial asset and as a strong arm of our national defense, is vitally essential to the welfare of our country; and

Whereas by Public Resolution No. 14, approved May 11, 1930, at the suggestion of the NATIONAL AVIATION DAY ASSOCIATION, recognized and designated August 19, 1940, the birth date of Orville Wright, as National Aviation Day, and further provided for Nation-wide celebration of that date; and

Whereas the patriotism of American women from the very inception of our Republic has been the inspiration of lovers of liberty, respected and admired the entire world over; and

Whereas today American women have a double interest in the advancement of aviation, first, as a potent means of defending their homes against invaders; second, as an increasingly important industrial factor contributing to the pay rolls, and thus aiding recovery and maintaining prosperity: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in recognition of American women's interest in aviation Congress directs their attention to and urges their cooperation with the coming Nation-wide celebrations of National Aviation Day on August 19, 1940.

Now, Mr. Speaker, April 24, 1940, Mrs. HATTIE W. CARAWAY, senior Senator from the State of Arkansas, introduced the same resolution in the Senate. Therefore I not only wish to call to the attention of the Congress but to the American people the important part that the women of our Nation have played in the remarkable growth of aviation as pilots in flying planes, but most important of their confidence in aviation as a modern means of transportation, thereby helping to increase the safety factor in this fast-growing industry. We in Congress can do our part in the recognition of the

success women have contributed in aviation by the passage of these resolutions. [Applause.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. PLUMLEY, for 2 days, on account of official business.

To Mr. MCLAUGHLIN, for 4 days, on account of urgent business.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2688. An act to amend section 4884 of the Revised Statutes (U. S. C., title 35, sec. 40); to the Committee on Patents.

ENROLLED JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker pro tempore:

H. J. Res. 437. Joint resolution authorizing the President of the United States of America to proclaim I Am An American Day for the recognition, observance, and commemoration of American citizenship.

The SPEAKER pro tempore announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 199. Joint resolution amending Public, No. 112, of the Seventy-fifth Congress, and Public Resolution No. 48 of the Seventy-sixth Congress.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 437. Joint resolution authorizing the President of the United States of America to proclaim I Am An American Day for the recognition, observance, and commemoration of American citizenship.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until tomorrow, Wednesday, May 1, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization on Wednesday, May 1, 1940, at 10:30 a. m. In re private bills and consider assignments.

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will meet on Thursday, May 2, 1940, at 10:30 a. m., in room 128, House Office Building, for the consideration of H. R. 9093.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce on Monday, May 13, 1940, at 10 a. m.

Business to be considered: To begin hearings on S. 280 and H. R. 145—motion pictures. All statements favoring the bill will be heard first. All statements opposing the bill will follow.

COMMITTEE ON PATENTS

There will be a meeting of the Committee on Patents on Thursday, May 9, 1940, at 10:30 a. m., for the consideration of H. R. 8441, H. R. 8442, and H. R. 8444, all of which relate to amendments to the patent laws.

There will be a meeting of the Committee on Patents on Thursday, May 16, 1940, at 10:30 a. m., for the consideration of H. R. 9384, H. R. 9386, and H. R. 9388, all of which relate to amendments to the patent laws.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BULWINKLE: Committee on Interstate and Foreign Commerce. House Joint Resolution 496. Joint resolution providing for more uniform coverage under the Railroad Retirement Acts of 1935 and 1937, the Carriers Taxing Act of 1937, and subchapter B of chapter 9 of the Internal Revenue Code; without amendment (Rept. No. 2029). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLY: Committee on Interstate and Foreign Commerce. H. R. 9381. A bill to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes; without amendment (Rept. No. 2030). Referred to the Committee of the Whole House on the state of the Union.

Mr. BULWINKLE: Committee on Interstate and Foreign Commerce. S. 2111. An act to amend the act entitled "An act granting additional quarantine powers and imposing additional duties upon the Marine Hospital Service," approved February 15, 1893, as amended; without amendment (Rept. No. 2031). Referred to the Committee of the Whole House on the state of the Union.

Mr. CONNERY: Committee on Printing. Senate Joint Resolution 71. Joint resolution relating to pay to certain employees of the Government Printing Office for uncompensated leave earned during the fiscal year 1932; with amendment (Rept. No. 2033). Referred to the Committee of the Whole House on the state of the Union.

Mr. CONNERY: Committee on Printing. House Concurrent Resolution 54. Concurrent resolution authorizing the printing of a revised edition of the Biographical Directory of the American Congress up to and including the Seventy-sixth Congress; without amendment (Rept. No. 2034). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 3198. An act to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army; without amendment (Rept. No. 2035). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLOOM: Committee on Foreign Affairs. H. R. 9518. A bill for the relief of Laura Trice Converse; without amendment (Rept. No. 2032). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 9375) granting an increase of pension to Anna E. Sullivan, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FULMER:

H. R. 9594. A bill to amend section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing the transfer of funds to cover advances for crop insurance; to the Committee on Agriculture.

By Mr. DEMPSEY:

H. R. 9595. A bill to postpone for 1 year the date of the transmission to Congress by the United States Coronado Exposition Commission of a statement of its expenditures; to the Committee on Foreign Affairs.

By Mr. EBERHARTER:

H. R. 9596. A bill prohibiting the importation of United States flags and national emblems from foreign countries, and for other purposes; to the Committee on Ways and Means.

By Mr. GAMBLE:

H. R. 9597. A bill to authorize a preliminary examination and survey of the Blind Brook and its tributaries in the State of New York for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

H. R. 9598. A bill to authorize a preliminary examination and survey of the Bronx River and its tributaries in the State of New York for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

H. R. 9599. A bill to authorize a preliminary examination and survey of the Hutchinson River and its tributaries in the State of New York for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

H. R. 9600. A bill to authorize a preliminary examination and survey of the Mamaroneck and Sheldrake Rivers and their tributaries in the State of New York for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

H. R. 9601. A bill to authorize a preliminary examination and survey of the Saw Mill River and its tributaries in the State of New York for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. GROSS:

H. R. 9602. A bill to create a United States Board of Awards and to provide for the presentation of certain medals; to the Committee on the Library.

By Mr. BLAND:

H. R. 9603. A bill to amend the Canal Zone Code; to the Committee on Merchant Marine and Fisheries.

By Mr. DIRKSEN:

H. R. 9604. A bill to amend the District of Columbia Revenue Act of 1939; to the Committee on the District of Columbia.

By Mr. LUDLOW:

H. R. 9605. A bill to abolish and correct unfair practices and substandard working conditions and to raise living standards among the employees of the United States Veterans' Administration; to the Committee on World War Veterans' Legislation.

By Mr. DARDEN of Virginia:

H. Res. 476. Resolution providing for the consideration of H. R. 7934, a bill to authorize alterations and repairs to certain naval vessels; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FLANNAGAN:

H. R. 9606. A bill for the relief of James L. Hill; to the Committee on Claims.

H. R. 9607. A bill for the relief of Maxie Smallwood Chapman; to the Committee on Claims.

H. R. 9608. A bill for the relief of Charles E. Allison; to the Committee on Claims.

By Mr. GEHRMANN:

H. R. 9609. A bill for the relief of Jens P. Anderson; to the Committee on Claims.

By Mr. GILLIE:

H. R. 9610. A bill granting a pension to Alice Laureine Jones; to the Committee on Invalid Pensions.

By Mr. MAGNUSON:

H. R. 9611. A bill to enable Eva Sofia Bildstein and her minor son, Jorg Bildstein, to remain permanently in the United States; to the Committee on Immigration and Naturalization.

By Mr. MAY:

H. R. 9612. A bill for the relief of James Van Hoose; to the Committee on Military Affairs.

H. R. 9613. A bill granting a pension to Lillie Blair; to the Committee on Invalid Pensions.

By Mr. McDOWELL:

H. R. 9614. A bill for the relief of Joaquim Rodrigues; to the Committee on Immigration and Naturalization.

H. R. 9615. A bill for the relief of Herbert W. Over; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7790. By Mr. COLLINS: Concurrent resolution passed by the Mississippi State Legislature, memorializing Congress to pass the Wagner-George bill appropriating $10,000,000 for construction of hospitals in rural and economically depressed areas; to the Committee on Appropriations.

7791. Also, concurrent resolution passed by the Mississippi State Legislature, memorializing the President of the United States to appoint a Mississippian as a member of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

7792. Also, concurrent resolution passed by the Mississippi State Legislature, memorializing Congress to pass Senate bill No. 231 and House bill No. 299, authorizing the acquisition of forest lands adjacent to and over which highways, roads, or trails are constructed or to be constructed wholly or partially with Federal funds in order to preserve or restore their natural beauty; to the Committee on the Public Lands.

7793. Also, concurrent resolution passed by the Mississippi State Legislature, memorializing Congress to appropriate sufficient Federal funds to make possible the furnishing of electric power from the Tennessee Valley Authority to Lauderdale, Clarke, and Wayne Counties; to the Committee on Appropriations.

7794. By Mr. HART: Petition of Local Union No. 3, of the International Brotherhood of Electrical Workers of America, New York, for relief and aid against the vicious attacks and indictments brought by Assistant Attorney General Thurman Arnold in prosecuting labor unions under the provisions of the Sherman Antitrust Act; to the Committee on the Judiciary.

7795. By Mr. HOBBS: Petition of Hon. V. B. Atkins and 80 other citizens of Selma, Ala., favoring House bill 1, the Patman chain-store tax bill; to the Committee on Ways and Means.

7796. By Mr. MARTIN J. KENNEDY: Petition of the American Newspaper Guild, New York City, expressing opposition to any amendments to the National Labor Relations Act, including the Smith bill and the Norton bill; to the Committee on Labor.

7797. Also, petition of the International Woodworkers of America, Seattle, Wash., opposing all amendments to the National Labor Relations Act, including the Smith bill and the Norton bill; to the Committee on Labor.

7798. Also, petition of the International Union, United Automobile Workers of America, Detroit, Mich., opposing all of the proposed amendments to the Wagner Act, including those in the Smith bill and in the Norton bill; to the Committee on Labor.

7799. Also, petition of D. Emil Klein Co., Inc., New York City, expressing opposition to House bill 8349, forbidding corporations to practice law before courts, quasi-judicial, or administrative bodies; appearance before such tribunals to be by attorneys at law duly permitted to manage and conduct cases and hearings in such courts; to the Committee on the Judiciary.

7800. By Mr. KEOGH: Petition of the Social Service Employees Union, New York City, opposing the Norton and Smith amendments to the Wagner Act, also Barden amendments to the wage and hour law; to the Committee on Labor.

7801. Also, petition of the Seatrain Lines, Inc., New York City, concerning the Wheeler-Lea conference report on the transportation bill; to the Committee on Interstate and Foreign Commerce.

7802. Also, petition of Marine Journal, New York City, favoring the May proposal to earmark $50,000,000 of the next Work Projects Administration for flood control and river and harbor work; to the Committee on Flood Control.

7803. By Mr. LAMBERTSON: Petition of A. J. Robinson and 59 other veterans of Wadsworth, Kans., urging the enactment of House bills 7950 and 7980, to provide for disabled veterans and their dependents; to the Committee on World War Veterans' Legislation.

7804. Also, petition of E. F. Roberts and 21 other veterans of Wadsworth, Kans., urging Congress to pass House bills 7950 and 7980, to provide for disabled veterans and their dependents; to the Committee on World War Veterans' Legislation.

7805. Also, petition of Carl Vosseler, president, and 57 other members of the Leavenworth County (Kans.) Independent Food Dealers Association, urging the enactment of the Patman chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

7806. By Mr. SCHIFFLER: Petition of C. H. Hardesty, president, Fairmont Board of Commerce, Fairmont, W. Va., protesting against the proposal to establish an Industrial Loan Corporation, as outlined in the Mead bill; to the Committee on Ways and Means.

7807. By the SPEAKER: Resolution adopted by the Hungarian Women's Club, of Akron, Ohio, opposing the adoption of House bill 4860 and other similar bills; to the Committee on Immigration and Naturalization.

7808. Also, resolution adopted by Local 399 and 932 of the Brotherhood of Carpenters, supporting Senate bill 591; to the Committee on Banking and Currency.

7809. Also, petition of the International Workers Order, No. 3594, McKeesport, Pa., petitioning consideration of their resolution with reference to antialien bills; to the Committee on Immigration and Naturalization.

7810. Also, petition of the Amalgamated Association of Street and Electric Railway Employees of America, Division 1070, Indianapolis, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7811. Also, petition of Local No. 682, A. A. of S. E. R. and M. C. E. of A., Fort Wayne, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7812. Also, petition of Local No. 8, Gary, Ind., Brotherhood of Painters, Decorators, and Paperhangers of America, petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7813. Also, petition of the Hollywood League for Democratic Action, Hollywood, Calif., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

7814. Also, petition of the Federation of Architects, Engineers, Chemists, and Technicians, Chapter No. 14, Washington, D. C., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7815. Also, petition of the United Electrical, Radio, and Machine Workers of America, District No. 4, Newark, N. J., petitioning consideration of their resolution with reference to amendments to the National Labor Relations Act; to the Committee on Labor.

7816. Also, petition of L. N. P. L., Sixty-seventh A. D. L. A., Los Angeles, Calif., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

7817. Also, petition of the United Brotherhood of Carpenters and Joiners of America, Local No. 2108, Shelbyville, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7818. Also, petition of Lodge No. 3518 of the International Workers Order, petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

7819. Also, petition of Lodge No. 3097 of the International Workers Order, Haverhill, Mass., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

7820. Also, petition of the International Workers Order, Inc., Hungarian Section Lodge No. 1028, Gary, Ind., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

7821. Also, petition of the International Workers Order, Archbald, Pa., Lodge No. 529, petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

7822. Also, petition of the Central Labor Union, Lafayette, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7823. Also, petition of Indianapolis Lodge, No. 511, International Association of Machinists, Indianapolis, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7824. Also, petition of Space and Time (David A. Munro, Washington, D. C.), petitioning consideration of their resolution with reference to an appropriation to Federal Trade Commission; to the Committee on Interstate and Foreign Commerce.

7825. Also, petition of the Amalgamated Machine Shop, Local No. 475, Brooklyn, N. Y., petitioning consideration of their resolution with reference to the National Labor Relations Act, also House bills 9195 and 8813; to the Committee on Labor.

SENATE

WEDNESDAY, MAY 1, 1940

(Legislative day of Wednesday, April 24, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Father Almighty, who deckest Thyself with light, shine upon us with Thy radiance, and lead us through the deeps of our own nature into Thy holy presence. On this day so full of associations and hallowed memories, accept the rededication of Thy servant to the life whereunto Thou hast called him. Grant that the words of his mouth and the meditations of his heart may be always acceptable in Thy sight, and may wing their way to the hearts of all the Members of this great company of men upon whom a trusting and expectant Nation has placed a heavy though glorious responsibility.

Bless every Member of the Senate, its officers and helpers, and upon the honored and beloved leader of this body, the Vice President of the United States, we invoke Thine every blessing. Grant to us here, dear Lord, to treasure the great moments of our lives, when to our eyes are revealed the infinite sanctities of life, in which our hearts are sustained in their tasks and comported in their sorrow by the mystic touch of eternal love; and in these regnant sunlit hours enable us to steer our bark through the troubled waters and under frowning skies to the long-sought harbor, the waiting heart of God. We ask it for the sake of our Lord and Saviour, Jesus Christ. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Tuesday, April 30, 1940, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TARVER, Mr. HOUSTON, Mr. SHEPPARD, Mr. HARE, Mr. ENGEL, and Mr. KEEFE were appointed managers on the part of the House at the conference.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Lucas	Shipstead
Ashurst	Downey	Lundeen	Slattery
Austin	Ellender	McCarran	Smathers
Bailey	Frazier	McKellar	Smith
Bankhead	George	McNary	Stewart
Barbour	Gerry	Maloney	Taft
Barkley	Gillette	Mead	Thomas, Idaho
Bilbo	Glass	Miller	Thomas, Okla.
Bone	Gurney	Minton	Thomas, Utah
Bridges	Hale	Murray	Tobey
Brown	Harrison	Norris	Townsend
Bulow	Hatch	Nye	Truman
Burke	Hayden	O'Mahoney	Tydings
Byrd	Herring	Overton	Vandenberg
Capper	Hill	Pepper	Van Nuys
Caraway	Holman	Pittman	Wagner
Chandler	Hughes	Reed	Wheeler
Chavez	Johnson, Calif.	Reynolds	White
Clark, Idaho	Johnson, Colo.	Russell	Wiley
Clark, Mo.	King	Schwartz	
Connally	La Follette	Schwellenbach	
Danaher	Lodge	Sheppard	

Mr. MINTON. I announce that the Senator from South Carolina [Mr. BYRNES] and the Senator from Rhode Island [Mr. GREEN] are unavoidably detained from the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Ohio [Mr. DONAHEY], the Senator from Pennsylvania [Mr. GUFFEY], the Senators from West Virginia [Mr. HOLT and Mr. NEELY], the Senator from Oklahoma [Mr. LEE], and the Senator from Maryland [Mr. RADCLIFFE] are detained on public business.

The Senator from Massachusetts [Mr. WALSH] is a member of the Board of Visitors to the United States Naval Academy and is therefore necessarily absent.

Mr. AUSTIN. I announce that my colleague the Senator from Vermont [Mr. GIBSON] is necessarily absent.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

THE CHAPLAIN OF THE SENATE

Mr. BARKLEY. Mr. President, I wish to call the attention of the Senate at this time to a happy coincidence of dates.

I doubt whether the Senate of the United States or any other legislative body has ever had a more devoted, charming, gracious, God-fearing, and almost Godlike chaplain than the Senate of the United States has had for a number of years.

Today marks the sixty-fifth anniversary of the birth of Dr. Phillips, the Chaplain of this body. It also marks the fortieth anniversary of his ordination into the ministry of the Episcopal Church, he having been ordained at the age of 25, and having since that time devoted himself, his great talents, his great energy, and his great conceptions of human life and human destiny to the ministry which is his chosen profession.

I am glad to call attention to this happy occasion and to extend a word of greeting and congratulation to Dr. Phillips upon his marvelous career, and upon the deep and abiding impression which he has made upon all who know him and who have come in contact with him.

In one of his orations Bob Ingersoll stated that "Life is a narrow vale between the cold and barren peaks of two eternities." I do not subscribe to that definition of life. I do not believe that the past out of which we have come is a cold or barren peak, nor do I believe that the future toward which we are headed is a cold or barren peak. It is a source of consolation and of joy and of inspiration that there are in the world men who are willing to devote themselves not to the accumulation of wealth, not necessarily to the pursuit of fame, but who are willing to act as pilots to their fellow men as they travel out of the past, through the present, into the future.

I am sure I speak the sentiments of every Member of the Senate when I congratulate Dr. Phillips not only upon his accomplishments as a minister, not only upon his idealism as a citizen, not only upon his example—which we may all emulate with pleasure and with profit—but I congratulate him upon the fact that while his treasures and his rewards may not be measured in acres and in bank accounts, though I would wish that they were adequate, they may be found in the service he has rendered not only to the Senate, not only to his church, but to mankind in general. I am sure we all wish him an extension of years and renewed opportunities for the great service which has characterized his entire life.

DEATH OF FORMER SENATOR FURNIFOLD M'L. SIMMONS

Mr. BAILEY. Mr. President, I rise to announce to the Senate the death on yesterday of the Honorable Furnifold McLendel Simmons, who served his country in the Senate with great intelligence, industry, capacity, and fidelity to duty throughout 30 consecutive years. Prior to his service in the Senate he served with distinction one term in the House of Representatives.

Measured by every standard, Senator Simmons will take his place for generations to come as one of the greater figures in the life of our Commonwealth. He will be remembered here as a Senator who in all respects proved himself in a long and lofty career worthy of his great trust.

Mr. President, I ask in connection with this announcement to have published in the RECORD a brief sketch of the life of Senator Simmons, taken from the New York Times of this date.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The article is as follows:

[From the New York Times of Wednesday, May 1, 1940]

SIMMONS, SENATOR FOR 30 YEARS, DIES

NEW BERN, N. C., April 30—Former Senator Furnifold McLendel Simmons, who represented North Carolina in the Senate for 30 years, a longer time than any other North Carolinian, and who headed the important Senate Finance Committee during the Wilson administration, died this afternoon at the home of a daughter, Mrs. Wade Meadows, near this city, at the age of 86. He had been in failing health for years.

Surviving, besides Mrs. Meadows, are a son, James H. Simmons, of Jones County, and two other daughters, Mrs. L. A. Mahler, of Raleigh, and Mrs. J. F. Patterson, of New Bern.

Mr. Simmons was born in Jones County, N. C., on January 20, 1854. He attended Wake Forest College and Trinity College (later Duke University), being graduated from Trinity in 1873. Two years later he was admitted to the bar.

In 1886 Mr. Simmons was elected to the Fiftieth Congress, from the Second North Carolina District, and at the expiration of that term returned to the practice of law. During the second administration of President Grover Cleveland, he was collector of internal revenue for the eastern district of North Carolina.

In 1894 the Democrats of his State turned to him for help. He was then practicing law at New Bern. He was chosen chairman of the State committee, and built an organization which won a striking victory in the 1898 campaign. This returned the State government to Democratic control after its rout because of the strong sweep of the Populist movement in 1894, which had swept Republicans into office, many of them Negroes.

Mr. Simmons waged the State campaigns of 1898 and 1900 in a militant manner.

HIS RECORD IN THE SENATE

Mr. Simmons was sent to the Senate for the first of his five consecutive terms in 1901. As chairman of the Senate Finance Committee, which he headed from 1913 to 1919, Senator Simmons was coauthor with Oscar W. Underwood, then chairman of the Ways and Means Committee of the House, of the tariff act bearing their names. He also sponsored the various revenue measures to finance the participation of the United States in the World War.

What he regarded as among his noteworthy achievements in the Senate was his work in behalf of good roads. In 1912 he offered an amendment to the post-office bill seeking an appropriation of $1,000,000 for the improvement of roads used in the rural delivery of mail, the communities benefited to pay half the cost. After a hard fight in committee, he obtained a compromise appropriation

of $500,000 as an experiment. Three years later he had the satisfaction of witnessing the appropriation of $85,000,000 for the same purpose on the principle he had formulated.

In 1875 Senator Simmons married Miss Eliza Hill Humphrey. They had three children. Mrs. Simmons died in 1883, and on July 29, 1886, the Senator married Miss Belle Gibbs, who died in 1938. Two children were born of his second marriage.

LEGISLATIVE APPROPRIATIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 8913) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1941, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. TYDINGS. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. TYDINGS, Mr. BYRNES, Mr. ADAMS, Mr. OVERTON, Mr. TRUMAN, Mr. HALE, and Mr. BRIDGES conferees on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the petition of David A. Munro, editor of Space and Time, Washington, D. C., praying that the $88,829 appropriation to the Federal Trade Commission contained in the Independent Offices Appropriation Act, 1941, for a study of the methods and costs of distribution, pertaining especially to advertising, be rescinded by joint resolution of the Congress, which was referred to the Committee on Appropriations.

He also laid before the Senate a telegram in the nature of a petition from James A. Tallman, president, Fifty-first Iowa Infantry Association of Southern California, Costa Mesa, Calif., praying for the enactment of the bill (H. R. 289) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899, on reconsideration, the objections of the President of the United States to the contrary notwithstanding, which was ordered to lie on the table.

He also laid before the Senate a resolution of Knickerbocker Chapter, Daughters of the American Revolution, of New York City, N. Y., favoring the issuance of a commemorative postage stamp in honor of Mary Ball Washington, mother of Washington, which was referred to the Committee on Post Offices and Post Roads.

Mr. TYDINGS presented a resolution of the Democratic Women's Luncheon Club of Baltimore, Md., protesting against the entry of tropically refined sugar into the United States and also a reduction of the quantity of imported cane sugar refined in this country, which was referred to the Committee on Finance.

He also presented the petition of Rev. Msgr. S. Wachowiak, pastor of Holy Rosary Parish, and John A. Dewicki, president of the Polish American Council, both of Baltimore, Md., and sundry Polish organizations, clergymen, and citizens, all in the State of Maryland, praying for the enactment of legislation granting an appropriation for the relief of the distressed people of Poland, suffering as a result of the twofold invasion of that devastated country, which was referred to the Committee on Foreign Relations.

Mr. BILBO (for himself and Mr. HARRISON) presented the following concurrent resolution of the Legislature of Mississippi, which was referred to the Committee on Agriculture and Forestry:

Concurrent resolution memorializing Congress to appropriate sufficient Federal funds to make possible the furnishing of electric power from the Tennessee Valley Authority to Lauderdale, Clarke, and Wayne Counties

Whereas the Tennessee Valley Authority has extended its power lines to the county lines of Kemper and Winston Counties and is now furnishing electricity to those counties; and

Whereas the Mississippi Power Co. has lines which can easily be connected with the transmission lines of the T. V. A. at DeKalb, Miss.; and

Whereas the counties of Lauderdale, Clarke, and Wayne are extremely desirous of receiving the power generated by the T. V. A.: Now, therefore, be it

Resolved by the house of representatives (the senate concurring therein), That Congress be, and it is hereby, memorialized to make possible the extension of T. V. A. power to the counties of Lauderdale, Clarke, and Wayne and to provide sufficient funds for such purpose; be it further

Resolved, That copies of this resolution be sent to the Mississippi delegation in Congress by the clerk of the house.

Mr. BILBO also (for himself and Mr. HARRISON) presented the following concurrent resolutions of the Legislature of Mississippi, which were ordered to lie on the table:

Concurrent resolution memorializing Congress to pass the Wagner-George bill appropriating $10,000,000 for construction of hospitals in rural and economically depressed areas

Whereas there has been introduced in the Senate of the United States Congress the Wagner-George bill, to appropriate $10,000,000 for construction of hospitals in rural and economically depressed areas; and

Whereas there is a real need for small hospitals in southern rural areas to provide medical and clinical assistance to those who cannot afford expensive hospitalization in cities; and

Whereas, even though economy in government is desirable, such economy should not be effected by depriving those least able to pay of necessary hospital facilities: Now, therefore, be it

Resolved by the house of representatives (the senate concurring therein), That Congress be memorialized to pass the Wagner-George bill, appropriating $10,000,000 for the construction of small hospitals in rural and economically depressed areas; be it further

Resolved, That the clerk of the house of representatives be directed to send copies of this concurrent resolution to Senators WAGNER and GEORGE and to our Mississippi Congressmen.

Concurrent resolution memorializing Congress to pass Senate bill 231 and House bill 299, authorizing the acquisition of forest lands adjacent to and over which highways, roads, or trails are constructed or to be constructed, wholly or partially with Federal funds, in order to preserve or restore their natural beauty

Whereas the natural beauty along Federal and State highways is being destroyed by billboards advertising various products, unsightly fences, and underbrush; and

Whereas there are no parkways contiguous to most Federal and State highways that are open to the traveling public; and

Whereas the purpose of Senate bill No. 231 and House bill No. 299 is to preserve, restore, improve, and protect the natural beauty along highways and roads: Now, therefore, be it

Resolved by the Legislature of the State of Mississippi, That the Congress of the United States be memorialized to pass Senate bill 231 and House bill 299, and that a copy of this resolution be sent to each Mississippi Congressman.

PARITY PAYMENTS TO FARMERS

Mr. CAPPER. Mr. President, I desire to call the attention of the Senate to a petition I have received from a large group of farmers of Ellsworth, Kans., and vicinity, urging that Congress provide permanent funds for parity payments, and which I now present for proper reference. I think the petition states the position of our farmers on this matter so well that it is worth placing in the RECORD.

The petition reads as follows:

We, the undersigned farmers and citizens of Ellsworth County, Kans., earnestly petition you to urge Congress to enact some permanent legislation for funds to give us farmers full parity payments on our base production of wheat. We farmers have cooperated with the agricultural-conservation program almost 100 percent year after year, with the hope that Congress would do the right thing by providing funds by some sort of processing tax. For 7 years we have patiently waited for Congress to give us parity prices on wheat. So far it has been nothing but appropriations. Either give us something worth while or else tear down the high-tariff wall that has favored the industries for some 100 years. They have no right to special privileges under our democracy.

Signed by R. L. Boggs, of Ellsworth, and 68 others.

Mr. President, these farmers in Ellsworth County know what they are talking about. They have, as stated in their petition, cooperated almost 100 percent with the conservation program year after year. They are largely wheat growers. They know that the A. A. A. of 1938 authorized Congress to provide parity payments to make up the difference between prevailing market and parity prices on their base acreage production; but they have not received parity prices for wheat. Neither have they received parity payments from the Government sufficient to make up the difference between market price and parity price. In fact, it is a question today whether they will receive any parity payments at all for the 1941 crop year. Congress, having approved the principle of

parity payments, should make provision for making these payments, and a permanent method of financing them, either by processing taxes, the income-certificate plan, or some other method that will make the program to that extent self-sustaining.

The American farmers do not want to be kept in business by gratuities from the Federal Treasury. When we proposed the McNary-Haugen plan 15 years ago it was to have been financed by the equalization fee, which amounted to a processing tax. I may say at this time that ultimately we probably are going to have to return to the basic principle of the McNary-Haugen bills, the two-price system on wheat and other major surplus crops. Under this program farmers will be guaranteed a domestic parity or cost-of-production price for the proportion of their production required for domestic consumption, and take what they can get on the exportable surplus.

But that is not the problem immediately before us. The financing of parity payments, I believe, is before the Congress, and will be before the next Congress.

Conferees last week sent to the House for action a bill carrying approximately $1,000,000,000 for agriculture. I say when it is necessary for Congress to appropriate a billion dollars or more a year from the Federal Treasury for agriculture, that is a pretty certain sign that the farmer is not prosperous.

The Secretary of Agriculture says that farm income has averaged between $1,500,000,000 and $2,000,000,000 a year short of parity income for the past decade. The American Farm Bureau says parity payments should be $700,000,000 a year, instead of the $200,000,000 voted by the Senate; and it is not even certain that the House will stand for that much.

The present administration has had 7 years to solve the farm problem. I have supported its proposals, because to me there is no political partisanship involved where the American farmer is concerned; and what have we got?

Well, the 7 years of the New Deal have brought us to this point: When we appropriate a billion dollars a year for farm subsidies and administration of the farm program, farm income still is a billion dollars a year short of farm parity.

I say these farmers of Ellsworth County, Kans., have a right to ask that Congress do something more realistic and more helpful that it has done to date. If we are to continue under the present program, the parity payments authorized as part of the program should be made; and the farmers are right in insisting that if parity payments are to be made, they should be financed on a permanent basis.

The VICE PRESIDENT. Without objection, the petition presented by the Senator from Kansas will be received and referred to the Committee on Agriculture and Forestry.

SUFFRAGE FOR THE DISTRICT OF COLUMBIA

Mr. CAPPER. Mr. President, I desire also to call attention to two resolutions adopted recently by the District of Columbia Congress of Parents and Teachers, which now has a membership in the National Capital of more than 18,000 men and women who are deeply and sincerely interested in the welfare of the District as the home of themselves and their children.

I may say that in the past there has not been unanimity of opinion in this city-wide organization on the matter of suffrage for the District of Columbia and having the District represented in Congress; but within the past few weeks the Congress of Parents and Teachers, through its board of managers, has gone on record for both local and national suffrage for the District. That has been my own position for years. I say the people of the District of Columbia are American citizens. They pay taxes. They are liable for military duty. They are keenly alive to the problems of government, well informed, and keenly interested. I say they are entitled to representation in Congress and also they are entitled to the right of local self-government, the same as other American citizens and communities.

I ask unanimous consent to have printed in the RECORD, as part of my remarks, resolutions adopted by this organization on March 12 and April 9, 1940, copies of which were furnished me by Mrs. Nora M. Lowe, president of the District of Columbia Congress of Parents and Teachers.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

The following resolution was passed by the board of managers of the District of Columbia Congress of Parents and Teachers, in regular session assembled, Tuesday, March 12, 1940:

"*Resolved*, That the board of managers of the District of Columbia Congress of Parents and Teachers approves and endorses an amendment to the Federal Constitution to provide for the following:

"1. The Congress of the United States shall have power to provide for the people of the District of Columbia representation to the Congress and among the electors of President and Vice President no greater than that of the people of the States, and that the judicial power of the United States shall extend to controversies to which citizens of such district shall be parties the same as to controversies to which citizens of a State shall be parties.

"2. *And it is further resolved*, That copies of this resolution, after having been spread upon the minutes of this meeting, be sent to all the local associations of this Congress for their action thereon."

Mrs. C. D. LOWE, *President*.

The following resolution was passed by the board of managers of the District of Columbia Congress of Parents and Teachers, in regular session assembled, Tuesday, April 9, 1940:

"1. *Resolved*, That the board of managers of the District of Columbia Congress of Parents and Teachers approves and endorses such legislative action as may be necessary by the Congress of the United States to provide by local suffrage the right of the people of the District of Columbia to have and to administer its own government.

"2. That all legislation hereunder shall be subject to amendment or repeal.

"*Resolved further*, That copies of this resolution, after having been spread upon the minutes of this meeting, be sent to all local associations of this Congress for their action thereon."

Mrs. C. D. LOWE, *President*.

REPORTS OF COMMITTEES

Mr. DANAHER, from the Committee on Patents, to which was referred the bill (H. R. 6618) to provide for the registration of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes, reported it with amendments and submitted a report (No. 1562) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 3727) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to certain counsel, reported it without amendment and submitted a report (No. 1563) thereon.

Mr. TOBEY, from the Committee on Claims, to which was referred the bill (H. R. 3161) for the relief of the estate and minor children of Dale W. and Gladys M. Guise, Sally C. Guise, and Martha G. and Arnold E. Orner, reported it with amendments and submitted a report (No. 1564) thereon.

Mr. MEAD, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 1827) to allow moving expenses to employees in the Railway Mail Service, reported it with amendments and submitted a report (No. 1566) thereon.

Mr. HAYDEN, from the Committee on Appropriations, to which was referred the bill (H. R. 8745) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes, reported it with amendments and submitted a report (No. 1567) thereon.

Mr. HUGHES, from the Committee on the Judiciary, to which was referred the bill (H. R. 7019) to amend section 1 of the act providing punishment for the killing or assaulting of Federal officers, reported it with amendments and submitted a report (No. 1568) thereon.

IMPORTATION OF ARTICLES FOR NEW YORK AND SAN FRANCISCO WORLD'S FAIRS

Mr. GEORGE. Mr. President, I desire to submit a report and then to present a request for unanimous consent.

From the Committee on Finance I report back favorably without amendment the joint resolution (H. J. Res. 431) to extend to the 1940 New York World's Fair and the 1940 Golden Gate International Exposition the provisions according privileges under certain customs and other laws to the expositions of 1939, and I submit a report (No. 1565) thereon.

Mr. President, the joint resolution, which has already been passed by the other House, merely extends the act heretofore

passed for the benefit of the 1939 expositions at New York and San Francisco to the expositions now being conducted in those cities during the year 1940.

I ask unanimous consent that the report be received and that the joint resolution be immediately considered. As I have said, it is reported from the Committee on Finance without amendment, and I have stated the single and sole purpose. Inasmuch as the present law has expired in one case already, it is highly proper and desirable that the joint resolution should be passed now for the protection of the Treasury Department and of those interested in the two expositions.

The VICE PRESIDENT. Without objection, the report submitted by the Senator from Georgia will be received. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 431) to extend to the 1940 New York World's Fair and the 1940 Golden Gate International Exposition the provisions according privileges under certain customs and other laws to the expositions of 1939, was considered, ordered to a third reading, read the third time, and passed.

ENROLLED JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on April 30, 1940, that committee presented to the President of the United States the enrolled joint resolution (S. J. Res. 199) amending Public Resolution No. 112 of the Seventy-fifth Congress and Public Resolution No. 48 of the Seventy-sixth Congress.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

S. 3892. A bill to provide for the establishment of a fish-cultural station at or near Clatskanie, on the Clatskanie River, in the State of Oregon; to the Committee on Commerce.

By Mr. MINTON:

S. 3893. A bill granting a pension to Murray C. Holloway (with accompanying papers); to the Committee on Pensions.

By Mr. BARBOUR:

S. 3894. A bill to incorporate the Jewish War Veterans of the United States; to the Committee on the Judiciary.

S. 3895. A bill to amend the Foreign Trade Zones Act (48 Stat. 998, 1003; Public, No. 397, 73d Cong., 2d sess.), approved June 18, 1934, to clarify its purposes, provide for reasonable rates and charges within a zone, and for other purposes; to the Committee on Finance.

By Mr. CHANDLER:

S. 3896. A bill granting a pension to Porlee G. Barger; to the Committee on Pensions.

By Mr. TOWNSEND:

S. 3897. A bill for the relief of Jerome A. Utley (with accompanying papers); to the Committee on Claims.

By Mr. BROWN:

S. 3898. A bill for the relief of Donald Archibald Jones; to the Committee on Claims.

By Mr. VAN NUYS:

S. 3899. A bill to defray the cost of returning to the United States the remains, families, and effects of officers and employees dying abroad, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. ASHURST:

S. 3900 (by request). A bill requiring approval by the Attorney General of the validity of title to lands purchased by the United States for the erection of public buildings thereon, and for other purposes; to the Committee on the Judiciary.

By Mr. McKELLAR:

S. 3901. A bill for the relief of Blanche H. Karsch, administratrix of the estate of Kate E. Hamilton (with accompanying papers); to the Committee on Claims.

By Mr. PEPPER:

S. 3902. A bill to extend certain benefits under the Social Security Act, as amended, to persons performing services in connection with the preparation of fruits or vegetables for market; to the Committee on Finance.

By Mr. BANKHEAD:

S. 3903. A bill for the relief of Maj. L. P. Worrall, and for other purposes; to the Committee on Claims.

By Mr. MEAD:

S. 3904. A bill to provide for establishing five regional agricultural research centers for investigations and demonstrations in self-sufficing farming, the application of power-driven appliances on the self-sufficing farm and in the farm home, rural industrial plants, the preservation of plant and animal varieties, and suburban land use; and to provide for similar research to be conducted by State colleges of agriculture; to the Committee on Agriculture and Forestry.

By Mr. TYDINGS:

S. 3905 (by request). A bill relating to the admission to St. Elizabeths Hospital of persons resident or domiciled in the Virgin Islands of the United States; to the Committee on Territories and Insular Affairs.

PROHIBITION OF FOREIGN SILVER PURCHASES—AMENDMENT OF GOLD RESERVE ACT OF 1934

Mr. KING submitted an amendment intended to be proposed by him to the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes, which was ordered to lie on the table and to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. LA FOLLETTE submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 8745) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes, the following amendment, namely:

Under the Bureau of Indian Affairs, General Support and Administration, in the paragraph entitled "Wisconsin: Keshena", strike out the figure "$72,100" and insert "$78,100", and at the end of the paragraph, insert the following preceding the semicolon:

": *Provided*, That for the fiscal year 1939 and thereafter not to exceed $6,000 shall be available annually from the funds of the Menominee Indians for the payment of salaries and expenses of the chairman, secretary, and interpreters of the Menominee General Council and members of the Menominee Advisory Council and tribal delegates when engaged on business of the tribe at rates to be determined by the Menominee General Council and approved by the Commissioner of Indian Affairs."

Mr. LA FOLLETTE also submitted an amendment intended to be proposed by him to House bill 8745, the Interior Department appropriation bill, 1941, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. LA FOLLETTE also submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 8745) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes, the following amendment, namely:

At the proper place, under the caption "Annuities and Per Capita Payments," Bureau of Indian Affairs, insert the following:

"The Secretary of the Interior is hereby authorized to withdraw immediately from the Treasury of the United States $105,000 of any funds on deposit to the credit of the Menominee Indians in Wisconsin, and to expend said sum, or as much thereof as may be necessary, for a per capita payment of $50 to each enrolled member of the Menominee Tribe: *Provided*, That such payment shall be in lieu of the payments authorized by the act of June 15, 1934 (48 Stat. 964), for the fair market stumpage value of timber cut on the Menominee Reservation during the fiscal years 1940 and 1941: *Provided further*, That the amounts expended for making such per capita payment shall be reimbursed to the tribal funds utilized therefor from sums that would otherwise be paid said Indians pursuant to the act of June 15, 1934, supra."

Mr. LA FOLLETTE also submitted an amendment intended to be proposed by him to House bill 8745, the Interior Department appropriation bill, 1941, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. HAYDEN, in accordance with rule XL of the Standing Rules of the Senate, submitted notices in writing of motions to suspend paragraph 4 of rule XVI for the purpose of proposing to House bill 8745, the Interior Department appropriation bill, 1941, the following amendments:

At the proper place in the bill insert the following:

"WAR MINERALS RELIEF COMMISSION

"Administrative expenses: For administrative expenses made necessary by section 5 of the act entitled 'An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes,' approved March 2, 1919 (40 Stat. 1272), including personal services, without regard to the civil-service laws and regulations; traveling and subsistence expenses; supplies and all other expenses incident to the proper prosecution of this work, both in the District of Columbia and elsewhere, $11,200: *Provided*, That any claim that has not been prosecuted and disposed of prior to July 1, 1941, shall not thereafter be considered by the Secretary of the Interior and shall be barred."

At the proper place in the bill under the caption "United States High Commissioner to the Philippine Islands," insert the following: ", of which amount not exceeding $10,000 shall be available for expenditure in the discretion of the High Commissioner for maintenance of his household and such other purposes as he may deem proper: *Provided*, That the salary of the legal adviser and the financial expert shall not exceed the annual rate of $10,000 and $9,000 each, respectively: *Provided further*, That section 3709 of the Revised Statutes (41 U. S. C. 5), shall not apply to any purchase or service rendered under this appropriation when the aggregate amount involved does not exceed the sum of $100."

On page 25, after the word *"Provided"*, in line 3, insert the following: "That in addition to the amount herein appropriated the Secretary of the Interior may also incur obligations, and enter into contracts for the acquisition of additional land, not exceeding a total of $325,000, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof, and appropriations hereafter made for the acquisition of land pursuant to the authorization contained in the act of June 18, 1934, shall be available for the purposes of discharging the obligation or obligations so created: *Provided further,*"; and in line 4, after the word "appropriated", insert the following: "or of this contract authorization."

On page 69, line 8, after the sum "$400,000", insert the following: ", and in addition thereto the Secretary of the Interior may incur obligations and enter into a contract or contracts not exceeding the total amount of $895,000, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof, and appropriations hereafter made for continuing construction of the project shall be available for the purpose of discharging the obligation or obligations so created."

On page 82, line 5, after the sum "$200,000", insert the following: ": *Provided*, That expenditures from this appropriation and from any other appropriation for the construction of the Modoc Unit shall be reimbursed from net revenues hereafter received from the lease of grazing and farming lands within the Tule Lake Division, notwithstanding the provisions of subsection I of section 4 of the act of December 5, 1924 (43 Stat. 703; 43 U. S. C. 373a)."

On page 89, after line 6, insert a new paragraph reading as follows:

"It is hereby declared to be the policy of the Congress that, in the opening to entry of newly irrigated public lands, preference shall be given to families who have no other means of earning a livelihood, or who have been compelled to abandon, through no fault of their own, other farms in the United States, and with respect to whom it appears after careful study, in the case of each such family, that there is a probability that such family will be able to earn a livelihood on such irrigated lands."

On page 104, after line 12, insert a new paragraph reading as follows:

"Notwithstanding any other provisions of law, Royd R. Sayers, a commissioned officer on the active list, United States Public Health Service, is authorized to hold the office of Director of the Bureau of Mines in the Department of the Interior without loss of or prejudice to his status as a commissioned officer on the active list of the United States Public Health Service and if appointed to such civil office he shall receive in lieu of his pay and allowances as such commissioned officer the salary prescribed by law for such civil office."

On page 119, in line 9, after "1941", insert a new paragraph reading as follows: "*Provided further*, That in addition to the amount herein appropriated the Secretary of the Interior may also approve projects, incur obligations, and enter into contracts for additional work not exceeding a total of $3,000,000, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof and appropriations hereafter made for the construction, reconstruction, and improvement of roads and trails shall be considered available for the purpose of discharging the obligation so created"; and in line 10, after the word "appropriation", insert the following: "or contract authorization."

On page 120, line 3, after the word "purpose", insert the following: ": *Provided further*, That the Secretary of the Interior shall make a detailed statement of expenditures from this appropriation to the Senate and House Committees on Appropriations at the beginning of the next regular session of Congress: *Provided further*, That in addition to the amount herein appropriated the Secretary of the Interior may also approve projects, incur obligations, and enter into contracts for additional work not exceeding a total of $6,000,000, of which $2,100,000 shall be for the Natchez Trace Parkway and shall be allotted and expended ratably between the States of Mississippi, Alabama, and Tennessee according to mileage of said parkway in each respective State, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof, and appropriations hereafter made for the construction and maintenance of the Blue Ridge and Natchez Trace Parkways shall be considered available for the purpose of discharging the obligation so created."

On page 143, after line 20, insert a new paragraph, as follows:

"Division of Territories and Island Possessions: For expenses of the Division of Territories and Island Possessions in the investigation and survey of natural resources of the land and sea areas of the Antarctic regions, including personal services in the District of Columbia and elsewhere without regard to the civil-service laws or the Classification Act of 1923, as amended, or by contract, if deemed necessary, without regard to the provisions of section 3709 of the Revised Statutes, rent, traveling expenses, purchase of necessary books, documents, newspapers and periodicals, stationery, hire of automobiles, purchase of equipment, supplies and provisions, and all other necessary expenses, $250,000: *Provided*, That fuel, repairs, and emergency supplies to be paid for out of this appropriation may be contracted for in foreign ports."

Mr. HAYDEN also submitted sundry amendments intended to be proposed by him to House bill 8745, the Interior Department appropriation bill, 1941, which were severally ordered to lie on the table and to be printed.

(For text of the amendments referred to, see the foregoing matter.)

THE NATIONAL SIGNIFICANCE OF RECLAMATION—ADDRESS BY SENATOR O'MAHONEY

[Mr. HAYDEN asked and obtained leave to have printed in the RECORD extracts from the proceedings of the eighth annual meeting of the National Reclamation Association at Denver, Colo., November 16, 1939, containing a speech by Senator O'MAHONEY, which appear in the Appendix.]

ADDRESS BY SENATOR TAFT BEFORE WEST VIRGINIA LIFE UNDERWRITERS' ASSOCIATION

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD an address delivered by Senator TAFT before the West Virginia Life Underwriters' Association at Charleston, W. Va., on April 19, 1940, on the subject A Great American Institution, which appears in the Appendix.]

ARTICLE BY JAMES M. LANDIS ON THE WALTER-LOGAN BILL

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an article by Hon. James M. Landis entitled "Crucial Issues in Administrative Law—The Walter-Logan Bill," printed in the Harvard Law Review of May 1940, which appears in the Appendix.]

ADDRESS BY HON. JAMES A. FARLEY TO NEW YORK YOUNG DEMOCRATIC CLUB

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an address by Hon. James A. Farley at a dinner tendered by the New York Young Democratic Club, Inc., on their twenty-fifth anniversary at the Hotel Astor, New York City, April 18, 1940, which appears in the Appendix.]

OPERATIONS OF FEDERAL HOUSING ADMINISTRATION

[Mr. MEAD asked and obtained leave to have printed in the RECORD a letter from Mr. Stewart McDonald, Federal Housing Administrator, in regard to the operations of the Federal Housing Administration, which appears in the Appendix.]

OPINION OF SUPREME COURT IN PERKINS AGAINST LUKENS STEEL CO. ET AL.

[Mr. WAGNER asked and obtained leave to have printed in the RECORD the opinion of the Supreme Court of the United States in the case of Frances Perkins, individually and as Secretary of Labor of the United States, et al., petitioners *v.* Lukens Steel Co., Alan Wood Steel Co., South Chester Tube Co., et al., which appears in the Appendix.]

ADDRESS BY W. GIBSON CAREY, JR., AT MEETING OF CHAMBER OF COMMERCE OF THE UNITED STATES

[Mr. BYRD asked and obtained leave to have printed in the RECORD an address delivered on April 30, 1940, by W. Gibson Carey, Jr., president of the Chamber of Commerce of the

United States, on the occasion of the annual meeting of that organization, which appears in the Appendix.]

ADDRESS BY JAMES H. MORRISON ON LOUISIANA STRAWBERRIES AND THE CHAIN STORES

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an address delivered by James H. Morrison, Esq., of Hamilton, La., at the American Legion strawberry festival held at Gonzales, La., on April 20, 1940, which appears in the Appendix.]

ADMINISTRATION OF RELIEF

[Mr. WAGNER asked and obtained leave to have printed in the RECORD articles appearing in the Washington Daily News for April 27, 1940, entitled "The American Forum: Should Relief Administration Be Returned to the States?", which appear in the Appendix.]

EMS DISPATCH; RIBBENTROP VERSION—ARTICLE FROM NEW YORK HERALD TRIBUNE

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article from the New York Herald Tribune entitled, "Ems Dispatch; Ribbentrop Version," which appears in the Appendix.]

ARTICLE BY RAYMOND CLAPPER ON NATIONAL DEFENSE

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by Raymond Clapper, published in the Washington Daily News, on the subject of national defense, which appears in the Appendix.]

PROHIBITION OF FOREIGN SILVER PURCHASES

The Senate resumed the consideration of the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes.

Mr. THOMAS of Utah obtained the floor.

Mr. PITTMAN. Mr. President——

Mr. THOMAS of Utah. I yield to the Senator from Nevada.

Mr. PITTMAN. I understand that the Senator from Utah intends to discuss certain phases of the pending legislation. I have asked him to yield to me so that I may offer an amendment. I do this because I desire that the amendment may be before the Senator, who desires to discuss it.

I send the amendment to the desk and ask to have it stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, line 20, it is proposed to strike out all of section 1 and to substitute therefor the following:

Section 3 of the act approved June 17, 1934, at 9 p. m., being an act entitled "An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes," being Public, No. 438, Seventy-third Congress, is amended by adding a further proviso at the end of such section 3 to read as follows: "*And provided further*, That hereafter no silver shall be purchased abroad or of the production of a foreign country unless it be agreed and arranged so that the purchase price of such silver shall be applied solely in the purchase and payment for agricultural exports from the United States of agricultural products of the United States in accordance with regulations prescribed by the Secretary of the Treasury: *And provided further*, That nothing in this act shall be construed to limit the authority of the Secretary of the Treasury to acquire and make payment for foreign silver purchased and contracted for prior to the date of the enactment of this act."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nevada.

Mr. PITTMAN. Mr. President, will the Senator from Utah yield to me for a moment further?

Mr. THOMAS of Utah. I yield.

Mr. PITTMAN. The amendment I am offering is an amendment to the pending amendment, of course. It would strike out all of section 1 and substitute what I have offered. In effect, it provides that the Secretary of the Treasury may not purchase any more foreign silver unless it is agreed and arranged in advance that the money received for the silver shall be applied in payment for agricultural exports, the products of the United States.

In my opinion, the greatest benefit of the Silver Purchase Act so far has been in relation to our exports. It was admitted by Mr. Eccles that substantially all the silver purchased in London furnished the financial means with which our products were purchased. I think the same admission was made by Mr. Morgenthau.

If those in this body speaking for the agriculturalists feel that there will be any advantage in having the money received in the purchase of foreign silver applied to agricultural exports, that is a matter for their determination. Of course, I do not intend to discuss this matter during the time of the Senator from Utah, but I should like very much to hear from some of the leaders on this side as to the necessity for a further continuance of the Silver Purchase Act.

Mr. KING. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I yield.

Mr. KING. I desire to offer an amendment to the pending bill providing that sections 3 and 4 of the Gold Reserve Act of 1934, approved January 30, 1934, shall be repealed. The amendment is to the bill, not in the form of a substitute but to be added to the bill, which may finally receive the approval of the Senate. I would provide that section 2 of section 5 of the Gold Reserve Act of 1934, approved January 30, 1934, shall be amended to read as follows:

SEC. 5. Except as hereinafter provided, no gold shall hereafter be coined, and no gold coin shall hereafter be paid out or delivered by the United States: *Provided, however*, That coinage may continue to be executed by the mints of the United States for foreign countries in accordance with the act of January 29, 1874 (U. S. C., title 31, sec. 367): *And provided further*, That the Secretary of the Treasury, with the approval of the President, may provide for the coinage of gold coins of the value of $10 and $20 each for the purpose of paying for gold purchased under the authority of section 3700 of the Revised Statutes (U. S. C., title 31, sec. 734), as amended by section 8 of the Gold Reserve Act of 1934, and for the purpose of redeeming gold certificates: *And provided further*, That the President is authorized by proclamation to provide for the unlimited coinage of gold hereafter tendered for coinage, at the weight per gold dollar in grains nine-tenths fine fixed from time to time in accordance with paragraph (b) (2) of section 43, title III, of the act approved May 12, 1933 (Public, No. 10, Seventy-third Congress), as amended, or which may hereafter be fixed by law. The President, in addition to the authority to provide for the unlimited coinage of gold as aforesaid, under such terms and conditions as he may prescribe, is further authorized to cause to be issued and delivered to the tenderer of gold for coinage, gold certificates in lieu of the standard gold coins to which the tenderer would be entitled and in an amount in dollars equal to the value of the standard gold coins that the tenderer of such gold for coinage would receive in such coins.

Section 6 of the Gold Reserve Act of 1934 is amended by striking out the words "owned by the Federal Reserve banks" from the first proviso thereof and by striking out the second paragraph thereof.

In brief, the amendment would provide for the opening of the mints of our country to the coinage of gold which may be tendered for coinage to the Treasury of the United States.

The VICE PRESIDENT. The amendment to the amendment offered by the Senator from Utah will be received, printed, and lie on the table.

THE CIVIL AERONAUTICS AUTHORITY AND THE AIR SAFETY BOARD

Mr. McCARRAN. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I yield.

Mr. McCARRAN. With reference to Executive Order No. 4, transferring the Civil Aeronautics Authority to the Department of Commerce, I send to the desk a letter from Mr. William Green, president of the American Federation of Labor, and ask that the clerk read it.

The VICE PRESIDENT. Without objection, the clerk will read.

The legislative clerk read as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., April 29, 1940.

Hon. PATRICK A. MCCARRAN,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: I have noted with interest and with a great deal of satisfaction your action in introducing Senate Concurrent Resolution No. 43, to set aside President Roosevelt's reorganization order No. 4. This order proposes to abolish the Air Safety Board and strip the Civil Aeronautics Authority of its independence and place the regulatory control of civil aeronautics and air transportation back under the Department of Commerce.

In view of the marked contrast between the splendid safety record that has been established since the Air Safety Board and

new Authority started functioning and the deplorably bad record made by the Department of Commerce when it controlled civil flying, I was surprised and utterly amazed when I heard that reorganization order No. 4 proposed to return control back to this agency of the Government.

The country's air-line pilots are affiliated with the American Federation of Labor. During the period that civil flying and air transportation were regulated by the Department of Commerce was an unforgettable dark period for the pilots. Their death rate was extremely high. It is well known that there were 130 fatal air-line crashes and 146 pilots, 279 passengers, and 48 stewardesses and other nonrevenue passengers, amounting to a total of 473 persons killed during the period that the Department of Commerce regulated civil flying. I discussed this high death rate with pilot leaders on a number of occasions. They always expressed emphatically the belief that this alarming sacrifice of human life was needless and could be avoided.

When the air-line pilots started out to sponsor air-safety legislation several years ago the American Federation of Labor immediately interested itself and fought shoulder to shoulder with them for new air-safety laws. Federation representatives testified before congressional committees, pointing out the high death rate of passengers and pilots, and in addition pointing out that air transportation could never really succeed and become a stabilized business unless the highest possible degree of safety was created and maintained. Congress took heed and, under the splendid leadership of yourself in the Senate and Congressman LEA in the House and a number of other air-minded Senators and Congressmen, the Civil Aeronautics Act of 1938 was written, creating the Air Safety Board and the new Authority.

Today it is a different story. Instead of blazing headlines telling of another terrible air crash involving wanton destruction of human life, only a short time ago we saw the headlines in the Nation's press, "World's Air Safety Record Established." This world air-safety record amounted to 12 consecutive months of air-line operation, during which time the pilots flew 87,325,145 miles and carried 2,028,817 passengers without a single fatality. This record ended on March 26. Since that time another month has passed, which makes this record now a year and 1 month without a fatality to either a pilot or a passenger.

We have only to contrast this splendid record to prove the wisdom and effectiveness of the new law as against the fact that 473 people lost their lives during the period that the Department of Commerce regulated civil flying. It is only just plain common sense to take the position, Why not leave well enough alone?

The American Federation of Labor heartily endorses your Senate Concurrent Resolution 43, to set aside reorganization order No. 4. If there ever was an issue that is popular and right, this is it, and I feel certain that all of the Congressmen and Senators who voted for the enactment of the law that you and Mr. LEA successfully sponsored, and which has worked out so admirably, will again vote with you to maintain status quo the Civil Aeronautics Act of 1938 in the interest of protecting America's air-line pilots and the safety of their passengers, America's air-traveling public.

Very truly yours,

W. GREEN,
President, American Federation of Labor.

Mr. McCARRAN. Mr. President, following the letter of Mr. Green, which has been read by the clerk, I ask that there be inserted in the RECORD a telegram received by me from J. L. Van Norman, of the Los Angeles Senior and Junior Chambers of Commerce, definitely and emphatically opposing the transfer of the Civil Aeronautics Authority.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Is there objection?

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

LOS ANGELES, CALIF., *April 26, 1940.*

Hon. PAT MCCARRAN,
United States Senator, Washington, D. C.:

Los Angeles Senior and Junior Chambers of Commerce today resolved as "definitely and emphatically opposed to any action which would remove the Civil Aeronautics Authority from its status as an independent agency and urges no step be taken altering the organization under which phenomenal advances and development have been made in United States aviation and record of performance set, which is unrivaled throughout the world." We are immediately taking steps to procure similar resolutions by all chambers in States of California, Oregon, and Washington, and assure you our support in your efforts in this matter.

Cordially yours,

J. L. VAN NORMAN.

Mr. McCARRAN. Mr. President, I also ask to have printed in the RECORD following what has just been inserted a telegram from J. H. Foster, president of the Air Line Mechanics' Association, International.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *April 30, 1940.*

Hon. PAT MCCARRAN,
United States Senate, Washington, D. C.:

The air-line mechanics throughout the Nation urge that you use your good office to defeat the President's Reorganization Plan No. IV, designed to abolish the Air Safety Board and place the civil air regulation back into the hands of the Department of Commerce. We believe the safety record we are now enjoying is due to the combined efforts of the pilots, the C. A. A., the Air Safety Board and the mechanics and while we would not like to give the C. A. A. and the Safety Board all the credit, we give them a large amount for their share and we abhor the prospects of going back to the old Department of Commerce political regime without a Safety Board when our memory takes us back to the many unpleasant tasks of mopping up wreckages of crashed airplanes and human cargo that occurred under their control.

J. H. FOSTER,
President, Air Line Mechanics' Association, International, Chicago, Ill.

Mr. McCARRAN. Mr. President, I ask at this time to have inserted in the RECORD a public statement of President Behncke, of the Air Line Pilots Association, in reply to the remarks made by the President of the United States yesterday as reported from his press conference.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald of May 1, 1940]

PILOTS' CHIEF ANSWERS F. D. ON AIR SAFETY—FACTS, NOT POLITICS, BROUGHT FIGHT ON SHIFT, BEHNCKE SAYS

Following President Roosevelt's statement assailing those who oppose his plan to abolish the Air Safety Board and transfer the Civil Aeronautics Authority back to the Department of Commerce, Capt. David L. Behncke, president of the Air Line Pilots Association, last night issued a statement defending his organization's stand in the matter.

Referring to the President's reference to "a so-called 'lobby to save lives,'" Captain Behncke said:

"The pilots are not in Washington to enter into controversy with the President or anyone else. They are here in the interest of saving lives.

"NOT SCHOOLED IN POLITICS

"They are not schooled in politics. They are schooled in flying and know what is necessary to make air transportation safe. They learned about this the hard way. One hundred and forty-six of their number met death in air crashes while the Department of Commerce had control of civil flying and air transportation. There were 130 fatal air-line crashes and 146 pilots, 279 passengers, and 48 stewardesses and other nonrevenue passengers—a total of 573 persons—were killed during this period.

"The pilots, the industry, and, I am sure, the air-traveling public do not want aviation put back under control of the Government Department that made this kind of a record. Stripped to the bone, this is the issue.

"The pilots have not implied lack of interest on the part of anyone in saving lives. On the contrary, that is what the argument is about.

"TELLS MAKE-UP OF 'LOBBY'

"Let us not forget that the world's air safety record which is being eulogized was not made when the Department of Commerce regulated civil flying.

"The so-called 'lobby to save lives' is made up of 11 veterans of the airways who represent the pilots that have established the world's air safety record which passed the milestone of a year's perfect performance on March 26, 1940. To set this record they flew 87,325,145 miles and carried 2,028,817 passengers without a single fatality. Since that date they have added another month of unblemished performance to this record.

"MILLION-MILE PILOTS

"This group, now in Washington pleading for the preservation of the Air Safety Board and the independence of the new Civil Aeronautics Authority, is made up almost entirely of million-mile pilots. They are pleading with their Representatives and Senators because they know that Congress was right when it passed the Civil Aeronautics Act in 1938.

They know that the greatest single factor in bringing about present safety in flying has been the Air Safety Board. Can they be blamed for not wanting to turn back to the old order? Certainly they should know.

"PUT FAITH IN CONGRESS

"It was not until this protection was granted by Congress that crashes diminished and then ceased. These are the men that have faith that Congress will not reverse itself and let civil aviation go back to control by the Department of Commerce.

"They are not alone in their position. It is unanimous. The entire industry is asking with one voice, 'Why not leave well enough alone?' To this voice is being added that of the air-traveling public, because where lives are involved people have a long memory.

"NOT POLITICS—JUST FACTS

"We are told that abolition of the Air Safety Board and the transfer of an emasculated authority to the Department of Commerce is

proposed in the name of efficiency and economy. What it all adds up to is to destroy the Air Safety Board and the independence of the new air authority that together have brought a new, struggling industry out of a period of terrible chaos, the record of which has been blazed across hundreds of pages of legislative air safety investigating committee records and unforgettably imprinted on the minds of the American people.

"It would place the situation right back where we started from under the control of the politically involved Department of Commerce. Need more be said? It is not politics as far as the pilots are concerned. It is facts—irrefutable facts involving the preservation of human life."

Mr. KING. Mr. President, will my colleague yield?

Mr. THOMAS of Utah. I yield.

Mr. KING. In view of the fact that the Senator from Nevada has offered a statement in reply to a statement made by the President yesterday, should he not offer the President's statement for the RECORD?

Mr. McCARRAN. I supposed it had been offered.

Mr. BARKLEY. Mr. President, it was my purpose to offer the statement, but I did not wish to do so particularly following the reading of Mr. Green's letter, because it might seem as if there were some purpose to put the two together, although I know there would be no objection. I now ask unanimous consent that the statement made by the President yesterday at his press conference be printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT

Since the transmittal of Reorganization Plans Nos. III and IV a flood of misinformation has engulfed those sections dealing with the Civil Aeronautics Authority. Much of this has fallen of its own absurdity and needs no comment. This morning, however, we saw a group of well-intentioned people staking out an exclusive claim to a so-called lobby to save lives.

The implication that we are not interested in saving lives, which is certainly contradicted by the record of our progress in civil aviation during recent years, compels me to restate in simple terms the basic features of the reorganization plans affecting the Civil Aeronautics Authority.

I might say here that everybody is for the abstract idea of reorganization in the interest of increased efficiency and economy. However, there is a rather discouraging collapse of enthusiasm when concrete proposals are made. In selfish protection of their own special interests we always find particular groups who hitherto favored reorganization arising in protest.

As it now stands there are three agencies—the Civil Aeronautics five-member Authority, the Administrator, and the Air Safety Board—all autonomous groups, none of them represented at the Cabinet table. The inherent problems confronting them were intensified by friction, particularly within the Air Safety Board. For 5 months the Administrative Management Division of the Budget Bureau made a study at my request of the operation of the Authority. It became obvious that a change was imperative if we were to continue to move forward in civil aviation. Here, in simple summary, is the proposal:

1. Despite handicaps, the Federal program for civil aeronautics has now achieved a stature and an importance which justify bringing this program more closely into the Federal family. The proposal will place it within the framework of the Department of Commerce, where it will have a closer relationship with the important reporting services of the Weather Bureau and the essential air navigation chart service of the Coast and Geodetic Survey. More than that, it will provide representation at the Cabinet table for a program of basic significance to our national transportation and our national defense. Present world conditions make the merit of this phase of the proposal obvious.

2. The present five-member Authority, which has received such widespread praise, remains as an independent Civil Aeronautics Board, performing the basic regulatory functions. It will continue to appoint and control its own personnel and submit its own budget.

3. Certain of the Authority's functions are transferred to the Administrator to eliminate a blind spot created by the failure of the Civil Aeronautics Act of 1938 to carry out the intention of Congress to distinguish clearly between the functions of the Administrator and the Authority.

4. The function of investigating accidents is transferred to the Civil Aeronautics Board, which, unlike the present Air Safety Board, will not be helpless to take positive steps toward preventing the recurrence of accidents. Unlike the Air Safety Board, the Civil Aeronautics Board will have the power to prescribe air safety rules, regulations, and standards, and to suspend or revoke certificates after hearing. Not only does this continue the present independence of accident investigation, but it also makes possible prompt translation of findings into corrective action.

5. Not only are we advancing the cause of air safety by these changes, but we will also realize appreciable savings. Several highly paid positions on the Air Safety Board will be eliminated and other economies made possible.

PROHIBITION OF FOREIGN SILVER PURCHASES

The Senate resumed the consideration of the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes.

Mr. THOMAS of Utah. Mr. President, in spite of the fact that I come from what is called a silver State, this is practically the first time since I have been a Member of the Senate that I have made a statement in regard to silver or any legislation which would affect silver. There are many reasons why that has been the case. In the first place, my colleague [Mr. KING] has been chairman of a special Senate committee dealing with silver and with silver legislation. Because of his interest in the silver question, I have known that the welfare of our State and the welfare of the administration in carrying out its silver program were in good hands, because it is more than a generation, yea, a generation and a half, that my colleague has given his time, his attention, and his talents to silver legislation and to keeping the American Government upon a basically metal base with respect to its money.

Mr. President, another reason why I have not taken part in these discussions is that I have never been on a committee which has handled any of the monetary legislation since Franklin D. Roosevelt became President of the United States. It has therefore not been my opportunity to listen to hearings, to listen to the arguments that have been put forth pro and con in regard to this great question. And now I must apologize to the Senate of the United States for not being up to the minute in regard to statistics, for not knowing what has been said in the testimony; and I confess that, due to the pressure of other things, but not by reason of lack of interest, I have not had an opportunity to give sufficient time to read the complete hearings.

Therefore, in these few remarks I must confine myself entirely to the 12 points made by our good friend the Senator from Delaware [Mr. TOWNSEND], who sponsors the pending legislation, and I should point out here that the 12 points which he categorically mentioned yesterday are the headings from the points made by the Committee on Banking and Currency in reporting out the bill. I have not seen any minority report on it. Probably therefore that which I shall say may in a sense constitute what would have been the minority report had the minority—if there were a minority with respect to this bill—seen fit to answer the majority report.

Mr. President, I repeat, this I can do only from memory and from personal observation.

In my lifetime I have seen the money of practically all the leading countries actually working in exchange. It has been my privilege, by actual contact with it, to have seen every stage in the development of the use of money that the world has evolved since the days when money was invented in Lydia, since the time when it was announced that those of us who spend our time at the places of barter will find ourselves out of an occupation, when it was said that if we allow this money habit to become part of our economic lives, we will not only find ourselves out of jobs, but even women, even children, and even slaves will be able to make purchases.

Probably in the cultural development of the history of the world no greater boon ever came to the people of the earth than the invention of money. Without money that which we call economic democracy would be entirely impossible. Without money political democracy could not long last. Without money men could not change their stations in life. They would of necessity have to remain in that class, in that stratum, wherein they were born, because it has been by the use and the development of money that men have been able to change their status in life.

Therefore, Mr. President, the things which I am going to say today will be definitely in support of what is the fundamental concept of our Nation, the concept of democracy. The other things which I am going to say will be in support of the great money program inaugurated and carried through by this administration, which has given stability and leadership to the monetary policy of the United States, the like of which no other monetary policy has ever had in the history of the whole world.

I may call the Senate's attention to another fact, that while the silver-purchase program is merely a cog in the wheel of a greater money policy, it is important as a cog. It is necessary as a cog. The monetary policy of this administration is being challenged, I understand, by people who are frightened because of the power that has come to the Government of the United States by reason of its control of so much of the metal monetary resources of the world. Some of us are frightened of our own power. But, Mr. President, if we may assume that our country exists not only for the good of its own people, but for the sustaining of a decent economic level throughout the world, thus giving other peoples a chance to raise their standards some little bit by their industry, by their trade and by their manner of life, we may also assume that some of the resultant benefits will come back to us. I ask, When, in the history of the world, has any country, due to the policy which it adopted and which it has sustained since 1933, found itself in such a position to scatter economic blessings to the people of the world, as our country can, by keeping some economic value absolutely stable, and helping to sustain that stability?

We know that if there is one thing above all others that the world needs today it is a rock of refuge, a point of stability, and the Government of the United States stands economically and politically in a position to be that rock. It is such a rock of refuge, not because it attempts to enforce its will upon other people; not because it attempts to have others accept our ways, but merely because we stand as we do stand this day, in such a place that every person in the world, I care not who he is or where he is, if he has the least bit of capital, if he has the least bit of surplus, would rather have that capital and that surplus in dollars of the United States than in any other place.

Mr. President, that is no small matter. That has not all happened as the result of a single monetary policy; it has happened because of a number of factors, and I want to give credit to every factor that anyone can suggest. But without the stability of the money of the United States we would lose our commanding position.

Some people seem sad, some people seem angry even, that the whole world, in its investment habits and in trying to seek security, is turning here, and they imagine that we are going to be hurt.

Mr. President, what merchant, what banker gets angry because customers seek his door?

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). Does the Senator from Utah yield to the Senator from Delaware?

Mr. THOMAS of Utah. I yield.

Mr. TOWNSEND. Does the Senator from Utah infer that the passage of my bill, the purpose of which is to discontinue the purchase of foreign silver only, would affect the confidence of people with respect to our monetary stability?

Mr. THOMAS of Utah. Mr. President, I shall answer that question. I have merely said that the silver-purchase program is one of the cogs, one of the spokes in the monetary wheel which has put America where it is in a monetary way. I do not want to see a nibbling away of any of those spokes. I do not want to see a weakening of those spokes. I will not admit a single one of the 12 conclusions which the Senator from Delaware has stated in support of his bill; and I hope to be able to answer each of them.

Mr. TOWNSEND. Let me ask the Senator a question. Mr. Eccles, who is Chairman of the Federal Reserve Board, comes from the Senator's State. He has a most responsible position. Does the Senator agree with him when he says that continued buying of foreign silver is most dangerous to the domestic-silver producers of this country, and that we might as well purchase seashells as to purchase foreign silver for our monetary use?

Mr. THOMAS of Utah. Mr. President, of course I disagree with the great citizen from my State. There was a time in the history of the world when shells were money. In fact, those of us who know a little about the Chinese language realize that the dollar sign in China is a shell. It is the character for "shell." I think beads have been so used; and I am sure that on the isle of Yap great rocks have been used as money. But silver is still money. Silver is recognized as money. Silver has buying power in more places than one.

Mr. TOWNSEND. Mr. President, will the Senator further yield?

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. TOWNSEND. Is silver recognized as a medium of exchange by any country in the world?

Mr. THOMAS of Utah. Certainly. It is recognized as a medium of exchange by the United States of America, and I think the United States of America is a great country.

Mr. TOWNSEND. I mean, can we pay any debt abroad with silver?

Mr. THOMAS of Utah. Mr. President, I have already admitted that I have not read a single thing about the condition of the world so far as the present laws of various countries are concerned; but I do know that before Mussolini went into Ethiopia he nationalized all the silver in circulation.

Mr. TOWNSEND. And sold it to us.

Mr. THOMAS of Utah. He took that silver, and, if I may put his advance into football terms, he gained more yardage with that silver and he gained more miles in his battles by buying off the chieftains who could be bought off than he gained by the advance of his armies and tanks and by the use of gas. If silver has no value, Mussolini never could have done what he did. It seems to me that if silver can take the place of armies and navies in the accomplishment of national purposes, there must be some little worth-while use for silver in the world.

Mr. TOWNSEND. Not only did Mussolini sell us the silver to pay for his war, but Japan and other countries have done the same thing.

Mr. THOMAS of Utah. Yes.

Mr. TOWNSEND. The United States is buying silver from those countries and paying for their wars.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. PITTMAN. The Senator from Delaware asks whether or not silver is used as a medium of exchange in any country except the United States.

Mr. TOWNSEND. The question is, Can we pay any foreign debts with silver?

Mr. PITTMAN. That was not the question the Senator asked.

Mr. TOWNSEND. That is what I intended.

Mr. PITTMAN. I do not care what the Senator intended. The question he asked was whether or not silver is used as monetary exchange anywhere except in the United States. That is the question I wish to answer.

Mr. THOMAS of Utah. Mr. President, I should like to answer that question. We can pay any foreign debt in silver certificates, and any foreign creditor is glad to take them, dollar for dollar. The creditors may not want the silver, because silver has a changing value. However, they will take our American silver dollars when written on paper.

Mr. TOWNSEND. That is true.

Mr. PITTMAN. Mr. President, let me answer the first question asked by the Senator. Today silver is a monetary medium of exchange in every great country in the world—in Great Britain, in France, in Italy, and even in Germany, which has a great amount of silver coin left. As a matter of fact, the Senator confuses the gold standard in his mind with monetary currency. I do not care whether the Senator calls it token money or whether it is legal-tender money.

As a matter of fact, in the past 10 years all great commercial countries of the world have increased their monetary silver coinage by more than $1,000,000,000.

Mr. TOWNSEND. Mr. President, will the Senator further yield?

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. TOWNSEND. From my study of the question, I cannot find that any country in the world will take silver in payment of a debt. Of course, we are buying silver, and when we issue dollars for it, our people will take the dollars; but the silver, as silver, cannot be used to pay a single debt to a single country in the world.

Mr. ADAMS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Utah yield to the Senator from Colorado?

Mr. THOMAS of Utah. I yield.

Mr. ADAMS. If I may offer an illustration, in the Philippine islands silver is legal tender.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. BARKLEY. I do not suppose there is a merchant in the United States, unless he is collecting silver bullion, who would permit me to come into his store and buy a suit of clothes or an automobile and pay for it with a hunk of silver. However, he will take the thing which represents the silver, a certificate issued by the Government of the United States. That is true all over the world. The American dollar, whether it be a gold certificate—which is not now in circulation—whether it be coin, or whether it be a silver certificate, is acceptable in the entire world in payment for goods.

Mr. THOMAS of Utah. To make this point clear and easy, no merchant in the United States or anywhere in the world will take a so-called hunk of gold. Merely to illustrate my point, I have here an apparent coin which is not a coin. It is a bit of artistry. It was made by a great silversmith and goldsmith to show what the size of the American dollar would be and how it would look if we were to monetize our gold and silver and make the dollar coin consistent with the values which we have placed upon gold and silver—that is to say, gold at $35 an ounce, and the value of silver at the coinage ratio at which we still coin it. This is what someone has called a "hunk" of gold and silver together. There is a dollar's worth of gold and silver in this little thing which represents a coin. It would not be accepted by anybody. I could not purchase a package of cigarettes with it and receive change; yet it has in it all the value of a dollar.

Gold and silver are identical so far as their uses the world over are concerned. We have put an arbitrary price upon gold. We have put two arbitrary prices upon silver. Those arbitrary prices may or may not be accepted in foreign countries, depending upon the rate of exchange.

We do many things in regard to exchange. The British pound happens to be down at the present time, yet our Secretary of the Treasury has issued orders that in arriving at the value of customs duties the American collectors shall choose an arbitrary price for the British pound; and when goods are valued in British pounds, the import duties are paid upon the basis of an arbitrary price.

There is much that is arbitrary in the history of money. The whole thing is arbitrary. Gold is not a natural money. It has been made into money. Silver is not a natural money. It has been made into money. There have always been times in international exchange when there has been a difference in value. For instance, I have seen the time when I could present a dollar silver certificate of the United States and receive in exchange as much as 2 yen and 20 sen; and when I presented a gold certificate I received only 1 yen and 90 sen. It cannot be argued, as the Governor of the Federal Reserve Board has argued, that if we keep on buying foreign silver it will devalue the price of domestic silver, because he is arguing on the theory of supply and demand. He is assuming that the more silver that comes into the United States, the cheaper silver will be in the United States—a thoroughly proper assumption if the law of supply and demand were as pretty as the inventor of that law thought it was; a perfectly logical assumption if the law of supply and demand were to control prices, as the inventor of the theory in regard to the law of supply and demand imagined. The law of supply and demand is supposed to operate in a strictly and completely laissez faire world. Not a single thing about money—I do not care where we turn to it—has been evolved as the result of a laissez faire idea. Money was not a natural growth. Money was a pure invention—an invention which, as I have already said, caused the conservative merchants at the time it was invented to be frightened of the technique; and we still become frightened of it, because, in some way or another, we think that this thing may control us. May I say that in the history of the world it has controlled us, but, thank goodness—and I am about to say a very bold thing—for the first time in the history of the United States, the money of the United States is controlled by the Government of the United States and not by persons outside the Government. That makes all the difference in the world when anyone argues about money.

The Governor of the Federal Reserve Board knows that money today is an arbitrary thing; he knows that silver is not a commodity; he knows that silver does not flow in relation to the simple law of supply and demand. So long as some countries recognize silver as money, so long as our country puts an arbitrary price upon it, fitting it into our monetary scheme, so long as we have coinage values and purchasing values, and all those factors affecting silver come into the situation there is an interference with the simple law of supply and demand. We cannot take this commodity and accept it on the basis of bulk any longer. It does not flow naturally; it flows very artificially; and it is because of that fact that the monetary policy which has been adopted by our administration and which is so essential and so necessary must not be nibbled away.

Mr. President, I now turn to the sentence which the Senator from Delaware is so anxious for me to mention. I accept his thesis in the fullest that this bill does not affect anything except the purchase of foreign silver; that it does not and cannot affect the purchase of domestic silver, which is controlled by another law. Therefore, since I come from a silver-producing State, and since I realize that the passage of this bill would not affect the economy of my State or close its mines, and that the Government would still buy silver, therefore it is assumed that I should not be interested in the pending bill.

Mr. President, there are some things that are even greater than the welfare of the mine owners of the State of Utah, and one of those things is the monetary policy of the United States. I am not arguing this question from the standpoint of selfishness. If I were, I would go home to my people and say, "We concede this point because it does not affect you; I am standing only for those things which are of interest to you." Oh, how many representatives of the people have been lost in attempting to protect a given interest at the cost of losing an understanding of the bigger things that control life.

Therefore, Mr. President, in spite of the fact that the bill would not affect our domestic silver and would not affect my State or American silver mines generally, I am still opposed to its enactment. Since I have mentioned silver mines, let us accept, for the purpose of argument, the theory, which is in the back of the head of almost everyone, and which is assumed by the writer of the report, that the whole silver policy of the United States is based upon a subsidy for the silver miners; let us assume that to be so, and accept it in its grossest sense, and then let us see what we have in the way of subsidy. I might mention parenthetically, however, that it is not a subsidy. Everyone knows that there are very few silver mines in the United States. In the United States silver is invariably found in conjunction with other metals. These other metals we are anxious to have, and our economic welfare demands that we have them. The silver-program or subsidy—call it that if you will—makes it possible for second-grade mines producing other ores to remain open and

for miners to be retained in their jobs. Thought of in the terms of simple relief, probably the Government of the United States is doing more in the way of relief, through this simple act providing for the purchase of domestic silver, than in any other way in which it is operating in the field of relief.

When it comes to particular commodities which are subsidized—and call it a subsidy if you will—we find, on simple analysis, that we are subsidizing, for example, American agriculture to the tune of $1,500,000,000 a year. That sum is so tremendously much greater than the little subsidy to the mines of our country that there is no comparison. As stated, I am accepting the subsidy statement for the purpose of the argument.

Mr. President, yesterday on hearing the summary of the argument made by the Senator from Delaware for the passage of the bill, I felt so completely out of harmony with the 12 points he made that I shall categorically try to answer those points, and see if the Senate of the United States is willing to retreat from a monetary policy, which is functioning well, even to the extent of modifying it in such slight degree as is proposed to be done by the pending measure.

Mr. President, the first point, as to the purchase of foreign silver, made in the report which was submitted by the Senator from Delaware is that:

> It is unnecessary. The monetary base supporting the currency and banking system has expanded alarmingly since the passage of the Silver Purchase Act in 1934, due to gold and silver purchases by the Government.

Mr. President, what was the fundamental purpose behind the passage of our monetary act? The fundamental purpose was to expand the base. We have accomplished exactly what we set out to accomplish, and now it is called unnecessary. It was not unnecessary in 1933 when, because of various circumstances, nation after nation went off the gold standard. Because they did not have the base to sustain their coinage and paper money, they made the value in money of gold higher than it was, and we did the same thing. Had we had a sufficient base we never would have had to do that. So, today, with a sufficient base to take care of the monetary needs of our country resting upon metal, we may know that there will be no necessity for another devaluation in terms of gold or silver or both by the Government of the United States. In other words, Mr. President, the argument put forth here to show that we should start destroying this monetary policy is the finest argument I can give why we should sustain it.

> The country's gold stock, following the devaluation of the dollar in January 1934, had a monetary value totaling about $7,018,000,000. Today the country's stock of gold has a monetary value of about $18,300,000,000.

Mr. President, great as that increase is, I am not forgetful of 1933; I am not forgetful of the fix Great Britain is in today; and I am not forgetful of what happened in Germany; I am not forgetful of all the countries that have found it necessary to go off metal because they had no metal. Realizing, therefore, the stability which is ours because we have that metal, and not forgetting all those things, I am not sorry that our monetary basis has reached this point.

I know what the Senator from Delaware would be likely to say. The Senator from Delaware would say, "Well, if our country acquires all the gold and all the silver, then, of course, the world will go off the metallic base." But, as we all know, the world has been forced off the metallic base; and because it has been forced off the metallic base, those in other countries who understand the actual value of metals as money, realize that it is to their advantage to have as many of their interests located in the United States as they possibly can.

Mr. KING. Mr. President, will my colleague yield?

Mr. THOMAS of Utah. I am glad to yield.

Mr. KING. I may observe that Mr. Keynes, who has been rather critical of the fiscal policies of our Government, Great Britain, and other governments, has admonished us and other countries that if all the gold is concentrated in one or two countries, the other nations of the world will demonetize gold and it will become a redundant currency, so that ultimately we run the risk of having gold, if we get it all, made a redundant currency by the action of other countries. In other words, the acquisition of a large amount of silver does not necessarily mean that it will become a redundant currency any more than the large amount of gold which we have will lead to the declaration by other governments that gold has ceased to have any value, although, if we had all the gold in the world, and there was no possibility of transferring it to other countries in a legitimate way, it might lead to legislation upon the part of other countries declaring that gold should no longer be regarded as part of their monetary systems.

Mr. THOMAS of Utah. Mr. President, in speaking about the gold base, I return to the "good old days" of the gold standard, as they were called—those wonderfully stable days—and call attention to the fact that even in those days nations had different habits in regard to their gold.

For example, Great Britain always made it a habit to keep as much as possible of her gold scattered throughout the world. She did not concentrate her gold. She felt that her money was better off in the hands of the people. That was her policy.

At the same time, a policy that worked quite as well, adopted by the French Government, was that they should always have within reach, to take care of their money, a substantial gold base. Germany followed Britain's plan; Japan followed France's plan; so that, traveling from country to country in the days of the gold standard, one went to France and found no gold; one went to Japan and found no gold; one went to Germany and found gold; one went to England and found gold; one came here and found gold; and the gold circulated all over the globe, just as the silver circulated all over the globe, and made for a tremendously great stability.

The time has come when, if we are going to maintain the advantages which we have gained as a result of the faith of the people in the Government of the United States, we shall have to start redeeming our paper money and scattering our gold and silver throughout the world again; but when that time comes we shall be in a position to do so in the most natural way possible by simple resumption, with the proper protection. While that is not our subject, and I will not dwell upon it any longer——

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. TOWNSEND. I did not want to be drawn into the question of gold in connection with my silver bill; but what will happen to us? The Senator says we may resume and send our gold and silver to other countries. But if other countries say, "We prefer your goods to your gold," what will happen when they have sold us all the gold of the world, which we shall have in 2 years if we continue at the present rate of receiving gold?

Mr. THOMAS of Utah. The answer to that question is, How are they going to get our goods without our money?

Mr. TOWNSEND. They will not have any more gold. They will not have any more silver. That is the question. What I was after was ascertaining how we are going to dispose of our goods.

Mr. THOMAS of Utah. The point I want to make is that the problem about gold is just as easy to answer as the problem about any exchange, or any credit, or anything else. When the Senator says all the gold is here, he is merely saying that perhaps all the credit is here, or all the silver is here. There are plenty of ways of causing these things to scatter throughout the world if we give them a chance, because we know the habits of the people of the world from the past. We know what the people in certain countries would do with the silver dollar if they could get hold of it.

Mr. TOWNSEND. At the present time we can give our gold in exchange; but, of course, it must be given in exchange for goods, unless we are willing to give it away. Somebody has suggested that we may want to give our gold to other countries.

Mr. THOMAS of Utah. If we get over into the realm of exchange, we give our goods in exchange. We give our

credit in exchange. Take my check for example, poor little check that it is, it is acceptable in Berlin today.

Mr. TOWNSEND. The Senator's check?

Mr. THOMAS of Utah. Yes.

Mr. TOWNSEND. The Senator's check might be acceptable there, but I do not think mine would be.

Mr. THOMAS of Utah. The Senator's check would be if he were there. They would be glad to have it, and they would find a way to get good American dollars for it.

Those of us who had to wander over the globe as vagabonds, without any letters of credit; those of us who have known the value of a pound piece, an American bill, or a Russian ruble when it was good, got certain slants on the money habit which probably bankers never could get. I want to tell the Senator from Delaware what would happen if he found himself in the middle of Turkey—old Turkey, when Turkey was at war with Greece—if he found himself there stranded with his wife and his child, if he had a letter of credit which was no good, but he had two other things. The man that I know about, who was stranded there, had a $20 gold piece which was given to him by his father, and which he wore and carried; and he had a British pound piece which was given to him by his mother when she came back from England in 1900; and what happened to those pieces? No letter of credit was good. No other money was good. The money that was brought from Egypt was not good, but those two gold pieces were good. You may argue with me until doomsday, but you cannot take away from me my experience and knowledge of the value of those two pieces.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. Yes.

Mr. TOWNSEND. What chance would the Senator's friend have today of having those gold pieces taken from the United States?

Mr. THOMAS of Utah. That is the whole point.

Mr. TOWNSEND. He cannot get any gold here. He is not permitted to have gold.

Mr. THOMAS of Utah. That is why it is necessary to get this gold and silver out in circulation, that men may be secure in something.

I will give the Senator another simple illustration to show him the worth of metallic money. This illustration is one that probably has been through more experiences than any other single money illustration that can be found anywhere.

Throughout China there are no banks. When a man sells an ox, or sells his crop, and finds himself with some little profit, in fine old democratic China—economically democratic, politically democratic, socially democratic—what did he do? He put his profit in silver slugs, little round, bullet-like things, and wore them as white coat buttons, of no particular value, because each one was weighed for its value. When he built his house or built his shed, he took those slugs and put them in the adobe, or he put them in the plaster that went into his house or his shed. Fire came, pestilence came, famine came; the man was completely wiped out of all wealth. He went back and began scraping in the ashes, and he found his capital. I tell you, we cannot find that in the United States today. We cannot find that in the world, because governments have taken unto themselves these various things; but there is the essence of good economic and political democracy.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. TOWNSEND. We cannot find that in China today, either, because the Japanese have taken practically all the silver of China and have sold it to the United States to pay for the war on China.

Mr. THOMAS of Utah. Mr. President, the Senator has jumped to one of his points, so I will talk about that point. He has made a point about China and her silver. When we talk about China we have to talk about many things. The hardest thing about China today is to define what we mean by China. The Japanese have not taken Chinese silver. China has been in a state of civil war since 1911. She is in a state of almost universal war today; and because some few individuals tell us that certain silver came to the United States as soon as we began buying it, they tell us that silver has been drained out of China.

Mr. President, the silver that came out of China by the millions of dollars' worth was the silver that was owned by foreigners in China, held by foreigners in China; and it came out of China because those foreigners realized that there was no security in China, due to the threatening war, due to what was going to happen to China, and they collected on their profits; that is all. The minute peace comes to China they will be sorry they have not their silver, because with their silver they can do twice as much as they otherwise can do.

Another thing about China, just to show that faith backed up by proper work has much to do even with money; right at this time of the greatest distress in China, in the Provinces around the places where Japan is trying to force upon the Chinamen Japanese money, what money is circulating at par? It is Chinese money, founded upon a metallic base. Probably the most remarkable thing in the history of money in the whole world has happened in China, because even in times like these the Chinese paper money is universally circulated throughout that whole land, something which has never happened before, because until it was made universal, money in China was a matter of control by the various Provinces.

Mr. President, it does not matter where one goes, and it does not matter what illustration one gives, he always finds himself coming back to the fact that America, in establishing this very, very remarkable monetary arrangement which we have established since the coming into the White House of President Roosevelt, has brought a stability to that money the like of which there has never been before.

The second point which the Senator from Delaware makes is that "it imperils the future domestic buying power of the dollar." In all sincerity, can we not get a balance in making our arguments? Just what value in dollars does the foreign-purchased silver have in relation to the dollars of the United States in circulation—even the dollars of the United States purchased as a result of domestic silver?

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Utah yield to the Senator from Delaware?

Mr. THOMAS of Utah. I am glad to yield.

Mr. TOWNSEND. Does the Senator agree that excess reserves—the tremendous excess reserves of the Federal Reserve System—imperil the buying power of the dollar?

Mr. THOMAS of Utah. I answer that in exactly the same way in which I answered some of the previous questions. You cannot take a rule about money and have it hold everywhere. The time, the place, and the circumstance are three factors which have to do with it, as well as the excess in reserves. Therefore, such an argument is out, because you are arguing the point from a single factor, when there are many factors which come into the picture.

Mr. TOWNSEND. Then the Senator does not agree with the Chairman of the Federal Reserve Board, or the general consensus, I think, of every paper in the United States which I have been able to read, that excess reserves are very dangerous to our monetary system.

Mr. THOMAS of Utah. I am perfectly happy to accept the statement that excess reserves are dangerous to our monetary system, provided other factors are present which might upset the balance. But a lack of the proper reserves is very much more imperiling to our monetary system than an excess of reserves, and even then there must be contributing factors to which to turn.

Let me say this about the Governor of the Federal Reserve. He is probably one of the greatest economic bankers in the country, a remarkable man, a product of exactly the same environment from which I have come, and therefore I know he is a remarkable man. [Laughter.] He is a product, too, of wide experience, an experience probably very much wider, so far as relates to money, than that of anyone present in the Senate.

When you argue a point as a banker, however, you have a banker's bias, you use the banker's terminology, you find yourself fitting into the sloganized thinking of a banker. You talk about reserves, you talk about deposits, you talk about this, that, and the other thing. A banking system may not in any sense affect the monetary theory or the money of a whole country. All I make a plea for is that men will cease building a national monetary system upon a theory of a couple of proverbs taken from a banker's experience.

The second point taken up in the committee report and mentioned by the Senator from Delaware is—

It imperils the future domestic buying power of the dollar. Reserves held in the Federal Reserve System, swollen by the issuance of gold certificates and silver certificates, are now about $12,500,000,000, which is $5,877,000,000 in excess of legal requirements.

Mr. President, the legal requirements are arbitrary requirements, based upon the best judgment of those in charge of the Government at the time, in an attempt to make legal requirements fit an economic condition. What economic condition? The economic condition at the time the law came into force, of course. That is no argument for a policy of this kind taken one way or the other.

The last Annual Report of the Federal Reserve System, for example, emphatically called to the attention of Congress the dangers involved.

Dangers to what? Dangers to the United States? No. Dangers to our reserve, dangers to this, that, and the other thing. Did it point out any "buts" and "ifs"? Did it show this would be overcome if war ceased? Did it show this would be overcome if stability came back to China, and a purchasing power should appear over there? No. Conditions as of today are pointed out, and when men argue great economic processes and great economic theories, basing all they are saying on things of today, if things are not the same tomorrow the argument goes out the window. You could never base any argument on such a fallacious foundation as the assumption that just because it is our legal requirement, it is something that is right for now and forever. I think the Medes and the Persians made a mistake about that business back in their day, and where are they now?

The third point made is:

It is wasteful of American resources.

Just what American resources is it wasteful of? I will leave it in the singular. How in the wide world is it possible to waste American resources by giving paper dollars for silver dollars?

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to yield.

Mr. TOWNSEND. That is not what we do. We give our resources, whether they be wheat, corn, cotton, or manufactured products, for silver—not for dollars but for silver—for which we pay an exorbitant price. Just to show that we do, when my bill was passed by the Senate in June last year we were paying 43 cents an ounce for foreign silver, and the Secretary of the Treasury immediately made the price 35 cents, and he has been saving 8 cents an ounce ever since then. What we exchange our goods for is silver, for which we have no use, which we take up to West Point and bury in a hole in the ground.

Mr. THOMAS of Utah. I am glad the Senator answered in that way, and I am glad that he fitted his argument into a broadening of the resources. They take our goods. We have a lot of surplus goods in our country which we wish foreign countries would take and change for this value which we know we can use to our advantage.

Another thing, the Government books gain a profit on every ounce of silver that comes in—a fallacious profit, a grant. I do not think the practice of figuring seigniorage should be continued as it is, but the Treasury is profited by having it, and practically 50 percent goes on the black side of our books, if I may state it in that way.

I grant that this may all be bad. For the sake of the argument, I grant that this may all be hopelessly bad, that this may all be ruinously bad, but when you figure the resources of the United States in the billions which they represent, and tell me that the purchase of a few million dollars of foreign silver is going to upset the resources of the United States, you are telling me something that is very close to a fairy tale, because it cannot be supported.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. TOWNSEND. It is not millions; it is a billion dollars that we have spent for foreign silver. Apart from all the silver in monetary use, we have now a billion and a third ounces of silver that is idle, buried in a hole in the ground. The fact that we pay 35 cents for an ounce of silver and put it into a dollar at the rate of $1.29 an ounce means that we put 27 cents worth of silver in that dollar and stamp it a dollar, and our people take that, of course. But we have a billion and a third ounces of excess silver buried at West Point for which we paid over $627,000,000, against which there has not been a dollar issued.

Mr. THOMAS of Utah. Has not the Senator from Delaware described every money in the whole world that has had a stamp put on it? Why do we assume that putting a stamp on silver, because its monetary value is a little greater than its intrinsic value, is anything out of the ordinary? We put a stamp on paper, which has no intrinsic value.

Mr. TOWNSEND. I was not trying to show that; I was trying to show that we have dissipated a billion dollars instead of millions.

Mr. THOMAS of Utah. I will multiply by a thousand, then, the argument I made about the comparative worth of the resources of the United States and the amount of money brought in by silver. A billion dollars covers both the domestic and the foreign purchases of silver over a number of years, not in terms of resources of the United States taken over many years, which would be greatly multiplied, because we are consuming some of them all the time. So, if we want to answer the argument which the committee has drawn up in its report, we must take the sum total of all the resources of the United States as of 1933 and 1934 and we must add all those resources together, because the value of your silver should not be considered in relation to any 1 year's resources, but in relation to the resources of many years in order to make the argument valid. I think it is a bad argument no matter what is done with it.

Mr. KING. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. KING. I was wondering whether the Senator from Delaware in his study of this important question has considered the fact that recently we have been paying $35 an ounce for gold, whereas formerly we paid $20-plus for an ounce of gold? Does the Senator suggest that the amount that recently we paid for gold—greatly in excess of its former price—has been a waste, has been a drain upon the resources of our country in such a measure that it imperils our financial integrity and imperils the authority of the Federal Government to maintain its obligations and to discharge whatever duties rest upon it, financially and otherwise?

Mr. TOWNSEND. I think the Senator will agree with me that that question can be answered only when we can see what we can do with the gold.

Mr. KING. The same argument which the Senator has been making against the acquisition of silver ought to be made with greater emphasis in regard to the acquisition of gold, which we buried at Fort Knox, Ky.

Mr. THOMAS of Utah. Mr. President, we do not know what we can do with the gold and with the silver until we see what we can do with it tomorrow, as the Senator from Delaware has said. Is not the Government of the United States in a very much better position when it knows that it has control of that gold and silver than if it did not have control over it? I think the stage has been set for a sane, sensible monetary policy at such a time as stability and sense shall return to the world.

Mr. TOWNSEND. Of course, gold has an exchange value. That is, we can exchange our gold for goods. But silver has not that exchange value, and we cannot exchange it for goods. We cannot exchange silver for the goods of any country in the world.

Mr. KING. I do not assent to all the conclusions of the Senator from Delaware.

Mr. THOMAS of Utah. I do not agree with that statement for the simple reason that as the result of our purchase of silver in foreign countries that silver has purchased American goods. Whether the Senator's argument is valid depends upon the country in which the purchase of silver is made. Silver-producing countries are buying goods with the silver they sell to us. So the silver does come into the picture. Other countries are on the buying end. We are at the receiving end.

Mr. TOWNSEND. I was speaking of exchange between countries. You can use gold as a medium of exchange between the countries, but you cannot so use silver.

Mr. THOMAS of Utah. Is it not a pretty picture that we have worked out a medium whereby we have made exchange possible, whereby purchases can be made by countries which under ordinary circumstances are not able to purchase? I think it is an argument in favor of the present plan.

Mr. President, I am sure we need not say anything more about the argument that the policy is wasteful of our resources. It is, in fact, building up our resources in creating a market in the countries that can give us their silver. Of course, it involves the bestowal of benefits abroad without the consideration of reciprocity.

Mr. President, that sounds good. It sounds lovely. It sounds selfish. It sounds American. It sounds like all those things you like to mention when you go out and make the appeal to a crowd that "what I am doing I am doing for your benefit, and for nobody else's benefit."

Let us see whether there is some reciprocity in this business or not. Let us take the one little country, Mexico, which has given us the most silver. For every bit of silver she gives us she gives us some of her resources. There is profit made by the sale of those resources. There is profit from the seigniorage. There are two gains that the people of the United States and the Government of the United States make. But reciprocity may be intangible as well as something tangible.

We all know that in business good will counts for something. Yet no one has been able to define it. We all know that in international trade good will counts for something. Yet no one is able to define that. But, Mr. President, the peace and the security of the Mexican Government, our nearest neighbor on the south, is something of intrinsic value to the United States; and if we can maintain that Government's security, if we can keep revolution from our midst by the simple purchase of silver in Mexico, are we not doing the same thing we are doing in Cuba when, by allowing her some benefits with respect to sugar, we try to keep stability in Cuba by making her economic standards such that she can afford to remain on a stable basis?

Mr. President, the point made in the committee report is invalid, when we start to think about the real situation and follow through and consider all the means of exchange which exist.

Point 4 continues:

> Under this program, for example, Japan, Russia, Italy, Germany, Spain, and Mexico have benefited while those countries were pursuing policies frowned upon by the American people.

Mr. President, when the Neutrality Act was passed, the Congress of the United States and the President of the United States refused to pass judgment upon any of those policies. It is true that the people of the United States in general are frowning upon what some of these countries are doing. Not all of the people of the United States are doing so. I myself wish that every person in the United States did. But if, for example, a little bit of stability gives some benefit to the people whose governments we do not like, allowing some trade which makes it possible for those people to raise their standards in some way or another, are we not purchasing a good will which will count for something when the time for the use of good will comes? And are we not standing in the world in the position in which we should stand as the result of the flow of investments to our borders? By this simple little act are we not standing on exactly the same platform morally as we are standing on actually because of the strength of our resources?

I do not think the argument in the committee report holds. Probably the worst kind of argument known to the whole scheme of logic is for a person to attempt to bring forth hate in the minds of the hearers, turning away from an intellectual approach to a subject to an unreasonable, emotional approach. The writer of this objection shows deliberately the countries he wishes to mention. It is hardly worthy of a Senate committee.

> 5. There is no prospect of fulfilling the treadmill terms of the Silver Purchase Act of 1934.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to yield to the Senator.

Mr. TOWNSEND. Under the law the Secretary of the Treasury is obliged to buy silver until it is equal to one-fourth of the amount of gold; is that not correct?

Mr. THOMAS of Utah. That is correct. That is, until we have a reserve base equal to one-fourth of the amount of gold in our base. There is a price idea that must also be considered. There is another alternative: Until the price of silver reaches $1.29. There are two propositions.

Mr. TOWNSEND. That is exactly right. Now then, we have purchased all the silver that has been offered to us, and we are further away today from arriving at that ratio of one-fourth of the amount of silver to gold than we were when we started.

Mr. THOMAS of Utah. Why are we further away, Mr. President? Are we further away simply because we purchase silver?

Mr. TOWNSEND. No; because of the purchase of gold.

Mr. THOMAS of Utah. Oh, because of the purchase of gold. Then, Mr. President, the next step of the Senator from Delaware will be to bring in a bill to do away with our gold-purchasing policy.

Mr. TOWNSEND. Well, I had not thought of that.

Mr. THOMAS of Utah. Is not that the argument the Senator is making?

Mr. TOWNSEND. No.

Mr. THOMAS of Utah. And are there not other factors besides the mere purchase of gold?

Mr. TOWNSEND. What are they?

Mr. THOMAS of Utah. I think the world is pretty much in a state of war and chaos. I think that gold would flow to us, regardless of the purchase price. I believe that America is in such a position today that, regardless of the price of gold, the gold of the world would flow here.

Mr. TOWNSEND. We have not been in a state of war in the last 4 years.

Mr. THOMAS of Utah. Mr. President, since 1933 the upsetting of the monetary policies of the various countries has been going on year after year. China has been in a state of war since 1933 and her policy has been changed. The gold-standard low countries, Belgium and Holland, have changed their policies. England has changed her policy. France has changed her policy two or three times. Germany has remained constant, but she has been on a strictly managed basis. Japan has changed her policy.

Mr. President, are we not a little bit simple in our thinking when we urge as a point for the passage of this measure that the whole scheme of our silver arrangement is not working and therefore we should give up this policy?

Mr. President, if our scheme is not working, the logical thing is to bring in a bill for the repeal of all the silver provisions in our law. That would be a better way to open up the whole field of argument; but the argument has been limited by the statement of the Senator from Delaware himself that the bill does not affect anything but the purchase of foreign silver. Therefore, if the bill does not affect anything but the purchase of foreign silver, why do we bring in

the argument that our whole silver program is going to fail? That is the reply I make to point No. 5.

Point No. 6 is:

The Silver Purchase Act is a demonstrable failure.

Mr. President, all that is said under point No. 5 applies to point No. 6, because it is an attack upon the whole of the Silver Purchase Act, instead of the part covered by the provisions of the bill.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. TOWNSEND. What was the object of the act? It was to bring the price up to $1.29.

Mr. THOMAS of Utah. That was one of the objectives.

Mr. TOWNSEND. Has it been attained?

Mr. THOMAS of Utah. Another objective was to increase our base; but the objective behind those two objectives was to keep in the world—not only in the United States but in the world—a monetary system based upon metals. That is the real objective of the whole financial program.

Mr. TOWNSEND. Has it been achieved?

Mr. THOMAS of Utah. A monetary system based upon metals has been maintained in the United States, which fact has made the United States the most attractive country on earth for investments. From that fact we could draw the conclusion that probably the scheme has worked. I shall not argue that point with the Senator, because it is outside the bill; but I could argue it.

Mr. TOWNSEND. Of course, it has made the United States the most attractive country in the world for silver. Silver is being dumped in this country, and we are fixing the price.

Mr. THOMAS of Utah. Is not the United States an attractive place for other things? Is it only silver that flows here? Do not other things flow? We are back again to the fact that we must take into consideration more than a single factor.

Mr. KING. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. KING. I exceedingly regret to interrupt the very excellent and strong argument being made by my colleague, but I am prompted so to interrupt because of the interrogatories of the Senator from Delaware [Mr. TOWNSEND].

One of the objects of the Silver Purchase Act was to restore—as many of us believed possible—the principle of bimetallism. I played some little part in the formulation of that measure. I went to Canada and conferred with representatives of the Canadian Government. I conferred with representatives of many of the Latin American States. Several eminent representatives of financial interests of governments of Europe came to the United States to confer with the Senator from Nevada [Mr. PITTMAN], Senator Walsh of Montana, who has since passed away, myself, and others. A representative of the biggest bank of Great Britain came to the United States. Two representatives of the largest bank of China came to the United States to confer with us, with a view to the formulation of some plan under the terms of which bimetallism would ultimately come back to the peoples of the world.

After conferring with them, and obtaining their promise to do all within their power to have their governments acquire additional silver as a part of their metallic base, thus increasing the price of silver and bringing the relationship between gold and silver nearer to a proper ratio, we framed a bill under the terms of which we were to continue to purchase silver until, as stated by my colleague, the price reached $1.29 an ounce, unless one-fourth of our metallic reserves should consist of silver. So the purpose, object, and design was again to bring about in the world a proper fiscal policy resting upon gold and silver.

Because some of the nations of the world failed to carry out the promises which were made, we have not attained that objective. Nevertheless, the objective was proper; and if it had been attained the world would be better off than it is today. However, it is yet possible to reach the objective; and I believe the day will come when we shall have gold and silver as a monetary base of currency issues, and all the nations of the world will accept gold and silver as a part of their monetary policies.

I apologize to my friend for intruding.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. TOWNSEND. In reply to the senior Senator from Utah [Mr. KING], let me say that that might have been the objective, but we have been far from reaching the objective. Not a single country in the world is on the silver standard.

Mr. KING. Let me say to the Senator that the objective is still not only within the possibility but within the probability of being reached, because when the clouds of war shall have been dissipated, in my opinion, there will be a determination on the part of nations of the world to found their monetary system upon a metallic base. Silver will be a part of that metallic base, and a ratio between gold and silver will be established which will be acceptable to the nations of the world.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. THOMAS of Oklahoma. The Senator from Delaware has just made the statement that not a single nation in the world is upon the silver standard. I make the statement that not a nation in the world is on the gold standard. In that respect they are all on a par.

Mr. TOWNSEND. I agree with the Senator. Belgium is the one exception.

Mr. THOMAS of Oklahoma. Belgium is not on the gold standard.

Mr. TOWNSEND. Oh, yes.

Mr. THOMAS of Oklahoma. She is on the same standard on which we are.

Mr. TOWNSEND. Belgium is the only country in the world that is on the gold standard.

Mr. THOMAS of Utah. Mr. President, to continue with the points, as I said when I was interrupted, point No. 6 of the committee report is that the Silver Purchase Act is a failure. All the argument which was used in connection with Point No. 5 is valid against that statement. Is it a failure?

The report goes on to say:

The Silver Purchase Act of 1934 has not achieved the objects which its sponsors promised in 1934.

Did the sponsors of 1934 promise that the objectives of the Silver Purchase Act would be attained by May 1, 1940? They did not put a time limit on that objective. They were establishing a policy which would bring about a governmental trend, to bring about that objective at some time in the future. To pronounce the act a failure because the objectives have not yet been attained is, of course, beside the point.

The report continues:

It has not raised the world price of silver to $1.29 an ounce.

It has not; but in times past, when factors were right, the price of silver has gone even higher than $1.29 an ounce. Who can predict that it may not go up again?

The report continues:

Instead, the so-called world price of foreign silver, despite the tremendous purchases of recent years and continuing support, since last July has been 22 percent lower than the average price in June 1934 and notwithstanding the additional fact that the United States Treasury is today absorbing the entire domestic production constituting more than one-fifth of the world's mine production of silver. Under the foreign silver program the United States has cleaned up the vast supplies of demonetized and other old silver in Europe, Asia, and elsewhere. (b) The American silver program has not encouraged other countries to imitate its example and restore silver to a place alongside gold as a basic monetary metal and settler of international balances of payments.

Name the nation which has had an opportunity to put forth silver as a base. Have not nations been in a rather distressed position when it comes to money and finances?

The report continues:

On the contrary, the American silver program actually has financed the demonetization of silver coin abroad and the abandonment of the silver standard in its last stronghold, China.

That, I deny. China's money policy has not yet been established. China's money policy, like her war policies, is based upon all that China can do under the circumstances, and without the silver loan from our country to China she could not have done the little she has done. Then the report goes on to say:

The American silver program has not been the promised panacea in "eliminating unemployment."

If we should repeal the act providing for the purchase of foreign silver would we increase employment thereby? The Senator from Delaware would think the question absurd if I asked him, if he was making such an argument. If he refuses to make such an argument on his side, why put such a fallacious argument into the mouths of his opponents?

The American silver program has not been the promised panacea in "eliminating unemployment," "restoring prosperity."

It has restored prosperity in one field where prosperity had to be restored.

The junior Senator from Nevada [Mr. McCARRAN] sits beside me. May I ask him, though I know an answer is unnecessary, Has not the Silver Purchase Act done something toward restoring prosperity in the mining industry of Nevada? Certainly it has.

There again we are back to the argument I did not want to make, but if anyone argues that prosperity has not been restored, let me say that the most eager candidate for the Presidency of the United States who could be imagined, would mark himself down as utterly stupid if he should go before the people and state, "My program will restore prosperity to you, to you, and to you; but to the other 130,000,000 people in the United States these promises for prosperity merely mean a bettering of times, a bettering of conditions." If the Senator desires to give the silver program all the credit for the bettering of times since 1933, we, of course, could accept the argument, but that would be fallacious and nobody wants to indulge in such an argument. But why discount the much, comparatively speaking, that has been done by the silver-purchase policy?

These points in the report are in quotation marks, which shows that the argument is made in a belittling kind of way. I accept the quotation marks.

The report states the silver program has not been the promised panacea in raising the general level of commodity prices. As we have brought up the level of many commodity prices and the general level is higher than it was, therefore, conditions are worse. Mr. President, do you accept that argument? I do not; I think it is fallacious; there are too many factors involved. Resuming reading from the report:

The "maldistribution of gold."

Has the purchase of foreign silver had anything to do with the maldistribution of gold? Probably the purchase of gold has had something to do with its maldistribution; but, I repeat, is the distribution so "mal" as the authors of this report think it is?

Then there is a suggestion about the failure of the program to cause tariff restrictions to vanish as, it is claimed, was promised. I think the promise was somewhat invalid and fallacious.

Restoring the people's purchasing power.

Well, to the extent that prosperity has come to the people, their purchasing power has been restored; certainly to the extent the miners have gone to work, their purchasing power has been restored.

"Stabilizing exchanges."

I wish to heaven, if I may use that expression, that we could, by some sort of a monetary panacea, stabilize the exchanges of the world, in view of the condition the world is in.

In the report it is assumed that the American silver policy was a trick policy designed to remedy conditions overnight. I am sure that the authors of that policy never dreamed of such a thing, and I am sure the President of the United States and the administration that supported it have never argued in that way.

Enabling China—

Imagine anyone knowing so little about China as to write this into a report—

Enabling China "to buy our bathtubs."

What use in the world has a Chinese for one of our bathtubs?

Then the report goes on:

To buy our shoes.

Some few Chinese would wear our shoes.

To buy our shirts.

No Chinese would wear our shirts. I am sure that this argument is quoted from the speech of some one who was arguing about something else than the American silver-purchase policy.

Point 7 is:

Silver buying is not a proper instrument of foreign policy.

Mr. President, I can answer that argument merely by asking, Who ever said it was? However, the simple purchase of foreign produced silver, if the time and place be limited, I will say is a splendid part of our foreign policy, particularly as it affects Mexico. I do not think it has anything to do with our foreign policy or that it affects Siam.

A foreign policy is something which is indefinable. If the Senator from Delaware will tell me what foreign policy is referred to, then, probably, I can argue this point, but I cannot argue it as it is presented in the committee report.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER (Mr. MILLER in the chair). Does the Senator from Utah yield to the Senator from Delaware?

Mr. THOMAS of Utah. I yield.

Mr. TOWNSEND. Does not the purchase of foreign silver apply to all countries alike, including Mexico and all other countries that have silver to sell?

Mr. THOMAS of Utah. Of course it does, but it is assumed that only those persons who sell us things have things to sell. It is true, of course, that the greatest exchanges for silver are located in Montreal and in London, that they deal in silver that may come from all parts of the world, and that, therefore, that makes the question of silver world-wide; but I do not think that the foreign policy of the United States, as it has been operating—and I may say operating very successfully—is based upon this simple little act.

I do not think that if we change that act one whit, if we pass the Townsend bill, the foreign policy of the United States, in general, anywhere, would be affected. But even the bill itself takes into consideration that it might affect the foreign policy in certain particulars, because the author of the bill, thank goodness, is thoughtful enough to say that no international contracts shall be interfered with by this bill. To that extent, the argument is valid. Again quoting from the report:

8. There is no other government in the world that maintains a market for the world's silver.

There is no government in the world that maintains a market for the world's gold excepting our own Government at a stated fixed price and that price will affect the price, of course, in other countries.

Mr. TOWNSEND. Mr. President——

Mr. THOMAS of Utah. I am glad to yield to the Senator from Delaware.

Mr. TOWNSEND. Is there any other country in the world which fixes the price of gold and silver?

Mr. THOMAS of Utah. The prices for gold and silver are fixed from day to day almost everywhere. The prices can be changed overnight under the managed-currency system.

Mr. TOWNSEND. Is it not a fact that now we have about 70 percent of all the gold and a very large percentage of all the silver, and does not that fact alone satisfy the Senator that our Government fixes the prices of those metals?

Mr. THOMAS of Utah. I wish the Senator would argue his old bill on that kind of basis. I have been trying to throw into this argument the other factors to show how insignificant the purchase of foreign silver is in the general monetary policies of our country. I am glad the Senator has at last reached the point where he recognizes other factors. I know that he recognizes other factors, but, so far as the report is concerned, he never has done so until now.

Mr. TOWNSEND. The one factor I want to submit to the Senator is that our Government fixes the price, and it fixes it above the world market, which is verified by the fact that we get practically all the gold and practically all the silver.

Mr. THOMAS of Utah. Our Government a few days ago fixed the price for customs purposes of the British pound and that price is above the world market for the British pound, and constitutes actually extra taxation upon the exporter in Great Britain, for reasons which seem to be good to the administrators of our Government. Does not that sort of an argument merely emphasize what I said in the very beginning, relative to the complex nature of our monetary policy and the world's monetary policy, and, therefore, that above all other things, we should see that the American monetary policy, which has become the most stable on earth, shall remain so without nibbling it away.

The ninth point which the report makes is:

Foreign silver buying by the United States is a burden on every American.

I should like to answer that point by getting the sum total of the net burden on the American people and dividing it by 130,000,000, and seeing just how ridiculous this argument becomes in actual dollars and cents. Of course, it is not a burden upon the American people.

Mr. TOWNSEND. Mr. President, why is it not a burden?

Mr. THOMAS of Utah. It is not a burden because burdens are relative. It may be a burden of 1 cent per year upon each of the people of the United States, or something like that, but that is not deemed a burden. If it were, we should be afraid to tax. It may be a burden of more than that, but that is not deemed a burden in our tariff acts.

Mr. TOWNSEND. The principle is the same. Our people have to pay the bill.

Mr. THOMAS of Utah. Oh, no; principles and actualities are not the same. The people do have to pay the bill, but it is easier to pay a very small bill than it is to pay a big one. We should always be honest and pay our bills; but it is a great deal easier to pay a little bill than it is to pay a big one.

The tenth point is as follows:

The foreign-silver program has been repeatedly condemned.

Condemned by whom?

Mr. TOWNSEND. Condemned by every newspaper in the United States that I have been able to find, including a great many from the Senator's own State.

Mr. THOMAS of Utah. I know; and the same newspapers condemn the Senator from his own State, too.

Mr. TOWNSEND. By the 12 members of the Advisory Board of the Federal Reserve System, by the Chairman of the Federal Reserve Board, by a great many business organizations all over the country.

Mr. THOMAS of Utah. I thank the Senator; and I will answer that argument by asking this question, not as a Senator but just as rhetorical question:

When the President of the United States and all the Cabinet decide that something is wrong, does the United States immediately accept the President's judgment and the Cabinet's judgment? When, in the judgment of the Secretary of Labor and all the advisers of the Secretary of Labor a labor policy is deemed wrong, does the Congress of the United States always accept that judgment? When practically all the newspapers in the United States support a given candidate for President of the United States, does it always follow that the people elect that candidate?

Mr. President, in the United States we vote as citizens of the United States as we ourselves understand our rights, and we pass our own judgment; and, thank goodness, the people of the United States do not follow all of the newspapers, as the Senator says, because the newspapers may be wrong. I do not need to cite history for that statement; but if any Senator here should carry out his oath of office on the basis of taking a survey of what the newspapers of the United States think, that man would die of St. Vitus' dance in no time.

Mr. CLARK of Idaho. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Idaho?

Mr. THOMAS of Utah. I yield to the Senator from Idaho.

Mr. CLARK of Idaho. Let me say to the Senator that the striking thing that appeared to at least this member of the Banking and Currency Committee, which considered the bill, was not so much that the bill was favored by these various organizations and newspapers, but that practically no one would defend the present policy.

I may say that I have listened with a great deal of interest and care to the brilliant exposition this afternoon by the distinguished and able Senator from Utah; and I want to tell the Senate that I am sure it is the most able defense of the foreign-silver-buying program that any member of the committee has heard.

The chairman of the committee invited the Secretary of State either to come himself or to send some one from the Department to present the matter of continuing the present policy from the angle of the State Department. The Secretary said he was not interested, and refused to do so. The Secretary of the Treasury, Mr. Morgenthau, finally came before the committee and made a very fair, fine statement, but he refused to justify the present policy. I should like to read to the Senator just one question and one answer from his testimony.

After the Secretary of the Treasury had consistently stated that he did not care to defend the present policy, but merely did not want it abandoned at this particular moment, I asked him this question:

Senator CLARK of Idaho. There were some hearings before a subcommittee a year ago. If I get your thought correctly, you are not here to advance generally the wisdom of the policy established by the Congress of buying foreign silver at or above the world price. What I mean to say is, you are prepared to take it, but you are not prepared at this time to defend the wisdom of that policy. On the other hand, you feel that an abrupt cessation of that policy, regardless of its wisdom, would be unwise in view of chaotic world conditions at this time. Is that a fair statement of what you have in mind, Mr. Secretary?

Mr. MORGENTHAU. A very fair statement.

I do not want to trespass unduly upon the Senator's time, but we endeavored time after time to obtain some defense of this policy from the State Department, from the Treasury Department, and from every other fiscal branch of the Government and every other governmental agency having to do with foreign relations, such as the Department of Commerce; and not one man would come up and undertake to defend the merits and the wisdom of the present policy. On the other hand, such distinguished financiers as Chairman Eccles, from the Senator's own State, undertook to oppose the policy; and it was a rather amazing situation before a Senate committee, upon a matter of such importance and such far-reaching consequences as this, that we could get hardly anyone to undertake to defend it.

I desire again to say that the Senator's defense of this policy has been the most brilliant and the most forceful that I have heard, even as a member of the committee.

Mr. THOMAS of Utah. I thank the Senator from Idaho. Let me say that probably, as the Senator from Delaware pointed out in the beginning in suggesting that the bill did just one thing, it is an insignificant thing compared with our whole monetary policy, and probably that is the reason why the experts in government have not given this particular thing the study that they deemed necessary.

Mr. President, the tenth point I have mentioned, and I think we may leave that argument where we did—that the foreign-silver program has been repeatedly condemned. Of course, it has been condemned. There have been disagreements about silver; there have been disagreements about money almost since the beginning of money itself; but the condemnation does not prove anything. There may be some selfish motive in condemning a policy. For example, if the silver policy of this administration made it possible for the Government of the United States to control the money of the United States, to take it away from certain persons who had control of the money of the United States until this policy was started, I can see that probably some of the persons who lost control might selfishly think they would like to get back that control. I realize that everyone on earth is honest, true, just, and thinking in terms that will help everybody. In other words, they are altruistic; but I have known bankers, I have known money lenders, I have known persons who have made their wealth out of the control of money and out of exchange who have been opposed to any movement on the part of any government, especially the Government of the United States, ever to gain control of those resources.

I am grateful to the administration of the United States, and the people of America are grateful, that under the present system of monetary control in the United States never again shall we see a President of the United States negotiating for a loan of gold from a private banker representing a foreign corporation or a foreign interest which owns that gold. I am proud of that achievement; and when I say I am proud of that achievement I want to tell especially the Senators on this side of the Chamber who have taken this bill lightly because it merely nibbles at an insignificant part of our monetary policy, that if we start nibbling—if, for instance, all the newspapers of the United States are in favor of this step—they will be in favor of the next step, and they will be in favor of the next step.

The Government of the United States of America does not own a single newspaper in the United States. For whom do these newspapers speak? If you answer me that question, I will tell you just how valid their argument is. If you will show me the editor of a single newspaper in the United States who has taken the time to study this question for the length of time it has been discussed on the floor, probably I will accept his argument as valid.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. TOWNSEND. I believe the Senator from Utah stated at the beginning of his remarks that he had not read the editorials and comments on the bill; but if he will read the editorials as they have been printed in practically all the papers of the country, I think he will find that the writers have given careful study to the silver question, and their articles show it.

Mr. THOMAS of Utah. I must confess now that I did read the pamphlet which the Senator sent me, in which photostatic copy taken from a hundred or more papers appeared. I read all of them, but there was not a single argument in the whole number that was based on study. The arguments were to the point that the policy is resulting in the things which the report mentions.

I have covered every point through the next to the last two points, and, of course, I would not agree with the argument. Even if I did, what validity is there in an argument based upon the one the Senator is now making, that the newspapers of the United States or the editorial columns of the newspapers sustain a certain act?

Mr. TOWNSEND. I went further than that. I cited the opinions of the 12 advisers constituting the Federal Advisory Council of the Federal Reserve Board, from all sections of the United States, and the Chairman of the Federal Reserve Board, who should know a good deal about the monetary system of this country. In addition, I referred to the papers. If the Senator will permit me, at the close of his remarks I shall ask permission to have some additional excerpts from editorials printed in the RECORD, so that he may read them.

Mr. CLARK of Idaho. Mr. President, will the Senator yield.

Mr. THOMAS of Utah. I am glad to yield.

Mr. CLARK of Idaho. I voted to report the pending bill favorably from the committee, and I will say to the Senator from Utah that one of the impelling reasons which caused me to vote that way is not contained in the 12 points listed in the committee report. I should like to ask the opinion of the able Senator on that reason.

The Senator's State of Utah and my State of Idaho are the two largest silver-producing States of the Union. I think that in Utah there are produced somewhere around 10,000,000 ounces a year, and in Idaho somewhere in excess of 17,000,000 ounces. Together those States produce more than one-third of all the silver produced in the United States. So I have a very heavy stake in the well-being of the great silver industry in these two States.

Under the Silver Purchase Act, as the Senator so well knows, the amount of silver, both domestic and foreign, which can be purchased is limited, that is, there is a ceiling on it, and that ceiling is either when it reaches $1.29 an ounce, or when it equals one-fourth of the total metallic reserves.

Fortunately, during the last few years, the increase in gold importations has been so great that silver has had a hard time catching up. Nevertheless, the total amount of silver we can purchase is definitely limited. Whether that limit will be reached next year or 5 years from now, or even further in the future, is, of course, something which depends upon innumerable circumstances. We may in time lose some of the gold we now have, we may gain in silver purchases.

Assuming that the total amount of silver we can buy is limited, strictly from a selfish standpoint, that is, from the materialistic standpoint of protecting the silver industry in Idaho and the thousands of miners who are employed there and the millions of capital invested there, it occurred to me that, inasmuch as some day we were not going to be buying any more silver, during the period when we do buy it we should confine our purchases to newly mined domestic silver rather than increase our reserves from abroad.

Has the Senator given any consideration to that viewpoint? If in 5 years, or even 10 years, the silver mines of Idaho and Utah are in operation—and we see no reason now to believe that they will not be—then we will have to cease purchasing our own domestic silver in exactly the same proportion as we have accumulated foreign silver. Does the Senator think there is any force, from the selfish standpoint, if you please, in that reason, which is not listed in the report?

Mr. THOMAS of Utah. Mr. President, I am sure there is no force in the part of the argument which contemplates its reaching $1.29, which would be the world price, so that there would be a market for our domestic production, a very good market, at that price. If the price should go to $1.30, the United States could not buy any of it. We all know that. The silver will go where purchasers will pay $1.30 for it.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. THOMAS of Oklahoma. The Senator from Idaho has made some suggestions, and, basing my question upon his objections to the bill, what argument exists to support the policy of paying 71 cents, plus, for domestically mined silver, which does not with the same force exist in favor of accepting foreign silver at what might be termed the world price?

Mr. THOMAS of Utah. Now I am caught with two questions, and they are different. If I may continue with the answer to the question of the Senator from Idaho, there are, of course, so many factors in the question, there are so many "ifs," there are so many probabilities, that it cannot be answered in an arbitrary way. This is the way in which I would answer. No one expected silver to jump to $1.29. Everyone knew that if we raised the price of silver by 10 cents we brought some relief to the miners. It was a perfectly reasonable suggestion that the Government would

cease to purchase silver the moment it reached its monetary value; $1.29 was arbitrary. It was arbitrary, though, to the extent that it was a price based upon what was a Government practice—the valuing of silver in its monetary ratio at that time.

As to the other point, if we get into the realm of silver as a commodity, a pure commodity, we must logically follow the statistical argument in accordance with that fundamental basis. The legislation itself does to a certain extent take silver out of the realm of ordinary commodities. It makes it into a preferred commodity, with a value placed upon it by law. There has been price fixing in that case.

The first part of the question was based upon the theory of mere commodities in the world market, and the Senator is assuming that if, for instance, the time comes when the world will not need as much silver, would it not be better just to limit the production to ourselves?

In the beginning of my remarks, in answering the question of the Senator from Delaware, when he wanted me to call the Senate's attention to the fact that this act had to do only with the purchase of foreign silver, I mentioned the fact that therefore we could be in favor of the act from a selfish standpoint, because it did seem to give the producers of silver in the United States a little broader market. But that argument does not have weight when we go into the whole monetary theory, which is basic, too, to the silver-purchase law. Just as surely as we nibble away one prop in this program we are going to nibble away another prop, and, as the Senator from Oklahoma has said, what argument can be given to defend the purchase of silver at 72 cents that cannot be given to defend the purchase of foreign silver? The arguments will be identical, except for the simple point of taking care of a home product. That makes a difference. But as surely as we knock one prop away from the monetary policy which we have established in our country, and, which as a whole is functioning and functioning well, we are going to have a suggestion for repeal of the law under which there is price fixing in the case of silver, which of course would be repealed if the price ever went above $1.29.

Mr. CLARK of Idaho. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. CLARK of Idaho. I clearly see the Senator's viewpoint upon that, and I have heard the argument made, and ably made, that this would be the first step toward the complete repeal of the whole silver program, including the repeal of the power to purchase newly mined domestic silver.

Of course, my viewpoint is that the people generally, and business generally, are so completely agitated over the purchase of this foreign silver, that once we get that issue out of the way, we may be able to continue our domestic silver-purchasing program unmolested by such able men as the distinguished Senator from Delaware.

The difficulty is, I may say to the Senator from Utah, that when we create this free silver market here, so to speak, we do it to the exclusion of all the rest of the world. For instance, Great Britain—probably the greatest silver country in the world next to China, and I am referring to India—has compelled India to place an import tax on silver which amounts practically to an embargo. In other words, if my understanding is correct, India would like to buy silver today, and the British Government will not let her buy it, and has compelled her to refrain from buying the very basis of her money. Yet England uses us as a dumping ground for all the silver that she can get her hands on, and we are used as a dumping ground for all the silver Mexico can get her hands on, and at the same time England refuses to let any of her colonies buy silver, when those colonies use silver as a monetary base.

Mr. THOMAS of Utah. May I interrupt for a moment? If all that the Senator from Idaho says is true about what England is doing in relation to India and in relation to the United States, is not the Senator putting forth the greatest argument he can possibly make as to the worthwhileness of silver as money? To whose advantage is it for England to see that India's base in silver is not increased, but that she use this silver to advantage in the United States? Silver is used in that picture no matter how it is painted, and we discover that everywhere in that picture silver as money is recognized as being vital.

Has the Senator ever heard of England having any other policy than that policy with regard to her dependency? Is not the whole theory of the gold standard based upon the fact that through that standard Great Britain, with the control of gold, can take advantage of silver countries by having a differential which makes it necessary for those people to work twice as hard as they would if they were on the same standard? For 125 years such a policy has been pursued.

Mr. CLARK of Idaho. I think the Senator's statement is correct.

Mr. THOMAS of Utah. And the point is that if this part of our program is repealed, it means that we definitely turn our backs against the theory that silver should be money, as part of a sensible money based upon metals, and we merely get ourselves into the argument that silver is a simple commodity, that we ought to subsidize it for the benefit of the silver mines of Utah and Idaho, which is contrary to all we know about the history of money in the world.

Mr. CLARK of Idaho. We can make it a money metal, so far as our domestic economy is concerned, but until the rest of the world will take it in exchange and in settling financial balances, we cannot hope to make it a money metal throughout the world, even if we buy all the silver there is in the world.

Mr. THOMAS of Utah. If Great Britain is putting a virtual embargo on the importation of silver into India, and using all the silver she can get for sale to the United States, does that not show that silver is money and not a commodity?

Mr. CLARK of Idaho. I think it does. But if England will not take our silver then it is not an international money. If they will not take our silver in exchange for the things we want to buy, as well as using it to buy the things that we have to sell, then it is not international money. When the time comes when England and France and Germany and the rest of the countries of the world will undertake to take our silver then, I say to the Senator respectfully, is the time to say, "We in turn will have a free market for silver"; but so long as we merely are the one country that will take silver, and the one country that recognizes it as money, and where every ounce of silver that comes into this country competes with an ounce of silver that is produced by the miners in Utah and Idaho, and when the rest of the world will not cooperate to make it a money metal, then I feel keenly enough about it to vote favorably with respect to the bill.

I have trespassed a tremendous amount on the Senator's time.

Mr. THOMAS of Utah. There is no competition, I may say, between the foreign markets and the domestic market. When the United States pays 71 cents for the domestic silver and pays 40 cents for the foreign silver, the foreign silver is not competing with the domestic silver.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. BARKLEY. The Senator knows that we have now on the statutes permanent law fixing the price at which the Government should buy domestic silver. Of course, as was explained several times on the floor while that bill was under consideration, the Government does not actually buy the silver by paying money for it. The silver in the dollar is worth $1.29 per ounce. When the Government took half of the silver brought to its mints as seigniorage, as we call it, or as a commission, or as in the case of the miller the taking out of a certain amount of flour when wheat is brought to him—when the Government took half of the silver, it resulted in the producer of the silver getting half as many dollars as the total production would result in the coinage of, and that meant the equal of about 65 cents an ounce for his silver.

We have now changed that proportion. Instead of taking out 50 percent of the silver, the Government takes about 40

percent—perhaps it is a fraction above 40 percent—and gives back to the producer 60-odd percent, which results in his getting the equivalent of 71 cents an ounce for his silver.

The world price of silver now is about 35 cents an ounce, and that is what we have been paying for that which has been brought in during recent months. But that world price of 35 cents is maintained in part because we are buying silver. If we were to drop out of the market for foreign silver undoubtedly the world price would decline. It might go down to 20 or 25 cents. We cannot tell about it definitely. But if the world price of silver does go down to 20 or 25 cents an ounce because we quit buying it, notwithstanding the fact that we have a permanent law providing for paying about 71 cents, would it not be more difficult to maintain and sustain to our domestic producers the 71-cent price we are now paying under the provision of our law?

Mr. THOMAS of Utah. I think there is no doubt about that.

Mr. BARKLEY. So that it is in the interest of domestic producers under the law as it is now, to maintain the world price certainly at a figure no less than it is at this time?

Mr. THOMAS of Utah. I believe it is, Mr. President.

Mr. BAILEY. Mr. President, I should like to ask the Senator a question.

Mr. THOMAS of Utah. I yield to the Senator from North Carolina.

Mr. BAILEY. Is not the argument just made by the Senator from Kentucky the argument that, having gone in a bad direction, we have a bear by the tail and we cannot let him go? Is that the argument?

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. THOMAS of Utah. I yield.

Mr. BARKLEY. I hardly think the illustration given by the Senator from North Carolina is apropos. No one contends that we have a bear by the tail.

Mr. BAILEY. Oh, Mr. President, the Senator just said that if we quit buying this foreign silver it would be very difficult for us to keep up the domestic price.

Mr. BARKLEY. I think we have all assumed, as a matter of fact, that the domestic price paid to our domestic producers is not a bear, and certainly is not a bad bear; that it is in the interest of the domestic producers, and it is in the interest of the stability of the silver industry of the United States and is not out of proportion.

Mr. BAILEY. I wish to explain to the Senator that I was not speaking of quadrupeds. I was using a figure of speech.

Mr. BARKLEY. The Senator was not speaking of quadrupeds physically, but metaphorically. And if this bear to which he refers, instead of being a bad bear is a good bear, then it is certainly to the interest of the domestic industry to maintain the policy we are now pursuing.

Mr. THOMAS of Utah. Mr. President, I should like to revert for a second to the question asked by the Senator from Idaho [Mr. CLARK], in which he made reference to India. I should like to tell the Senator that England will start buying silver and start buying silver very, very quickly, if as the result of her embargo laws against India, India decides that silver is valuable, and the Hindu people start hoarding. The only possible way in which England can maintain any stability in that country under the present circumstances will be for her to supply to India enough silver to prove to the average Hindu who starts hoarding, who begins to have more faith in the metals and in the money that he uses, and then England will buy, and she will pay any price under the sun to get it, because the whole Indian empire may rest upon that single item. Senators may rest assured also that Great Britain under the present circumstances will never threaten India with an embargo in silver if the time is such that that could not possibly be effected. Therefore in the turning over of a policy of government with respect to a great dominion or a great principality, we may see the silver program accomplished almost overnight.

The eleventh point is the same one we mentioned in the beginning:

The stock of monetary silver has been greatly expanded.

That was one of the reasons for the monetary program. It was to expand the monetary base in order to give more stability to our money; and, therefore, instead of being used as an argument for the bill, it may be used as an argument against it. The last point is, of course, merely an appeal to the feelings of the Senators. The point is summed up in this sentence:

There is no reason for further delay.

Mr. President, the committee report gives 12 reasons why the bill should be passed. I have tried to answer each of the 12 reasons by showing that each one is fallacious. I end my argument in regard to the 12 reasons by saying that there is all the reason in the world for further delay. Whether we look to Asia or to Europe, we find instability in every phase of international monetary habit and every phase of international monetary action. But in the United States we have stability to such an extent that the whole world recognizes the fact that we have a plan which is working.

Mr. President, could any better reason under the sun be given for not interfering with the plan, but allowing it to continue, than that it is functioning and working to the advantage of the United States and the people of the United States?

Having gone over the committee report point by point, I have this to say to my brethren on this side of the Chamber:

In the fall election the Democratic Party must stand upon its record. There is nothing else for it to do. Probably the proudest point we can make to the country will be the fact that we have brought money stability in the United States. Everyone will be talking about the banking program. Everyone will talk about the money program. Everyone will talk about the surety and the success of our program in accomplishing stability. We cannot avoid arguing in that way. For us to lose faith in a program which has accomplished so much and to start its repeal at this time would be a tactical blunder on the part of Democrats in the United States Senate. I appeal to them for this reason. I appeal to them for the other reasons I have given. It is bad policy to turn our backs upon our program.

Mr. McNARY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Utah yield to the Senator from Oregon?

Mr. THOMAS of Utah. I yield.

Mr. McNARY. I have listened with very great interest to the speech of the distinguished Senator from Utah. The speech is very able, though I disagree with the Senator's conclusion. Before the Senator resumes his seat I wish to ask him a question, which he may answer at this time if he is prepared to do so.

I have read with some interest, and a little concern, the amendment offered by the Senator from Nevada [Mr. PITTMAN]. I understand the position of the Senator from Utah to be that he is against the repeal of the Silver Purchase Act of 1934. The Senator from Nevada wishes to modify the act and retain the purchasing feature under certain conditions. He wants no foreign silver to be purchased unless the purchase price be applied to the purchase of agricultural commodities. He is seeking to substitute his amendment for the repeal bill introduced by the Senator from Delaware, and for the existing law. The amendment would permit the purchase of foreign silver, but under condition that the purchase price be used for the purchase and export of agricultural surpluses.

In view of the very great knowledge which the able Senator has on this whole subject matter, I should be delighted if he would give the Senate and the country his views regarding this particular proposal, which is a three-way proposal.

Mr. THOMAS of Utah. Mr. President, I have not read the amendment, but I heard it read today. There is no question that the amendment is a compromise. It is offered for the purpose of appealing to those who would vote a half-way measure rather than a whole measure. However, the amend-

ment takes everything I have said in support of the act as it now stands—which provides for the free purchase of foreign silver—out of its broad field and places it definitely in a narrow field; and, of course, the amendment attempts to use the purchase of foreign silver for the benefit of the most distressed element in our country, the agricultural element, which is producing the greatest surplus. So the amendment is consistent with every agricultural program we have ever offered in Congress, by which we have tried to encourage the exportation of our agricultural products.

Mr. McNARY. To what extent does the able Senator think the Pittman amendment would bring about a curtailment in the purchase of foreign silver? Of course, the answer would depend upon an estimate of the amount of goods which foreign countries having silver for sale would want to buy in the United States. Would not the amendment practically bring about an absolute curtailment of the purchase of foreign silver?

Mr. THOMAS of Utah. One would have to know the country, of course. If, for example, Great Britain in her silver market could control the silver which we could purchase, Great Britain would take agricultural commodities. But if, on the other hand, the silver happened to be coming from Mexico, probably Mexico does not want and will not buy our agricultural commodities. I think there is no doubt about that.

Mr. McNARY. What proportion of our total silver purchases now comes from Mexico?

Mr. THOMAS of Utah. I do not know. Probably the Senator from Delaware can answer that question.

Mr. McNARY. I understand that the major portion comes from Mexico.

Mr. TOWNSEND. The major portion comes from Mexico.

Mr. McNARY. If the major portion comes from Mexico, the remainder, which might come from countries having silver to sell, and which would want our agricultural products, would be very small indeed; would it not?

Mr. THOMAS of Utah. If I may argue in favor of the amendment——

Mr. McNARY. I am seeking to ascertain the practical net result of the operation of the Pittman amendment.

Mr. THOMAS of Utah. Under the present circumstances the net result would be that Great Britain would buy Mexican silver and purchase our farm commodities.

Mr. McNARY. The result would be a very drastic modification of the Silver Purchase Act of 1934.

Mr. THOMAS of Utah. Yes; except in one particular. There would still be a demand for the purchase of foreign silver, because it could be used by any nation which could use it to its advantage. Of course, while I should like to see the bill defeated, I should support the amendment of the Senator from Nevada, if by supporting the amendment we could save the program.

Mr. McNARY. I understand from the Senator's able argument that he would prefer to have the Silver Purchase Act of 1934 remain in its full integrity, rather than to have any modification such as that proposed by the Senator from Nevada.

Mr. THOMAS of Utah. That is true, although I think the Senator from Nevada has offered his amendment somewhat as a compromise. However, he is present and can speak for himself.

Mr. PITTMAN. Mr. President, I wish to correct the Senator from Utah on the question of a compromise. I think the chief advantage of the act has been that it has furnished American dollar exchange for the purchase and export of our surplus products. In 1934, at the time the act was passed, our exports—particularly our agricultural exports—were in very bad shape. More than 1,000,000,000 ounces of silver were purchased through London.

In the hearing before the silver committee, Mr. Eccles admitted that the purchase of silver through London had furnished American dollar exchange with which to buy our exports. However, he did say that if they had not been bought with this dollar exchange they might have been bought with gold. As a matter of fact, up to the time the silver exchange was made available, they were not being bought with gold, although they might have been. The same admission was made by the Secretary of the Treasury.

The question naturally arises as to whether or not the purchase of our surplus agricultural exports is of sufficient value to justify the continued purchase of foreign silver. Personally, I think it is. It certainly is unless silver is a worthless commodity. Of course, if silver is worth no more than sea shells, as the distinguished Senator from Delaware [Mr. TOWNSEND] has quoted Mr. Eccles as saying, then we are getting nothing for our exports.

I think I can quite clearly demonstrate, even to the Senator from Delaware, that silver is not a worthless commodity. I shall undertake to do so tomorrow. In the meantime, I wish to say that my amendment is not offered as a compromise. It is offered for the purpose of giving value to the act. When I say "giving value," I am informed and believe that under the present administration silver is being bought without regard to the use of the proceeds in the export of American commodities. I doubt very seriously if a very large quantity of silver being bought from Mexico is used in purchasing our exports. The object of the amendment is to see to it that no more foreign silver shall be purchased unless the proceeds of the silver be applied to the payment of agricultural exports from this country. I think it would be an excellent thing.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. PITTMAN. I yield.

Mr. BARKLEY. The testimony of the Treasury Department before the committee at the time the hearing was held 2 or 3 weeks ago was to the effect that practically all the silver that comes in is in payment for American products which are not agricultural products. The fact is Mexico has been buying from us textiles, automobiles, and machinery. I was informed by a businessman who has recently been in Mexico that, prior to the report of the committee on this bill, the General Motors Corporation had an arrangement through a bank in Mexico City for the advancement of credit to people of Mexico for the purchase of automobiles. That is only one item. But following the report of the bill by the committee that arrangement had to be discontinued, because if those of the Mexican people who made purchases could not pay for their automobiles in silver there was no way by which the credit arrangement could be continued.

That relates only to one item; but I think the Senator is unintentionally in error when he says that recently silver has not been brought into this country in payment for American products. We bought last year from Mexico about $31,000,000 worth of silver; that is, that much came in. We use the term "buying"; but it is a misnomer, for the silver comes here in the course of ordinary trade; corporations get American dollar credit; they use that dollar credit to buy products in the United States; and it finally finds its way into the mint and assay offices and into the Treasury, and for it Treasury silver certificates are issued. Those silver certificates go into the circulating medium of our country, as the Senator from Nevada knows even better than I do. But the point I wanted to make was that my information is that it was disclosed in recent hearings that practically all, or certainly the greater portion of the silver, even that coming from Mexico, is in payment of American goods of one kind or another.

Mr. PITTMAN. I did not make a positive statement, for I have not had occasion to look up the question, but I do not believe that all the silver exchange was used in the purchase of exports in this country, although it might have been. Nevertheless, I feel that if silver is to be used in the purchase of our exports its use should be confined to agricultural exports. My reason for that must be apparent to every Senator. The commodity prices of agricultural exports are low by comparison with commodity prices of automobiles and other manufactured products.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. PITTMAN. I do.

Mr. BARKLEY. I am in full sympathy with the objective of the Senator, because I should like to see all our salable agricultural surpluses shipped somewhere else, but if it turns out that a given country, for instance, Mexico, or Canada—and I presume Canada takes a larger proportion of our agricultural exports than does Mexico—does not need our agricultural products and cannot use them, would the Senator bar the importation of any silver that would be brought in in the purchase of other commodities, such as manufactured articles, clothing, textiles, and machinery of one kind or another, the manufacture of which gives employment to the American people and thus enables them to buy even more agricultural products at home? Admitting the fine purpose of the Senator's amendment, would he bar silver from countries that do not happen to need or cannot take our agricultural products but would buy other commodities from us the purchase of which would give employment to American labor?

Mr. PITTMAN. If I had the view of international exchange the Senator from Kentucky apparently has, I would agree with him; but, as a matter of fact, when Mexico gets dollar exchange from the United States, if she is required to buy agricultural exports and does not need them, that exchange is available to Great Britain or any other country that does need them. Dollar exchange in the United States is not lost to any country that holds it. Such country can transfer it to any other country that needs it. If Great Britain needed agricultural products here, and Mexico had exchange for it, Great Britain could ship manufactured articles to Mexico and get the dollar exchange and buy American agricultural products with it.

Mr. BARKLEY. If England, for instance, during this war emergency were in a position to buy agricultural products from the United States instead of war materials, which, I presume, she, at least, considers she needs worse at this time than she does agricultural products, she would be able to acquire dollar credit here in another way without having transferred to her credits which are accorded to Mexico or any other country that sends silver to us, because I assume that if England were in a position to buy agricultural products to the exclusion of other commodities she would be able to do it in her own way through her own dollar exchange brought about by the shipment of either silver or gold into the United States.

Mr. PITTMAN. Of course, we know that Great Britain is trying to conserve her gold credit in order to buy war materials in this country, and it is estimated that such credits will not last over 2 years, if for that long. Therefore, she has to buy all other imports with her exports; and when she cannot export something to this country but can export to Mexico, she will export to Mexico and get from Mexico dollar exchange.

Mr. BARKLEY. She would not necessarily get American dollar exchange by exporting products to Mexico; she might get Mexican dollar exchange; but if Mexico had dollar exchange in this country for which she had no use and with which she did not desire or could not buy American products, under the Senator's amendment she could not buy automobiles or textiles or machinery or shoes or clothing of any sort; she would have to buy farm products. If she could not use farm products, the question then arises whether by some form of coercion we could require Mexico to send her silver here, get dollar credit, then transfer that dollar credit to England or France or any other country, and in that roundabout way bring about the sale of some American agricultural products.

Mr. PITTMAN. The proposition is perfectly plain. If our Government is not allowed to buy any foreign silver unless it is to be applied on exports of agricultural products, either the silver will not be purchased or, if it is, the exchange thus created will be available not only to Mexico but to any other government to which Mexico may transfer it to for buying agricultural products.

The amendment is framed deliberately and on purpose to compel the purchase of exportable agricultural products, and not automobiles.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. PITTMAN. I yield.

Mr. BARKLEY. I wish to ask the Senator a further question. I do not want to take up the time now if he is going to discuss the question later.

Mr. PITTMAN. I had not intended to discuss it today but at a later time.

Mr. BARKLEY. Very well.

Mr. THOMAS of Utah. Mr. President, I wonder if the Senator will yield for a moment?

Mr. PITTMAN. I yield.

Mr. THOMAS of Utah. I probably put words into the mouth of the Senator from Nevada which I should not have done. In calling his amendment a compromise I did not mean to name it as a compromise in the sense that has been taken here. I meant so far as the effect of the amendment is concerned it was a compromise, in the sense that it preserved the authority to purchase foreign silver but at the same time limited such purchase to a certain kind of commodities, thus making the effect of the substitute a compromise. I did not have in mind the purpose of the Senator from Nevada when I made the statement, but merely the effect of his amendment.

Mr. PITTMAN. Mr. President, I yield the floor.

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a number of editorial comments on the pending bill.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Hamilton (Maine) Times, March 28, 1940:

"OVERLOADED WITH SILVER

"* * * Public censure of the whole program is increasing and should bring about its cessation."

Harrisonburg (Va.) News-Record, March 29, 1940:

"OVERLOADED WITH SILVER

"In short, benefits predicted in 1934 have not been realized, and arguments for retaining such buying are no longer tenable."

Omaha (Nebr.) Morning World-Herald, March 28, 1940:

"THE BURDEN CARRIER

"Is it any wonder that the American worker and farmer—the ones who have to support the load—are beginning to suffer from fallen arches?"

Manchester (N. H.) Leader, March 22, 1940:

"ENDING A BAD POLICY

"Confronted with these facts, the Senate Banking and Currency Committee could take no other action than it did. The wonder is on what basis four members of the committee supported a continuation of the Government's policy. Common sense and the country's interest require that this absurd policy should be ended."

Asbury Park (N. J.) Press, March 31, 1940:

"SILVER-PURCHASE FRAUD

"* * * Therefore the difference between this fantastic 'official value' and what the Government paid for it is called a 'profit,' and there are suggestions that the Treasury use some of the 'profit' to pay off its debts or to spend it for various purposes."

Bridgeport (Conn.) Post, March 21, 1940:

"SILVER-PURCHASE POLICY

"The man who tried to lift himself up by his own bootstraps has gone into history as a sort of super Simple Simon. However, we think he was a real genius compared with the persons who are trying to increase America's prosperity by buying all the foreign silver that is offered our country at a price well above the natural market for silver."

Omaha (Nebr.) Evening World Herald, March 25, 1940:

"GOLD AND SILVER ACORNS

"Suppose you had a neighbor who was head over heels in debt, yet was spending twice as much as his income. And the neighbor was buying acorns—buying them at two or three times their cost of production or market price anywhere else. Acorns came flowing in from Russia, Timbuctoo, Siam—from everywhere. And he bought of all comers, bought with borrowed money. He ran out of storage space and dug great holes in the ground in which he buried

his acorns. He couldn't use them, couldn't sell them, but he continued to buy. Bought acorns though his family was ill-fed, ill-housed, and ill-clad.

"What would you think of him?

"Crazy as the Mad Hatter?

"He's doing it, though. Only it isn't your neighbor. It's your boss, Uncle Sam. And he's doing the buying with your money; money taxed out of you or borrowed from you.

"The difference is that it is not acorns but gold and silver he buys."

Biddeford (Maine) Journal, April 8, 1940:

"THE SILVER BUYING ACT

"Senator TOWNSEND, of Delaware, is making a valiant effort to bring about the repeal of the act under which the Government buys foreign silver. There are few laws on the statute books for which there is less excuse."

Indianapolis (Ind.) Star, March 29, 1940:

"OVERLOADED WITH SILVER

"* * * Public censure of the whole program is increasing and should bring about its cessation."

Lowell (Mass.) Courier-Citizen, April 13, 1940:

"THE NOTE TO MEXICO

"* * * These purchases should in any event be terminated at the earliest possible moment—not in retaliation for Mexico's policy in seizing the property of American citizens, but simply because there was never any good reason in the first place why our Government should have been forced by a fantastic domestic law to load itself up with foreign silver for which it has not the slightest need."

Massilon (Ohio) Independent, March 22, 1940:

"UNCLE SAM—GENEROUS NEIGHBOR

"It is high time the United States ceased buying silver. It is to be hoped the next step will be to stop buying gold. Both are drugs on the market and costly drugs at that."

Mason City (Iowa) Globe-Gazette:

"SILVER FOLLY NEAR END

"At long last the Senate Banking and Currency Committee has voted, 14 to 4, to put an end to the screwy financial policy under which the United States has been paying more than it needs for silver that it doesn't need."

Long Beach (Calif.) Sun, March 26, 1940:

"OBSERVATIONS BY CHESTER ROWELL

"* * * Would it not be better to take oil from Mexico, coffee from Brazil, and corn from Argentina and burn them all on receipt? The loss would still be only total, and the spectacle, being more visible, would be more instructive than doing the same thing, minus the beneficent bonfire, with silver. We would get the trade—'trade,' of course, meaning only exports—and we might find out sooner this way that in the long run it must also mean imports."

Cambridge (Mass.) Bankers Magazine, April 1940:

"SILVER PURCHASES

"Foreign silver seems to have few American friends left."

Fargo (N. Dak.) Morning Forum, March 30, 1940:

"SILVER AND MEXICO

"The fact of the matter is that our foreign silver purchase policy must be considered in terms of our domestic situation. We have been buying silver from Mexico and other places that we do not need.

"* * * This has helped the silver-mining industry of Mexico, of course. But it isn't doing the United States any good."

Norwich (Conn.) Bulletin, March 30, 1940:

"ANOTHER MEXICAN GRAB

"Good and sufficient reasons have been advanced in the past for the termination of the Silver Purchase Act insofar as it involves foreign silver. That would mean an ending of the silver buying we have been doing in Mexico and put an end to the artificial price which we have been paying, and for which we are alone responsible."

Des Moines (Iowa) Register, March 27, 1940:

"FOREIGN SILVER PURCHASES OF SILVER

"If what we want to do is to increase our foreign trade, however, a gradual lowering of tariffs would be more direct, less expensive, and far more honest."

Winona (Minn.) Republican-Herald, March 26, 1940:

"REVISION ON SILVER PURCHASE

"* * * It surely reflects the preponderance of informed opinion against continuing a policy that has proved as futile as it has expensive.

"Passage of the bill will leave in force that part of the program providing a subsidy for domestic silver, continuance of which is unjustified, although for different reasons. But since, roughly, five times as much foreign silver has been bought as that of home production, the relief in terms of Treasury outlay should be substantial."

San Francisco (Calif.) News, March 21, 1940:

"SILVER TAKES A LICKING

"True, this Santa Claus policy of ours is 'good for foreign trade.' It would also be good for foreign trade if at intervals we simply gave away a billion dollars abroad, first come, first served."

Ithaca (N. Y.) Journal, March 25, 1940:

"HIGH TIME TO STOP

"It's about time something was done to alter this absurd law, even if the part authorizing purchases of domestically mined silver still remains."

Fargo (N. Dak.) Morning Forum, April 3, 1940:

"MEXICAN CONFISCATION

"One of the main sources of whatever prosperity Mexico has enjoyed in the last few years has come from our purchase of Mexican silver. And yet Mexico seems wholly unconcerned about Washington."

Rome (N. Y.) Daily Sentinel, March 22, 1940:

"FOREIGN SILVER PURCHASES

"It is bad enough for our Government to be accumulating most of the world's gold for burial in Kentucky; it is wholly foolish to be buying other people's silver under the pretense of aiding our own mines, whereas in very truth our purchases of Mexican silver have assisted that country in its policy of expropriating the properties of American oil companies."

Brockton (Mass.) Enterprise, March 29, 1940:

"END THE SILVER PURCHASES

"Secretary Morgenthau's specious plea that to end the foreign silver-buying authority might complicate 'chaotic' world conditions does not hold water."

Rock Island (Ill.) Argus, March 27, 1940:

"SILVER VAGARIES NEAR END

"If you don't understand how such things can be, you are in good company. No independent economists ever understood, either.

"We wonder what kind of fools our neighbors, Mexico and Canada, believe us to be while they have been on our relief rolls."

San Antonio (Tex.) Express, March 31, 1940:

"SLAP FOR MORGENTHAU

"* * * But it is certain that when we subsidize exports by paying for silver much more than it is worth, we give something for nothing and, unless the profit on the exports is more than the bonus on the silver, it is a losing transaction."

Danville (Ill.) Commercial News, April 1, 1940:

"HIGH TIME TO STOP

"It's about time something was done to alter this absurd law, even if the part authorizing purchases of domestically mined silver still remains."

Norfolk (Va.) Virginian Pilot, March 22, 1940:

"LIMITING THE SILVER PURCHASE FOLLY

"* * * Such a policy violates common sense and must give way to a rational readjustment, however immediately painful. The Townsend bill will force this overdue readjustment and deserves enactment."

Elyria (Ohio) Chronicle Telegram, March 25, 1940:

"END THIS FOREIGN SILVER BUYING

"If we stop buying foreign silver, the world price will probably sag and our silver pile will be worth less than we paid for it. But it is better to take a loss now than go on compounding silliness and storing up bigger losses."

New Haven (Conn.) Register, March 27, 1940:

"MEXICO LENDS A HAND

"Recent action taken by the Senate Banking and Currency Committee in favor of rescinding the foreign silver buying powers

granted to the President several years ago raised hopes that at last there may be an end to this particular piece of new-era monetary folly."

Greenfield (Mass.) Recorder-Gazette, March 21, 1940:

"SILVER WEARS THIN

"Whatever Mr. Morgenthau may say about our silver policy having put money into countries where we desire to increase our export trade, there is every reason to doubt the benefit of trade so created. If there cannot be trade based on a free and normal exchange of commodities, without Government subsidy, both parties in the long run will be better off without it."

Columbia (Mo.) Missourian, March 23, 1940:

"THE SILVER REPEAL

"The Silver Purchase Act is unsound economically, and since the reasons for passing it and continuing to enforce it are all political it should be repealed."

Middletown (Conn.) Press, March 21, 1940:

"SILVER LAW REPEAL

"It is surprising to find that Secretary of the Treasury Morgenthau advised against repealing the law. It is up to the Senate and House to meet the situation in the public interest."

Kels (Wash.) Kelsonian, April 2, 1940:

"NONSENSICAL

"Over our silver policy, however, there is apparently no argument. All are agreed that it is nonsensical."

Chicago (Ill.) News, March 23, 1940:

"END OF THE SILVER RACKET

"Our only regret is that the Townsend bill doesn't go the whole distance and abolish the domestic silver-buying racket as well as the foreign variety."

Newburgh (N. Y.) News, April 13, 1940:

"MONEY WASTED ON SILVER

"* * * Our manufacturers, workers, farmers, and even taxpayers are sold down the river in pursuance of a fanciful policy which enriches foreigners, makes them arrogant, causes them, as Mexico has, to snap their fingers at us, steal lands and properties of Americans."

Terre Haute (Ind.) Star, April 17, 1940:

"SILVER PURCHASE BLUNDER

"* * * Congress, in its present movement to repeal the act, can be criticized only on two points: (1) For not having done so earlier, and (2) in not repealing the clause referring to domestic purchases."

Allentown (Pa.) Call, March 22, 1940:

"REPEAL SILVER PURCHASE ACT

"For folly, few acts of Congress ever have achieved the heights of this fault that have been revealed in the operation of the Silver Purchase Act of 1934."

York (Pa.) Dispatch, March 30, 1940:

"SILVER PURCHASE FRAUD

"Every reputable economist in the country knows the silver-purchase provision is a fraud, but it goes on year after year. The vast hoard, with its fictitious value, moreover, stands as a constant invitation to that inflation which the whole country fears and dreads."

Waco (Tex.) News-Tribune:

"QUESTION OF SILVER

"* * * Even the silver Senators responsible for the initiation of the program in the first place ran out when called on to defend it."

Bakersfield (Calif.) Californian, March 20, 1940:

"PILING UP SILVER

"Back of the program for the buying of this foreign silver must be some explanation, but no one has offered it, not to the extent of satisfying a curious public.

"* * * Why should we pile up nearly a half billion dollars in silver in Treasury vaults to maintain production of that commodity abroad and supply labor to alien peoples. Perhaps somebody can give a reason, but no one has as yet."

Dayton (Ohio) News, March 25, 1940:

"SILVER

"Senator TOWNSEND, of Delaware, deserves credit for an able fight to end it. The fight seems at last on the verge of being successful."

Somerset (Pa.) American, March 26, 1940:

"UNPOPULAR

"The idea that Mexico may regard such a policy as retaliation for her theft of American owners' oil can have no standing because it would apply even against honest nations that have been willing to set their lines to catch suckers."

Asheville (N. C.) Citizen, March 23, 1940:

"'FRIENDS' AND SILVER

"This is hardly a shining example of neighborliness. Who, then, are our 'friends' of the silver subsidy? To answer, Secretary Morgenthau will have to search a horizon that seems for the moment barren of reciprocal friendship so far as Uncle Sam's silver policy is concerned."

Binghamton (N. Y.) Press, March 27, 1940:

"Aside from the question of subsidizing a country which has proved unfriendly in its trade relations with the United States, the whole theory behind the foreign silver purchases is unsound."

Orlando (Fla.) Reporter-Star, March 21, 1940:

"The Japanese have long ago taken over the Chinese silver trade, which leaves only Mexico as the friendly nation to benefit.

"* * * There's little reason for us to buy the metal if we can't use it."

Staunton (Va.) Leader, March 25, 1940:

"Thus we again see that our policy of playing Santa Claus to foreign nations not only costs us dearly but fails to purchase their friendship. As a matter of fact most of them get from us everything they can and then laugh at us."

Hornell (N. Y.) Tribune, March 29, 1940:

"OVERLOADED WITH SILVER

"This building up of a huge silver hoard gives away American purchasing power in return for a metal which is not needed as a money base but which adds to the potentialities of inflation."

Fitchburg (Mass.) The Sentinel, April 2, 1940:

"END THE SILVER PURCHASES

"Despite pressure from the administration, the Senate Banking and Currency Committee has approved, 14 to 4, a bill to end all purchases of foreign silver by the Treasury. With this favorable recommendation, the bill should be passed.

"The Treasury is reported to have 3,000,000,000 ounces of silver in its monetary stock. It has no need for any such accumulation. Why should it keep adding to it?"

Fargo (N. Dak.) Evening Forum, March 30, 1940:

"SILVER AND MEXICO

"* * * It is high time that we took steps to do away with this foreign silver-buying folly and that means at this session of Congress. * * * "

Virginia (Minn.) Enterprise, March 30, 1940:

"WHAT DO YOU THINK ABOUT THE UNITED STATES GOLD-, SILVER-BUYING PLAN?

"* * * Does it look like good business to buy the world's gold and silver at prices which sell Uncle Sam short?

"* * * There is no sense in underwriting foreign treasuries at the expense of America.

"Senator JOHN G. TOWNSEND, Jr., of Delaware, has presented a bill in Congress to terminate the buying of foreign silver and gold. It ought to pass, but it won't, and this because the Roosevelt administration is opposed to it."

Abilene (Tex.) Evening Reporter News, April 1, 1940:

"OVERLOADED WITH SILVER

"* * * This building up of a huge silver hoard gives away American purchasing power in return for a metal which is not needed as a money base but which adds to the potentialities of inflation. The artificial price put on it benefits the silver sellers at the expense of the Nation as a whole and rewards Mexico for appropriating American oil properties."

Little Rock (Ark.) Democrat, April 3, 1940:

"OUR SILVER-PURCHASING POLICY

"* * * Whatever permanent benefit Mexico might have derived from silver purchase has been virtually nullified by existing unsettled conditions.

"All of which makes it plain that it is an insult to the intelligence of the people to continue a policy so obviously harmful."

Bangor (Maine) Commercial, April 5, 1940:

"SILVER-PURCHASE FRAUD

"Senator TOWNSEND, of Delaware, is making a valiant effort to bring about the repeal of the act under which the Government buys foreign silver. There are few laws on the statute books for which there is less excuse."

Chicago (Ill.) Tribune, April 12, 1940:

"MEXICAN SILVER AND AMERICAN OIL

"* * * Mr. Morgenthau's purchases make it easy for the Mexican politicians to ignore Mr. Hull's notes."

Rumford (Maine) Times, April 11, 1940:

"THE NEXT STAGE

"What arbitration may accomplish, no one knows. But if we should discontinue our purchases of Mexican silver, one may be sure we would at least be talking to the Mexicans in a language they understood."

Muncie (Ind.) Star, April 8, 1940:

"BAN ON ALIEN-SILVER BUYING

"Escape from a wasteful and indefensible New Deal policy is offered in a measure to repeal President Roosevelt's authority to buy foreign silver under the Silver Purchase Act of 1934. The bill was approved by the Senate Banking and Currency Committee by a vote of 14 to 4. The bill would not apply to domestic silver. Nine Democrats voted for repeal, with the four who opposed it among the traditional New Deal supporters."

Finley (N. Dak.) Press, March 21, 1940:

"* * * We have more silver than we can use, and our policy of buying more has held our country up before the world as an easy mark. Much better would be a policy of buying tin, something we need, rather than to continue to buy silver, something we don't need."

Key West (Fla.) Citizen, April 5, 1940:

"Maybe if the United States Government stops buying those chunks of silver bullion from Mexico, that country will cease confiscating American property after it has been developed."

Macon (Ga.) Telegraph, April 13, 1940:

"* * * By way of giving the demonstrators something to think about, how would it do for American citizens to hold a few demonstrations against this Government keeping the Mexican Government going by spending tax money for Mexican silver for which it has no need and at far above the market price? Being a good neighbor comes under one head and being a good thing comes under another."

Arkadelphia (Ark.) Siftings Herald, April 2, 1940:

"* * * The purchase price of the silver, greatly in excess of the value of the silver, is Government hand-out at the expense of the taxpayers. The Government doesn't need the silver and could not dispose of it without sustaining heavy loss."

Cold Spring (N. Y.) Putnam County News, April 4, 1940:

"TOO MUCH SILVER

"One of the principal objections to the buying of foreign silver is that it builds up a huge hoard which gives away American purchasing power. In return the United States receives only a metal which is not needed for a monetary base and which increases the possibilities of inflation."

Osborn (Ohio) Herald, March 22, 1940:

"WRITE OR WIRE YOUR CONGRESSMAN

"Personally we don't think much of the idea: Write or wire your Congressman. Nor do we believe in the theory of government that it represents: Government by petition. But if we had a yen to write or wire any Congressman, we believe that we could pick a subject that would be fitting—Silver Purchase."

Rutland (Vt.) Herald, March 30, 1940:

"SOBERING UP SILVER

"* * * It is high time that foreign silver mines were removed from the relief rolls of the United States."

Yakima (Wash.) Herald, March 27, 1940:

"HALTING SILVER PURCHASES

"* * * As a matter of fact, the program did not stabilize the world price of silver, because its price still has to be bolstered by a United States Treasury quotation, nor did it bring back foreign trade to any appreciable degree. Its only accomplishment has been that of giving foreigners the opportunity of unloading silver on the United States at an inflated price."

Savannah (Ga.) News, April 4, 1940:

"STOP FOREIGN SILVER BUYING

"* * * It is not surprising that the strong public sentiment against the foreign silver buying policy, especially the buying of Mexican silver, is finally being reflected in Washington, and that a saner view is beginning to prevail, indicating that the Silver Purchase Act is to be discarded. Concerning this unwise legislation the Dallas News has said editorially, 'Of all the monetary policies that have been tried out during the last 7 years by the Federal Government, the Silver Purchase Act has proved to be the most harmful.'"

Miami (Okla.) News-Record, April 2, 1940:

"SILVER-PURCHASE FRAUD

"* * * Every reputable economist in the country knows the silver-purchase provision is a fraud, but it goes on year after year."

Lexington (Ky.) Leader, April 2, 1940:

"THE SILVER-BUYING PROGRAM

"Of all the senseless undertaking any government ever undertook, the silver-buying program of the administration has been the most senseless."

Hibbing (Minn.) Tribune, April 4, 1940:

"SILVER—A DRAB LINING

"Since Senator JOHN G. TOWNSEND, Jr., of Delaware, began his campaign for the ending of this country's silver purchases he has stirred up considerable interest throughout the country, as a few out of many comments will indicate.

"Many more newspaper quotations might be cited opposing the silver subsidy. Perhaps in time this barrage may arouse the interest of the people in this subsidy to a few silver interests in the United States and foreign countries."

Pasadena (Calif.) Star-News, March 23, 1940:

"ONE STEP TOWARD SANITY IN MONETARY POLICIES

"* * * About all that can be said in defense of the purchase of foreign silver is that it helps certain silver-producing countries and convinces them that the United States is a good neighbor, or well-meaning sucker."

Rochester (Minn.) Post Bulletin, April 8, 1940:

"SILVER-PURCHASE FRAUD

"* * * Purchases include not only the domestic production, but the Nation is paying more than the world price of foreigners. As a consequence, the Treasury has acquired 2,200,000,000 ounces of silver, at a cost of more than a billion dollars, and all it can do with it is bury it in the ground."

Oskaloosa (Iowa) Herald, April 6, 1940:

"OUR SILVER PROGRAM

"* * * It is difficult to imagine a more fantastically foolish way of paying subsidies, however, than through the Silver Purchase Act."

Marshalltown (Iowa) Times-Republican, April 10, 1940:

"ROOSEVELT'S SILVER FOLLY NEARING END

"* * * The Silver Purchase Act has been a costly failure. It has certainly not raised the price of silver to the expected $1.29 an ounce. To the contrary, the price of bar silver is 22 percent lower than the average price in June 1934, and the United States has been squandering millions of dollars to pay off a shady Mexican regime."

San Angelo (Tex.) Times, March 22, 1940:

"END SILVER BUYING

"* * * About 83 percent of the silver is purchased by the Treasury from outside the United States at double the prices paid domestically. That's a shallow sort of relief."

Cumberland (Md.) News, April 3, 1940:

"SILVER-PURCHASE FRAUD IS A BID FOR INFLATION

"* * * It is pointed out that the Treasury would have saved about $900,000,000 in the last 6 years by placing these silver miners on the pension list at $2,000 a year each instead of trying to subsidize the business."

Corbin (Ky.) Tribune, April 9, 1940:

"OVERLOADED WITH SILVER

"* * * Much of the credit for the move toward fiscal common sense goes to JOHN G. TOWNSEND, Senator from Delaware, who has campaigned for 18 months to end the authorization to buy the metal abroad under the Silver Purchase Act of 1934."

Shawnee (Okla.) News, April 11, 1940:

"THE SILVER LINING

"More and more the Nation is beginning to wake up to the fact that the silver lining in the Federal Government's silver-purchasing program is not shining for the public but is feathering the nest of a small group of mine-company owners and some foreign governments."

Sioux City (Iowa) Tribune, April 4, 1940:

"OVERLOADED WITH SILVER

"* * * The purchasing was to continue until the price reached $1.29 an ounce, or the amount on hand equaled in value one-third the gold stocks. But silver is selling at 35 cents, it has been abandoned abroad as a monetary base, and exports need its support no longer. Public censure of the whole program is increasing and should bring about its cessation."

Kendallville (Ind.) News Sun, April 1, 1940:

"ON BUYING FOREIGN SILVER

"* * * The plea that the buying of foreign silver helps our foreign trade is obviously humbug. We would help our trade, which apparently means exports, at far less cost by devoting part of the money spent for useless silver to subsidization of our exports."

Bangor (Maine) Commercial, April 5, 1940:

"SILVER-PURCHASE FRAUD

"* * * There are few laws on the statute books for which there is less excuse."

St. Louis (Mo.) Star Times, April 3, 1940:

"CHECKING THE SILVER RAIDERS

"The cost of this 6-year experiment has been monstrous. We have paid $197,949,383 for silver mined in the United States and $912,822,539 to silver miners and merchants in foreign countries. The United States has been the world's dumping ground for silver."

Moorhead (Minn.) The News, March 29, 1940:

"SILVER BUYING AS AN EXPORT SUBSIDY

"* * * In other words, we are paying an export subsidy of perhaps 50 percent on silver and that is a very unhealthy thing. A proper regard for sound economics would require us to abandon such a program and try to create conditions under which foreign countries will buy from us because they want American goods and have real means of paying for them."

Fargo (N. Dak.) Evening Forum, April 3, 1940:

"MEXICAN CONFISCATION

"* * * one wonders how long we should keep on purchasing Mexican silver in huge quantities for which we have no use, and permit Mexico to do what she pleases about Mexican policy toward the United States * * *."

Cape Girardeau (Mo.) Southeast Missourian, April 1, 1940:

"SILVER SUBSIDY BROUGHT OUT IN THE OPEN

"* * * With millions upon millions constantly pouring out into all kinds of subsidies, none of which have shown any beneficial results whatever, is it any wonder that the national debt has reached the limit while at the same time unemployment has broken all previous records and all bounds?"

St. Louis (Mo.) Star-Times, April 1, 1940:

"THE HIRED MAN CAN'T BE SMART IF HE PAYS A DOLLAR FOR 10-CENT FUEL OIL

"* * * What is done with the silver? Why, it is buried in the ground and guarded by troops. It is something over eleven hundred million dollars' worth of junk.

"* * * If that doesn't disturb your confidence in the wisdom and trustworthiness of your agents in Washington, you are easy to please."

Waukesha (Wis.) Freeman, April 3, 1940:

"SILVER PURCHASE FRAUD

"* * * The purchases are also kept up because they benefit China and Mexico, but even if Uncle Sam had taken care of those two countries by making them outright gifts to the extent of the silver profits they have made, it would have saved the Nation half a billion dollars."

Independence (Kans.) Reporter, April 17, 1940:

"GOLD DOG CHASES ITS SILVER TAIL

"* * * The high price the country pays for gold is so profitable to gold-mine owners that they produce the yellow metal so rapidly, that the world can't produce silver fast enough to make the 1 to 3 ratio possible. And Congress, hurrying to finish its session so Members can go home to ask people to return them to office, can't find time to end this dizzy business of the gold dog chasing its silver tail."

Mankato (Minn.) Free Press, April 2, 1940:

"THE SILVER MUDDLE

"* * * the Treasury has acquired 2,200,000,000 ounces of silver at a cost of more than a billion dollars, and all it can do with it is bury it in the ground."

St. Cloud (Minn.) Times-Journal, April 3, 1940:

"STOP FOREIGN SILVER PURCHASES

"* * * Public sentiment against this policy, particularly against the buying of Mexican silver, has been growing steadily during the past 2 years. The Texas Weekly commenting on the decisive vote by which the Committee on Banking and Currency recommended the passage of the Townsend Act says, 'There was never any convincing argument in its favor nor any public demand for it in the first place. Now that the sentiment against it is finally being felt in Washington, it may be taken for granted that its days are numbered.'"

Portland (Oreg.) Oregon Journal, April 7, 1940:

"THIS SILVER ISSUE: THE JUSTICE IN IT

"* * * In short, the United States, which has already purchased more than $1,000,000,000 worth of unnecessary silver, is sustaining a Mexican regime that is definitely unfriendly and is buying from Japan what was undoubtedly seized from Chinese mines, thus helping to prolong and sustain Japan's inexcusable invasion of China."

Denton (Texas) Record-Chronicle, April 3, 1940:

"CONTEMPORARY THOUGHT

" * * * * In short, benefits predicted in 1934 have not been realized and arguments for retaining such buying are no longer tenable."

Boone (Iowa) News-Republican, March 28, 1940:

"Maybe, just maybe, Congress will put an end to the reckless silver-buying policy. A start has been made, but you never can count on any congressional action until it is a matter of record."

Framingham (Mass.) The News, April 4, 1940:

"THE SILVER-PURCHASE FRAUD

"Purchases include not only the domestic product, but the Nation is paying more than the world price to foreigners. As a consequence the Treasury has acquired 2,200,000,000 ounces of silver at a cost of more than a billion dollars, and all it can do with it is bury it in the ground."

Niagara Falls (N. Y.) Gazette, April 2, 1940:

"THE SILVER-PURCHASE FRAUD

" * * * * It is pointed out that the Treasury would have saved about $900,000,000 in the last 6 years by placing these silver miners on the pension list at $2,000 a year instead of trying to subsidize the business."

The Farmington (Mich.) Enterprise, March 28, 1940:

"THE FLOATING DOLLAR

"And yet the President has the authority also to increase the theoretical 'monetary' price of silver to about $2.15 in accordance with the new price of gold, or to $2.58, if he should further devalue the dollar to half its former gold content. Certainly there is no need to keep these potentialities of inflation on the books."

Pueblo (Calif.) Star Journal, March 21, 1940:

"WHY SHOULD WE BUY FOREIGN SILVER?

"* * * Why we should continue this policy is a question which is hard to understand. We get poked in the nose on one hand and give out alms to the same people on the other."

Corpus Christi (Tex.) Caller, March 24, 1940:

"SILVER AND GOLD

"* * * A good old-fashioned knock-down-and-drag-out debate in the Senate on the silver and gold question would serve to clear the atmosphere a lot."

Phoenix (Ariz.) Arizona Republic, March 26, 1940:

"SILVER-PURCHASING PROGRAM CREATED A NATIONAL 'WHITE ELEPHANT'

"The goal sought is just as far away now as it was when the silver-purchasing program was started. We have been unable to collect the war debts except in the case of Finland. We have a stock of silver bought from foreign nations that can't be resold to them without a heavy loss."

CIVIL AERONAUTICS AUTHORITY AND AIR SAFETY BOARD

Mr. LUNDEEN. Mr. President, the country has been shocked by the proposed reorganization of the Civil Aeronautics Authority. Those closely familiar with the history and development of this efficient board and the general public have expressed the gravest apprehension at this move to destroy its independence.

A GREAT RECORD

We have seen many new agencies of government formed since 1887, when the Interstate Commerce Commission appeared. Among them all, that Commission has won a place

meriting and receiving universal acclaim. Yet even that Commission during its early years made no such record as the splendid record of achievement and of progress which the Civil Aeronautics Authority has written during the less than 2 years of its existence. I wish to say here that I was glad to support that bill and to follow the leadership of the distinguished Senator from Nevada [Mr. McCARRAN] who so ably presented it to the Senate. Certainly among governmental agencies recently formed none has made so profoundly favorable an impression upon the public mind as that created by the energetic, disinterested, and competent work which the Authority has so successfully accomplished.

SHIFTING AND UNCERTAIN GOVERNMENTAL POLICY

For 20 years prior to the creation of the Authority in 1938 civil aeronautics had been plagued by the vagaries of politics. Shifting and uncertain governmental policy, moves dictated by purely political considerations, and hopeless incompetence at the hands of government had ever since the end of the World War denied to civil aeronautics the high place which the genius of our people deserved. It is true, of course, that many men in government displayed unselfish devotion in tireless efforts to build for this country a civil aeronautics industry which would be second to none; but all too often these efforts were frustrated. Again and again during the two decades between the end of the World War and the creation of the Civil Aeronautics Authority changes in the statutes and in the governmental relationships affecting civil aeronautics threw the industry into confusion. No fixed governmental policy was adhered to for any appreciable length of time under which the industry could achieve stability. There was no consistent policy for encouraging and developing private and miscellaneous flying. The scheduled air transport industry, in the face of handicaps due to instability of governmental policy, had prior to 1938 struggled ahead—by no means so far as it might have, had governmental policies been clear and consistent, but nevertheless it had to some extent overcome these handicaps. But by 1938 private and miscellaneous flying was in such a state that our country could claim no appreciable advance in the course of nearly a decade.

SITUATION SERIOUS

This situation was serious. In fact, as other countries, our rivals abroad appreciated more clearly than we the vast potentialities of the airplane, and built more surely than we their civil and military activities in the air; this Nation in 1938 was threatened with a hopelessly second-rate position. It was bad enough that for purposes of business and pleasure our country should not enjoy a civil aeronautical development which was its due; but even worse and more dangerous was it that our military power in the air was threatened by the amazing pace pursued by other nations.

OUR MILITARY AIR POSITION

The weakness of our military position was not so much that our fighting planes were lacking in quality, or that our brave aviators were lacking in skill. Rather, the fundamental weakness of our position was that there was no backlog of manufacturing capacity which could provide for our fighting forces the vast equipment which they would need in time of emergency. The fighting strength of the modern nation depends upon its factories and upon the productive capacity of those factories under the stress of war. In the war of today the aircraft which will win must be built during time of war, and the factories and the industry to build them must be available when war begins, and the skills that make more successful pilots and mechanics must be cultivated, at least in part, before hostilities break out. In short, the modern nation, if its air arm is to be strong and true, must have available during peacetime, against the eventuality of war, hundreds of thousands of men and enormous manufacturing capacity ready at an instant to be devoted to the defense of the nation.

DEVELOPMENT OF PEACETIME INDUSTRY

This backlog which must be built up in time of peace can be secured in only one practical way, and that is through the development of a peacetime industry composed of scheduled air transportation and of private and of miscellaneous flying which will keep our aircraft factories busy and expanding, which will spread, among hundreds of thousands of our young men, the knowledge and the skills necessary to the operation and the maintenance of aircraft.

In 1938, upon taking stock of our civil aeronautics, we became aware that we had dismally failed to provide civil aeronautics which would furnish this backlog. Committees of the Congress, the President and his executive departments, and groups within the scheduled air-transport industry and among the private and miscellaneous fliers, had been giving this matter most serious study for a period of many years preceding 1938.

A PERMANENT AND STABLE GOVERNMENTAL POLICY

In the early years of the 1930's suggestions had begun to multiply for the creation by the Government of a separate and independent commission which could furnish the instrument through which a permanent and stable governmental policy for the promotion and sound development of civil aeronautics could be executed. In 1935 a commission appointed by the President and authorized by the Congress to study this matter issued a well-considered and carefully formulated report strongly recommending that a permanent statute setting forth a permanent governmental policy should be adopted by Congress, and that its administration should be in the hands of an independent commission. Although for a time the President apparently entertained the view that the regulation of air transportation should be undertaken by the Interstate Commerce Commission, upon further consideration, and upon a profound study in the latter part of 1937 by the representatives of five executive departments, the President recommended that an independent commission should be created in order that the regulation and development of all civil aeronautics could be centered in one place.

Committees of the Congress which had been diligently at work upon this problem ever since 1934 investigating, drafting bills, and making reports immediately set to work to prepare the bill which eventually became the Civil Aeronautics Act. In January of 1939, after the bill had been enacted, the President of the United States, in a letter written to the National Aviation Forum, stated the basic truth which Congress and the President had so clearly recognized. "Civil aviation," he said, "is clearly recognized as the backlog of national defense in the Civil Aeronautics Act, which set up the effective machinery for a comprehensive national policy with respect to the air."

EFFECTIVE MACHINERY ESSENTIAL

The effective machinery to which the President referred was the Civil Aeronautics Authority and its Administrator provided for in the Civil Aeronautics Act. That machinery was not hastily created. It was deliberately and carefully formed. The cardinal principle pursued was that the Authority should be absolutely independent of the political departments of government. A disastrous and costly and sad experience with the old Bureau of Air Commerce had confirmed the judgment that the first requisite to effective machinery and sound governmental policy was the creation of an independent governmental agency which could build a competent staff, which could act fearlessly and efficiently, free of the pressures and jealousies encountered in a political department.

BUILDING OUR AIRWAYS

Under the act there was provision for certain executive functions—the function of building airways, of engaging in developmental and promotional activities—and those functions were bestowed upon a single man, the Administrator of the Civil Aeronautics Authority, who would be responsible directly to the President; but all matters of regulation of both the economics and the safety of air transportation and of private and of miscellaneous flying were placed within the jurisdiction of a five-man Authority independent of the President. Cooperation by the Administrator and the Authority was provided for through specific provisions in the act. The ultimate supremacy of the Authority and its ultimate power to coordinate the activities between it and the

Administrator were assured through the provision in the act that all expenditures of funds, either for the Authority or the Administrator, were to be made by the Authority itself (sec. 204 (a)). The act also provided that the Authority might at any time require that the Administrator make reports to it concerning his work and his stewardship (sec. 308). Furthermore, for the more effective handling of the agency's work, it provided that the Authority might delegate certain additional functions to the Administrator which he would perform under the Authority's direction (sec. 308). The act likewise set up an Air Safety Board for the independent investigation of accidents, and for the making of recommendations based upon investigations that would prevent accidents in the future.

Thus, with a careful division of functions, but without sacrificing the coherence and the independence of the agency itself, the effective machinery, as the President described it, was created. The method of organization was new, and, in the judgment of Congress and of the President, was suited especially to the peculiar needs of civil aeronautics.

STRIKING ACHIEVEMENTS

Even with such a new type of organization, and with few precedents to guide it, the Civil Aeronautics Authority and the Administrator rapidly inaugurated the work which Congress had set forth for them to perform. In an amazingly short time this new agency began to make striking achievements.

The record made by the Authority in a little over a year and a half is well known. We cannot add to its luster. It speaks for itself more eloquently than words. In March of 1939 there occurred the last accident in domestic scheduled air transportation resulting in fatalities or serious injury. More than a year has elapsed since then without an accident. As for the development of our air transportation abroad, our flag has been carried in a pioneering route across the Atlantic to the Old World, new routes have been laid out into the southern seas, and in all that time there has been only one mishap on our lines to foreign countries, and in the profoundly important operation to Europe there has been not a single accident. Two United States Senators and two Members of the House—Senators Chavez and Lundeen and Congressmen Cannon and Mapes—have made the journey to Europe over those lines.

A DREAM COME TRUE

Never before in the history of aviation, either in this country or in other countries the world over, has there been so remarkable a record. It has been like a dream come true—a dream which only the daring would permit themselves to think of 2 short years ago. The safety record in this country in our domestic air transportation since the Authority began its work has actually been better than that of the railroads.

UNSURPASSED DEVOTION TO DUTY

If 2 short years ago only the daring would permit themselves to dream of such an ambitious achievement. Fortunately for our Nation and its welfare the members of the Civil Aeronautics Authority and the Administrator were numbered among those who dared to be so ambitious. With unrelenting toil, with unsurpassed devotion to duty, they and their staff, amassing thousands of hours of overtime, set to work with a singleness of purpose and with a zeal to accomplish the impossible. And already the impossible has become an accomplished fact. Scan the pages of our history, or of the history of any other nation, search as you will, never can you find a record so remarkable and so fraught with promise for the future welfare of humanity.

CIVILIAN PILOT-TRAINING PROGRAM

Stupendous as this accomplishment has been, the Authority was not, however, content with its work in the field of scheduled air transportation. From the very first it was fully conscious of the need to make up for precious ground lost in the development of private and miscellaneous flying. Its accomplishments in that field have been as dramatic and as notable as in the field of scheduled air transportation. Chief among them, and standing out as the finest example of our democratic way of doing things, is the civilian pilot-training program which the Authority has undertaken with the sanction of Congress.

VAST PROGRAM AHEAD

A vast program, worked out in cooperation with the universities, is now in full sway, and through it there are being introduced every day to the mysteries and the delights of the air hundreds of young men and young women. The undertaking was itself a delicate one. It was not one for the faint-hearted. It meant assuming responsibility for the instruction and the training of hundreds of our boys and girls, and for assuring conditions where there could be no compromise with safety. Imagine, if you can, the old Bureau of Air Commerce, rent by politics and plagued by incompetence, undertaking a program such as this. Imagine, if you can, the parents of our Nation entrusting their children to the mercies of the old Bureau of Air Commerce, distrusted as it was by investigating committees of the Congress and by the judgment of the public. Only an agency of unquestioned integrity, of absolute independence, and of singleness of purpose, such as the Civil Aeronautics Authority, could succeed in so delicate, yet so vital, an undertaking. And the Authority has succeeded. This program is today in full swing, and it means more to our national defense than the expenditure of billions. It is an investment, furthermore, made in the democratic way. They have absolute freedom to make such use of their new skill and knowledge in pursuits of business or pleasure as they wish.

With this record of accomplishment, it is, then, little wonder that the country has been shocked at the proposal to reorganize the Civil Aeronautics Authority, to place it in the Department of Commerce, to deprive it of its independence, and to return civil aviation to a department which long ago outlived its usefulness.

Where there is no vision, the people perish.

The Civil Aeronautics Authority has planned a mighty present and visioned a grand and glorious future.

Mr. President, I ask that certain statements and articles bearing on this subject be printed in the RECORD.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[From the Civil Aeronautics Journal of April 15, 1940]

AIR LINES FLY ENTIRE YEAR WITHOUT ACCIDENT—12-MONTH PERIOD COMPLETED WITHOUT FATAL ACCIDENT OR SERIOUS INJURY ON DOMESTIC LINES—2,000,000 PASSENGERS CARRIED—PRESIDENT ROOSEVELT CONGRATULATES AIR LINES AND C. A. A.

On the morning of March 26, 1940, at a few minutes before 4 o'clock (eastern standard time), the domestic air lines of the United States completed an entire year of flying without fatal accident or serious injury to passenger, crew member, or other person. During this 12-month period the air lines, flying a total of more than 87,000,000 miles, transported safely more than 2,000,000 passengers for an aggregate of nearly 815,000,000 passenger-miles, thus setting new all-time records for any national air-line system.

The reaching of this safety milestone was dramatically signalized when, at 3:50 a. m. on March 26, the following message was dispatched from Washington over the 30,000 miles of teletypewriter circuit operated by the Civil Aeronautics Authority:

"Notam:[1] Heartiest congratulations to all air line, Civil Aeronautics Authority, and Weather Bureau personnel upon completion of an entire year of air-line safety. This is one of the outstanding achievements in the history of transportation.

"(Signed) ROBERT HINCKLEY,
"Chairman, Civil Aeronautics Authority,
"CLINTON HESTER,
"Administrator, Civil Aeronautics Authority,
"TOM HARDIN,
"Chairman, Air Safety Board."

Within a few minutes this message had been transmitted by radio to some 208 air-line planes then in flight. Later, at breakfast, approximately 3,000 passengers traveling in those planes received copies of the message countersigned by the captain of their plane as souvenirs of the event.

President Roosevelt, in a letter to Chairman Hinckley, hailed the accomplishment of the safety record and requested that his congratulations be sent to every air-line employee and all C. A. A. personnel. Copies of the President's letter were forwarded by air mail, special delivery, to the heads of all air-line companies, to the president of the Air Line Pilots Association, and to the chiefs of the Authority's own regional offices, and arrangements were

[1] Notice to airmen.

made to send reproductions of the letter to every air-line and C. A. A. employee. The President's letter was as follows:

"MY DEAR BOB: The news that our domestic air lines will on March 26 complete an entire year of flying without a single fatal accident is indeed gratifying. Will you please extend my heartiest congratulations to every last employee of the air lines—be he field boy, pilot, or president—and to your own personnel in the Civil Aeronautics Authority.

"I am deeply impressed by reports submitted to me showing that, during the year now closing, our domestic air lines have flown 87,325,145 revenue plane-miles; carried 2,030,000 passengers, flown 814,906,250 passenger-miles, a truly remarkable aggregate. Looking behind this record, in which we can all take such pardonable pride, we find it has been achieved through cooperation and teamwork between the personnel of the air-transport lines and workers in the Federal Government. I trust that this cooperation may continue with like satisfactory results through the years ahead.

"FRANKLIN D. ROOSEVELT."

Col. Charles A. Lindbergh also wrote in recognition of the air-line safety record. The text of his letter, which was addressed to Chairman Hinckley, follows:

"Thank you very much for sending me the air-line safety record for the past year. I regard this as one of the most significant advances ever made in commercial aviation.

"A safety record approaching a billion passenger-miles without fatality indicates that the day is not very far in the future when most first-class travel will be by air.

"When one considers that the original problems of speed and cost of air transport have already been largely overcome, and that the development of instruments and radio will soon make scheduled operations possible under all but the most extraordinary conditions of weather, it seems clear that the air lines have passed their period of infancy and youth, and now demand their place among the mature transport systems of the world. Much still remains to be done in the extension of routes and the development of aircraft, but one may now look toward the future with as much confidence as we had hope 10 years ago. It is no longer necessary to speak of what air transport may accomplish. Our hopes have become facts with amazing rapidity, and in many instances the facts have already outdistanced our vision. I know of no one who would have dared to dream, 10 years ago, of a safety record in 1939 of over 800,000,000 miles without a fatality. Such a record is truly a milestone in the history of aviation."

Chairman Hinckley, en route to the west coast, discussed the safety record and read the President's comment on it over a Nation-wide radio broadcast from Salt Lake City, Utah, on the evening of March 26. The Chairman pointed out that the record was especially significant because it was not accomplished by shackling air transport with unnecessary and useless regulations.

"It was not accomplished at a sacrifice of the services offered by the air lines to the American public," he said. "Quite the contrary. During the 12 months just ended our common carriers of the air flew more than 87,000,000 miles. That is equivalent to flying 10 times around the world at the equator every day of the year. It is roughly equal to the total of air-line flying logged during the same period in all the rest of the world put together. It is 16,000,000 more miles of flying than was ever done in this country in any preceding year.

"The domestic air-line system of the United States is the only one in the world that flies as much by night as by day. This past year it flew almost as many miles each 24 hours during the winter as during the best weather of last summer. In fact, it set its all-time monthly record in December. Yet in spite of this intense activity, not one passenger, not one crew member, not one bystander was so much as seriously injured through the operation of this transport system."

Paying the highest tribute to the personnel of the Nation's air lines, Chairman Hinckley added, "As President Roosevelt has indicated, this safety record has been achieved through the teamwork of many thousands of individuals. It is particularly significant because it required the complete cooperation between an entire industry and the governmental agency set up for its assistance."

Clinton M. Hester, Administrator of the Authority, expressed his appreciation of the cooperation the Authority had received from the air lines and added a word for the field force of the Authority.

"I want to take this opportunity," he said, "to send a special message of appreciation to the hundreds of Civil Aeronautics Authority employees who man the Federal airways system. Twenty-four hours a day, in the blizzards atop the Rockies, in the blazing heat of the deserts, or wherever these men have been stationed, they have kept the beacons lighted, they have kept the radio ranges working accurately, they have stood radio watches to transmit weather reports and to answer the questions of pilots in the air. From traffic-control centers at key points they have watched, day and night, the movement of every air line over 25,000 miles of airways. Their share of the credit for this achievement must be particularly nameless. But there is not a man amongst them who has not contributed heavily toward it."

Tom Hardin, Chairman of the Air Safety Board of the Civil Aeronautics Authority, likewise joined in praise of the air lines.

"During the winter of 1938 and the early spring of 1939," he said, "there were but three fatal accidents on the domestic air lines. That in itself was an all-time safety record, but the air lines were not content to rest upon it. In each case, experts of the Air Safety Board were able accurately to determine the causes of those three accidents. The Board's findings and studies by the Authority's Bureau of Safety Regulation have resulted in changes in aircraft design and revisions of operating procedures of nearly every air line in the country. Most of these revisions were made voluntarily by the manufacturers and operators without the necessity of new regulations being issued by the Authority.

"The air lines were able to do this because of the stabilization of their business, brought about by the enactment of the Civil Aeronautics Act of 1938. To substantiate that statement one has only to compare conditions before the enactment of the act when competition, sometimes to a dangerous extent, was forced upon the air lines. Almost the first thing the Authority did on assuming office was to assure the air lines that under the ample powers delegated to it as an independent body responsible only to Congress, those who refrained from dangerous competitive practices would be protected. That was all that was needed. This year's fine record speaks of itself for the result."

Comparative statistics for the 12-month periods ending March 26 of 1940, 1939, and 1938 are shown in the following table:

Domestic air-carrier operations and accident statistics for the yearly periods, Mar. 27, 1937–Mar. 26, 1938; Mar. 27, 1938–Mar. 26, 1939; and Mar. 27, 1939–Mar. 26, 1940

	Period ending Mar. 26, 1938	Period ending Mar. 26, 1939	Period ending Mar. 26, 1940
Miles flown	67,002,154	71,080,308	87,325,145
Total passengers carried	1,157,735	1,389,818	2,028,817
Total passenger-miles	503,484,761	565,220,938	814,906,250
Fatal accidents	4	5	0
Fatal passenger accidents	4	5	0
Passenger fatalities	32	20	0
Crew fatalities	10	8	0
Miles flown per fatal accident	16,750,539	14,216,062	----------
Miles flown per fatal passenger accident	16,750,539	14,216,026	----------
Passenger-miles flown per passenger fatality	15,733,899	28,261,047	----------
Miles flown per crew fatality	6,700,215	8,885,039	----------

[From the Washington Evening Star of August 1, 1939]

CIVIL AIR BODY'S CHIEF TELLS OF FIRST YEAR'S WORK ON RADIO FORUM—ROBERT HINCKLEY ALSO DISCUSSES PROGRESS OF CIVIL AVIATION

Robert H. Hinckley, chairman of the Civil Aeronautics Authority, discussed the first year's work and progress of the C. A. A. in the National Radio Forum, arranged by the Star and broadcast over a Nation-wide network of the National Broadcasting Co., August 1, 1939. The text of his address follows:

With the organization of the Civil Aeronautics Authority just a year ago, the relation of this Government to civil aviation was set on a new footing. After a year of experience we can take a new look at aviation's position. Scarcely more than an infant in years, much of its development has been through years of unprecedented depression. Yet the record of its achievement would have been fabulous even in the supremely prosperous 1020's.

When the Government began to publish records on civil air transportation 13 years ago, air-transport lines were operating on 8,000 miles of routes within the United States. Tonight they are serving over 36,000 miles of air routes within the United States and over 47,000 miles in foreign countries and American-built airplanes under foreign ownership and pilotage fly on many thousands of miles in addition. In a dozen years the spread of American-operated air transport has increased tenfold.

Like the clipper ships of a hundred years ago, the air lines established by American enterprise with Government encouragement and sponsorship range nearly from one Arctic region to the other, cover both oceans, and touch upon a hundred ports, both great and small. During the few minutes in which I talk to you tonight, American transport planes will have traveled a distance greater than that from Miami to Seattle. The miles that they fly daily and the passengers that they carry almost double the combined figures of the air lines of Great Britain, France, Germany, and Italy.

THREE HUNDRED PERCENT INCREASE

In the whole year of 1926, our commercial air lines carried no more people than could be seated in many an auditorium. During the 12 months just ended they carried more than the population of Detroit or Los Angeles. For every air traveler in 1926 there are 300 today.

More than 2,000 prepared landing places for aircraft spot the map of the United States, 11,000 airplanes use those airports, and there are 26,000 pilots to use the airplanes. In the year since the Civil Aeronautics Authority took office passenger travel by air has increased by a third, and the number of pilots is 5,500 more than it was a year ago.

All of these figures and illustrations add up to a single conclusion. They dramatize the fact that, moving irresistibly ahead, American civil aviation has multiplied itself many times over, without check by economic disturbance. American civil aviation has become big business.

In aviation's growth it encountered laws and regulations, and even the development plans of cities that had been drafted without consideration of the needs of this fastest-growing youngster in the transportation family. Aviation's many problems were parceled out piecemeal to whatever public agencies seemed fitted to cope with them. The Department of Agriculture handled its

weather reports; the Department of Commerce, its airports and airways problems; the Post Office Department awarded the contracts for carrying the mails; the Interstate Commerce Commission fixed the rates at which the air lines would thereafter be paid for mail service; and the Departments of State, War, Navy, Treasury, and other agencies of government all intervened to varying degrees.

RAN WILD IN THE THIRTIES

The aviation business ran wild in the early 1930's. In a frenzied effort to get control of air routes, transport companies made suicidal bids on air-mail contracts and engaged in so many types of cutthroat competition that by 1938 over 80 percent of the country's transport firms had failed. It was said that more than half of all private capital invested in American air transport had been lost. The situation is fairly expressed in the report of a committee of the House of Representatives early last year. That report said:

"The result of this chaotic situation has been to shake the faith of the investing public in the financial stability of the air carriers and to prevent the flow of funds into the industry."

The committee of Congress that I have just quoted had been investigating a proposal to create a new independent Federal agency, the Civil Aeronautics Authority, designed expressly to draw together at one point all the governmental relationships to civil aviation, then so widely scattered.

Just a year ago Congress passed the law which set up the Civil Aeronautics Authority, not as something to harass the industry, but on the industry's own recommendation and request to provide a central agency through which Government would watch the interests both of the industry and the general public. So far as this is regulation, it has been sought by those regulated.

COMPOSED OF THREE ELEMENTS

Administratively, this Civil Aeronautics Authority is composed of three elements: The Authority of five members, which develops economic and safety policies and enforces them through its Bureaus of Economic and Safety Regulation; an administrator, whose principal concern is the construction and operation of the vast ground plant of the Federal airways system; a three-man safety board, which is left free of restriction and charged with the duty of finding out actual facts concerning accidents.

At this point I would like to thank the National Broadcasting Co. and the Washington Star, not only for myself and the individual members of the Authority, but also for the Administrator and the Safety Board, for making possible this radio report to the public.

In the light of world events during the past year, most of us now understand the reason that Congress had for passing the Civil Aeronautics Act. Congress was thinking far beyond the long-recognized importance of airplanes to the postal service and said so in the new law. Air transport had to be strengthened because of its vital importance both in modern commerce and in national defense.

In its relation to the economic problems of air transportation the Civil Aeronautics Act enters wholly new territory. In the first place, it puts an end to the unrestrained, cutthroat competition among air carriers which a year ago threatened the wreck of the industry, by requiring that the test of public convenience and necessity be met before a new line could be established. The new law also gives the Civil Aeronautics Authority the power and responsibility of determining the amounts that air lines are to receive from the Government for the transportation of mail. The determination has to be made after considering both the needs of the community for the service to be rendered, and the need of the transport company for an amount of revenue sufficient to serve the public properly.

FIXING OF MAIL PAYMENT

An air line is a permanently continuing enterprise. It comes into existence, in most cases, partly because of the desire for improved postal service. To insure that such service can be supplied and at the same time to permit the development of an air transportation system that will properly care for passenger and express transportation and meet the national defense, the payment to be made for the carriage of mail must be fixed after examining all the circumstances of the particular route and keeping a continuous watch on all the changes that they undergo.

The way in which mail compensation is paid can largely determine the kind of service that is rendered and the manner of its development. It is the Authority's policy to seek means of payment that will provide the greatest possible incentive for development on sound commercial lines and the display of commercial initiative in seeking increased traffic.

Payments must be sufficient to make it possible for an efficient management to do everything necessary to keep the service at the highest standard of safety and reliability.

NOT A SUBSIDY

Air transportation has a status similar to that of some other classes of mail service for which it is traditional to pay amounts sufficient to insure that they will be adequately performed, even though the expense thereby incurred exceeds the postage on mail that is carried. One sometimes hears the word "subsidy" used as if all payments for the carriage of mail by air could be properly so described. To pay the sum necessary for the proper maintenance of a necessary public service would hardly seem to be a subsidy in any event; but certainly it would be absurd to describe as subsidy the amounts paid for the maintenance of a service which automatically and at the very same moment brings most of its cost back to the Treasury in Washington. That part of the pay for carrying air mail which is covered by the postage on the letters does not come from the Government, but from the people who mail the letters. The Government is merely the channel of transmission, and that is not subsidy.

The whole domestic air-transport system has been swift in its approach to a balance of the Government's books in that sense. For the fiscal year 1938, the last for which figures are complete, the total amount paid out to air-transport lines for carrying air mail within the United States was some $15,712,000, whereas the Post Office Department's computation of the total postage on air-mail letters showed about $15,301,000. While a part of the postal receipts may of course be regarded as having been spent for handling the letters on the ground and making the final delivery, the striking fact remains that last year the United States Government paid to domestic air lines only about $411,000 more than came back to the Post Office through purchase of air-mail stamps, as against eight times that amount of direct deficit in 1936, and a difference of more than $14,500,000 in 1932. For the fiscal year just ended, the postal revenue may be expected for the first time to exceed direct payments to domestic air lines.

AVIATION'S GROWTH

There will be further extensions of the air transport network. Some of them will require rates which will substantially exceed the postal revenue that may be expected. From the moment when each line is established, however, it begins a development of inherent commercial and economic strength that tends on the whole to a steady reduction of its dependence on Government.

One of the most dramatic aspects of American civil aviation in which the Civil Aeronautics Authority has been engaged in the past 12 months has been its expansion beyond our own borders. In 12 years the route mileage operated has shown the almost unbelievable increase of 30,000 percent. Last year our foreign routes alone carried 192,000 passengers.

These far-flung, high-speed facilities also are vitally important to commerce and national defense. To the north and south they bind the commercial interests of the two Americas much closer together. And across the broad oceans our clippers show the way to the world in luxury, economy, and efficiency. Our great airliners are now being purchased in many nations, and these purchases make it possible for us to maintain at home manufacturing plants which would be priceless in any emergency.

ACTIVITIES GO AROUND THE WORLD

To serve our foreign air routes, the responsibilities and activities of the Civil Aeronautics Authority extend in varying degrees literally around the world. One American company has within the past 2 months inaugurated regular commercial air service between the United States and Europe, while a second is completing survey flights looking toward similar commercial service in the future.

Behind these great accomplishments are months of intensive study and work not only by the Civil Aeronautics Authority, but by other agencies of Government, producing for the first time a definite national policy on trans-Atlantic air service.

In close cooperation with the State Department, we have been active in a great number of international aviation conferences and in conducting diplomatic negotiations for aviation agreements with other countries.

No form of transportation could succeed if it asked its patrons to assume undue risks, and in the recent record of air transportation nothing is more impressive than its high standard of safety. In the 12 months that ended last night, the domestic air lines of the United States flew more than 73,000,000 miles with passengers, and carried an average of more than 8 passengers in each airplane, yet there were fewer serious accidents than in any year since 1926, when there was less air-line flying in that year than there is now in a month.

SAFETY DOUBLED

By any of the conventional statistics by which safety is measured, air transport during the 12 months just ended has been more than twice as safe as in any past year.

I can report tonight that there have been more than 28,000,000 miles of air-line flying since any life has been lost in an air-line accident. The total amount of passenger traffic during that "no accident" period has been equivalent to moving the entire half-million population of the city of Buffalo from their present home to Chicago without a single mishap, or of transporting the entire Regular Army of the United States from New Orleans to New York with a similar freedom from misadventure.

The superstitious may feel that I should knock on wood when I recite such figures, but it is not necessary to regard them in superstition's light, for they are not the result of luck. They are the result of hard work and wise planning, great skill, and great care. They tell a story of air-transport lines and their people, and of Government and its people, all pulling together.

Constantly improving standards of safety come from a constant emphasis on safety, and an insistence that no chances shall ever be taken and no precaution neglected. They come from the air-line pilots' pride in their profession and constant study to meet its demands. They come from the work of research laboratories and airplane designers in improving the airplanes, and from that of the Civil Aeronautics Authority in setting the requirements that new airplanes must be able to meet in all matters affecting safety.

CONTRIBUTIONS TO SAFETY

Increased safety comes from the research of the air-line operators on means of navigating safely and surely to the intended landing

place, and from the research of the Civil Aeronautics Authority's own people in the same field.

Safety comes from 25,000 miles of modern airways, lighted and furnished with a network of radio beams for guidance, and radio markers of various types to give the pilot his location along his course—a vast ground plant set up and maintained under the direction of the Administrator in the Civil Aeronautics Authority, and improved from time to time as new discoveries in radio science permit.

Finally safety comes from the ceaseless study of accidents—not only the accidents that have happened but those that might possibly happen and that can be prevented if they are foreseen and the necessary precautions taken. It is for precisely that purpose that the Air Safety Board was established within the Civil Aeronautics Authority, having no other responsibilities to break into its time, and free to devote itself exclusively to study and recommendations that will save lives and increase public confidence in the airplane.

Take all the work of Government, add to it the constant efforts of the aircraft industry in its various parts, and you will know why we look forward with confidence to seeing air transportation break its own safety records over and over again.

THIRTEEN COLLEGE TRAINING COURSES

Almost as soon as it was organized, the Authority began to develop a plan for training a large number of civilian pilots. As a trial effort, with the aid of funds from the National Youth Administration, we already have conducted 13 training courses at as many colleges in various parts of the country—courses using not only the college facilities, but those at nearby flying fields. At the first 9 schools to get this course under way, 220 students were enrolled; and of these, 215 already have received their private-flying certificates.

We believe that these experiments are the beginning of proof that a very large percentage of the general public can fly airplanes—particularly since qualified instructors are extravagant in their praise of these graduates, rating their general level of efficiency far above the graduates of flying schools that have not heretofore employed the well-planned flight course now prepared by the Authority.

On the basis of this experience we asked, and Congress has authorized, a much larger program for the future.

This program is in line with the democratic philosophy which maintains that one of the best means for national defense is the development of civilian personnel and facilities which can be quickly turned to defense when emergency arises, but which may be used for peacetime activities if no such emergency develops.

PROGRAM WON'T BE A LOSS

If no military emergency develops there will be no economic loss. These pilots will use their training in aviation in peaceful pursuits. As mechanics in airplane and airplane-motor factories, as dispatchers in the airport towers, as workers in the weather stations, as radiomen, as aeronautical engineers, as airport managers, as administrators and executives in aviation companies, they will be more efficient and therefore more desirable workers because of their knowledge and skill as pilots. Furthermore, they and their friends and families are more likely to become customers of the scheduled airlines. Many will be purchasers of airplanes for business and for pleasure.

Already the effect of our small experimental training program has been felt by the light-plane industry. All companies manufacturing light airplanes report increased business and some of them report difficulty in filling orders in spite of 100-percent increase in their production. Certainly the increased employment that will grow out of the proposed training program will be a byproduct that will not be the least of its desirable features.

That is the story I wanted to tell you—the story of how American civil aviation has become today supreme in the world, and of how the aviation agency of your Government—the Civil Aeronautics Authority—has coordinated the Government's part in this achievement, during its first year of existence.

Should anyone come before the microphone a year from now to speak to a similar title, the figures he will give you will be still more impressive; the industries that deal with civil aviation will be producing still more planes, and flying still more miles with even greater safety; and still more of you in the radio audience will listen to him with more understanding interest because you will have become regular air travelers and users of aviation's service.

[From Air Line Pilots of February 1940]

AIR SAFETY BOARD LAUDED BY LUNDEEN—FROM A SPEECH MADE BY SENATOR ERNEST LUNDEEN, MINNESOTA, BEFORE THE UNITED STATES SENATE

Though every possible aid to safe flying, technically and economically, be provided in the Federal airways and though every possible precaution be taken in the certification of the aircraft and the airmen permitted to use them, accidents still occur in flying as they do in most other human activities. Why? To answer that very proper question and to prevent, so far as possible, the recurrence of flying accidents, Congress, in the Civil Aeronautics Act of 1938, created the Air Safety Board, within the Civil Aeronautics Authority but in many ways independent of it.

This Board of three members has its own staff of experts. To it is reported every aircraft accident that occurs in the United States or on the lines of American companies operating into foreign territory. Each of those accidents is investigated. A finding on each is reported to the Authority. Wherever necessary, as the result of this investigation and report, recommendations are made to prevent the recurrence of a similar accident. In general, these recommendations call for changes in airplane construction or operation where such change is indicated by the facts of the accident, or for punishment of individuals who may have been responsible, either through suspension or revocation of certificates or through fines. In the first instance the recommendations are carried out by the Authority through changes in the pertinent civil air regulation; in the second instance, penalties are inflicted after notice and hearing before the Authority or its officers.

The Air Safety Board, as the body which investigates, determines causes, and makes recommendations to prevent the recurrence of accidents, is thus independent of the Authority, the body which manages the safety facilities of the airways, makes the regulations, and is responsible for their enforcement. The Air Safety Board is likewise authorized to make public as it deems best any phase of its work.

PROCEDURE IN TIME OF ACCIDENT

Hence it is that on all accidents of importance, such as those involving air liners carrying passengers, one or more members of the Air Safety Board, with technical and legal experts, proceeds to the scene of the accident at the first possible moment. It is now possible for members of the Board to reach any part of the United States within a few hours. At the scene of the accident the investigation of causes is thus immediately in expert and responsible hands.

Full examination of all records and circumstances surrounding the flight is immediately begun. The airplane involved and the neighborhood of the accident are minutely searched for evidence as to causes. Survivors, if any, and witnesses to the accident are interviewed, and the results of all of these preliminary investigations are promptly recorded in a public hearing. Thus, to a remarkable degree, it has been possible to strip airplane accidents of the mystery that has hitherto surrounded them, no matter how expertly they were investigated, for subsequent study and report.

THESE PROCEEDINGS OPEN TO PUBLIC

Full study is nevertheless provided for in the work of the Air Safety Board. All evidence at the public hearings is carefully analyzed; all material which might indicate the failure of any part of the airplane, its power plant, or its controls is submitted to engineering and laboratory examination and the report of the Air Safety Board is subjected to the further scrutiny, and to public hearings if necessary, by the Civil Aeronautics Authority itself before action may be taken. At all times, however, these proceedings are open to all interested parties and to the public, lest the wrong element or the wrong individual be blamed for an accident and lest an unwise change in the regulations be adopted.

The same principles are adhered to in the Air Safety Board's handling of less spectacular accidents. Full examination of all available material is made both by the Air Safety Board's staff and the staff of the Authority. Where private planes only are involved the public interest is obviously less than in the case of accidents to common carriers licensed to serve the public generally. But private accidents are nevertheless carefully studied, both individually to determine blame, if any, and statistically to determine dangerous trends of practice that may be altered by amendments to the regulations or otherwise.

THE ONLY WAY TO FLY IS TO KNOW HOW TO FLY SAFELY AND TO FLY NO OTHER WAY

Disciplinary measures against pilots, from air-line pilots to students, have already been carried out as a result of investigations by the Air Safety Board. Changes in construction details of several widely used types of airplanes have been brought about. But the members of the Air Safety Board and of the Authority have expressed the belief that, more important than all of this detailed work in the already observable improvement of civil aviation's safety record, has been the knowledge of all connected with civil flying that a constant, skillful pressure is being exerted by experts to show beyond doubt that the only way to fly is to know how to fly safely, and to fly no other way.

This steady, intelligent pressure for safety has already borne results. I have cited the magnificent record of the air lines, already so fruitful in the production of new business. I am happy to be able to tell you that already the records show that fatalities are steadily decreasing, despite the fact that there has been a steady and large increase of flying both on the scheduled air lines and among the private flyers.

And all of this we can credit to moral effect. The real measures taken to increase safety in private flying have not yet even begun to be felt.

[From the Washington Times-Herald of April 30, 1940]

NOTED PILOTS HERE TO FIGHT SAFETY PERIL—AVIATORS OF 11 AIR LINES LAUNCH LOBBY TO SAVE LIVES

(By Edmond Monk)

Convinced that defeat of the Presidential plan to abolish the Air Safety Board and transfer the C. A. A. to the Department of Commerce is vital to the future of American aviation, famous pilots of the Nation moved into the Capital yesterday to confront Congress with a second lobby to save lives.

From 11 of the Nation's leading air lines came uniformed flyers representing 1,500 pilots. In chorus they voiced their fears that

adoption of President Roosevelt's proposal would seriously menace safety of millions of Americans who travel by air.

NEW ATTACK IN SENATE

The first lobby to save lives, the flyers explained, was partially aimed at setting up the C. A. A. and their Air Safety Board. It is to hold this ground gained that they are here today, they said.

Meanwhile the Senate yesterday echoed with a new attack on the President's proposal as time for a show-down appeared set for late this week.

Senator HARRY TRUMAN (Democrat), of Missouri, told the Senate that adoption of the proposal of the President would result in a serious blow to aviation; he praised the record of the two agencies. He cited particularly the record of no fatal accidents on air lines for more than a year.

Senator PAT MCCARRAN (Democrat), of Nevada, will arrive in Washington today. A bitter foe of the President's latest reorganization plan, the Nevadan is expected immediately to map lines of battle against the proposal.

M'CARRAN MAPS FIGHT

Senator BENNETT C. CLARK, Democrat, of Missouri, charged that the old Bureau of Air Commerce was saturated with politics which prevented its effective operation in promotion of air safety.

Under the old system, he said, United States Senators were killed in air crashes. His reference was believed to be to the death of former Senator Bronson Cutting, of New Mexico, several years ago in an airplane crash.

Representing 1,500 highly trained pilots on American passenger and mail lines, the 11 flyers were unanimously outspoken in protest against the change in status of the Air Safety Board and the C. A. A.

MENACE TO FLYING PUBLIC

Several of the flyers testified at hearings which led to creation of the safety agency and the C. A. A. All said they believed a change as proposed would constitute a step backward and a menace to the air-traveling public.

Today the second "lobby to save lives" will move on Capitol Hill, where a large number of legislators will be contacted by the pilots. The group will also gather with Senator MCCARRAN some time today.

"I certainly do not think the American public desires a return to the crash-ridden days when the Department of Commerce regulated aeronautics," said Art Mills, veteran pilot of 1,250,000 miles of passenger travel.

WARNS OF TRAGEDY

Representing pilots of the Braniff Airways, flying from the Great Lake points to the Gulf of Mexico, Mills said:

"If the proposal goes through we will have a recurrence of the tragic situation which occurred when the air-mail contracts were canceled in 1934 and the Army detailed to fly the mail. Then there were 66 crashes, and 12 pilots lost their lives in less than 2 months."

Ray T. Elsmore, Western Air Express pilot, with 12,000 hours as a passenger-transport pilot, was equally emphatic in his protest.

EMPHATIC AGAINST CHANGE

Twenty-two years in aviation, a World War flier, and commander of the 329th Observation Squadron, Army Air Reserves, Elsmore said:

"We know of the many fatal accidents under the old Department of Commerce supervision. The present proposal would put the airlines under regulations similar to the former status. Why make a change which statistics and records show would effect a menace to the air traveling public?"

D. W. Ledbetter, American Airlines, 12 years' experience and 12,500 air hours, and now flying the New York-to-New Orleans trip:

"Hard facts and statistics prove that it would be impossible to improve on the perfect record for safety that the Civil Aeronautics Authority and the Air Safety Board have brought about in the aviation field. We're not just assuming the efficiency of the board and the C. A. A. records prove our case."

H. L. Smith, Pennsylvania Central Airlines, who has 9,000 hours and flies the Washington-Detroit trip, said:

"It represents very definitely a backward movement. It will make air travel more hazardous. I think it would be well to maintain the status quo. The record speaks for itself."

James H. Roe, T. W. A. flyer, with 10,000 hours and who flies the Kansas City-New York trip:

"We pilots are not concerned so much for our own safety, but for the public whose lives are in our hands. Nearly three million passengers will be carried by air this year. It is our obvious duty to oppose Reorganization Plan No. IV."

C. F. Luethi, Northwest Airlines, naval reserve aviator, flying the route from Minneapolis to Billings, Mont., 10,000 hours:

EXPANSION ENDANGERED

"I am carrying on for 'Cash' Chamberlain, who was here with the first 'Lobby to Save Lives.' Shortly after creation of the C. A. A. and the safety board—but before their effect could be felt—'Cash' crashed to his death near Miles City, Mont. The need for greatest safety regulation, such as now provided, cannot be overemphasized."

R. C. Young, Eastern Airlines, 9,000 hours, pilot on the New York-Miami trip:

"The air lines now are on the verge of the greatest expansion program yet undertaken as a result of the increase in public confidence. This was brought about through the splendid safety record set up under C. A. A. and A. S. B. regulations. Under the expansion plans many of the giant 4-motored planes carrying 42 passengers will be utilized. If we ever needed rigid safety regulation it will be from now on."

"Hi" Little, United Air Lines, 12,000 hours, New York-to-Chicago pilot:

"I was a member of the first 'Lobby to Save Lives.' The results of the legislation we advocated then have been far above our highest hopes."

"DEFINITE BACKWARD STEP"

G. E. Rodieck, Mid-Continent Air Lines, 7,000 hours, who pilots the Tulsa-Minneapolis flight:

"We pilots here in Washington today speak for practically all of the Nation's passenger-line pilots. In the interest of the public's safety we hope to convince Senators and Representatives that Reorganization Plan No. IV represents a definite step backward in aviation."

Gilbert Blackmore, Pan American Airways, former Navy aviator with 9,000 hours of passenger flying, now a pilot of the American Clipper flight from New York to Lisbon, Portugal:

"Preservation of safe conditions is vital to air transportation, especially long-distance flying such as the Clipper transoceanic routes. The C. A. A. and the Air Safety Board have done an excellent job, so why turn backward?"

RECALLS PILOT'S DEATH

S. H. Hopkins, Chicago and Southern Airlines, 6,500 hours, pilot on the New Orleans-to-Chicago passenger hop:

"All pilots of the Chicago and Southern strongly protest against Reorganization Plan No. IV. For the past year it has been a pleasure not to buy funeral flowers for some pilot every 28 days."

[From the Washington Times-Herald of April 1, 1940]

F. D. ASSAILS AIR SAFETY CAMPAIGN—IGNORANCE, POLITICS BEHIND ATTACK ON SHIFT, HE SAYS

(By John O'Donnell and Doris Fleeson)

With a blast of caustic language at his critics charging that ignorance, gullibility, or politics were behind their attacks, President Roosevelt flatly declared yesterday that he was standing behind his reorganization order which will place the Civil Aeronautics Authority under the Department of Commerce and abolish the three-man Air Safety Board.

In a prepared statement read at his press conference, the President declared that "a flood of misinformation" has been poured out recently against his reorganization of Federal machinery to control aviation.

SAYS SAFETY'S NOT IMPAIRED

He charged that "particular groups in selfish protection of their own special interests" had arisen in protest against the White House plan which, said Mr. Roosevelt, will promote "efficiency and economy" and in no way impair or slow down the promotion of safety in the air.

The President's language, in his prepared statement and later in his answers to reporters' questions, was vigorous, to say the least. Much of the "misinformation" spread by opponents of the reorganization plan, said the President, "has fallen of its own absurdity and needs no comment."

The President was especially critical of the present Air Safety Board. The problems confronting the present set-up of the five-member Authority, the Administrator, and the Safety Board "were intensified by friction, particularly in the Air Safety Board," Mr. Roosevelt declared in his statement.

"FIGHTING ALL DAY LONG"

In discussion, he went even farther and charged that the three members of the Safety Board were fighting each other all day long.

A return blast of sarcasm was hurled at the President by a spokesman for the Safety Board who pointed out that the board since last fall has been functioning with only two members—Chairman Thomas Hardin and C. B. Allen.

The third member, Sumpter Smith, resigned to become chairman of the Inter-Departmental Engineering Committee which is building the huge ultramodern airport at Gravelly Point to replace the pocket-size Hoover Field.

The President declared his reorganization plan would have five advantages over the present set-up:

1. The Federal aviation program will be placed in the Department of Commerce where it will have closer relationship with the Weather Bureau and the air navigation chart service of the Coast and Geodetic Survey. By coming under the Commerce Department it will have representation at "the Cabinet table for a program of basic significance to national transportation and our national defense. Present world conditions make the merit of this phase of the proposal obvious."

2. The present five-member authority remains an independent unit, performing regulatory functions, appointing its own personnel, submitting its own budget.

3. The shift will eliminate "the blind spot" created by the original act which did not distinguish clearly between the functions of the administrator and the authority.

WOULD GIVE LAW TEETH

4. The new Civil Aeronautics Board will have power to enforce safety regulations whereas the present Safety Board "is helpless" to take positive steps to prevent recurrence of accidents.

5. "Appreciable savings" will be realized with "several highly paid positions on the Air Safety Board eliminated."

The text of the President's prepared statement follows:

"Since the transmittal of Reorganization Plans Nos. III and IV, a flood of misinformation has engulfed those sections dealing with the Civil Aeronautics Authority. Much of this has fallen of its own absurdity and needs no comment. This morning, however, we saw a group of well-intentioned people staking out an exclusive claim to a so-called Lobby to Save Lives.

ANSWER COMPELLED

"The implication that we are not interested in saving lives, which is certainly contradicted by the record of our progress in civil aviation during recent years, compels me to restate in simple terms the basic features of the reorganization plans affecting the Civil Aeronautics Authority.

"I might say here that everybody is for the abstract idea of reorganization in the interest of increased efficiency and economy. However, there is a rather discouraging collapse of enthusiasm when concrete proposals are made. In selfish protection of their own special interests we always find particular groups who hitherto favored reorganization arising in protest.

STUDY LASTED 5 MONTHS

"As it now stands, there are three agencies—the Civil Aeronautics Five-Member Authority, the Administrator, and the Air Safety Board—all autonomous groups, none of them represented at the Cabinet table. The inherent problems confronting them were intensified by friction, particularly within the Air Safety Board.

"For 5 months the administrative management division of the Budget Bureau made a study at my request of the operation of the Authority. It became obvious that a change was imperative if we were to continue to move forward in civil aviation.

"Here, in simple summary, is the proposal:

"1. Despite handicaps, the Federal program for civil aeronautics has now achieved a stature and an importance which justify bringing this program more closely into the Federal family. The proposal will place it within the framework of the Department of Commerce, where it will have a closer relationship with the important reporting services of the Weather Bureau and the essential air-navigation chart service of the Coast and Geodetic Survey. More than that, it will provide representation at the Cabinet table for a program of basic significance to our national transportation and our national defense. Present world conditions make the merit of this phase of the proposal obvious.

"2. The present five-member Authority which has received such widespread praise remains as an independent civil aeronautics board performing the basic regulatory functions. It will continue to appoint and control its own personnel and submit its own budget.

"3. Certain of the Authority's functions are transferred to the administrator to eliminate a blind spot created by the failure of the Civil Aeronautics Act of 1938 to carry out the intention of Congress to distinguish clearly between the functions of the Administrator and the Authority.

"4. The function of investigating accidents is transferred to the Civil Aeronautics Board which, unlike the present Air Safety Board, will not be helpless to take positive steps toward preventing the recurrence of accidents. Unlike the Air Safety Board, the Civil Aeronautics Board will have the power to prescribe air safety rules, regulations, and standards, and to suspend or revoke certificates after hearing. Not only does this continue the present independence of accident investigation, but it also makes possible prompt translation of findings into corrective action.

"5. Not only are we advancing the cause of air safety by these changes but we will also realize appreciable savings. Several highly paid positions on the Air Safety Board will be eliminated and other economies made possible."

[From the Washington Post of May 1, 1940]

THE PRESIDENT ON AIR SAFETY—TEXT OF STATEMENT—HE REPLIES TO CRITICS

Since the transmittal of Reorganization Plans Nos. III and IV a flood of misinformation has engulfed those sections dealing with the Civil Aeronautics Authority. Much of this has fallen of its own absurdity and needs no comment. This morning, however, we saw a group of well-intentioned people staking out an exclusive claim to a so-called lobby to save lives.

The implication that we are not interested in saving lives, which is certainly contradicted by the record of our progress in civil aviation during recent years, compels me to restate in simple terms the basic features of the reorganization plans affecting the Civil Aeronautics Authority.

I might say here that everybody is for the abstract idea of reorganization in the interest of increased efficiency and economy. However, there is a rather discouraging collapse of enthusiasm when concrete proposals are made. In selfish protection of their own special interests we always find particular groups who hitherto favored reorganization arising in protest.

As it now stands, there are three agencies—the Civil Aeronautics (five member) Authority, the Administrator, and the Air Safety Board—all autonomous groups, none of them represented at the Cabinet table. The inherent problems confronting them were intensified by friction, particularly within the Air Safety Board. For 5 months the Administrative Management Division of the Budget Bureau made a study, at my request, of the operation of the Authority. It became obvious that a change was imperative if we were to continue to move forward in civil aviation. Here, in simple summary, is the proposal:

1. Despite handicaps, the Federal program for civil aeronautics has now achieved a stature and an importance which justify bringing this program more closely into the Federal family. The proposal will place it within the framework of the Department of Commerce, where it will have a closer relationship with the important reporting services of the Weather Bureau and the essential air-navigation-chart service of the Coast and Geodetic Survey. More than that, it will provide representation at the Cabinet table for a program of basic significance to our national transportation and our national defense.

2. The present five-member Authority, which has received such widespread praise, remains as an independent Civil Aeronautics Board performing the basic regulatory functions. It will continue to appoint and control its own personnel and submit its own budget.

3. Certain of the Authority's functions are transferred to the Administrator to eliminate a blind spot created by the failure of the Civil Aeronautics Act of 1938 to carry out the intention of Congress to distinguish clearly between the functions of the Administrator and the Authority.

4. The function of investigating accidents is transferred to the Civil Aeronautics Board which, unlike the present Air Safety Board, will not be helpless to take positive steps toward preventing the recurrence of accidents. Unlike the Air Safety Board, the Civil Aeronautics Board will have the power to prescribe air-safety rules, regulations, and standards, and to suspend or revoke certificates after hearing. Not only does this continue the present independence of accident investigation, but it also makes possible prompt translation of findings into corrective action.

5. Not only are we advancing the cause of air safety by these changes, but we will also realize appreciable savings. Several highly paid positions on the Air Safety Board will be eliminated and other economies made possible.

POSITION OF THE AIR-LINE PILOTS OF THE NATION IN OPPOSITION TO THE PRESIDENT'S REORGANIZATION PLAN NO. IV, WHICH PROPOSES TO ABOLISH THE AIR SAFETY BOARD AND STRIP THE NEW AIR AUTHORITY OF ITS IDENTITY AND INDEPENDENCE AND RETURN THE CONTROL OF CIVIL AERONAUTICS AND AIR TRANSPORTATION TO ITS FORMER EXTREMELY UNSATISFACTORY CONTROL BY THE DEPARTMENT OF COMMERCE

In this day and age so many startling things are constantly happening that we have become accustomed to the unusual, and we are not easily startled or aroused. The air-line pilots, due to the nature of their work, are not easily excitable, yet only a few days ago when the President announced his fourth reorganization plan, abolishing the Air Safety Board and stripping the new Air Authority of its identity and independence, and proposed that air accident investigations and civil air regulation generally be placed back under the Department of Commerce, the pilots were not only startled but they were utterly flabbergasted. The regulation of air transportation and civil aviation by the Department of Commerce is something that the pilots, in fact almost everyone in the industry, look back upon with abhorrence. It is not even a pleasant story to recount. Crash upon crash, needless sacrificing of human life. From the late twenties to the time that the Civil Aeronautics Act of 1938 was passed are black pages in the history of our country's air transportation development.

FACTS ESTABLISHED BY STARK REALITIES

It is not a matter of suppositions, assumptions, or the preponderance of vaguely defined ideas, but what this amounts to is cold, hard, indisputable facts; facts established by stark realities; facts established by the loss of score upon score of human lives and the loss of millions upon millions of dollars to pay for the crash and damage suit costs.

On May 6, 1935, Senator Bronson Cutting lost his life in an air-line crash. In sheer desperation the pilots started to lead the fight to free America's air transportation from the entwining tentacles of death in the air which was strangling it to ruin.

During the period that the Department of Commerce regulated the country's air transportation network 473 persons lost their lives in air crashes of whom 146 were air-line pilots. The ranks of the air-line pilots were being thinned at the startling rate of one every 28 days. Their passengers were meeting death averaging one every 15 days. The crash-scared public was afraid to ride, which resulted in inestimably large losses of revenue to the industry, and progress was stymied.

AIR-MINDED SENATORS AND CONGRESSMEN

Air-minded Congressmen and Senators became interested. A Senatorial Air Investigation Committee was appointed, namely, Senators Clark, Missouri; White, Maine; Donahey, Ohio; and the late Royal S. Copeland, New York. The pilots have always felt that the many grueling, worrisome hours that Senator Copeland put in on the job of investigating air safety with the view of eliminating the many terrible air crashes that were constantly occurring, and his work on air-safety legislation hastened his death.

The record built up by this committee is truly a bible on air safety. The politically involved and obviously faulty regulatory and air accident investigating procedure of the Department of Commerce is all written in the record of this senatorial Air Safety Investigating Committee.

Congress, the line pilots, and everyone else that was really interested in doing something about increasing air safety, worked tirelessly and relentlessly until in 1938 the new Civil Aeronautics Act was passed. The pilots had repeatedly pointed out through these

dark years that the solution to the problem was not only to remove the control of civil aeronautics from the Department of Commerce, but also to separate the functions of regulating civil aeronautics from the functions of investigating accidents and making recommendations as to what should be done to prevent reoccurrences. The pilots pointed out simply that no one agency could reasonably be expected to handle both functions efficiently and effectively because no one agency can be expected to decide against itself when something happens.

PILOTS RECOMMENDED AIR SAFETY BOARD

The line pilots recommended the creation of an Air Safety Board, which was to be completely independent of the regulation-making divisions of the Authority. The sole duty of this Board being, without influence of any kind, to investigate accidents with the view of preventing reoccurrences and to make recommendations to the Authority which would, in the opinion of this Board, tend to prevent accidents and increase air safety.

Congress listened, and the Air Safety Board and the new Air Authority were created.

Now let's look at the record since the Air Safety Board took over. Accidents have been cut to a minimum, and there has not been a pilot death on our country's air lines in the past 16 months, nor a passenger fatality in more than 12 months. A world air-safety record. During this 12-month period the pilots that are making the appeal to Congress not to permit the abolishment of the Air Safety Board flew 87,325,145 miles and carried 2,028,817 passengers without a fatality. Contrast this to one pilot being killed every 28 days and 1 passenger every 15 days, for the entire period that the Department of Commerce regulated civil aeronautics and investigated accidents, numbering a total of 473 pilots and passengers killed.

Certainly no one wishes to go back to that. The pilots are not quarreling with anybody. All they are trying to do is a good job so that American air transportation may continue to be No. 1 in world flying.

CONGRESS CREATED THE CIVIL AERONAUTICS ACT

When Congress created the Civil Aeronautics Act bringing into being the Air Safety Board it won with one stroke the confidence of the American people and they took to the air. Real air safety has been established by the Air Safety Board with the cooperation of the new Authority. This combination is paying dividends in lives saved and thousands upon thousands of dollars saved because of not having to pay the cost of crashes. Contrast this with the millions earned due to increased patronage resulting from the no-fatality safety record that has just been established, and we have only just started. It is only plain common sense to want to leave well enough alone.

There is only one way to create and maintain a maximum degree of air safety. The Federal functions of regulating civil aeronautics and accident investigation duties and responsibilities, and the making of air-safety recommendations to prevent reoccurrences must be definitely and completely independent. For example, a regulatory agency such as the old Bureau of Air Commerce, Department of Commerce, functioned in the following manner: First, the Bureau made the regulations, approved the engineering, installed and maintained the navigation aids, and then when an accident occurred it sat as a judge and jury to decide as to the efficiency of its own activities. No man can be expected to decide a case against himself. This is, in the opinion of the pilots, the principal and fundamental underlying reason why there were so many crashes and so much loss of life during the period that the Department of Commerce regulated commercial aeronautics and civil air transportation, and is one of the principal reasons why it made such a bad flop of the entire situation.

AIR SAFETY BOARD

If we are to have real air safety the functions of making the regulations governing civil aeronautics and civil air transportation must be definitely separated. During the accident-ridden period that the Department of Commerce regulated civil aeronautics the pilots made a thorough study of the problem. The idea of separating the regulatory functions of civil air regulation from the functions of investigating accidents and making safety recommendations to the regulation-making agency was first recommended when the line pilots testified before Senator Copeland's congressional Air Safety Investigating Committee during 1936. At that time the move was being sponsored to place the regulatory control of civil aeronautics under the jurisdiction of the Interstate Commerce Commission. While testifying, the air-line pilots made the following recommendation, which was the first time that the Air Safety Board idea was advocated. It was then referred to as the Bureau of Air Safety:

"This proposed Bureau of Air Safety should concern itself with nothing but inspection and the very important problems of properly safeguarding safety in the air. In other words, the function of the Bureau of Air Safety would have to do entirely with answering the one question, 'Is it safe?' And if it is not safe, it is not sound.

"In other words, in air transportation, no matter what the advancements or developments are, if they are not safe they are not sound."

AIR-LINE PILOTS' ARTICLE IN LIBERTY

In an article written by the air-line pilots published in the May 15, 1937, issue of Liberty, the idea of separating the regulation-making functions of the civil air regulatory agency from the functions of investigating accidents and making air-safety recommendations to prevent reoccurrences was again advanced. Following is an excerpt from this article:

"The real price of pioneering has always been, not dollars and cents, but human life. Threescore and nine pilots have sacrificed their lives in the last 5 years to give to our country the swiftest of all modes of transportation, the potentialities of which in speed, safety, and reliability are beyond reckoning.

"The air-line pilots have long been of the opinion that air transportation should be lifted out of the Bureau of Air Commerce of the Department of Commerce. The pilots point out that within the to be created air transportation regulatory agency there should be created a five-man Air Safety Board, the members of which will be properly fitted, thoroughly experienced, and carefully selected career men, and not political appointees. The sole purpose of the Air Safety Board should be to safeguard the air-traveling public. This is the air-line pilots' answer to the question, How can we increase air safety?

"Such legislation is now before Congress, and, if passed, the American public may look forward to a phenomenal improvement in air safety."

SIXTY-SEVEN PERSONS LOST IN AIR CRASHES, 1935–36—NOT ONE LIFE LOST IN 1938–39

That article was written immediately after the winter months of 1935–36, during which 67 persons lost their lives in air crashes. Sixteen of this startling number were from the ranks of the air-line pilots. About this time Congress began taking serious note of the situation and started to work on legislation to lift the control of civil flying and air transportation out of the old, inefficient, politically involved, and highly unsatisfactory control by the Department of Commerce, to which the President is now proposing that it be returned. It is significant to note that the prediction in the Liberty article captioned "Why these airplane crashes": "Such legislation is now before Congress, and, if passed, the American public may look forward to a phenomenal improvement in air safety." That phenomenal improvement has become a reality. The record of safe performance since the Air Safety Board took over speaks for itself. There have been no fatalities in air transportation for almost 13 months. The actual record is 87,325,145 miles flown and 2,028,817 passengers carried without a single fatality to pilot or passenger.

AN INDEPENDENT AIR SAFETY BOARD

It is a foregone conclusion that a Federal safety agency, whether it be one pertaining to air safety or any other form of safety, would never be without enemies, and some very bitter enemies, because to fix the blame for accidents without fear or favor always involves treading on somebody's toes. Nevertheless, the pilots have long recommended and know absolutely that there will never be real air safety unless a Federal agency, such as the Air Safety Board, is maintained free of all influences of every nature whatsoever in the frank and fearless performance of the duties of fixing the blame when an air accident occurs. There is no better proof of accomplishment than a good record of performance, and such proof has been undeniably established.

The Air Safety Board, since it took over less than 2 years ago, has honestly and fearlessly sought out the true causes of the air-line accidents that have occurred and the contribution that this has made to the increasing of air safety is undeniable and is proven by the record.

AIR SAFETY INVOLVES EXPENDITURE OF LARGE SUMS OF MONEY

Another fact that should not be lost sight of in a problem of this kind is the terrific amount of pressure that a truly effective air-safety agency must constantly withstand, because the carrying out of their recommendations may involve the expenditure of large sums of money. Such expenditures always pay large dividends, but unless there is an agency, such as the Air Safety Board, that definitely calls a spade a spade as to what is safe or not safe, those who do not have their lives at stake, as do the pilots and their passengers, are not interested or vitally concerned with our problem of safety or our demands for safety control. The old adage, "A stitch in time saves nine," is promptly pooh-poohed.

Instead of first determining the facts and then facing them squarely everyone concerned immediately starts hiding behind alibis, blaming others, and instead of really learning what caused the accident it ends up in a mud-slinging campaign and very little if anything is accomplished to prevent recurrence, and the bewildered public becomes afraid to travel by air. The blame is usually shifted and misplaced and, when it is all said and done, nothing has been contributed to increasing air safety or to prevent recurrences. This is a short-sighted policy and in the end is very costly, not only in human life, but in the needless expenditure of millions and millions of dollars to pay for the cost of accidents and damage suits, to say nothing of many more millions of dollars lost because of lost patronage from a crash-scared public. This could not possibly have been more convincingly proven than it was by the Department of Commerce when it made such a marked failure of regulating civil aeronautics and investigating accidents the cost of which was, in addition to countless millions of dollars, 473 lives. Certainly no one who really knows the facts wishes to return to that.

PILOTS AND PASSENGERS COME FIRST

There are two parties that have a vital interest in this situation; they are the ones who have their lives at stake—the pilots and their passengers. Unless the two join forces in forceful opposition to the President's attempt to abolish the Air Safety Board and

strip the Authority of its identity and independence, the President's plan to return civil air-regulation control and the highly important function of independent air-accident investigation back to its former control by the Department of Commerce will become the law of the land. The history of the politically involved, inefficient, and ineffectual control of air transportation under this Department of the Government is well known. It is only common sense to take the position, "Let's not go back to that."

[From the Washington Times-Herald of May 1, 1940]

PILOTS' CHIEF ANSWERS FRANKLIN D. ROOSEVELT ON AIR SAFETY—FACTS, NOT POLITICS, BROUGHT FIGHT ON SHIFT, BEHNCKE SAYS

Following President Roosevelt's statement assailing those who oppose his plan to abolish the Air Safety Board and transfer the Civil Aeronautics Authority back to the Department of Commerce, Capt. David L. Behncke, president of the Air Line Pilots Association, last night issued a statement defending his organization's stand in the matter.

Referring to the President's reference to "a so-called lobby to save lives," Captain Behncke said:

"The pilots are not in Washington to enter into controversy with the President or anyone else. They are here in the interest of saving lives.

NOT SCHOOLED IN POLITICS

"They are not schooled in politics. They are schooled in flying and know what is necessary to make air transportation safe. They learned about this the hard way. One hundred and forty-six of their number met death in air crashes while the Department of Commerce had control of civil flying and air transportation. There were 130 fatal air-line crashes and 146 pilots, 279 passengers, and 48 stewardesses and other nonrevenue passengers—a total of 573 persons—were killed during this period.

"The pilots, the industry, and, I am sure, the air traveling public do not want aviation put back under control of the Government Department that made this kind of a record. Stripped to the bone, this is the issue.

"The pilots have not implied lack of interest on the part of anyone in saving lives. On the contrary, that is what the argument is about.

TELLS MAKE-UP OF "LOBBY"

"Let us not forget that the world's air-safety record which is being eulogized was not made when the Department of Commerce regulated civil flying.

"The so-called 'lobby to save lives' is made up of 11 veterans of the airways who represent the pilots that have established the world's air-safety record which passed the milestone of a year's perfect performance on March 26, 1940. To set this record they flew 87,325,145 miles and carried 2,028,817 passengers without a single fatality. Since that date they have added another month of unblemished performance to this record.

MILLION-MILE PILOTS

"This group, now in Washington pleading for the preservation of the Air Safety Board and the independence of the new Civil Aeronautics Authority, is made up almost entirely of million-mile pilots. They are pleading with their Representatives and Senators because they know that Congress was right when it passed the Civil Aeronautics Act in 1938.

"They know that the greatest single factor in bringing about present safety in flying has been the Air Safety Board. Can they be blamed for not wanting to turn back to the old order? Certainly they should know.

PUT FAITH IN CONGRESS

"It was not until this protection was granted by Congress that crashes diminished and then ceased. These are the men that have faith that Congress will not reverse itself and let civil aviation go back to control by the Department of Commerce.

"They are not alone in their position. It is unanimous. The entire industry is asking with one voice, 'Why not leave well enough alone?' To this voice is being added that of the air traveling public because where lives are involved, people have a long memory.

NOT POLITICS—JUST FACTS

"We are told that abolition of the Air Safety Board and the transfer of an emasculated authority to the Department of Commerce is proposed in the name of efficiency and economy. What it all adds up to is to destroy the Air Safety Board and the independence of the new air Authority that together have brought a new, struggling industry out of a period of terrible chaos, the record of which has been blazed across hundreds of pages of legislative Air-Safety Investigating Committee records and unforgettably imprinted on the minds of the American people.

"It would place the situation right back where we started from under the control of the politically involved Department of Commerce. Need more be said? It is not politics as far as the pilots are concerned. It is facts—irrefutable facts involving the preservation of human life."

[From the Washington (D. C.) Times-Herald of April 29, 1940]

WHY TAKE A CHANCE?

Flying low and blind into heavy weather, a transcontinental transport plane came scudding East into the dawn of May 6, 1935, on the regular run between Albuquerque, N. Mex., and Kansas City, Mo., with 13 people aboard.

It was an hour behind schedule, and the radio was not working very well. Only 30 minutes of gasoline were in the tanks. The pilot finally got through to the weather information service furnished civil aviation by the Federal Government, and was told he would find a clear ceiling at Kirksville, Mo., where there was an emergency landing field.

He put his rudder over and banked through the fog toward where he thought Kirksville was. The left wing snagged a tree, turned the plane into snarling cartwheel, and hurtled it into a road bank 16 miles south of Kirksville, which, contrary to what the pilot had been told, was smothered in fog.

Four persons, including the pilot, were killed instantly. One more died shortly thereafter. Eight were badly hurt.

IT TOOK A SENATOR'S DEATH TO ROUSE THE SENATE

There was only one exceptional fact about this crash, for it was otherwise only another in a succession that lasted from 1933 to 1939. The exceptional fact was that the late Senator Bronson Cutting, of New Mexico, had boarded the plane at Albuquerque and so had died on the road bank.

Citizens had been petitioning the Congress to do something about civil aviation ever since President Roosevelt, in 1933, had canceled the air-mail contracts and then restored them after a disastrous interlude that nearly wrecked the Army Air Corps. Civil aviation had never really recovered from that episode. But Congress still would not act.

Senator Cutting's death changed all that. Members of Congress came to realize that what had been happening to people whose names meant nothing could also happen to them. The reaction was exactly that of a policeman who sees another policeman shot.

Congressional investigations followed for a year.

AIR BUREAU WAS JUDGE, JURY, AND PROSECUTOR OF ITSELF

It was demonstrated that the Bureau of Air Commerce, in the Department of Commerce, was being saddled with an impossible assignment to make the rules for civil aviation, enforce them, and then punish anybody whose neglect should cause a failure of service. The Bureau was prosecutor, judge, and jury, not merely toward the aviation industry but toward itself as well.

In consequence, it was a subservient creature of the Secretary of Commerce and the complete victim of rascally politics. Civil aviation was teetering into bankruptcy. Public confidence was shattered.

To correct this terrible condition, Congress took control of aviation away from the Department of Commerce and set up an independent agency, the Civil Aeronautics Authority. Within the Authority, it provided an Air Safety Board.

The Board had just one duty—to investigate all accidents involving civil aircraft, and publish its findings as to responsibility. It was free to criticize the C. A. A., Congress, the air lines, the pilots, the plane manufacturers. Anybody.

The C. A. A. and the Board went into action on August 8, 1938. They made the aviation business stable and successful. On March 27, 1940, the industry could and proudly did celebrate the passing of 1 full year free of disaster. Not a single life had been lost in the air-transport business, yet the industry had progressed technically and was fulfilling more schedules at faster speed than ever before.

YOU MAY SAVE LIVES BY SAVING THE C. A. A.

On April 11, 1940, the President's fourth plan for the reorganization of the executive branch of the Government provided that the independent Civil Aeronautics Authority and the independent Air Safety Board be abolished.

Their functions would be telescoped into the Department of Commerce under control of the Secretary. And the civil aviation business would be right back where it was in 1935 when Senator Cutting was killed.

This reorganization program comes before Congress soon for ratification. There is no merit in the proposal to wreck the C. A. A. It is doing a good job.

Members of Congress, remember Senator Cutting. You have corrected the conditions which brought him death. You have an opportunity to return to those conditions or to preserve the present safer way of flying.

Why take a chance? Save the C. A. A. and the Safety Board. You have every reason to say that you will save human life by doing so.

Mr. McCARRAN obtained the floor.

Mr. KING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Parliamentarian (Charles L. Watkins) called the roll, and the following Senators answered to their names:

Adams	Byrd	George	Johnson, Calif.
Ashurst	Capper	Gerry	Johnson, Colo.
Austin	Caraway	Gillette	King
Bailey	Chandler	Glass	La Follette
Bankhead	Chavez	Gurney	Lodge
Barbour	Clark, Idaho	Hale	Lucas
Barkley	Clark, Mo.	Harrison	Lundeen
Bilbo	Connally	Hatch	McCarran
Bone	Danaher	Hayden	McKellar
Bridges	Davis	Herring	McNary
Brown	Downey	Hill	Maloney
Bulow	Ellender	Holman	Mead
Burke	Frazier	Hughes	Miller

Minton	Reed	Smathers	Townsend
Murray	Reynolds	Smith	Truman
Norris	Russell	Stewart	Tydings
Nye	Schwartz	Taft	Vandenberg
O'Mahoney	Schwellenbach	Thomas, Idaho	Van Nuys
Overton	Sheppard	Thomas, Okla.	Wagner
Pepper	Shipstead	Thomas, Utah	Wheeler
Pittman	Slattery	Tobey	Wiley

The PRESIDING OFFICER (Mr. CLARK of Idaho in the chair). Eighty-four Senators have answered to their names. A quorum is present.

Mr. McCARRAN. Mr. President, at his press conference on Tuesday of this week, the President commented upon the flood of criticism which has swept the country concerning the proposed reorganization of the Civil Aeronautics Authority.

He is reported in the press to have stated that this criticism has been based upon gullibility, ignorance, and politics.

At an earlier date he had referred to such criticism as "spinach."

Thus, to brand the critics of this reorganization as gullible, ignorant, and political is to protest too much.

I will venture to say that no one is more soundly versed in aeronautical matters than are the two Senators from Missouri, each of whom has roundly scored the proposed reorganization.

The senior Senator from Missouri [Mr. CLARK] actively and diligently served on the Copeland committee in the inquiries growing out of the tragic death of the beloved Senator Cutting, and delved deeply into the operations of the old Bureau of Air Commerce. He laid bare the grievous faults of that politics-ridden agency.

The junior Senator from Missouri [Mr. TRUMAN] conducted exhaustive hearings in 1935, 1937, and 1938 into the entire matter of the regulation and development of civil aeronautics when my bills for regulating aeronautics were before the Senate, and wrote two notable reports on the subject.

Nor need Representative LEA of California, the chairman of the House Committee on Interstate and Foreign Commerce, bow to others in his knowledge and appreciation of the problems of civil aeronautics. He, too, vigorously opposes the proposed reorganization. Since 1919 he has been an active student of civil aeronautics, and in 1937 and 1938 presided over extensive hearings into the subject, joining with me as the coauthor of the Civil Aeronautics Act.

Can deliberate criticism made by these gentlemen temperately be branded as gulliible or ignorant? Can they be accused of playing politics?

The criticism of the reorganization was correctly described by the President in his prepared statement as a flood. It is a flood, growing irresistibly hour by hour. Throughout the land not only the aviation journals but the daily press have protested this proposal. I have yet to have brought to my attention a single comment in the press in favor of the proposal.

The general public, too, has been writing letters and petitioning for the disapproval of this measure. I have yet to see a single expression from them approving the proposal.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. LUNDEEN. I have been impressed by the fact that the pilots who have come down here, distinguished pilots, nationally outstanding pilots, men known all over the world, are unanimous in their support of the able Senator's outstanding bill. Everyone that I know anything about, connected with the aviation industry, takes the same position.

Mr. McCARRAN. I thank the Senator from Minnesota for the reminder he has given me. I was just about to dwell on that subject.

The pilots, those brave men, representing the very flower of our young manhood, who gave many—far too many—of their lives during the days of chaotic regulation by the old Bureau of Air Commerce, likewise unanimously condemn the proposed reorganization. And they have been supported in their stand by Mr. Green, the president of the American Federation of Labor, as disclosed by a letter which I inserted in the RECORD earlier today.

The mechanics, the radio operators, the dispatchers likewise have expressed themselves in no uncertain terms as opposed to the proposed change.

The air lines themselves, which have endured the incompetence of the old order and have at last begun to achieve, under the Authority, the stability and progress they have so badly needed, unanimously advise us that the reorganization would be a serious mistake.

I may say, Mr. President, that those who have invested hundreds of millions of dollars in the industry represented by the air lines are wondering about their investments in this facility which has accomplished so much, for their investments are now being jeopardized.

The Railway Express Agency, handling the great and growing air-express business, and organizations representing the private and miscellaneous fliers the country over, all plead for the preservation of the present regime.

Are all these—the press, the public, the air-line pilots and management, mechanics, radio men, dispatchers, and all the other aeronautical agencies, and even the American Federation of Labor—to be brushed aside with the heated charge that they are ignorant, that they are gullible, or that they are playing politics?

What, pray, have the air-line pilots and management to gain from playing politics in opposition to the President? No other industry today is so directly affected by government. No other industry has cooperated more wholeheartedly with government. No other industry has been so generous in its praise of the President and the Government. No other industry is more concerned with safety, efficiency, and economy, both of its own operations and of governmental regulation.

In his prepared statement the President lists five reasons for the proposed change in the Civil Aeronautics Authority, and its Administrator and Air Safety Board. Let us examine them one by one.

I

First, it is said that to shift civil aeronautics into the Department will (a) give it representation at the Cabinet table, and (b) give it a closer relationship with the Coast and Geodetic Survey and the Weather Bureau.

(a) As to representation at the Cabinet table, what did civil aeronautics gain from such representation prior to 1938? For all those years it was represented aplenty. It was almost represented to death. It was so effectively represented that America was on the verge of losing its proud position of leadership in civil aeronautics. Our railroads, our merchant marine, and our motor carriers are not so represented.

The truth of the matter is that the proposal is that civil aeronautics will be so completely represented by the Secretary of Commerce that the new Civil Aeronautics Board, under the express terms of the proposed change, will be unable to report either to the President or to Congress except through the Secretary of Commerce. He will have the sole voice. The Civil Aeronautics Authority will lose the independent voice which Congress gave it in 1938. The President will have closed his ears to the Authority, and will have shut it off from communication with Congress. It will be a subordinate bureau, able to speak only through the Secretary.

It was this subordination, whereby its affairs are lost in the extensive business of a large executive department, which made its representation at the Cabinet table so ineffectual prior to the passage of the Civil Aeronautics Act. It was the need to give civil aeronautics a voice which could be heard directly, to give it the position and prestige it merits, which led the Congress to terminate the old and inadequate bureau status and put it on an independent basis. Under the present act, the agency regulating civil aeronautics can speak out directly to the President, to the State Department, to the War Department, to the Post Office Department, and last but not least, to the Congress of the United States. Under the reorganization it will be subordinated and silenced, and once more its affairs will be noticed only at the pleasure of a busy Secretary of Commerce. Once more civil aeronautics will be at the mercy of the conflicting demands upon the

time of a single man—the very fault which so painfully afflicted it under the old Bureau of Air Commerce.

(b) As to the reasons for choosing the Department of Commerce, we now learn that this will give civil aeronautics a closer relationship with the Coast and Geodetic Survey and the Weather Bureau. Since the Weather Bureau is presently in the Department of Agriculture, and will be transferred to the Department of Commerce only if the transfer of the Authority takes effect, the reason for selecting the Department of Commerce hinges upon the Coast and Geodetic Survey.

The President's statement says that aeronautics depends on the air-navigation charts of the Coast and Geodetic Survey. It does use such charts. However, the air-navigation charting work of the Survey is a mere drop in the bucket compared to the other work of the Survey. That work represents annually only 6 percent of the total charting work of the Coast and Geodetic Survey, and only 4 percent of all the work of the Survey. The Survey's services are availed of throughout the Government. Its services to civil aeronautics are not peculiar, nor do they occupy any great amount of attention.

Nor does the work of the Survey occupy the time of the Authority or peculiarly engage the attention of civil aeronautics. It is of no more importance than any other equipment which is purchased.

Infinitely more important to civil aeronautics than is the Coast and Geodetic Survey is the work of the State Department and of the War Department.

The Authority and the air lines spend far more time dealing with the Post Office Department.

The W. P. A. and its airport program are of infinitely more direct and extensive concern to civil aeronautics and the Authority than is the Coast and Geodetic Survey.

The licensing of radio by the Federal Communications Commission, the handling of issues of stock through the Securities and Exchange Commission, the work of the National Mediation Board and the Labor Department—each of these quite overshadows, in importance to civil aeronautics, the preparation and sale of a few maps by the Coast and Geodetic Survey.

The map-making of the Survey cannot lead the American people to forget the woeful failure of the Department of Commerce in attempting to regulate civil aeronautics prior to 1938. The record of the Department of Commerce cannot be covered over by a few maps.

The study of independent regulatory agencies made for the President's Brownlow committee passed judgment on the Department of Commerce as a proper house for agencies such as the Civil Aeronautics Authority. This is what that study said in 1937:

> The Department of Commerce exists mainly to render service to American business. It may be doubted whether a regulatory or disciplinary function will be aggressively and impartially handled by such a service department. (President's Committee on Administrative Management, Report With Special Studies (Government Printing Office, 1937), p. 232.)

According to recent press reports, even Mr. Brownlow disapproves of the President's selection of the Department of Commerce for civil aeronautics. Perhaps his observation of the Department in 1937 led him to doubt its capacity. In any case, those in Congress who so closely observed the work of the Bureau of Air Commerce were left with no doubts.

II

The second point made concerning the proposed reorganization is that after the shift into the Department the Authority will remain an independent board performing the basic regulatory functions. The President's statement to the press is that it will continue to appoint and control its own personnel and submit its own budget.

The terms of Reorganization Plan No. IV must, of course, control. They are the terms which, if adopted, will be determinative under the present and all future administrations.

Those terms are:

> * * * The budgeting, accounting, personnel, procurement, and related routine management functions of the Civil Aeronautics Board shall be performed under the direction and supervision of the Secretary of Commerce through such facilities as he shall designate or establish.

There is much in the wording of the two plans which is ambiguous and vague. Indeed, one of the chief objections to them is the extremely general and ambiguous language with which the machinery set up by Congress in the act is to be reorganized.

But when the plan states that the budgetary and personnel functions of the Board must be performed under the Secretary's direction through facilities designated by him, I would think that the meaning is clear; I would think that the meaning, moreover, is what the words imply, that the budgetary and personnel functions are to be performed under the direction of the Secretary through facilities of his choosing.

It may be that a budget can be submitted by the Board. But to whom may it be submitted? To the Secretary, or to facilities designated by him, and under his direction?

Of course the Board can make suggestions to the Secretary. So can the humblest clerk in his Department. The power to make suggestions to the Secretary is not independence of the Secretary. Particularly is it not independence when the Board is denied, by the express terms of the plan, the right to report to the President or the Congress except when permitted to do so by the Secretary.

Nor does the plan say that the Board can appoint and control its own personnel. The personnel functions are under exactly the same limitations as the budgetary functions. The same words, in each case, transfer control to the Secretary. Indeed, under the wording of the plan, the Secretary has no choice but to control the matter of personnel, for the plan says that such matters "shall be" directed by the Secretary.

There is another phase of this question. The only respect in which the plan provides for the independence of the Board is in respect to the functions of rule making, adjudication, and investigation. All the functions of the present Authority are, under section 7 (a) of plan IV, transferred to the Department of Commerce. And in section 7 (c) it is stated that the functions of rule making, adjudication, and investigation are to be exercised by the Board independently of the Secretary. But that is all. No other functions are embraced within this asserted independence.

Mr. CLARK of Missouri. Mr. President, will the Senator yield before he passes from the point to which he has just referred?

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Nevada yield to the Senator from Missouri?

Mr. McCARRAN. I yield.

Mr. CLARK of Missouri. Is it not a fact that under the plan as set up, while the Board may have authority to make safety regulations, the enforcement of such regulations will be in the Administrator, who is a subordinate official in the Commerce Department; so that, so far as the administration of the safety rules, which is the essentially important feature, is concerned, we get right back to where we were before this independent authority was created, by having the enforcement of air-safety regulations in the hands of a subordinate official in the Commerce Department?

Mr. McCARRAN. The Senator's observation is entirely correct, and I am grateful for his contribution.

Mr. President, under the Civil Aeronautics Act the present Authority has many functions. Among them there are, at the very beginning of the act, two which are of primary importance.

One is in section 202 (a). That is the power to appoint personnel.

The other is in section 204 (a). That is the power to make expenditures.

Neither of these two functions is rule making, adjudication, or investigation. Therefore, neither comes within the provision for asserted independence in section 7 (c) of plan IV. But both are transferred to the Department of Commerce under section 7 (a) of the plan IV.

Therefore, these functions become ordinary departmental functions, and there is nothing in the plan to prevent the present Secretary or some future Secretary from bestowing those functions upon any agency he wishes, so long as it is within the Department. Certainly the Secretary will have full control over both matters.

What will result from this control over budget, expenditure, and personnel? Anything might result—anything but independence.

One thing which might result if the Secretary and, over him, the President are impressed by the Brownlow report is disclosed in a passage from the study of independent agencies made for the Brownlow committee.

That study stated, in connection with its discussion of the proposed creation of a judicial section and administrative section, the former to be "independent" and the latter subservient to the Executive, as follows:

> There is no reason why it (i. e., the judicial section) should have examiners or attorneys of its own. (President's Committee on Administrative Management, Report with Special Studies (Government Printing Office, 1937), p. 233.)

And the Brownlow report itself stated:

> The judicial section would sit as an impartial, independent body to make decisions affecting the public interest and private rights upon the basis of the records and findings presented to it by the administrative section. (President's Committee on Administrative Management, Report with Special Studies (Government Printing Office, 1937), p. 41.)

Under the proposed reorganization the new Board can be treated as Mr. Brownlow would have his so-called judicial sections treated. It can be denied the benefit of attorneys and examiners of its own; it can be forced to render its decisions upon records and findings presented to it by others.

With control over budget, expenditure, and personnel, this is what a Secretary of Commerce can bring about if he is favorably impressed with the Brownlow philosophy of administrative organization.

There have been efforts before this to place an independent agency in an executive department.

The Congress itself, when it created the Interstate Commerce Commission, provided that its reports should be made through the Secretary of the Interior; that the Secretary of the Interior should supply it with offices and facilities, and that the appointment and compensation of its employees should be subject to the approval of the Secretary of the Interior (secs. 18 and 21, 24 U. S. Stat., pp. 386, 387).

This requirement remained in force for only 2 years, during which time two Secretaries of the Interior asked that the full independence of the Commission be provided for and pointed out the danger of thus blanketing such an agency into a department.

Secretary of the Interior Vilas, in his annual report for 1888, put the matter very clearly. He said:

> I desire to renew the recommendation of my predecessor in office, in the last annual report, that this Commission be made independent of the Department of the Interior, required to report directly to the President or to Congress, and authorized to appoint its own officers and employees and to deal directly with the Treasury in the expenditure of, and accounting for, the appropriations made for its support.
>
> The character of this Commission, as indicated by the nature of the duties assigned to it by law and the manner of its appointment, which it may be safely expected will always secure maintenance of its constitution upon the present high plane, renders this a measure of personal justice. Besides that, the duty of determining upon the appointment of its officers and employees on appeal, as it were, from the Commission itself, is invidious and irksome; nor is the Secretary of the Interior able to decide the questions involved, except by requiring an exhibition of the circumstances and conditions which affected the judgment of the Commission in making appointments or expenditures. He cannot well have any satisfactory or trustworthy means of independent inquiry. His duty must, therefore, either be perfunctorily performed, in which case it is still more disparaging of the character of the Commission, or it must be performed in the exercise of a superintending authority without means of judging as satisfactory as those possessed by the Commission whose action he reviews.

In short, from actual experience the Secretary of the Interior found that the powers granted him disparaged the character of the Commission and were irksome and invidious. He found that he could not satisfactorily or in a trustworthy manner exercise the powers conferred, because he could not pass judgment as well as the Commission could. Thus, the dilemma he faced was acting either unsatisfactorily or perfunctorily. In either case he found that his powers were disparaging of the Commission and inconsistent with its dignity.

In other words, to grant such powers was found by actual experience to invite incompetent and uninformed action by the Secretary and to be a blow at the character and position of the regulatory agency.

One other point in this connection: The President's statement says that the basic regulatory functions are to remain in an independent board. But observe that under plan III the Administrator receives the functions of safety regulation under title VI of the act, except for rule making and revoking of certificates. In other words, the entire matter of certificating and licensing personnel, aircraft and aircraft equipment, and air-carrier operations, and presumably the entire matter of inspecting aircraft and equipment, are transferred from the Authority to the Administrator; and under plan IV the Administrator becomes entirely subservient to the Secretary of Commerce, without even the nominal independence professed in the case of the Board. Yet in safety regulation the actual certificating and licensing, and the terms and conditions which go into such certificates and licenses, are vital. All of that goes to the Administrator, who becomes a mere servant of the Department of Commerce.

III

The third point made in the President's statement is that in the transfer of functions to the Administrator the reorganization will remedy the failure of the act to carry out the intent of Congress to distinguish clearly between the powers of the Administrator and the Authority.

It is necessary only to read the act to see that the intent of Congress was carried out and that the functions are clearly defined and distinguished.

All the powers of the Administrator are set forth in title III of the act. Those functions are the construction and operation of air-navigation facilities and engaging in promotional work.

The Authority's powers are regulatory powers and the powers to register and record title to aircraft. The economic regulation is set forth in title IV, registration and recordation in title V, and safety regulation in title VI. The division of powers is as clear as crystal and was one of the most extensively and carefully considered features of the Act.

What does the Reorganization Plan III do?

It garbles these powers badly.

Registration of aircraft goes to the Administrator; but registration of engines, propellers, and appliances remains in the Authority and recordation of title remains in the Authority, or the new board.

The advisers to the President, doubtless only partially familiar with the act, will surely be hard put to it to justify this extraordinary division of functions.

Then, as to safety regulation, rule making, and revocation and suspension of certificates after a hearing go to the Authority, or the new board, but all other safety regulation goes to the Administrator.

Thus, the Board will be unable to suspend a certificate without a hearing, and the Administrator will be unable to suspend a certificate with a hearing.

The Administrator will grant safety certificates, and presumably provide the terms and conditions therein; but the Board will make the rules. If the Administrator does not like one of the Board's rules he may promulgate terms and conditions that are inconsistent therewith; and if the Board does not like one of the Administrator's terms and conditions it may promulgate a rule inconsistent therewith.

The Board will pass on an air carrier's fitness and ability to perform service in connection with an application for a certificate of convenience and necessity. The Administrator will also pass on the carrier's ability to perform the service in connection with an application for an operating certificate.

The Board will specify points for operation in a certificate of convenience and necessity. The Administrator will do the same thing in an operating certificate.

The danger—the inevitability—of conflict and confusion is patent. In the present act, Congress deliberately placed all these matters in the Authority, so that one agency could coherently and expeditiously handle a subject matter which is an indivisible whole. But the reorganization plan splits the subject matter into parts, divides indivisible functions, and promotes confusion and conflict.

Who will suffer? The industry will suffer. Prior to the present act it was plagued nearly to distraction by divided jurisdiction. Congress intended to end that evil, and did so. The results have been notable. Now the reorganization will restore the old division of jurisdiction, and we shall once more be treated with the spectacle of "too many cooks spoiling the broth."

IV

The fourth point made by the President is a defense of the abolition of the Air Safety Board.

Plan IV abolishes the Board, which is now an independent agency for the investigation of accidents, and transfers its functions to the new Civil Aeronautics Board, the regulatory agency.

The President's statement says that this move will continue the present independence of accident investigation and also make possible prompt translation of findings into corrective action.

Under the present act, the Air Safety Board makes its findings and recommendations to the Authority. The Authority may accept or reject them. If it accepts them, it can promptly translate them into corrective action. To suggest that the new system would enable prompter translation is a desperate argument indeed. Under the reorganization there would still have to be investigation, findings, study, and recommendations. That would have to be done by a subordinate agency of the new Civil Aeronautics Board. Only when that had been done could there be translation into corrective action.

Under the present act, the Air Safety Board is devoted exclusively to this work of investigation. It can therefore handle such matters speedily, and it does so, and the Authority can act at once upon its recommendations. The proposed reorganization will not save a minute.

The most startling statement in the President's announcement is that "the present independence of accident investigation" will be continued. The President's advisers have, indeed, misread the present act. Under the present act there is independence of accident investigation, because a small Air Safety Board is set up for the sole purpose of investigating and studying aircraft accidents. It does not make the safety rules. It simply investigates and studies accidents, and it does so independently of the Authority which makes the safety rules.

But under the reorganization the rule-making board will also do the investigating. This is not independence. The proposal is to restore the very condition which prevailed under the old Bureau of Air Commerce, and which was so universally condemned. Under that condition the old Bureau both investigated and adopted the rules. That meant that when an accident occurred it often investigated itself. That was the evil. Mr. Vidal, Director of the old Bureau, admitted before the Senate Committee on Commerce that it was an evil. An investigation was a whitewash of the old Bureau. "Pilot's error," the investigators concluded. Naturally the Bureau did not criticize itself. The pilot was dead, and it blamed him.

The reorganization would restore that very condition. It would bring back the whitewash. This would not be because the members of the present Authority are cowardly, but it would be human nature for their own subordinates to carry to every accident a large pail of whitewash.

The country will be denied the constructive, life-preserving, accident-preventing effects of fearless, impartial, ruthless investigation and findings of fact.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. LODGE. I have been very much interested in what the Senator has said, and I know that he is a student of this problem. I should like to ask him whether he has heard of any organized effort on the part of passengers on the air lines to favor such a transfer as is proposed.

Mr. McCARRAN. If I catch the Senator's question aright, he asks whether I have heard of any concerted action on the part of air-line passengers favoring the President's Executive order.

Mr. LODGE. Yes.

Mr. McCARRAN. I have found nothing of that kind.

Mr. LODGE. Has the Senator heard that those who own and manage and operate the air lines are in favor of such a transfer?

Mr. McCARRAN. On the contrary, a resolution opposing the transfer was unanimously adopted by the Air Transportation Association of America, consisting I am advised, of all the air lines, which resolution was read into the RECORD by the Senator from Idaho, I believe, at my behest, a few days ago.

Mr. LODGE. Is it not also true that the pilots and other men who actually operate the airplanes in the air are all opposed to the transfer?

Mr. McCARRAN. They are unanimously opposed to the transfer.

Mr. LODGE. Then, it is accurate to say that outside of official circles there is virtually no one in the United States who supports the proposal?

Mr. McCARRAN. My observation, as I read and listen, confirms the implication of the question asked by the Senator from Massachusetts.

Mr. President, the final point in the President's statement is that savings will be accomplished.

He states that highly paid positions on the Air Safety Board will be eliminated.

This amounts to a total of $22,500 a year.

An investment of a paltry sum, indeed, when millions of lives are at stake. A paltry sum, indeed, when we remember that the air lines of America, in the first year of the operation of the Civil Aeronautics Act, flew 86,000,000 plane-miles and 821,000,000 passenger-miles without a single fatality, and that was done on an investment of $22,500.

Mr. LUNDEEN. That is a better record than the railroads made.

Mr. McCARRAN. I may say to the Senator that in all the history of transportation, even from the oxcart days down to the present, no such record can be found.

If accident investigation is to continue, no other personnel can be eliminated. And if the lost services of the members of the present Safety Board are to be made up in any way, the saving will be less than $22,500 by whatever amount is required to secure men to take their places.

Twenty-two thousand five hundred dollars is the price paid for vigorous, forthright investigation and search for truth, let the chips fall where they may.

A small price, this, for safety's sake. Twenty-two thousand five hundred dollars is worth more to the passengers and pilots than a bucket of whitewash.

There came to my office this morning, on my arrival in the city of Washington, a group of about 30 of the finest young men God ever produced, young Americans capable of transporting passengers and property from coast to coast in safety. They, the air-line pilots of this country, were there asking how they might assist, seeking to know how they might assist so that their lives and the lives of the passengers whom they would transport across the continent may have continued assurance of safety such as has been afforded to them under the Civil Aeronautics Authority for the past year.

The President's statement also suggests vaguely that other economies will be possible. How? Unless the functions of the present Authority are to be taken over by the personnel of the Department, there can be no savings. The Authority and its staff are already working overtime.

Of all eventualities which it may earnestly be hoped will not occur, high among them is that the Department personnel—budgetary, legal, or otherwise—unschooled in aeronautics as they are, should have anything to do with this great, new, growing industry.

The President's statement likewise asserts that he was advised by the Budget Bureau that a change in the C. A. A. setup "was imperative if we were to continue to move forward in civil aviation."

The Budget Bureau must have myopia. We have just finished the greatest year in the history of civil aviation. We are moving ahead at an accelerating rate under what the National Safety Council has rightly termed the "inspiring leadership" of the C. A. A., establishing a record which the senior Senator from Missouri a few weeks ago accurately described as five times better than anything we have ever done before.

Mr. LUNDEEN. Mr. President, I think the public will be interested in the names of the Chairmen and members of the Civil Aeronautics Authority and the Air Safety Board. The Chairman of the Civil Aeronautics Authority is Robert H. Hinckley, and the members are Harllee Branch, G. Grant Mason, Jr., Oswald Ryan, and Edward P. Warner. The members of the Air Safety Board are Thomas Hardin, Chairman, C. B. Allen, and Sumpter Smith.

Mr. McCARRAN. Mr. President, under the impetus given to aeronautics by the Civil Aeronautics Act, and under the wise administration of the Authority and the watchful eye of the Air Safety Board, we have scaled new heights. And our rate of advance is even greater today than it was 6 months ago.

A vast civilian-pilot-training program has been successfully inaugurated, and is being ably executed, which represents the most stupendous effort ever made in the field of private flying. Scheduled air transportation has been achieving new records almost weekly. Where in this shining success are we failing to move ahead?

Retrogression was halted abruptly when the C. A. A. took the helm. The Department of Commerce, with its layers of officialdom passing the buck backward and forward, was searchingly scrutinized and pronounced wanting by the Senate Committee on Commerce. It took the death of one of our colleagues in an air-line crash to bring to light the evils of the old order. Those evils have been corrected by the creation of an independent agency. If the Bureau of the Budget suffers from myopia, the public and the pilots and the industry, and the boys and girls in the civilian-pilot-training program and their parents, can see clearly enough.

What they see is advancement and achievement such as was never before known.

The record speaks with the eloquence of accomplishment.

Mr. President, in conclusion, let me say that 6 years of ardent study of this subject by those who gave their best efforts to writing the law which was enacted by the Congress, 6 years of everlasting patience in the study of aviation, caused me in the past to enlist, and again causes me to reenlist, to the end that this country, having accomplished more in aviation than any other country in the world, shall not now, at the very zenith, take a backward step.

Mr. LUNDEEN. Mr. President, I should like to have printed at the end of the Senator's speech, in its proper place, remarks by Secretary of the Navy Edison in regard to the protection of our fleet and its relation to aircraft. In that connection I wish to call attention to the statements made several years ago by our beloved Air General William Mitchell, which are shown by these remarks of the Secretary of the Navy to have been accurate.

SUPREMACY IN THE AIR

You cannot have supremacy on the seas without supremacy in the air. I take that to be axiomatic, and I am willing to let that statement stand.

John Ericsson once revolutionized all the navies of the world by building the ironclad *Monitor* with its revolving turret. Every wooden battleship went to the scrap heap.

DEATH TRAPS OF THE DEEP

Today the dinosaurs of the deep, our battleships, must have air protection or sink. We need new battleship-building technique—new designs, better protection for men and munitions aboard—and there is not a minute to lose if we are to be up to date. Yet we insist on wasting our money on old designs, useless, outworn, and outdated vulnerable ships—death traps for our brave and skilled sailors.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SECRETARY EDISON'S STATEMENT

[From the Washington Evening Star of May 1, 1940]

WARSHIP "SUNK" UNDER HIM, EDISON ASKS BETTER AIR DEFENSE—VESSELS VULNERABLE TO PLANES' ATTACK, SAYS SECRETARY, PLANNING TO CALL CONFERENCE

(By Fred H. Morhart, Jr.)

Secretary of the Navy Edison today called for a general revision of the topsides of fighting ships after having watched maneuvers in the Pacific Ocean.

He declared the warships are vulnerable to air attack to the extent that damage, though not sinking the ships, would disrupt communications, fire control, and general operation.

Mr. Edison also revealed that at least one ship theoretically was sunk under him during the Navy's sham battle. He said the destroyer *Warrington* was sunk while he was aboard observing operations involved in fleet problem 21.

He also said the flagship *Pennsylvania* received considerable mimic damage from shellfire. He reported the damage was inflicted during a night attack which featured heavy shellfire.

The Navy Secretary said, in discussing his maneuver operations, that he intends to hold conferences with the Navy's high command on remodeling this country's fighting ships with a view to strengthening air defenses.

On modern ships such as destroyers, he said, it is the intention of the Navy to provide increased protection for gun crews and personnel working above decks.

Mr. Edison said there was no intention of asking Congress to provide additional funds this year for changes in the superstructure. At the same time, however, he expressed disappointment that Congress had not provided for a 25-percent increase this year in the Navy's appropriation. The present bill makes provision only for an 11-percent increase in appropriations.

He reported that the shipbuilding program is aproaching a peak and that any greater activity in the program would hardpress Government and private shipyards.

Mr. Edison, after viewing the sham sea battle, said he thought for the time being that aircraft held a decided advantage. In discussing this subject he referred to the difficulties experienced on the British cruiser *Exeter* which fought the *Graf Spee*. He pointed out that the ship was operated manually almost entirely after being severely damaged by the 11-inch guns of the German ship. He said an air attack on ships could likewise severely damage the "fighting top and control of the ship."

"Air power raises the risk on ships and certain operations," he said. However, he claimed to doubt that air attacks would actually sink a first-line ship.

Flank armament cited

More attention, he said, is now being given to flank armament. He said because of the length of time needed for construction, increase in side armaments probably would take a number of years.

In discussing defenses of the Panama Canal Zone, Mr. Edison expressed the opinion the United States needs additional outlying bases in the Caribbean Sea area. He pointed out defenses on the Pacific side were considerably stronger than those on the Atlantic side. He said he hoped provision soon would be made for air and fleet bases on the Canal's Atlantic outposts.

In discussing the general picture of the Navy, Mr. Edison said that, although the fighting ships were of a goodly number, there was a need for new auxiliary ships. He specifically mentioned hospital, colliers, general supply boats, and transports as being on the deficient list.

Mr. Edison, in expressing an opinion on the Navy's fuel-oil supply in the Territory of Hawaii, said he would like to see all the tanks placed underground in bombproof shelters. He said that viewed from the air, the large tanks were outstanding targets. He added that part of the maneuvers included a test of naval supplies in the outlying Pacific outposts.

He also added that there was a strong need at present for additional cold-storage plants.

STATEMENTS BY AIR GENERAL WILLIAM MITCHELL

[Source: Winged Defense, 1925]

DINOSAURS OF THE DEEP

The battleship is so expensive and difficult to maintain and so vulnerable to aircraft and submarines that it will be eliminated eventually. Sea power as expressed in battleships is almost a thing of the past. Battleship fleets can no longer control the

sea lanes of communication. This attribute has passed to aircraft and undersea boats. The tremendous power of submarines is just beginning to be understood by the people, as the facts and figures relative to their use were concealed largely for political purposes during and even since the war. During the war the Germans maintained at sea only about 30 submarines. These 30 submarines sank 11,000,000 tons of Allied shipping. They sank 7,600,000 tons of British shipping, and in 9 months of the war, during 1918, they sank 1,800,000 tons of British shipping. Forty percent of all British shipping was destroyed by these few submarines, which reduced the British Isles to the verge of starvation. The Germans never employed over 10,000 men in the handling of their submarine forces, whereas the Allies employed over a million men in countersubmarine operations and spent hundreds of millions of dollars for equipment. All of these measures were comparatively ineffective.

AVIATION AND SUBMARINES

* * * When war between two powers separated by oceans occurs in the future, all sea lanes leading to the hostile power will be planted with mines by submarines. The surface of all oceans will be districted and organized in geographic squares. To each square submarines will be assigned and a constant patrol will be kept, no matter whether there be warships or commercial ships of the opposing side crossing the seas. The submarines' power is sufficient to destroy any surface vessels, including battleships or other war craft. Nations, therefore, will put their money and effort into submarines instead of battleship fleets because the submarine operations are more economical in financial expenditure, in numbers of men employed, and in effectiveness. They, however, are largely a defensive element. They cannot transport troops across the seas as can surface vessels. At present, surface craft only may be used for this purpose and also to act as airplane carriers for transporting planes to hostile shores and launching them. As airplane-carrying vessels are of no use against hostile air forces with bases on shore, and as they can only be of use against other vessels of hostile fleets that are on the surface of the water, and as these fleets will be supplanted by submarines, there is little use for the retention of airplane carriers in the general scheme of armaments.

ANCIENT METHODS AND PROPAGANDA

* * * Surface navies, particularly battleships and other surface craft, are rapidly losing their importance as they can only be used for offensive operations across the sea and have little or no defensive value. They are the most expensive equipment in the military scheme. What is keeping them up as much as anything else and largely preventing open and free discussion of their uses are the propaganda agencies maintained by navies for perpetuating the existing systems. Not only do they resist any change which will take away from the battleship its primary importance in sea dominion, but they tend to minimize and depreciate the ability of air power and submarines. Propaganda has a great effect on the public mind. As the people are the ultimate judge of what national defense should be, as expressed by their legislatures, it is necessary that the exact facts be submitted to them without restraint or evasion.

LIMITATION OF ARMAMENTS

* * * The rapidly increasing efficiency of the airplane and the submarine gives us the opportunity to move toward a new limitation of armaments. Both of these implements of national defense are essentially defensive in their nature as distinguished from offensive military arrangements designed for aggression across and beyond the seas.

They will cause new economies in national expenditures. For example, more than 1,000 airplanes can be built and maintained for the outlay required for a single battleship. Airplanes have a great application in time of peace in useful civil and commercial pursuits. The same airplanes can do this work that are suitable for duty in war and for national defense. In fact all aircraft developments, the factories that make them, the airways that are established for civil aviation and the civilian pilots and crews, are distinct military assets, and can bring in a return in time of peace, thereby reducing the national expenditure necessary in their maintenance if they were kept solely and exclusively for war.

TIME VINDICATES GEN. BILLY MITCHELL, AMERICAN AIR HERO

[From the New York Times of February 20, 1936]

GENERAL MITCHELL DIES; AIR LEADER IN WAR—FLYING HERO QUIT ARMY IN 1926 AFTER COURT MARTIAL FOR HIS CRITICISM OF SUPERIORS—BEGAN AS PRIVATE IN 1898—ROSE TO ASSISTANT CORPS CHIEF—A PIONEER IN SERVICE, HE PREDICTED OCEAN FEATS

Brig. Gen. William Lendrum (Billy) Mitchell, commander of the United States air forces in France during the World War and afterward director of military aviation, died at 4:45 o'clock yesterday afternoon in Doctors Hospital, where he had been confined with a heart ailment since January 28. He was 56 years old.

At his bedside when he died was Mrs. Mitchell, the former Elizabeth Trumbull Miller, whom he married in 1923. The cause of death was recorded as coronary occlusion.

Funeral services will be held at 10 a. m. Saturday in St. Paul's Cathedral, Milwaukee.

Advancement through all grades from that of private, which he became by regular enlistment at the outbreak of the Spanish-American War, up to that of brigadier general, which he achieved as commander of the air forces in France during the World War, had come to General Mitchell when the headline name "Gen. Billy Mitchell" flamed into the news consciousness of the American people in the fall of 1925.

It achieved that status because a demoted corps area air officer in Texas had asserted that the high command of both the Army and Navy were guilty of "incompetency, criminal negligence, and almost treasonable administration of the national defense."

A bitter critic of aviation

But backward from that date, back to the close of the World War, and forward from that date through his trial by court martial for violation of the ninety-sixth article of war, through his avoidance of a 5-year suspension from the Army lists by his voluntary resignation, and on into his retirement as a wealthy stock raiser and gentleman farmer, "Billy" Mitchell was known as the stormy petrel of American aviation. At times it seemed as if nothing that was done in the development of American aviation, either military or civilian, was right or adequate in his opinion.

General Mitchell, as he was always known as a result of his war rating, was a prophetic and vitriolic critic.

When in the summer of 1921 he and fellow officers successfully demonstrated the possibility of destroying a battleship with aerial bombs by sinking from the air the former German dreadnaught *Ostfriedland* and the former German cruiser *Frankfort*, all battleships became in General Mitchell's words subservient to the airplane and all navies became obsolete.

Many of his other aviation prophecies came true in time. In 1922 he predicted a day when airplanes would fly at the unheard-of speed of 250 miles an hour. Within 10 years of that warning prediction airplanes had flown nearly 500 miles an hour. In 1923, to focus attention upon the dangers of an aerial attack on America from across the Pacific, General Mitchell painted a seemingly fanciful picture of a day when airplanes would fly regularly from China to San Francisco. That was 4 years before anyone had demonstrated that the Atlantic, let alone the Pacific, could be crossed by air.

Long before he uttered the charges which brought him his court martial Mitchell was baiting his superiors and twitting those in authority for their incompetence in handling the instruments, usually the airplane, which had been placed in their care for use and development. As early as 1910 he was saying that America would be helpless in an air war and that an air fleet could wipe out all of New York City; and in 1921 he was saying that the airplane made the battleship practically useless.

He repeated the latter charge so often that finally the naval authorities looked over their war prizes and selected the *Ostfriedland* and the *Frankfort* upon which they offered to permit the Army fliers to test their chief's "extravagant claims." On July 18, 1921, a squadron of Army bombers from Langley Field sank the *Frankfort* 60 miles east of the Virginia capes. Two days later they dealt the same fate to the *Ostfriedland*.

The man who fought for his belief and faith in the airplane for more than a decade was born in Nice, France, December 29, 1879, while his parents, the former United States Senator John Lendrum and Harriet Danforth (Becker) Mitchell, were sojourning abroad. Mitchell's father had served as a Union soldier in the Civil War and from him he inherited a tradition and instinct for the military. Much of his home education was in the military tradition, and his extracurricular interest was so largely wrapped up with military history that the boy was exceptionally well-grounded in this field.

Studied at Washington

Returning to the United States with his parents, the boy entered Racine College in Wisconsin and later was graduated from George Washington University. He was with his family in Washington when the United States declared war on Spain. Although he had just reached 18, he returned to Racine immediately and enlisted as a private in Company M of the First Wisconsin Infantry. This was on May 14, 1898. He had achieved the rank of lieutenant when his company reached Cuba, and he served there on the staff of Gen. Fitzhugh Lee. He was in the Philippines during the insurrection, one of the youngest officers on the staff of General MacArthur, whose son, Gen. Douglas MacArthur, was lated Chief of Staff of the Army and a member of the military court that convicted Mitchell in 1925.

Mitchell early in his military career began specializing in communications, which was the primary concern of the Signal Corps. It was through the accident of the fact that when the Wright brothers and Glenn H. Curtiss developed the first military planes in this country and the Army, being in a quandary as to what to do with this new instrument, consigned it to the Signal Corps, that Mitchell first became interested in aviation.

Returning from the Philippines to Washington, young Mitchell was commissioned to lay telegraph lines from Eagle City down the Yukon and across the Tanama country to Prince William Sound, a distance of 3,000 miles. Although the feat had been attempted twice before and had failed, Mitchell, despite many hardships and handicaps, finally completed the task.

Saw plane demonstration

At 24, with the rank of captain in the Signal Corps, Mitchell was one of that select historic company that witnessed the first

demonstration of a military plane by the Wright brothers at Fort Myer in September 1908. He met the Wright brothers for the first time on that occasion, and it was from Orville Wright, 6 years later, after Congress had appropriated $13,000,000 for the organization of the First Aero Squadron, that Mitchell learned to fly. He was soloed by Wright after 2 hours of instruction.

In March 1917, upon completion of a tour of duty as a member of the General Staff, Mitchell, then a major, was in Spain on leave. On April 6, when the United States entered the war, he was in Toledo. He proceeded at once to Paris, and through special arrangements he was attached to the staff of General Pétain and was one of the first American Army officers to participate in an attack with the French. With the fuller organization of the American Expeditionary Force in France, Mitchell was assigned to assist Gen. Mason M. Patrick in the building up of the Air Service force on the front. He later succeeded to the command of this service, with the rank of brigadier general. He served as Chief of Air Service, Zone of Advance; Chief of Air Service, First Corps; Chief of Air Service, First Army; and Chief of Air Service, Group of Armies.

Decorated for bravery

His official war record states that he received the Distinguished Service Cross for "repeated acts of extraordinary heroism in action at Noyon, France, in March 1918"; and in July of the same year he "displayed bravery beyond that required by his position as Chief of Air Service," by piloting his plane over the battle lines and gaining information as to the disposition of air and ground forces which led to a change in the tactical methods of the air wing. For his World War service he received, in addition to the Distinguished Service Cross, the Distinguished Service Medal, Croix de Guerre with five palms, Commander of the Legion of Honor (French), Companion of the Order of St. Michael and St. George (British), Commendatore S. S. Maurizio é Lazzaro, Medal for Merit in War and Grand Officer of Italy.

Returning to the United States after the armistice, General Mitchell was immediately made Assistant Chief of the Army Air Service and put in direct charge of the training of the aviation force of the Army. A brilliant war career behind him and filled with enthusiasm for the new instrument which had proved itself in that war, he immediately became an outspoken and tireless critic of what America was doing with her opportunity of becoming a leading air power of the world.

At the end of his regular 4-year tour of duty as Assistant Chief of the Air Corps, as it was now called, he was not reappointed to that post. He was reduced to his Regular Army grade of colonel and sent to Texas as air officer of the Eighth Corps Area. He had been at this new station only a short time when he made his famous statement about the high command "inefficiency, incompetency, criminal negligence, and almost treasonable administration."

Mitchell was tried for violation of the ninety-sixth article of war, was found guilty on all counts, and the verdict of the court martial was suspension for 5 years without pay or allowances. President Coolidge later reviewed the sentence and, while he upheld the suspension, he restored the allowances and one-half of his monthly base pay. Less than 2 weeks after this Presidential review and commutation of his sentence, General Mitchell, on February 1, 1926, resigned from the Army.

As a private citizen, however, he remained a bitter critic of the conduct of American aviation.

On October 11, 1923, General Mitchell was married to Miss Elizabeth Trumbull Miller at Detroit, Mich. There are two children, Lucy Trumbull and William Mitchell, Jr. General Mitchell was a member of the Metropolitan, the Chevy Chase, and the Army and Navy Clubs of Washington. Among his writings which have appeared in book form are Our Air Force, Winged Defense, and Skyways.

Once to every man and nation comes the moment to decide—Lowell.

Mr. LUNDEEN. General Mitchell lives on in glory, his critics and defamers are forgotten. The great principles he laid down live after him and today we do him honor—honor which he so richly deserves.

I rise today to call the Senate's attention to these principles. Let those who differ answer now. Let them answer during the coming Navy debate.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. CONNALLY, from the Committee on the Judiciary, reported favorably the nomination of Arthur D. Fairbanks, of Colorado, to be United States marshal for the district of Colorado.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. ELLENDER in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

UNITED STATES MARITIME COMMISSION

The legislative clerk read the nomination of Thomas M. Woodward to be a member of the United States Maritime Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST GUARD

The legislative clerk proceeded to read sundry nominations in the Coast Guard.

The PRESIDING OFFICER. Without objection, the nominations in the Coast Guard are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 38 minutes p. m.) the Senate took a recess until tomorrow, Thursday, May 2, 1940, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 1 (legislative day of April 24), 1940

UNITED STATES MARITIME COMMISSION

Thomas M. Woodward to be a member of the United States Maritime Commission.

COAST GUARD OF THE UNITED STATES

Rear Admiral Russell R. Waesche, to be commandant, with the rank of rear admiral.

TO BE CHIEF BOATSWAINS

Alfred B. Muse
Charles L. Lewis
Thomas B. Christiansen

TO BE CHIEF MACHINISTS

Harold Wylie
Harry Stevens
Everett C. Hilton
George C. Boniface
Francis T. Douglass

TO BE CHIEF BOATSWAIN (L)

Altson J. Wilson

POSTMASTERS

DELAWARE

James L. Smith, Greenwood.

GEORGIA

Carl M. Simonton, Franklin.
Estelle B. Willis, Hardwick.
Augustus H. Flake, Lithonia.
D. Alton Willis, Meigs.
Andy G. Clements, Rhine.

MARYLAND

Ernest A. Loveless, Clinton.
Mary W. Stewart, Oxford.
Victor F. Cullen, State Sanatorium.

MISSOURI

Joseph H. Hardgrove, Atlanta.
Harry O. Travis, Belle.
Francis J. Smith, Blue Springs.
Oscar Clinton Magoon, Carl Junction.
Florence H. Myers, Cuba.

Sam M. Marsden, Hillsboro.
Newton E. Young, Sr., La Plata.
Grover C. Fulton, Monett.
George W. Daniels, Novinger.
Mary S. McMahill, Osborn.
George Emmett Moore, Parkville.
Adolph H. Zoellner, Perryville.
Lyman F. Dabbs, Rocky Comfort.
William H. McIntire, Vandalia.
Fred Blattner, Jr., Wellsville.
Floyd E. Birkhead, Winfield.
Charles H. Oney, Wright City.

NEBRASKA

Oda D. Adkins, Arthur.
Robert L. Isham, Chadron.
Merwyn C. Johnson, Hyannis.
Rose C. Dolan, Maxwell.

NEW YORK

John M. O'Keefe, Addison.
William McMichael, Annandale-on-Hudson.
Joseph S. Annable, Bayport.
Helena F. Cuatt, Mohegan Lake.
William F. Riordan, Newark Valley.
Thomas F. Carroll, Oriskany.
Leonard S. Cole, Ovid.
James F. Cronin, Portville.
Timothy V. O'Shea, Rome.
Patrick A. Murphy, White Plains.

NORTH DAKOTA

Genevieve Gregor, Dawson.
Winnifred D. Flaten, Edinburg.
Hugh H. Parsons, Fessenden.
Richard T. Burke, Langdon.
Leta L. Davis, Lansford.
Ethel L. Powers, Lawton.
Veronica F. Bimler, Munich.
John C. Black, Plaza.
Carl L. George, Sarles.
Chase E. Mulinex, Tolley.
Albert H. Baumann, Westhope.
Janette O. Gray, Wilton.

PENNSYLVANIA

William W. McGinnis, Cochranville.
Harold B. Dill, Finleyville.
Melvin Guy Hartman, Martinsburg.
Charles C. Naginey, Milroy.
Israel B. Earley, Palmyra.
Margaret E. Park, Robertsdale.
George L. Williams, Shippenville.
Mabel J. Stover, Shrewsbury.
Thornton Raney, Skytop.
Austin L. Moredock, Waynesburg.

SOUTH CAROLINA

George B. Patrick, Bowman.
Charles A. Potter, Cowpens.
Palmer White Johnson, Marion.

TENNESSEE

William Davis Dulaney, Blountville.
James W. Stout, Decaturville.
George P. Brummitt, Gleason.
Park A. Carr, Harrogate.
Shelbin C. Malone, Henderson.
Arthur Terrell Jones, Jellico.
Joe L. Richardson, Lewisburg.
Hugh Doak, Manchester.
John W. Simmons, Moscow.
Herman C. Mantooth, Newport.
Robert G. Crossno, Norris.
Lee N. Alley, Oakdale.
Ike R. Clinton, Oakville.
Walter S. Moore, Portland.
Grace M. Bryan, St. Joseph.
William L. Moore, Selmer.
Charles Atkins Boone, Trenton.
Loraine Adkins, Wartburg.

WASHINGTON

Emery L. Morsbach, Bucoda.
Aaron W. Wilson, Clarkston.
Robert Kinzel, Entiat.
Selma Peterson, Marcus.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 1, 1940

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore, Mr. RAYBURN.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, restful are the moments of prayer when we can look up and feel the presence of the Christ who came to seek and to save that which was lost. We pray that He may encircle us, revealing the higher truths, wider charities, and rarer purities than we have known. We thank Thee for this day, another dispensation of Thy providence. Be Thou unto us the wisdom that makes error difficult, the light that makes the darkness fade and the bread of heaven that quickens the best impulses of our souls. Consider the Congress, dear Lord; bless the bonds of fraternity, the ties of friendship, and the affections of all homes. Grant that no failures, no regrets, and no sin may follow in the wake of this day. Let us brave every ignoble thing and temper, being sure of the fullness of victory, whatever our weakness, and always aiming at the sincerest, deepest, and purest personal life. In our Saviour's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate insists upon its amendments to the bill (H. R. 7737) entitled "An act to amend the Judicial Code by adding a new section thereto, designated as section 266a, to provide for intervention by States in certain cases involving the validity of the exercise of any power by the United States, or any agency thereof, or any officer or employee thereof, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHANDLER, Mr. MILLER, and Mr. DANAHER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2925. An act to amend the Tennessee Valley Authority Act of 1933.

AMENDMENT OF SECTION 5 (B) OF THE ACT OF OCTOBER 6, 1917

Mr. WILLIAMS of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (S. J. Res. 252) to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes, and ask unanimous consent for its immediate consideration and passage.

The Clerk read the title of the Senate joint resolution.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Senate Joint Resolution 252

Resolved, etc., That the first sentence of subdivision (b) of section 5 of the act of October 6, 1917 (40 Stat. 411), as amended, is hereby amended to read as follows:

"During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange, transfers of credit between or payments by or to banking institutions as defined by the President, and export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency, and any transfer, withdrawal, or exportation of, or

dealing in, any evidences of indebtedness or evidences of ownership of property in which any foreign state or a national or political subdivision thereof, as defined by the President, has any interest, by any person within the United States or any place subject to the jurisdiction thereof; and the President may require any person to furnish under oath, complete information relative to any transaction referred to in this subdivision or to any property in which any such foreign state, national, or political subdivision has any interest, including the production of any books of account, contracts, letters, or other papers, in connection therewith in the custody or control of such person, either before or after such transaction is completed."

SEC. 2. Executive Order No. 8389 of April 10, 1940, and the regulations and general rulings issued thereunder by the Secretary of the Treasury are hereby approved and confirmed.

SEC. 3. Nothing in this joint resolution shall be deemed to repeal or to modify in any manner any of the provisions of the act of April 13, 1934 (48 Stat. 574) (The Johnson Act), or of the Neutrality Act of 1939 (Public Resolution No. 54, Seventy-sixth Congress).

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution was laid on the table.

EXTENSION OF REMARKS

Mr. TARVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a short editorial from the Atlanta Constitution relating to the tenant-land purchase program.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CANNON of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CANNON of Florida. Mr. Speaker, I rise again to announce my opposition to the continuation in any form or fashion of the unfair, un-American provisions of the Sugar Act of 1937.

The most recent penalty suffered by the sugarcane farmers of my district was invoked by the Department of Agriculture in an order issued on April 27, 1940, which appears in the Federal Register of yesterday.

This order is but one of many concrete examples of the unjust discrimination provided for in the Sugar Act of 1937 against American labor, American farmers, and the American housewife. The order referred to, coming at this time when the administration is endeavoring to increase employment, raise the standard of living of the laboring man and farmer, causes me to wonder if its tragic results are clearly understood.

This order reduces Florida's sugar quota by 42,000 tons which is a 42 percent reduction over the small quota of last year allotted to my State. I remind you, sugar is a non-surplus product and that although Florida has the lowest cost of production and pays the highest agricultural wage, we are allowed, under the iniquitous Sugar Act of 1937, to supply less than 1 percent of this Nation's sugar needs.

You are interested, I know, in how this recent order affects American labor. Two thousand and five hundred heads of families in Florida will be deprived of employment at the highest agricultural wage payed under the American flag, absolutely because this Congress voted for and passed the Sugar Act of 1937. Frankly, Mr. Speaker, I do not believe that those who voted for that act understood its drastic consequences.

The 2,500 families which I referred to are in south Florida. I do not know how many more good American families in other areas will be sacrificed on the altar of foreign goodwill under the idiotic pretense that we must buy our sugar at premium prices from foreign countries. Idiotic, because America can produce all of its own sugar needs at a low cost of production.

Mr. Speaker, the farmers of my district, and sugar farmers generally, want to know how much longer they will be forced to put their children to bed without supper in order to provide the children of the Wall Street bankers, owners of foreign sugar companies, with Packards and Rolls Royces.

Some of my esteemed colleagues, Mr. Speaker, have had the unmitigated gall to intimate that they desire to see this Congress reenact that Sugar Act which gives this monopoly to our friends of Wall Street. I trust that they now fully understand what they are proposing for American labor and the American farmer, and that their efforts will be met on this floor with the full force of those who represent an indignant and long suffering American public, who, in my humble opinion will heartily vote down any such legislation, no matter in what form or disguise it is presented. [Applause.]

Mr. O'BRIEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'BRIEN. Mr. Speaker, under the President's proposed reorganization of the Civil Aeronautics Authority, it is provided that the Authority will be able to report to Congress and the President only through the Secretary of Commerce.

This will mean that free and independent advice to Congress from an expert agency on matters relating to civil aeronautics cannot be secured. Advice on such matters can come only through a political department and a political appointee in the Cabinet.

The value of independent reports directly to Congress from an independent expert agency is well illustrated by experience with the Interstate Commerce Commission. For 50 years that agency has exercised a constructive influence in furnishing Congress with independent advice on transportation matters. Its annual reports and its special reports have furnished a storehouse of sound information and disinterested criticism.

When the Civil Aeronautics Authority was created as an independent agency Congress provided that it should make regular reports and recommendations just as does the Interstate Commerce Commission.

But the proposed reorganization, by requiring that its reports can be made only through the Secretary of Commerce, would gag that agency and would deny to Congress the benefit of its independent advice. Civil aeronautics should be freely and independently regulated and Congress should receive free and independent reports from the agency it has created.

The proposed reorganization should be disapproved. [Applause.]

APPOINTMENT TO HOUSE COMMITTEES

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution, which I send to the Clerk's desk and ask for its immediate adoption.

The Clerk read as follows:

House Resolution 477

Resolved, That J. HYDE SWEET, of Nebraska, be, and he is hereby, elected to the following committees of the House of Representatives: Committee on Indian Affairs, Committee on Irrigation and Reclamation, and Committee on War Claims.

The resolution was agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MITCHELL. Mr. Speaker, during the nearly 6 years I have served as a Member of this House, I have heard much said about different forms of government, dictatorships, and so forth. At times there have been statements to the effect that certain legislation which we had under consideration pointed toward the setting up of a dictatorship in our country. There is no doubt in my mind but there are subversive influences at work in America, and that they are seeking to undermine our Government. They are making their appeal to all supposedly disgruntled groups. I am firmly of the opinion that such an appeal is being made to the Negroes, the largest minority group in this country.

I have implicit faith in the loyalty of the Negro, but at the present time there are evidences of small groups here and there giving an attentive ear to doctrines which are subversive in their nature. I regard such teachings as being not only detrimental to our Government but most destructive and detrimental to the best interests of my group. I do not wish to go on record as being in sympathy with the injustices from which my people suffer. I have denounced them on the floor of this House time and again. I have pleaded for absolute justice and I have asked the Nation to wipe out discriminations against the largest minority group, but I look with disapproval upon any activity which smacks of disloyalty to this Government.

I believe that communism as taught and practiced in Russia is seeking through its agents to disrupt the good feelings between the two races in this country. I deplore this and disapprove it as does the great majority of Negroes. I have no confidence in these so-called revolutionary organizations springing up here and there among certain of our citizens, white and colored. It is my opinion that there are designing white men and women in the United States today who are deliberately seeking to take advantage of whatever dissatisfaction exists among the Negroes and are seeking to use the Negro as a tool against this Government. This I condemn with all of my heart.

I wish to go on record as condemning the activities of the so-called National Negro Congress as expressed in a resolution which I understand was passed by the organization while in session here last week, which resolution purported to set forth a statement that should this country become involved in war with Soviet Russia, Negroes would refuse to fight on the side of our Government. This I brand as a deliberate mistatement of fact. Negroes have always been loyal to this Government. In this time of unrest there might be a traitor found here and there, but I wish to assure this Congress, and the Nation at large that the Negro is a lover of this country—it is his home; he knows no other, and while his country might withhold from him, and does withhold from him, many of the privileges of American citizens, the well-thinking Negro does not wish to and will not raise his hand against this Government, it matters not with whom we become engaged in war.

It is my hope that the American people will never again have the occasion to engage in bloody conflict with any nation, but I say to you that should that day come when we must engage in such a conflict, the Negro will be found loyal to this Government, fighting for it just as he did in the Revolutionary War, just as he did in the Civil War, and just as he did in the War of 1812, and just as he did in the Spanish-American War and in the World War. These persons who resolve otherwise do not represent the feelings, thoughts, and intentions of the millions of well-thinking Negroes to be found in all parts of the country.

I wish to go on record as thoroughly disapproving the appeal made to the Negro at this National Negro Congress by the labor leader, John L. Lewis. It is my opinion that John L. Lewis is the most dangerous, outstanding leader in America today, and it is his desire to change our form of government and to establish a dictatorship in America. I also believe that he wishes to be the American dictator. God forbid that any such day should come. My final word is this: The Negro stands loyally by the American flag and will give his blood, and his life to protect it against any foe, whether German, English, French, Russian, or what not. We are Americans, all of us. [Applause.]

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein the testimony of Hon. Theodore Christiansen on H. R. 1 before the Committee on Ways and Means.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ANDERSON of Missouri asked and was given permission to revise and extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to have inserted as a part of my remarks a letter written to me regarding civil-service examinations.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, this letter, which I am going to read if I have the time, bears out my contention that the United States Civil Service Commission is overworked and unable to rate properly the thousands of examinations being held for Federal positions. The decision in the case at hand is ridiculous and shows the need of adjustment in the examining procedure of the Commission. It is evident to everybody who reads this letter that the applicant for the position had not only the educational qualifications but experience qualifications far beyond the requirement. He is also a man of the highest character and integrity.

And, Mr. Speaker, I wish to say again that the bill (H. R. 960) should not pass. It has already passed the House, but I hope it will be defeated in the Senate, because that bill would blanket in, noncompetitively, in an unassembled examination, from 250,000 to 300,000 people and, Mr. Speaker, we must not take into the Federal service those who are not qualified. We should pass those who are qualified, such as this man who from training and fine experience obviously is qualified to pass a real examination. The following letter is self-explanatory:

WASHINGTON, D. C., *April 27, 1940.*

Hon. EDITH NOURSE ROGERS,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN ROGERS: Last fall the Civil Service Commission gave a competitive examination for three grades of statistician, $3,600 to $5,600. This was under announcement No. 104, unassembled. The closing date was October 16. I applied for ratings under all three grades.

About 5 months later the Commission notified me, by an undated form letter, that I had been disapproved for all three grades, because my experience did not qualify me for even the lowest grade. Enclosed is a copy of my letter of April 1 to the Board of Reviews and Appeals, protesting against that decision. My letter has not been acknowledged.

As stated in my application for this examination, I hold a doctor of philosophy degree from Columbia University (1922), for work including a thorough academic training in statistical method. Rare among statisticians, I am also a trained and experienced accountant and auditor (even Federal accounts), and I am long experienced at directing research and editing the results. As a World War veteran, I am entitled to preference in these competitive examinations.

I have served in three departments of the Federal Government, for a total of 17 years, mostly in executive positions as statistician or economist, at salaries ranging from $5,000 to $6,200. For more than 5 years I compiled the Commerce Department's "Balance of International Payments of the United States," possibly the most complicated and exacting statistical publication of the Government.

My technical publications include three volumes and several dozen articles in the professional and financial magazines. High professional praise of those publications won me a legend in "Who's Who in America" (1940–41 edition), as an economist and statistician of national repute.

Personal justice to me in this examination would serve the interest of the whole merit system. Preposterous ratings like this expose that system to ridicule by all intelligent persons who learn of them, and they can only dismay the thousands who look to careers in the public service under that system. Millions of voters must hope for a sound civil service.

As a member of the House Committee on Civil Service, can you help me gain the rating I merit under this examination?

Respectfully yours.

This particular case is an excellent example of what may be expected to happen if H. R. 960 becomes a law. Hundreds of thousands of employees would be given noncompetitive, or unassembled examinations, with the result that their qualifications, both as to education and experience, would receive little more than cursory attention. It is one of the best arguments against the enactment of H. R. 960 that I have seen.

EXTENSION OF REMARKS

Mr. McGRANERY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a statement.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a telegram from the Air Line Pilots of Alaska.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CIVIL AERONAUTICS AUTHORITY

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, there were many criticisms of the old Bureau of Air Commerce. And they were well founded.

One of the principal criticisms which was substantiated abundantly was that the officials within the old Bureau and the Department of Commerce passed the buck.

It took weeks and months to get things done because so many initials were required on letters, there were so many approvals to be secured, and so many people were able to say that someone else was responsible.

One of the great virtues of the Civil Aeronautics Authority is that responsibility is definitely centralized.

The Authority is responsible for regulation. The Administrator is responsible for building the airways. Neither the Authority nor the Administrator can pass the buck. This is the kind of administration that is needed for this fast-growing industry.

Now it is proposed to reorganize the Authority and the Administrator and put them both back into the Department of Commerce.

The Authority will become a subordinate board. The Administrator will become a chief clerk. Over them there will be an Under Secretary and an Assistant Secretary and a Secretary of Commerce. And each of them will have advisers and attorneys.

Thus an entire additional tier of officialdom will be erected. And buck-passing will return. The old evils of the old Bureau of Air Commerce will be multiplied. [Applause.]

EXTENSION OF REMARKS

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a brief editorial appearing in the Palladium-Item of Richmond, Ind.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WILLIAMS of Delaware. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a brief extract from a speech delivered by Hon. Albert James, of Dover, Del., on April 24, in relation to the gold and silver policy.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WILLIAMS of Delaware. Also, Mr. Speaker, I ask unanimous consent to extend my remarks and to include a resolution adopted by the Sussex County National Farm Loan Association.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SCRUGHAM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FORD of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks and to insert therein a copy of the F. B. I. pledge for law-enforcement officers.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a quotation from the Washington Post.

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. HENNINGS. Mr. Speaker, I ask unanimous consent that on Friday next after the conclusion of the legislative program of the day and any special orders, I be permitted to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CIVIL AERONAUTICS AUTHORITY

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HAWKS. Mr. Speaker, in the preamble to the Constitution of the United States we find that one of the purposes of the Constitution is stated:

> To provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.

Knowing that plans similar to Reorganization Plan No. IV have heretofore been proven to be contrary to public interest and contrary to the national defense, I would be lax in my duty to our country, to ourselves, and to our posterity if I did not oppose it.

The assured defense and vital interest of all parts of the United States is vital to the fulfillment of the purposes stated in the Constitution which created our Government. Potential successful defense is essential to the fulfillment of the purposes of the Constitution.

In order that the attainment of these vital and important purposes may be assured, it is imperative that the United States shall have an air carrier industry capable of fulfilling our military needs.

Air transportation of personnel and matériel played an important part in the Ethiopian campaign. General Franco in Spain proved himself a master in the art of transporting troops by air and, just within the last 2 or 3 weeks, we have seen Germany make a major use of air transport across the Skagerrak and Kattegat.

Vital to our national defense is the ability of our common-carrier air-transport industry instantly and efficiently always to remain able to transport the personnel and matériel of our armed forces whenever and wherever our military situation may require. That must be one of the reasons why President Roosevelt, in his open letter of January 24, 1939, stated:

> Underlying the statute (Civil Aeronautics Act) is the principle that the country's welfare in time of peace and its safety in time of war rests upon * * * an economically and technically sound air-transportation system, both domestic and overseas.

Knowing all this to be true, we must be frank and forthright in our loyalty to the fundamental concepts of government upon which our country has built the greatest and,

since the summer of 1938, the happiest air-carrier system the world has ever known—not to speak of the greatest and happiest civilization the world has ever known. That is why we are willing to fight to save it for our children who come after us.

If, after full debate, the Congress deliberately and freely elects to return civil aeronautics to the politically infested Department of Commerce and to the eternally confused regime daily operating therein, no one can question their right so to do, however mistaken we, who have repeatedly witnessed such mistakes in the black pages of aviation since 1914, consider their decision; but after the last 20 months of outstanding success with the Civil Aeronautics Authority, I am sure the American people have no desire for their Congress so to do. Not one word favorable to the reorganization plan has appeared, so far as I know, in the press from east to west or north to south. Public opinion seems crystallized that Reorganization Plan IV, so far as aeronautics is concerned, is ill-advised, untimely, and not thought through.

The single important question is whether the general welfare which all of us seek can more certainly be attained under a Civil Aeronautics Authority as it now exists, or under the confused and nonunderstandable proposed Reorganization Plan IV.

What will it avail patriotic citizens to enter the service of our Government, temporarily or otherwise, to eliminate inefficient bureaucracy and to build up the public interest if, when the same is accomplished, the Congress of the United States is to permit them instantly to be cracked over the heads and rewarded by discouragement and demotion for the accomplishments they have realized? As Congressman LEA said on April 24, 1940:

> It is not good management to demote the general who comes home with victory.

If the Civil Aeronautics Authority in a short period of 20 months had done no more than to protect aeronautics from the hazards of bureaucracy, it would well have earned the gratitude of our Nation. Bureaucracy has never successfully operated as lawmaker, complainant, detective, prosecutor, witness, judge, jury, and executor.

Besides, the reorganization plan is not an economy plan. To over 930,000 employees in our Federal executive bureaucracy alone it will add additional personnel and require additional funds from the public exchequer.

Reorganization Plan No. IV is not in the public interest. [Applause.]

FEDERAL PAYMENT TO THE STATE OF OHIO

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, under this leave to address the House I expect to try to show to the membership of the House just how grievously the President sinned against the rights of the people of Ohio when he vetoed the Jenkins bill which provided for the restitution to Ohio of the $1,338,000 which the Federal Government improperly withheld because of the quarrel that one of the Washington bureaucrats had with a Governor of Ohio who also was rather unreasonable.

Mr. Speaker, when the President, on January 24, vetoed the measure known as the Jenkins bill, H. R. 5118, he did the State of Ohio and its old-age pensioners a grave injustice. This injustice is so grave that the people of Ohio feel that it not only is a financial set-back of well over a million dollars but, much more important yet, it is a thrust at the life and honor of the State. It invades the rights of the State in a shocking manner. It is even more than a challenge of the sovereignty of a great State. It is a defiance of the sovereignty of that State. In effect it is a case of a bigoted chief of a Federal bureau robbing a great State and then defiantly saying, "What are you going to do about it?" The great State of Ohio can lose this large sum of money and still operate, but it cannot maintain its self-respect as a great State in an indissoluble union of great States if it permits this direct invasion of its rights as a sovereign State to go unchallenged. The mad race for power by Federal bureaucracy is the greatest threat to the perpetuity of the Republic today. When we permit one little bureau chief to distribute approximately one thousand million dollars per year or about $18,000,000 per month to about 1,800,000 of our aged people or to withhold it from them, we are placing too much power into the hands of that bureaucrat.

The veto power of a President comes directly from the Constitution. It is one of the most important powers given to the President by the Constitution. In effect, it gives him the power to approve or disapprove every action of Congress. It gives the Executive the power to supplant the wishes of the legislative branch of the Government with his own wishes. When a President supplants the wishes of Congress with his own wishes, that is in practical effect the tyranny of dictatorship. It was not the intention that this power was to be used by the President in every case where his wishes did not coincide with the views of Congress. The intent of the framers of the Constitution was to give to the Congress the right to control all matters of legislation. When the Congress assumes to pass upon a matter that is wholly within the purview of its powers and to pass upon it in accordance with its usual rules and procedure, the President should not disturb that action. He should not thrust his views upon the Nation as against 531 Representatives and Senators directly charged by the Constitution and the suffrages of the people to enact laws for the benefit of the Nation. But if the Congress should inadvertently pass a law without proper consideration or without the possession of all the facts, or if Congress should pass a law that invaded the prerogatives of the Executive or was clearly without the purview of the Constitution, or was so grossly unfair and unjust as to shock the conscience of reasonable men, then it would be the duty of the President to veto the same. As proof that the framers of the Constitution intended that the President should exercise great care and caution in affixing his veto, the Constitution requires the President to give his reasons in writing.

In the case in question the President did give in writing to Congress his reasons for his action. With all due respect to the President and his high office, his reasons do not rise to the dignity of reasons. I think if the President had known all the facts he would have approved the measure. His excuses for his veto are the same excuses that Mr. Altmeyer has advanced. I have no doubt that Mr. Altmeyer prepared all the material for the President's veto message. I have no doubt—and therefore I assert—that the President followed the advice of Mr. Altmeyer. In effect, in this case one little bureau chief was permitted to take advantage of a right which the framers of the Constitution gave to the President to be used so rarely as to be almost sacred. This in itself is a terrible situation. If this custom persists, our liberties are in great jeopardy. The life and strength of a State is its inherent sovereignty. When bureaucracy transcends State sovereignty, then the States are mere outposts of the dictatorship.

This tendency to bureaucratic dictation by the Federal Government has a tyrannical effect on the activities of State officials. I should like to recite an actual case that happened in Ohio which illustrates the effect that this bureaucratic dictation has had in Ohio on the activities of the old-age pension department. About 4 months ago there came to my office in my home city an aged man for whom I had acted as attorney in small matters for many years. He had been drawing an old-age pension and had been cut off. His removal was due, as the department claimed, to the fact that he had sold a small piece of property that had netted him about $300. In moving from the property he sold he contracted a severe illness, from which he was irrational at times during a period of 2 or 3 weeks. During that time his money disappeared. He did not know where it went. The local old-age representative was satisfied that the money had been stolen. The State department would not restore him to the rolls until they could make an investigation to determine the facts. The man was so ill in my office that I feared he would die, and I called a taxi and sent him home. He was then

transferred to the public hospital, where in a short time he died. In the meantime the State department had through its legal division rendered me a long two- or three-page report showing why they could not restore him to the rolls. The burden of their objection was that they were afraid that the Federal Government would again cut off the Federal payments to Ohio as they had done previously. While this attorney was making his investigation and making his report, and upon the urgent insistence from myself, the State office sent down an inspector, who soon saw the situation and made his report to the effect that the aged man should be restored to the rolls. The department, fearful of Federal interference, hesitated to do so, but it finally took the chance and restored the aged man, but he died before he got any relief. Here is a case where the silly, unreasonable, dictatorial, tyrannical action of one little bureaucrat so frightened the officials of a great State as to deny to an aged man in the last few hours of his life his legal rights. This proves that the Federal Government should leave to the State administration all these small matters and should confine itself to carrying out the intent of the law.

Let us review briefly what the President has done. I shall not go into detail with all the facts in this paragraph, but I shall later. Suffice it to say that there was a controversy between the chief executive of the great State of Ohio and the chairman of a Federal bureau. The President held with the chairman, without any consultation with that Governor or his successor and without any consultation with any one of the 24 duly elected Members of Congress from that State, and in spite of the unanimous action of the Judiciary Committees of the House and Senate, and the unanimous action of the House and Senate in accordance with their regular procedure, and in spite of the favorable recommendation of the director of the department of which Altmeyer's bureau is only a small part. The President should not take refuge for an excuse in the fact that he is a busy man, for the regular way for him to have handled this measure would have been to have followed the recommendation of his director of the department in which the controversy arose and not of the chairman of one board. When a President ignores the action of Congress on a matter wholly within its jurisdiction, and ignores the recommendation of a director of a department in the Government appointed by himself, and refuses to see Members of Congress of his own political party who repeatedly request of his secretary that they be seen, with reference to a matter in which their constituents are vitally interested, and follows the advice of a mere chairman of a board who was notoriously antagonistic and partisan in the controversy which the President is about to decide, then I make bold to assert that the President has acted unwisely and that when he assumed to use his veto power in such a case he grossly abused that power.

Now, as to the facts and the law in this matter:

THE FACTS

Soon after the present administration commenced extending grants-in-aid to the States for relief purposes there arose a bitter official and personal controversy between Mr. Davey, the Governor of Ohio, and Mr. Hopkins, the Relief Director. This in spite of the fact that both affiliated with the Democratic Party. We are not concerned here with who was most at fault. Probably the best appraisal of it would be that both were at fault. This unfortunate animosity was carried into many of the State and Federal relationships.

The State of Ohio had been paying old-age pension for years before the Congress passed the social-security law, which provides in one of its titles that the Federal Government will, under certain conditions, match State contributions to aged people. The Federal law provided certain standards which the State of Ohio, through its legislature, promptly met. The State and Federal organizations cooperated nicely for some months when the fires of this animosity broke out in a new place. The charge of "politics" flew fast between them. The people of Ohio, in long-suffering silence, stood by and wondered, for they were helpless. A self-important, inexperienced, little chairman assumed to dictate to the Governor of a great State, giving no consideration to the fact that the State was great, regardless of what his opinion might have been of the Governor. The Governor claimed that so long as the legislature had passed laws to meet the Federal requirements and was matching its funds against the funds of the Federal Government that the chairman had no right to tell him how to administer that part of the program that he was responsible for and how to enforce the State laws, the enforcement of which was the province of the Governor. He was right in his contention. He probably could have been more tactful in his relationship with the chairman. The chairman, on the other hand, largely because of his inexperience in executive matters, claimed that there were irregularities in the selection of civil-service employees in Ohio. This might have been true. I maintain that under the Federel law and under the State law this is the responsibility of the State and not of the Federal Government. It is likely that the Governor could claim, with a fair chance of substantiation, that there were some irregularities somewhere in the Federal civil-service regulations, else a man with no executive ability would not have been made Chairman of the Social Security Board. In this conclusion many good people in Ohio would concur most heartily.

But the Governor would have no right to object. The point is that the Chairman of the Board has no authority to supervise the conduct of the Governor or State officials in this respect any more than the State officers can supervise the civil-service activities of the Federal Government. There were in 1938 about 111,000 aged persons in Ohio receiving old-age assistance. Under the rules in operation between the States and the Federal Government's Social Security Board the State makes the monthly payments and, when made and certified, the Federal Government comes forward with its portion. For instance, if Ohio was paying then, as it is paying now, an average of about $23 per month, it would pay to its 111,000 beneficiaries $2,553,000 per month. The Ohio authorities would certify this amount, then the Federal Treasury would pay one-half of it, plus 5 percent of that one-half for the expense of distribution. It is needless to say that to pay this number of people every month is a great task. Also there are many other problems that arise. For instance, the mortality rate is high among people of this advanced age. Suppose 1 percent of them would die each month. That would mean that 1,100 estates would have to be closed and that many pension checks would be returned unpaid. From this it is evident that the auditors of both agencies would have at the end of each month many accounts to balance and many items to investigate and to resolve. Thus an inexperienced chairman would have plenty of opportunity to find fault while an experienced executive would leave such matters to the officers of the respective groups charged with their particular duty. The payments were made every month until October 1938. The Chairman complained and the Governor complained also. I am thoroughly familiar with the correspondence between them. Both were to blame for quarreling about small matters. None of the contentions between them amounted to a substantial contention. The Chairman should have remembered that the Governor was beholden to an electorate that would and did control his activities by defeating him at the election. The Governor should have realized that he was dealing with a man too small for his job.

The President should have realized this also and removed him. But since this was not done, the Chairman proceeded to exceed his authority and stopped the payment for October 1938. He allowed the payment for September and again after the November elections he allowed the November payment. If he was justified in paying in September and again in November, he should be able to show that there was some special difference in the situation in October. This he cannot do. It cannot be done. If he could show that the Governor had played politics by adding additional persons to the pay roll as was done in so many places on W. P. A., or if he could show that the Governor had misappropriated some of the money, he might justify his action. On the contrary there were 200 fewer persons on the rolls in October than in

September and no charge had been made at any time that the Governor or anybody else misappropriated any money. There was no change in the law between September and November, for the legislature had not met. The deputy auditor of State, a Democrat, listed as unfriendly to the Governor, stated at the hearing before the Judiciary Committee of the House that there was no material change of any kind in the manner and method of handling the matter in November as against September and October. The facts do not justify the President's veto. The reasonable conclusion that Ohio people quite generally have come to is that the President has permitted himself to be brought into this petty political quarrel between a Governor whom the people defeated and a little, inexperienced chairman who should be sent back to the classroom. It cost the people of Ohio $1,338,168 to watch this childish quarrel. The President may not think this is much money, but we in Ohio still think it is a lot of money.

THE LAW IN THE CASE

I maintain that the Board had no authority in law to withhold permanently all of the money in question. Acting on this theory I immediately tried to induce the Board to reconsider its action. It refused to do so although all through the month following its decision it attempted to induce the Governor to resume negotiations with them. The Board refused to consider an adjustment although it had done so in the Oklahoma case, which was far more serious than the Ohio case. Mr. Altmeyer, the Chairman of the Board, was in fact the whole Board. In his imperious way he announced that his actions were immutable. I reminded him that the Medes and Persians, too, thought that their laws were immutable but they and their laws are long since forgotten, and that simple justice is the only attribute of law that is eternal. I read you the law, and you may be the judge:

SEC. 2. (a) A State plan for old-age assistance must (1) provide that it shall be in effect in all political subdivisions of the State, and if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting to any individual, whose claim for old-age assistance is denied, an opportunity for a fair hearing before such State agency; (5) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Board to be necessary for the efficient operation of the plan; (6) provide that the State agency will make such reports, in such form and containing such information, as the Board may from time to time require, and comply with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports; and (7) provide that, if the State or any of its political subdivisions collects from the estate of any recipient of old-age assistance any amount with respect to old-age assistance furnished him under the plan, one-half of the net amount so collected shall be promptly paid to the United States. Any payment so made shall be deposited in the Treasury to the credit of the appropriation for the purposes of this title.

(b) The Board shall approve any plan which fulfills the condition specified in subsection (a), except that it shall not approve any plan which imposes, as a condition of eligibility for old-age assistance under the plan—

(1) An age requirement of more than 65 years, except that the plan may impose, effective until January 1, 1940, an age requirement of as much as 70 years; or

(2) Any residence requirement which excludes any resident of the State who has resided therein 5 years during the 9 years immediately preceding the application for old-age assistance and has resided therein continuously for 1 year immediately preceding the application; or

(3) Any citizenship requirement which excludes any citizen of the United States.

SEC. 4. In the case of any State plan for old-age assistance which has been approved by the Board, if the Board, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds—

(1) That the plan has been so changed as to impose any age, residence, or citizenship requirement prohibited by section 2 (b), or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency, in a substantial number of cases; or

(2) That in the administration of the plan there is a failure to comply substantially with any provision required by section 2 (a) to be included in the plan.

The Board shall notify such State agency that further payments will not be made to the State until the Board is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until it is so satisfied it shall make no further certification to the Secretary of the Treasury with respect to such State.

You will notice that section 2 provides the requirements which the States must fulfill. Ohio did this to the letter. It was easy to do, for Ohio already had been paying old-age pensions on the average of about $15 per month for some time.

Section 4 is the section to which I wish to call your special attention. In substance the section states that if the Board finds that the plans have been changed, and so forth—which is not the case in this controversy—or that in the administration of the plan there is a failure to comply "substantially" that the Board shall notify the State that further payments will not be made to the State "until" the Board is satisfied that such failure no longer exists. I should have you note the word "until." This means that the Board may withhold "until" something happens and not permanently. If Congress meant permanently, it would have said so. Surely the power to confiscate this large sum of money is not lodged in this Board. This would be more power than the President or any court in the land has. This surely could not amount to what in law is known as a forfeiture. If the Board is correct in its interpretation in Ohio's case, how could it possibly be correct in the Oklahoma case? If it was right in withholding October's payment, it was wrong in paying for September and November.

Even if the Board cannot change its orders, that is no reason for this veto. It was because the Board refused to pay or to change its order that I introduced the bill. I did so to relieve the situation. I was interested in making it easy for the Board to do justice.

Now, the real question in the whole matter is, If the Board cannot as the law stands now make the certification, then Congress should do so by legislation. Can it be possible that one little chairman of a little board in Washington can trample justice in the dust, and lay a heavy fine on a great State of the greatest union of States that the world ever saw? Since when have we, a free people who take great pride in our courts and juries, in our Congress and Senate, come to such a low estate that one man can be judge and jury over our rights, and can be House and Senate over our liberties? How can a President who lends himself to such childish petulancy claim to be entitled to the confidence of the people to such an extent that they will give him what Washington would not ask for, and what Jefferson would not have, and what Jackson would have resented? Justice, like truth, when crushed to earth shall rise again. What one President wrongfully refuses to do another President may gladly do. One little bureaucrat cannot stop a righteous cause. The greatness of Ohio is the indomitable spirit of her people. She will win with justice and time as her allies. [Applause.]

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein excerpts from the hearings before the Committee on Public Lands and the Committee on Rivers and Harbors.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my remarks and insert a letter from H. M. Hill and also from the Minnesota Highway Users Conference regarding the bill S. 2009, expressing their opposition thereto.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD on two subjects.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

DISCRIMINATION AGAINST GRADUATES OF CERTAIN SCHOOLS

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 478) for printing in the RECORD:

House Resolution 478

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of S. 1610, an act to prevent discrimination against graduates of certain schools, and those acquiring their legal education in law offices in the making of appointments to Government positions the qualifications for which include legal training or legal experience. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

REORGANIZATION OF THE NAVY DEPARTMENT

Mr. DELANEY, from the Committee on Rules, submitted the following privileged resolution (H. Res. 469) for printing in the RECORD:

House Resolution 469

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 9266, a bill providing for the reorganization of the Navy Department, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendments under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FEDERAL PARTICIPATION IN NEW YORK WORLD'S FAIR

Mr. DELANEY, from the Committee on Rules, submitted the following privileged resolution (H. Res. 479) for printing in the RECORD:

House Resolution 479

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of Senate Joint Resolution 217, a joint resolution to amend the joint resolution entitled "Joint resolution authorizing Federal participation in the New York World's Fair, 1939, and for other purposes," approved July 9, 1937. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include certain extracts from Government reports.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks on two subjects.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. ANDERSON of California. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. Evidently there is not a quorum present.

Mrs. NORTON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 91]

Beam	Hill	Osmers	Steagall
Burgin	Jarman	Patrick	Taylor
Chapman	Jarrett	Plumley	Ward
Clason	Johnson, W. Va.	Reece, Tenn.	Weaver
Coffee, Wash.	Kirwan	Rogers, Okla.	Whelchel
Corbett	Lemke	Routzohn	White, Idaho
Culkin	McLaughlin	Sandager	White, Ohio
Darrow	Maas	Schulte	Wood
Durham	Merritt	Sheridan	
Gilchrist	Myers	Smith, Va.	
Green	Nelson	Starnes, Ala.	

The SPEAKER pro tempore. On this roll call 389 Members have answered, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, I understand there is a likelihood that this bill may not be finished today, and that there is also the possibility there might be some change in the program for the rest of the week. I would like to inquire of the Speaker pro tempore if he can inform the House now what the order of business will be for the next few days?

The SPEAKER pro tempore. The Chair will say to the gentleman from Massachusetts that only this morning the Chair conferred with the chairman of the Committee on Appropriations and with the gentleman from Missouri [Mr. CANNON], who is in charge of the agricultural appropriation bill. Not knowing whether or not the wage-hour amendments would be disposed of today or run into tomorrow, and in view of the fact that the conference report on the agricultural appropriation bill when it does come up will probably take a day or more, and the further fact that we are very anxious on Friday to dispose of the conference report on the transportation bill, it has been decided that the conference report on the agricultural appropriation bill will not be called up this week.

As to the order of business for tomorrow should the wage-hour amendments be finished today, the Chair will advise the gentleman from Massachusetts and the membership later in the day.

Mr. MARTIN of Massachusetts. On what day next week will the agricultural conference report be called up for consideration?

The SPEAKER pro tempore. Probably on Tuesday, and certainly not later than Wednesday.

AMENDMENTS TO FAIR LABOR STANDARDS ACT

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5435) to amend the Fair Labor Standards Act of 1938.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5435) to amend the Fair Labor Standards Act of 1938, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

Mr. FITZPATRICK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FITZPATRICK. As I understand the parliamentary situation, the committee substitute is now before the Committee for consideration. The so-called Norton bill is subject to amendment, is it not?

The CHAIRMAN. The parliamentary situation is that the committee substitute for the original bill, H. R. 5435, is now before the Committee, but no agreement has been reached as to how the substitute shall be read for amendment.

Mr. FITZPATRICK. Will the substitute be open for amendment?

The CHAIRMAN. It certainly will be open for amendment.

Mr. FITZPATRICK. And if any amendment is adopted to the substitute can we get a separate vote on that amendment when we get back into the House?

The CHAIRMAN. There cannot be a separate vote in the House on amendments to the substitute.

Mr. FITZPATRICK. That is what I mean. It must be voted up or down in the House.

The CHAIRMAN. That is correct.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. With all deference to the Chair, there was a unanimous-consent agreement on yesterday that the bill would be considered section by section for amendment just as the Barden bill was.

The CHAIRMAN. The gentleman is correct. Unanimous consent was given that the reading of the substitute should be dispensed with and that it would be considered today for amendment under the same conditions as the Barden bill was.

Mr. WHITTINGTON. That is by sections?

The CHAIRMAN. By sections.

Mr. MARCANTONIO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARCANTONIO. After the substitute has been considered for amendment, the only vote that can be had on the substitute in the House is on the substitute as a whole without a separate vote on any amendment adopted to the substitute. Is that correct?

The CHAIRMAN. If the substitute amendment is adopted in the Committee of the Whole, the vote in the House will occur on the substitute as amended.

Mr. MARCANTONIO. Only?

The CHAIRMAN. No separate vote may be had on any amendment to the substitute.

Mrs. NORTON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentlewoman from New Jersey is recognized for 5 minutes.

Mrs. NORTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have spent 2 days in debating this bill and we are now just about where we were in the beginning of the debate. Nothing in particular has been gained by the debate that could not have been gained had we considered H. R. 5435 and amended it. I believe that every Member of this House knows now just how he intends to vote on this bill. I believe, too, that the Members of the House realize the importance of passing a bill this year so that many people who now come under this act will be relieved. For this reason I appeal to you today not to offer amendments that will be rejected. You have a pretty fair idea from the debate that has been going on how the House feels, for instance, about paying 30 cents an hour to a worker. That question has been well debated, and I am very proud of the fact that the House of Representatives went on record yesterday as not approving a bill that would take from the poorest workers in this country a miserable 30 cents an hour. That, in effect, was the principal difference between my bill and the Barden bill. That matter having been disposed of by a definite vote against substituting the Barden amendment, as well as a great many other amendments that were offered and would have destroyed the effect of the law, we are now in position to go on and help improve the act, not destroy it.

Mr. Chairman, there are many more exemptions in the substitute bill reported by the committee than I myself would like to have seen there. I am unalterably opposed to exempting anyone from 30 cents an hour. So at the proper time there will be an amendment offered to strike out, on page 15, section 13 (a) down to section 6. I hope the Committee will agree to that amendment. There are various other amendments that I believe may be offered to improve the law. The provision on page 15, under the subtitle (e), is a very good one. This provision protects employers when they accept the order of the Administrator, which heretofore might not be had under the law. There are a few other amendments that will be offered which I think will probably help in the consideration of this bill.

Mr. McCORMACK. Will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think the observation made about the debate is a very pertinent one. Certainly prolonging the debate unnecessarily is not going to place the House of Representatives in a very satisfactory light with the people of the country. We have had 2 days' debate. I am hopeful that the gentlewoman from New Jersey will submit a unanimous-consent request that all debate on the Norton bill and the substitute and all amendments thereto close at 3:30, 4 o'clock, or 4:30, or somewhere around there. I do not see any reason why anybody should object to that, in view of the unlimited debate which we have had and I hope that such unanimous-consent request is offered. I have no suggestion as to the particular time to close debate. It may be 3:30, 4, 4:30, or even 5 o'clock, but I hope that we may have an agreement sometime today as to when debate will close. This will not preclude amendments being offered if the time expires.

Mrs. NORTON. I may say in answer to the gentleman from Massachusetts that the chairman intended to submit that unanimous-consent request.

Mr. BUCK. Will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from California.

Mr. BUCK. I endeavored to catch the meaning of the gentlewoman's suggestion that she would offer an amendment to strike out, as I understood it, the language on page 15 beginning in line 15 through line 4 on page 16. Is that correct?

Mrs. NORTON. That is right. That is the only part of the bill that exempts the wage provisions of the act.

Mr. BUCK. In other words, the gentlewoman desires to withdraw such protection as now exists to agricultural labor entirely?

Mrs. NORTON. Oh, now, the gentleman knows perfectly well what I have in mind.

Mr. BUCK. I do not know. I am asking the gentlewoman whether she wants to do that or not?

Mrs. NORTON. I stated very plainly I intended to offer an amendment to strike out the section. Now, I only yielded for a question, not to argue.

Mr. RAYBURN. Will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Texas.

Mr. RAYBURN. It is my interpretation, and it is the interpretation of a great many Members, that the part of the bill that the chairman is proposing to offer an amendment to strike leaves out this so-called area-of-production provision in the original act.

Mrs. NORTON. That is true, and the area-of-production provision is left out in the substitute.

Mr. RAYBURN. If 13 (a) is adopted?

Mrs. NORTON. Exactly.

Mr. RAYBURN. I thought the gentlewoman was going to offer an amendment to strike out 13 (a) in its entirety?

Mrs. NORTON. I misunderstood the gentleman's question.

Mr. RAYBURN. Just what does the gentlewoman from New Jersey intend to strike out?

Mrs. NORTON. I intend to strike from the wage provision of the bill all of those things that are listed in section 5 (B)—(11), (12), and (13) of the bill.

Mr. RAYBURN. All right. I went into this with members of the committee yesterday, and I think one of the most nonsensical features of all this law has been the interpretation of the two Administrators in connection with the so-called area-of-production proposal. [Applause.]

Mrs. NORTON. I agree with the gentleman.

Mr. RAYBURN. Several months ago I sought to get one of the Administrators, the first one in the first instance, and the second one in the second instance, to do something about that. In the farming sections of this country that has been the most irritating part of the whole law, and I think its administration has been utter nonsense. I hope the gentlewoman from New Jersey will not move to strike from this bill a provision that repeals that command for an area-of-production regulation, as the Administrator says.

Mrs. NORTON. I do not quite understand.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey [Mrs. NORTON]?

There was no objection.

Mr. RAMSPECK. Will my chairman point out to me what language in the bill she suggests be stricken out?

Mrs. NORTON. Page 15, line 15, section 13 (a) down to and including "tobacco", in line 4, on page 16.

Mr. RAMSPECK. I am sure the gentlewoman from New Jersey has not considered the fact that if this language is stricken out the area of production is restored to the law. I am quite certain that is not what the gentlewoman intends to do.

Mrs. NORTON. That was not my understanding.

Mr. RAMSPECK. Therefore, I suggest that what she probably had in mind was to begin with (11), dealing with telephone operators, and strike out the remainder of the paragraph.

Mrs. NORTON. Of course the telephone exemption has already been taken care of by law.

Mr. RAMSPECK. Such a law has been passed, but the gentlewoman sees that the language in lines 15 and 16 is the language which repeals the area of production in section 13 (a). I am quite sure the chairman of the committee does not intend that the committee bill have eliminated from it the repeal of the area of production. It would be contrary to what we are trying to do.

Mrs. NORTON. I agree with the gentleman entirely in that.

Mr. RAMSPECK. Then the gentlewoman does not want to strike from this committee substitute the language in lines 15, 16, and the first part of 17, which states—

Section 13 (a) of such act is further amended by striking out clause 10, and inserting in lieu thereof the following.

Clause (10) is the clause which contains the area of production.

Mrs. NORTON. The gentleman is correct. I see I have made a mistake. The amendment that will be offered will strike out, on page 15, line 18, all after the word "or" down through and including the word "tobacco", on page 16, line 4.

Mr. RAMSPECK. There are four provisions there which eliminate both wages and hours. One deals with the ginning of cotton, the second deals with the small telephone exchanges, the third deals with fruits and vegetables in their raw or natural state, and the fourth deals with the tobacco situation. The remainder of this section simply repeals the present provision as to the area of production. I am sure the chairman does not want to strike that out.

Mrs. NORTON. No; the gentleman is correct. As I stated before, I was a bit confused about the line.

Mr. BARDEN of North Carolina. Mr. Chairman, will the gentlewoman yield in order that I may ask the gentleman from Georgia a question?

Mrs. NORTON. Yes; I will be glad to yield.

Mr. BARDEN of North Carolina. If that is done, will not that strike out every exemption now granted to agriculture in 13 (a), subsection (10)?

Mrs. NORTON. Oh, no.

Mr. RAMSPECK. No; you only strike out clause (10).

Mr. BARDEN of North Carolina. Clause (10) includes all. Just read it. This is clause (10):

To any individual employed within the area of production (as defined by the Administrator) engaged in handling, packing, storing, ginning, compressing, pasteurizing——

Mrs. NORTON. Mr. Chairman, I do not yield for a speech. What we intend to do is to strike out on page 15, line 18, after the word "or", down through and including the word "tobacco", on page 16, line 4. I believe that takes care of the matter.

Mr. RAMSPECK. Just to clarify that, does the gentlewoman mean beginning with subsection (11) of subsection (b)?

Mrs. NORTON. Yes.

Mr. RAMSPECK. That clarifies it.

Mrs. NORTON. That is exactly what I mean.

Mr. RAMSPECK. Beginning on line 18 of page 15, with the figure (11), strike out the remainder of the paragraph?

Mrs. NORTON. Yes.

May I say, Mr. Chairman, that my only intention in striking this out is to prevent any worker from getting less than 30 cents an hour. I am entirely in accord with the gentleman that the area of production should be stricken out. It is ambiguous. Nobody has ever been able to give an answer to what the area of production is, and we would be very glad to get it out of our bill.

May I say further that we do not mean to cut off debate, but we feel that this bill has been discussed thoroughly. Everybody has had a chance to express themselves on it. The question at issue is whether the Congress of the United States wants to pay less than 30 cents an hour to any worker employed in the United States. We have made a very large exemption on hours, believing that the main object of the law is to protect the wages of the workers. We were perfectly willing to concede that there were certain fresh fruits, vegetables, and so forth, or those things included in farming, for which, perhaps, because of seasonal conditions, longer hours should be permitted. You will find in the bill a complete exemption of 14 weeks on hours. Then the exemption for the rest of the year is 60 hours a week. We feel that this will take care of any farmer in the country, but we are unalterably opposed to reducing the wage. Thirty cents an hour is a very small amount for any man or woman to receive in wages. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, if the Members have the committee bill before them, H. R. 5435, they will find on page 15, in line 15, subsection (b) of section (5) of the committee substitute, proposes to repeal clause (10) of section 13 (a) of the original act. Clause (10) of section 13 (a) reads as follows:

To any individual employed within the area of production (as defined by the Administrator), engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products.

Under the present law these operations, if within the area of production as defined by the Administrator, are exempt from both wages and hours under the Fair Labor Standards Act. The committee substitute would repeal that provision and substitute for it the language of the committee substitute which puts some of those operations under the wage provision but gives them a 60-hour week.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Not just now.

Then, in addition to that, in the language of this amendment any employee engaged in the ginning of cotton would still be exempted from both wages and hours. In the committee amendment, as printed in the bill, also would be exempted from both wages and hours telephone operators in small exchanges, employees engaged in cleaning, packing, grading, or preparing fresh fruits and fresh vegetables in their raw or natural state when such operations are per-

formed immediately off the farm; and employees employed in handling, tying, drying, stripping, grading, redrying, fermenting, stemming or packing, when those operations are performed prior to storage, and storing leaf tobacco.

If I understood the chairman of the committee, she proposes to eliminate from this subsection (b) of section 5 the telephone-operator exemption, the fresh fruit and vegetables exemption, and the tobacco exemption.

I will ask the gentlewoman from New Jersey if I am correct in interpreting what she proposes to do. Is this a correct statement of what you propose to do?

Mrs. NORTON. Yes; that is a correct statement.

Mr. BARDEN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to my friend from North Carolina.

Mr. BARDEN of North Carolina. If that is true, then the only thing left in the way of an exemption to agriculture in section 10—which is the section you read and named, having to do with vegetables, ginning, milk, and all those things—is the ginning of cotton, and agriculture loses all the rest. Is not that a correct statement?

Mr. RAMSPECK. That is correct, insofar as subsection 10 of section 13 (a) is concerned.

Mr. BARDEN of North Carolina. That is the only one that deals directly with the matter and relieves them from the wages and hours.

Mr. RAMSPECK. There are a good many other exemptions in section 13.

Mr. BARDEN of North Carolina. In other words, if the amendment suggested is adopted, agriculture would lose practically every exemption that now exists in the law. Is not that right?

Mr. RAMSPECK. It certainly would lose a good many of them. I would not say the gentleman's statement is entirely correct.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. Is it not a fact they would simply lose the wage provision and not the hour provision?

Mr. RAMSPECK. That is not entirely correct, I will say to my chairman, because there is no hour provision with reference to the tobacco sections, unless you expect to offer an amendment putting them under the 60-hour week. They are not now under it.

Mrs. NORTON. May I say to the gentleman that it is my intention to extend the same exemption as applicable to the other classifications mentioned in the list of hours exemptions.

Mr. RAMSPECK. I want to say to the Committee, quite frankly, speaking for myself and not for the committee, I am not in favor of eliminating the exemption for the fresh fruit and vegetables and the seasonal products. They certainly are entitled to an exemption under this act, in my judgment.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield at that point?

Mr. RAMSPECK. I yield.

Mr. ROBERTSON. As a matter of fact, is it not true that in the bill approved by the committee and printed by the chairman of the committee in the CONGRESSIONAL RECORD of June 5, 1939, page 7 of the bill, clause 12, the area of production as to the cleaning, grading, and packing of fresh fruits and vegetables was completely removed on the assumption that that was a submarginal industry which could not stand any additional expense?

Mr. RAMSPECK. I will say to the gentleman, it is removed in the committee substitute that we are just talking about if it is adopted.

Mr. ROBERTSON. No; it is not as broad as you had it in the other provisions, because in the committee substitute that you mention and that the chairman now seeks to strike out you have the words "if performed immediately off the farm."

Mr. RAMSPECK. The gentleman is correct about that.

Mr. ROBERTSON. But in the bill reported last year—and I propose at the proper time——

Mr. RAMSPECK. I hope the gentleman will not go into too much detail about that. I have not the bill before me, and I do not recall the language.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PEARSON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. PEARSON. I understood the gentlewoman from New Jersey to say that if her amendment were adopted, that the operation set out in subsection 10 of section 13 would only be affected as to hours. Is it not true that section 13 in its entirety constitutes an exemption both from wages and hours?

Mr. RAMSPECK. That is correct.

Mr. PEARSON. And if her amendment be adopted, every farm operation set out in subsection 10 will then be taken out of the exemptions and be amenable to the 30-cent provision so far as those operations are concerned.

Mr. RAMSPECK. That is correct.

Mr. PEARSON. That would result in our placing of farm labor employed in these operations under the provisions of the Wage and Hour Act.

Mr. RAMSPECK. No; I do not agree with that statement, because farm labor is exempt otherwise; but the language of this subsection B is such that unless a further amendment is offered to put these operations under the liberal hours contained in this bill, then, of course, they would be subject to both the wage provisions and the hour provisions of existing law.

Mr. PEARSON. Is the amendment suggested by the gentlewoman from New Jersey a committee amendment, or is that her individual amendment?

Mr. RAMSPECK. As far as I know, it is not a committee amendment.

Mrs. NORTON. I thought I made it clear that it is not a committee amendment. I was merely giving my own opinion.

Mr. BARTON of New York. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. BARTON of New York. Would not the gentleman accomplish his purpose if the words which he has referred to on page 15 were stricken out at that point, and inserted on page 13 after line 11? If a new subsection numbered 17 were made, then we would be exempting these operations from the hours provision but not from the wage provision.

Mr. RAMSPECK. The gentleman is correct. That is what I suggested a while ago, that unless a further amendment be adopted, giving them increased hours, they would be subject both to the wage provisions and the hour provisions of existing law.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. RANDOLPH. I think, in the observation made by the gentleman from Virginia [Mr. ROBERTSON] calling attention to the original bill or the committee bill of last year and the present bill from the committee, that the distinction he draws between area of production and immediately off the farm was written into the law in an attempt to help the situation from the standpoint of the area of production, and was offered as an amendment by the gentleman from Texas [Mr. THOMASON], and yet we found we were running into the same difficulty with that language that we were running into with the area of production, as interpreted in the rulings of the Administrator.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. TARVER. The question I had in mind was that no matter what we do with clause 10, still we would have other exceptions in the wage and hour provisions included in

clause 6, which exempts anyone employed purely in agriculture.

Mr. RAMSPECK. The gentleman is correct, and may I emphasize that, in view of the question asked by the gentleman from Tennessee, Mr. Pearson, that clause 6 of section 13 (a) exempts from both wages and hours any employee employed in agriculture; and that must be read in connection with the definition of agriculture, which includes any employee working for a farmer engaged in farming operations or anything incident to farming and also includes the raising of livestock, bees, fur-bearing animals, or poultry, and any person engaged in forestry or lumbering operations performed by the farm on the farm as an incident thereto or in conjunction with such farming operations, including preparation for market, and delivery to storage or to market or to carriers for transportation to market, which is a wide exemption in itself.

Mr. WELCH. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. WELCH. May I ask my colleague on the committee if I understood him to say that he objects to striking out section 13 of the bill, which would give to the workers included in the section 30 cents per hour, as provided in the act?

Mr. RAMSPECK. The gentleman did not entirely understand me. I said I objected to subjecting the employees engaged in cleaning, packing, grading, or preparing fresh fruits or vegetables in their raw or natural state. I think they ought to have complete exemption, because it is a seasonal operation.

Mr. WELCH. From both wages and hours?

Mr. RAMSPECK. Yes, sir; I think so. That is just my own personal opinion.

Mr. WELCH. Why should they be exempted from the hourly wage of 30 cents, or $12 a week?

Mr. RAMSPECK. As I understand the proposal, it is to exempt the preparing of them for market, which is paid for by the farmer. As I stated earlier in this debate, I am willing to exempt anything that comes out of the pocket of the farmer if it can be shown that it comes out of his pocket. Beyond that I am not willing to exempt anybody from the wages provision.

Mr. WELCH. Has it been shown that the increase provided for in the law for those engaged in processing plants comes out of the pockets of the farmers?

Mr. RAMSPECK. But this language does not include any processing. It says "packing, cleaning, grading, or preparing fresh fruits or vegetables in their raw or natural state." That certainly cannot include any processing, as I understand the language.

Mr. WELCH. If that is the case, may I say to my colleague they are already protected, inasmuch as all farm labor is exempted under the law. They are either farm laborers or processors.

Mr. RAMSPECK. If the gentleman and I were construing the language of this act I would agree with him, but neither the gentleman nor I can construe it after it leaves this body. I think the definition of "agriculture" covers these operations.

Mr. WELCH. I submit to my friend that they are either one or the other. They are either exempt as agricultural or farm employees, or else they work in industry. The question is whether, as employees in an industry, they are entitled to 30 cents an hour—$12 a week.

Mr. RAMSPECK. I yield to the gentleman from California, Mr. BUCK.

Mr. BUCK. May I say in response to the remarks of my colleague from California [Mr. WELCH] that he knows that unless my redefinition of "agriculture," an amendment that I propose to offer, is adopted by the House, the employees of small operators engaged in the packaging and processing of fruits will not be exempted under the act. They are not engaged in industry. They are engaged in preparing raw and fresh fruits and vegetables for the market.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield to me?

Mr. RAMSPECK. I yield to my friend from New York.

Mr. FITZPATRICK. The question I wanted to ask is simply this: It seems to me the Committee on Labor itself does not understand this bill, for they all have different interpretations of it. We hear it right here. How can the Members of the House correct this bill without understanding what the different amendments mean when the committee itself interprets them differently? I think it would be wise to refer this bill back to the committee for further study. [Applause.]

Mr. RAMSPECK. Now, let me say to the gentleman from New York, for whom I have the highest regard, that I agree with him that it is a difficult bill to interpret. Any bill is difficult to interpret when there are a lot of definitions that must be kept in mind and when words mean only what they are defined to mean in the law. That is what we have here. That is what causes the confusion about it. But I do not agree with the gentleman from New York when he says we should recommit this bill. We spent months working on this bill and it is the best we can do. If you send it back, we will not be able, with the present Labor Committee, to bring in any better bill than we have right now.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. REED of New York. I have just one interest in this bill, and I am sure the other Members feel very much the same way.

Mr. RAMSPECK. I hope the gentleman will make it a question now, because my time is limited.

Mr. REED of New York. We are bringing in a bill here and apparently there is a great deal of misunderstanding about it. We all have our problems. My farmers in a fruit district are absolutely dependent for their market upon these small processing plants. What holds true there holds true, I assume, in your section and many other sections of the country. It is very difficult to understand exactly where they are going to stand under the language of this bill.

Mr. RAMSPECK. I can only give my own interpretation. Other gentlemen, of course, might differ with me.

I yield to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Will not this amendment do what we have been assured this bill does—eliminate "area production" by striking out the present paragraph 10, reinserting it just as it is, leaving agriculture just as it is in the existing law, and eliminating the controversial words, to wit, "employed within the area of production," as defined by the Administrator? If we reenact that law, leaving out those controversial words, we leave agriculture just as it is under the present law.

Mr. RAMSPECK. Of course, the result of that would be to subject the employers to court tests to determine whether the court said they were within the area of production.

Mr. WHITTINGTON. That eliminates it altogether.

Mr. RAMSPECK. I did not understand the gentleman.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. LEWIS of Colorado. What is the meaning of the phrase "immediately off the farm"? Does it mean time or space?

Mr. RAMSPECK. I will say to the gentleman frankly that I voted against that in the committee. I do not know what it means. I think it would be just as problematical as "area of production," and I hope the language will be stricken from the bill.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mrs. NORTON. Is it not a fact that if those words are stricken from the bill it will exempt from both wages and hours all of those agricultural processes enumerated?

Mr. RAMSPECK. If the phrase "area of production as defined by the Administrator" were taken out of the present law, then it would read "That any individual engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying," and so forth, would be completely exempt from both wages and hours no matter where located; and, of course, it would include a great many very large operators.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. MILLER. Subsection (13) referring to tobacco contains the language:

When those operations are performed prior to storage.

Does that mean storage on the farm or storage after it has been processed? In some cases the grower processes the tobacco—I mean gets it into final shape for sale.

Mr. RAMSPECK. I am not an expert on tobacco by any means, but it is my understanding that it means prior to its sale by the farmer.

Mr. MILLER. Would it not be better if the period came before the phrase "prior to storage"? If you dry and store leaf tobacco you are processing it.

Mr. RAMSPECK. As I understand it leaf tobacco has to be stored for a while and cured before it can be sold.

Mr. MILLER. It is stored in the tobacco barns on the farm, then after the first damp comes it is moved for further processing. I am concerned to know where the line should be drawn.

Mr. RAMSPECK. That, of course, is one of the difficulties about writing this sort of exemption into the act. Unless you know the operations of the industry involved it is hard to know whether you are going too far.

Mr. LANDIS. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. LANDIS. I believe if you would strike out the language on lines 2, 3, and 4 on page 12 you would give agriculture the hours provision that is necessary. If you are interested in exempting them from hours that is the place to put in the amendment, but if you want wages and hours both, then you will have to place the amendment at the point the gentleman offered it. I would like to know if the House is interested in hours, or in wages and hours.

Mr. RAMSPECK. I, of course, cannot answer that question.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. LUTHER A. JOHNSON. I want to ask the gentleman, who is well informed about this bill, with reference to preparing honey for market. What provision is there to take care of that? The honey producers are in the same position as the fresh-vegetable farmer. Is there any exemption with reference to persons engaged in the production of honey?

Mr. RAMSPECK. If it is done by a farmer. The raising of bees is exempt as a farming operation if it is done by a farmer under the definition of agriculture. The language of the committee substitute exempts the making of honey up to 60 hours per week from overtime, that is the preparing and selling. It would be subject to the wage provision.

Mr. LUTHER A. JOHNSON. But not to hours.

Mr. RAMSPECK. They would have a 60-hour week.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mrs. NORTON. I want to make it very clear that it is our intention if section 13, line 18, commencing with No. 11 on page 15 is stricken out, that those exempted under that section will be added to the section on page 13, line 11, in a new paragraph.

Mr. RAMSPECK. And the purpose of the gentlewoman from New Jersey is to take away the exemption of wages only and give them the 60-hour week.

Mrs. NORTON. Exactly, that is my only intention.

Mr. RAMSPECK. I hope the House understands that clearly.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. BRADLEY of Pennsylvania. Both the chairman of the Committee on Labor and the gentleman from Georgia have stated that they are interested in protecting the 30-cents-an-hour wage provision and that they would not agree to anything that would place that in jeopardy. On page 17 of the bill is a provision to the effect that the Administrator shall promulgate regulations permitting the employment in rural areas of employees in the home at such wages lower than the minimum wage applicable under section 6; and it goes on further to give him discretion to determine whether or not there is unfair competitive advantage or whether it would lead to curtailment of employment. Does not that place the minimum wage in jeopardy?

Mr. RAMSPECK. I do not think so. I am familiar with that situation. I think it is a very wise provision.

Mr. BRADLEY of Pennsylvania. I do not agree with the gentleman.

[Here the gavel fell.]

The CHAIRMAN. The Chair desires to announce that all those members of the Committee who have bona fide amendments to offer will please bring them to the desk so that they may be properly cataloged and the Chair will then endeavor to recognize everyone who has a bona fide amendment pending.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on the committee substitute and all amendments thereto close at 4 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. BUCK and Mr. GROSS objected.

The CHAIRMAN. Section 1 is now open for amendment.

Mr. BUCK. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BUCK: At the end of the enacting clause insert a new section to read as follows:

SECTION 1. Section 3 (f) of the Fair Labor Standards Act of 1938 is amended to read as follows: "Agriculture" includes farming in all its branches and includes all service performed—

"(1) On a farm, in the employ of any person, in connection with cultivating the soil or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

"(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

"(3) In connection with the production or harvesting of maple sirup or maple sugar or any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the raising or harvesting of mushrooms, or in connection with the hatching of poultry, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying and storing water for farming purposes.

"(4) In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

"As used in this subsection, the term 'farm' includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards."

Mr. BUCK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. BUCK]?

There was no objection.

Mr. WELCH. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from California.

Mr. WELCH. Is the amendment that the gentleman has just offered identical with the amendment he offered yesterday to the Barden bill?

Mr. BUCK. It is.

Mr. WELCH. Which was almost unanimously voted down?

Mr. BUCK. I do not think it was unanimously voted down. I may say to the gentleman from California [Mr. WELCH], I did not ask for a division at that time because I realized that the real vote would come on the bill of the gentlewoman from New Jersey. I intend to press this amendment vigorously, and I am going to ask everyone to support it wholeheartedly.

Mr. Chairman, it seems to me from the discussion that has taken place that it is quite obvious the question of what is agriculture is the fundamental proposition we are debating today. There is no one who has been more devoted to the principles of getting justice for labor than myself. I do not intend to pat myself on the back by that statement, but anyone can look in the RECORD to see how I have voted on various labor questions in this House. I know what agriculture is because I was born on a farm, and I have been engaged in agriculture all my life. There is a very great difference between agricultural labor and industrial labor. May I say to my friends on the right and left that we have here a proposition to define more or less accurately what agricultural labor is. The definition does not affect industrial labor in any way, and is specifically made inapplicable to even the commercial canning or freezing of perishable commodities.

Now, we had the same problem before the Ways and Means Committee. We were confronted with rulings from the Bureau of Internal Revenue with respect to the agricultural labor under the Social Security Act. These made rather curious distinctions. Labor engaged in raising poultry or eggs for market, for instance, was regarded as agricultural labor, but if that same labor was engaged in raising baby chicks it was not agricultural labor. Now, tell me the reason for the difference, if you will. Labor used in raising mushrooms in a cellar was agricultural labor, but if that labor was used in raising mushrooms up in a cave it was not agricultural labor. Tell me the difference.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. BUCK. In just a second.

Mr. Chairman, our committee decided that it was necessary to define what agricultural labor was. We asked Congress to do so, and it did. I am very sorry that it is necessary to define what agriculture or agricultural labor is under this act; however, it is absolutely essential for the reason that in the various departments the men who are employed in making rulings, for example, in the Bureau of Internal Revenue, the Wage and Hour Division, and the National Labor Relations Board have no familiarity at all with agriculture. We must put up a chart for the Administrator to run by, and there is no authority other than the Congress that can put up that chart.

The gentleman from California [Mr. GEYER] intimated the other day in his speech that I did not know where this amendment came from. Of all the Members of the House of Representatives, I certainly know where it came from. The original definition, comprising at least subsections 1 and 4 of my amendment, came out of a definition that was agreed upon and promulgated under the N. R. A. a long time ago. Those sections came out of the N. R. A. regulations that were adopted, approved, and promulgated by the President of the United States.

Section 15 (g), which is in the second subdivision of this amendment, was adopted and is a part of the present wage-hour law. The gentlewoman from New Jersey [Mrs. NORTON], when she moved to suspend the rules a year ago, offered almost the same language, or, at least, language to the same effect as my subdivision (4). This will be developed, I hope, by a subsequent speaker, so I shall not take any time on it.

Mrs. NORTON. Will the gentleman yield?

Mr. BUCK. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. What the gentleman just said is probably true, but since that time the chairman of the Labor Committee has had a great deal more information on the subject.

Mr. BUCK. Of course, if the gentlewoman has had a change of heart, I cannot help it, but I would like to discuss the amendment she proposed earlier this afternoon when the time comes. Naturally, I am opposed to it entirely. I do not see any reason why the fruit and vegetable growers of the United States should be discriminated against by her amendment as far as being eliminated from agriculture is concerned.

Now, let me get back to my own amendment. People employed in agriculture are exempt under the present act. Subparagraph (6) of subsection (a) of section 13 of the act does that. But what is agriculture? That is the question that has been disturbing every farmer in the United States and has been disturbing everyone else. The other amendments in the Norton bill go to the question of canneries, they go to the question of meat-packing houses, and they go to a lot of other things. I am speaking here today only on behalf of the farmer himself; I am speaking primarily on behalf of the little man who cannot afford, if he is a pear grower or an apple grower, to buy the equipment to wash and clean his pears or apples himself, but has to cooperate with his neighbors and go down to some shed on the railroad track to process them, which washing pears is called, and pack his fruit and get it off to market.

It is for that reason that I call the attention of my genial colleague from California [Mr. WELCH] to the fact that if the suggested Norton amendment were adopted those packagers would not be exempt. They are not included under agriculture as it is defined under section 3 (f) of this bill.

My proposal is one that has already been approved by the House, by the Senate, and by the President himself. If it is incorporated in the bill of the gentlewoman from New Jersey the President can have no reason to veto the bill and the House and Senate can have no reason to reject it, because it is already law in connection with the most important, the most vital part of what affects the farmer, the tax.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Massachusetts.

Mr. HEALEY. Are not thousands of people employed in these cooperative plants that are conducted by the farmers?

Mr. BUCK. I would not say that as to any one plant.

Mr. HEALEY. In some instances there are thousands employed in the packing of the fruit and vegetables that are affected by the gentleman's amendment.

Mr. BUCK. May I say to the gentleman from Massachusetts that there are probably thousands of plants, but I doubt if in any one plant more than 100 or 150 people are employed.

Mr. HEALEY. Modern machinery is installed; there is an assembly line and a conveyor belt and all that sort of thing?

Mr. BUCK. I hope so. I hope they work efficiently. The gentleman asked me the other day how many people would be affected by this amendment.

Mr. HEALEY. Yes.

Mr. BUCK. I inquired into it and I understand about 200,000. I want to give that for his information.

Mr. HEALEY. In other words, 200,000 workers will be taken from under the wage and hour provision of the act if this amendment is agreed to.

Mr. BUCK. The gentleman does not mean to imply that 200,000 workers would be taken out of the act. He means that the small farmers who collectively employ 200,000 workers are discriminated against today, as far as wages and hours are concerned, to the extent of 200,000 employees.

Mr. MURDOCK of Arizona. Mr. Chairman will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. What is the average hourly rate of pay for these 200,000 workers at the present moment?

Mr. BUCK. As far as I know, it is way above the 30-cent minimum. It certainly is in California, and I am sure it is in Arizona, where the gentleman comes from.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Does the gentleman's amendment draw any distinction between the man who milks the cow and the man who makes the butter?

Mr. BUCK. As long as it is an operation performed in the line of getting the agricultural product to market—and I presume milk and butter are agricultural products—there is no distinction whatever; but I want to warn the gentleman and all the House to this effect: Once it gets to market, I have no interest in what happens then and my amendment does not cover labor engaged in distribution.

Mr. AUGUST H. ANDRESEN. Does the gentleman consider a creamery where butter and other dairy products are processed in the market? Does the gentleman consider them commercial institutions?

Mr. BUCK. If they are commercial, they will not be covered by my amendment.

Mr. AUGUST H. ANDRESEN. I understand that; but what is the gentleman's idea as to when an institution becomes commercial?

Mr. BUCK. I am sorry; that ought to be discussed at a later date.

Mr. AUGUST H. ANDRESEN. We ought to have that here if we are going to know clearly about the gentleman's amendment.

Mr. BARTON of New York. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. BARTON of New York. The gentleman's amendment applies to both hours and wages; is that correct?

Mr. BUCK. Let me repeat again, in subsection (6) of paragraph 13 (a) agriculture is exempt from both sections 6 and 7. I am trying to redefine agriculture with the same definition that the House, the Senate, and the President approved a year ago with reference to the Social Security Act. There is nothing new in this at all.

Mr. BARTON of New York. I agree with the gentleman that it would be very desirable if we could have the same definition of agriculture in all our legislation and not have to redefine it every time we pass another act, but would it be acceptable to the gentleman if his amendment could be applied to the committee amendment at a point where it could provide for exemption from the hours only and not from the wages?

Mr. BUCK. I am advised by the Parliamentarian that the proper place to offer my amendment is where I am offering it.

Mr. BARTON of New York. But would it be acceptable to the gentleman, if it were possible to do it, to have the definition apply only to the matter of hours and not of wages?

Mr. BUCK. Would the committee accept the amendment in that event?

[Here the gavel fell.]

Mr. BUCK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. WELCH. Reserving the right to object, Mr. Chairman, and if I do object it will be the first time since I have been a Member of this body, I feel, however, if my colleague from California is granted an additional 5 minutes' time he should yield for questions.

Mr. BUCK. As I understand, the time has not been limited, but the only reason I am asking the additional 5 minutes is to answer some questions. If the gentleman does not want questions answered, then he can object.

Mr. WELCH. I do not object, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. The meaning of the word "agriculture" is contained in the act. The gentleman's amendment will certainly broaden it.

Mr. BUCK. May I say to the gentlewoman from New Jersey that the only point where it is broadened, as far as the farmer can see, is by defining as such certain agricultural or horticultural operations that have not been considered to be such by the Wage and Hour Division and the Bureau of Internal Revenue, for instance, maple sugar, about which I have talked with the gentlewoman. It also does one thing which I have emphasized time and again—it gives the small farmer who has to go into a cooperative the same rights I have now, as the proprietor of a farm large enough to maintain its own packing shed. As long as I am a Member of this body I am going to fight for my neighbors as well as myself.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Kentucky.

Mr. MAY. I would like to inquire of the gentleman with respect particularly to the fruit industry as to whether or not the wages that were paid prior to any of the labor legislation, on the average, was a good deal higher than the wages that will be paid under the wage and hour provision.

Mr. BUCK. They not only were taken, but they are now.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman.

Mr. ROBERTSON. If I may have the attention of the Chairman of the Committee, I would like to answer a part of the question she asked. The amendment offered by the gentleman from California reads:

> But only of such services performed as an incident to ordinary farming operations or in the case of fruits and vegetables as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to the service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after it is delivered to a terminal market for distribution for consumption.

It is the farming operation that the gentleman seeks to define.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield.

Mrs. NORTON. My interpretation of this amendment is that it broadens the term agriculture, and when it does that, if it is adopted it will have the effect of legalizing child labor in all of these processing operations.

Mr. BUCK. Oh, no——

Mrs. NORTON. Wait a minute. Refer to section 13 (c) of the act. It exempts persons employed in agriculture from the child-labor provisions of the act. Now, when you tinker with interpretations and broaden the definition of agriculture, you also broaden the exemption with respect to the child-labor provisions of the act.

Mr. BUCK. Wait a minute. May I call the attention of the gentlewoman to the fact that no child is going to be engaged in caring for ditches or engaged on irrigation or the felling of trees.

Mrs. NORTON. I will say to the gentleman that we are not going to take any chances of resurrecting child labor in this act.

Mr. BUCK. Certainly not. The gentlewoman has already exempted, in the original bill, child labor as it applies to agriculture, and this is only a clarification of the definition of agriculture.

May I call the gentlewoman's attention to the fact that when she moved on June 5, 1939, to suspend the rules and pass her bill, she put into the resolution a further exemption—and she did not say anything about child labor—that, and I quote:

> Any employee employed in cleaning, packing, grading, or preparing, but not canning or processing, fresh fruits and vegetables in their raw and natural state, when such operations are performed within the generally recognized production section or area where such commodities are produced normally or are usually prepared for market.

And let me say that, so far as fresh fruits are concerned, that is all that my amendment does. There was no objection to broadening a child-labor exemption then.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Michigan.

Mr. DONDERO. The question that is disturbing many Members on the floor is this: After fruits and vegetables, agricultural products, or even meats reach the processing station, even though they are owned by the farmers themselves, are they exempted in the processing of those vegetables?

Mr. BUCK. Not now.

Mr. DONDERO. But they will be under the gentleman's amendment?

Mr. BUCK. They will be.

Mr. DONDERO. And why should they not be?

Mr. BUCK. They will be if they have not reached a terminal market for distribution for consumption, and I do not see why they should be exempt after that.

Mr. DONDERO. But they will be in the course of processing where they are owned by a cooperative association.

Mr. BUCK. If you bring your beans into a central packing house, they will be exempt. [Applause.]

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I rise in opposition to the amendment.

If the amendment offered by my colleague the gentleman from California [Mr. BUCK] is adopted, it would remove 200,000 nonagricultural workers from the provisions of the Fair Labor Standards Act. It would deny them 30 cents an hour, $12 a week. They are not farm laborers, they are industrial workers employed in canneries and processing plants, and to remove 200,000 of them from the protection of a law which assures them a meager $12 a week, whether they work in a rural district or in a large city, is not in keeping with the principles of the act itself and not in keeping with the spirit expressed in this House yesterday.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WELCH. I gladly yield to the gentleman from Massachusetts.

Mr. McCORMACK. I also want to call attention to the fact that because the Ways and Means Committee included this amendment in the Social Security Act last year is no reason why it should be included in this bill. It was with a great deal of hesitancy and in order to give agriculture, as far as we could, a break from a tax angle that we did that, and it was with a great deal of hesitancy that it was put into the bill by men like myself who come from city districts, never realizing that they were going to propose the same thing for this wage and hour bill, and I have heard they are going to propose it also as an amendment to the National Labor Relations Act.

The fact that the Ways and Means Committee included it last year should not be considered as a precedent, so far as this bill is concerned. We erred deliberately on the side of agriculture from the angle of taxes, and not from the angle of exempting from the minimum payment of 30 cents an hour.

Mr. BEAM. Mr. Chairman, will the gentleman yield?

Mr. WELCH. Yes.

Mr. BEAM. To ask the gentleman from California for the information of the House, whether he can give us about the number of employees who will be affected, who would be taken out from the operation of this act, if this amendment were passed.

Mr. WELCH. The gentleman from California [Mr. BUCK] who offered the amendment, admitted that it would eliminate 200,000 workers from the provisions of the law.

Mr. BUCK. The gentleman did not say it would take 200,000 laborers from under the provisions of the law. He said that those 200,000 laborers are agricultural laborers, and they are, in his opinion, under a proper construction of the law as it stands today.

Mr. WELCH. If the gentleman's amendment should be adopted, it would remove 200,000 nonagricultural workers from the law, and deny to them the right to have a minimum wage of $12.60 a week.

Mr. BUCK. Oh, I hope the gentleman will not let that statement remain in the RECORD. The gentleman is an able man and he knows better than that. They are agricultural workers, they are doing the same work for the operators as the mothers and sisters are doing for me.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOFFMAN. Mr. Chairman, I ask the attention of the gentleman from Massachusetts [Mr. HEALEY] and of the gentleman from Massachusetts [Mr. McCORMACK]. The object of this amendment, as I understand it, is to redefine agriculture so that in the various laws we may have a uniform definition—not a different definition under each law, a different interpretation, one by the Labor Board, one by the Administrator of the wage-hour law, another definition by the Social Security Board when applying that act, and still another by the courts, varying at times as the various acts come before the courts.

I have been greatly interested in what the two gentlemen from Massachusetts have had to say about this 30-cents-an-hour provision. I realize these gentlemen come from industrial districts. I know each is charitable and has no intention of being either unkind or unreasonable, but I have often wondered if either ever lived upon a farm, if either ever realized what some who have been raised on the farm, who must make a living from the farm, have to contend with now, with farming conditions what they are, with prices which for farm products are all too often below the cost of production.

I understand that the Secretary of Labor has now made a ruling in connection with one industry, applying to Government contracts—under the bill which I understand one of these gentlemen from Massachusetts sponsored in the House—that common labor must be paid 90 cents an hour, and, of course, time and a half when longer hours, under this law, require an overtime wage of $1.35 an hour for common labor.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. HEALEY. I have observed about the gentleman that when he discusses any of these labor matters his emotions get the best of him. Of course, in this case he has not the facts, as is usually the case.

Mr. HOFFMAN. Very well. If I am in error, I stand corrected as to the 90 cents an hour, but I call the attention of the gentlemen to a decision of the Supreme Court this week sustaining the ruling of the Secretary of Labor as to 62½ cents an hour as a minimum wage for common labor. If I get emotional it is because I have some real, as distinguished from synthetic, sympathy for some of the folks who are not making 90 cents an hour or 62½ cents an hour or 93 cents or $1.35 an hour for overtime as common laborers. I am thinking of those folks down on the farm who are working for 20 cents an hour when they can get the work.

For example, I wonder if some Members of the Congress know that eggs have to be cleaned before they go to market, and that before they go to market in the cities they must often be candled; that sugar beets and onions must be topped; that celery must be washed and trimmed; that hay and straw must be threshed; that farmers and their sons and daughters do not earn 20 cents an hour for their work while the Secretary of Labor determines that common labor in the factory is paid 90 cents an hour? I wonder if the gentlemen realize that on the farms of this country there are thousands of young men and women, hundreds of thousands of men and women who grow farm products, who must put them on the market, who must sell them if they are to meet the taxes and make a living, and that people in the cities never have paid the price so that the farmer who produces the food on which the city people live, on which they depend for existence, can get as much as 25 cents an hour for his work?

Do not misunderstand. We are not saying that the industrial worker draws too high a wage, but we do say that it is

unjust that he should receive 5 or 10 times as much per hour as does the man who tills the soil. Those on the farm dig into the dirt year after year; those on the farm follow the plow and the harrow through the dirt and the dust and in the springtime they stand in the barnyard up almost to their knees in manure, load it on the old farm wagon or the more new-fangled manure spreader, for which the farmer must pay for the labor that went into its production at an hourly rate 5 times that which he receives for his work, and then haul it out to fertilize the fields which must produce the food for the people in the cities. If a workman off the farm gets 62½ cents an hour, what are you willing to pay us for the farm labor? Are you willing to pay a price for the food the farmer grows which you must have if you live, which will insure to him a minimum of 30 cents an hour and, on occasion, 50 or 60 or 90 cents an hour, as is the average in the automobile industry?

Now, why not be a little more charitable? Give to the farmer part of that high wage you are talking about. What do you want us to do? We can grow the crops. Do you want to ask us to pay a price that you know we cannot pay for the labor to prepare that produce for market? Are we to have 30 cents? Oh, you say that is little enough. You say that is too little. We agree. But, unfortunately, it is 30 cents or nothing. All too often we must take the 30 cents, or 25, or 20 cents, or we get nothing for what we do.

The crop is ready for market. The fruit is on the tree; it is ripe; it must be harvested. It must go to market if it is to be sold at all. Do you want us to pay 40 or 50 cents an hour for the labor in picking it, when, after we get it to market, we cannot even receive the price of the baskets in which it is packed?

Perhaps our neighbors, or the sons and the daughters of our neighbors, are not only willing, but they are anxious, to work. They realize the situation. They know that the labor cost cannot be 30 cents per hour if the produce is to be marketed, and so they are willing to work for 20 or 25 cents.

It is all right for the industrial worker to draw his 50 or his 90 cents per hour for common labor, if he needs that much to keep him alive, but why insist that those on the farms must give up even the 25- or 20-cents-per-hour job, which is all they have?

You add to the cost of everything the farmer buys by fixing a comparatively high hourly wage for the industrial worker, and then you deny to the farmer or the farmer's boy the right to work for a neighbor at even 20 cents per hour, if, under the ruling of the Administrator, he can be classed as an industrial worker.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. ENGEL. In reply to the statement made by the gentleman from Massachusetts [Mr. HEALEY], a member of the Construction Quartermaster Corps told me in the War Department Subcommittee on Appropriations that the common labor was fixed by the Secretary of War on a War Department construction project at St. Louis at 50 cents an hour, and 25 miles from St. Louis at 90 cents an hour.

Mr. HEALEY. Will the gentleman yield?

Mr. HOFFMAN. No; not now.

Mr. HEALEY. You just want to make statements. You do not want an answer.

Mr. HOFFMAN. Oh, now, that is not a fair statement. You know it is not. I doubt if anyone yields more readily, more often, than do I; and you have noted now from the statement of the gentleman from Michigan [Mr. ENGEL] that a ruling of a Federal department has been made under which common labor gets 90 cents an hour. I will tell you what I want. Instead of depriving the farmer or his children of an opportunity to make that little 20 cents an hour, of which you speak in such disparaging terms, give us at least the chance to make that small, all too insufficient sum, and pay the farmer for the things he grows a fair and a reasonable price. Take your 50 or your 90 cents per hour, but when you spend it for the bread or the meat you eat, or the fruit which aids you in keeping your health, remember that the farmer who produced it, on an average, was getting less than 25 cents an hour for his work. [Applause.]

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, in view of the fact that the gentleman from Michigan [Mr. HOFFMAN] has referred to me, and any reference by the gentleman from Michigan is considered by myself as a compliment, I feel constrained to answer a few of his remarks.

The gentleman speaks about "charity." He particularly referred to the gentleman from Massachusetts [Mr. HEALEY] and to the gentleman from Massachusetts who is now addressing the Committee. Well, "charity" is a word with a broad meaning. It can have many constructions; but the gentleman applied "charity" in relation to the farmer, and he particularly referred to the two gentlemen from Massachusetts.

I am still groping to try to solve the agricultural problem, as well as many other problems. I come from a district where there is not a farm or a farmer, and yet I spoke for the first Bankhead cotton-quota bill. Whether or not I was right I do not know, but I thought I was trying to help agriculture. I have voted for parity payments. I do not know if I voted right or not, but I voted that way because I thought I was assisting the farmer. I wonder if the gentleman from Michigan voted for parity payments?

Mr. HOFFMAN. Will the gentleman let me answer that?

Mr. McCORMACK. Certainly. I yield.

Mr. HOFFMAN. I did not. And I do not intend to vote for the $212,000,000 appropriation which is coming before the House next week. The farmers in my district do not want charity. They do not want a dole. They want justice. They want an opportunity to do as their forefathers did; to be independent, not to be wards of the Government. They have no desire to be serfs, peasants, or slaves. If you will give them an opportunity, they will stand on their own feet.

Mr. McCORMACK. All right. That is an answer.

Mr. HOFFMAN. What the farmer wants is a chance to earn his own living.

Mr. McCORMACK. Yes. You want a chance to make a speech. I voted. The RECORD will speak for itself as to who is most charitable. I am not accusing the gentleman from Michigan of being uncharitable because he voted against it, but the question as to who is most charitable as between the gentleman's vote and myself is a matter for somebody else to decide. I think my vote was at least on the charitable side.

I have spoken for appropriations for relief of the farm-tenant problem. I do not know how the gentleman from Michigan [Mr. HOFFMAN] voted, but the probabilities are he voted against it. We are going to have another vote tomorrow, or in a few days, on that question. From the angle of charity, as far as the farmer is concerned, coming from a district where there is not one farm, I would submit my record to the constituents of the gentleman from Michigan [Mr. HOFFMAN] as against his record, as to which record constitutes most charitable consideration of the farmer. [Applause.]

Now, with reference to the amendment offered by the gentleman from California [Mr. BUCK], I did not intend to speak on it on this occasion. Having taken the floor to answer the gentleman from Michigan [Mr. HOFFMAN], I will make some observations on the Buck amendment. Nobody objects to agricultural help being exempted. They are exempt under the law now. What we do object to—does that offend the sensibilities of my friend from California?

Mr. BUCK. Not at all. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BUCK. Agriculture, as the gentleman from Massachusetts said, is now exempt. The question is with the rulings that are made. We are trying, as I told the gentleman yesterday, to put a chart up there by which the Administrator can work.

Mr. McCORMACK. Now, what we object to is the extent to which the amendment goes in its practical operation.

Mr. WADSWORTH. Will the gentleman describe that extent right now?

Mr. McCORMACK. Yes; to some extent. I cannot describe it to all the extent. The gentleman from California [Mr. BUCK] could not answer what was "commercial activities" when the question was asked by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. BUCK. Will the gentleman yield? The gentleman mentioned my name. I want to know what it was I would not answer.

Mr. McCORMACK. The gentleman from Minnesota asked what constituted "commercial activity," and the gentleman said he would discuss that at a later date.

Mr. BUCK. The gentleman knows perfectly well that the provision says it does not apply to commercial canning or commercial freezing.

Mr. McCORMACK. Yes; but the gentleman was asked what that was and the gentleman said he would discuss it at a later date. The gentleman did not answer it.

One thing is certain; it does cover cooperatives. There are anywhere from 100 to 5,000 members of cooperatives who employ anywhere from two to three hundred help in the processing of farm products. It also covers and exempts from the coverage of the law the employees of large-scale processing activities carried on by large corporations, who, in addition to other corporate activities, own in some cases thousands of acres of farm land. They are just as much engaged in industrial activity as the shoe worker in New York or the textile worker of the South or of the North. In the textiles they fabricate cotton, and cotton is a farm product. They fabricate wool into the finished product, and wool is a farm product. You might as well say that the farmer who has a retail store in Boston, or New York, or any other city, because he is a farmer, and who has a retail outlet, should not be covered by the provisions of the Wage and Hour Act, on his retail activities.

This amendment is going to be later offered to the National Labor Relations Act in an attempt to exclude 200,000 workers from the benefits of collective bargaining.

[Here the gavel fell.]

Mr. SHEPPARD. Mr. Chairman, I rise in favor of the amendment.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield for an inquiry only.

Mrs. NORTON. Mr. Chairman, I wish to see if we cannot reach some agreement as to time on this amendment. I ask unanimous consent, Mr. Chairman, that all debate on this amendment close in 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

Mr. WADSWORTH. Mr. Chairman, I object.

Mrs. NORTON. Mr. Chairman, I move that all debate on this amendment close in 40 minutes.

The CHAIRMAN. The question is on the motion of the gentlewoman from New Jersey.

The question was taken; and on a division (demanded by Mrs. NORTON) there were—ayes 57, noes 71.

So the motion was rejected.

Mr. SHEPPARD. Mr. Chairman, it is on very rare occasions that I ask for any time, but I really feel, based on my experience since I have been a Member of this body and since the enactment of this so-called wage-hour law, that my colleagues should grant me a few moments of their undivided attention so that I may present my views on the pending bill.

Mr. Chairman, in the first place, when the original proposal for the Wage and Hour Act was brought before this House, I was one of the first signers of the motion to discharge the Committee on Labor from consideration of the proposal in order that it could be acted upon; and I did it under the promise, if you please, that the language "area of production" excluded agricultural labor. But let me say to the membership that never since I have been a Member of the House have I had such an overt act perpetrated to my detriment and to the detriment of agriculture. The Members know from their own sad experience—those honestly and conscientiously interested in the welfare of agriculture—that "area of production" has been interpreted in a way to stretch it far beyond what is comparable to common sense and decent reasoning.

Let me say to you that I believe the present Administrator of the act, Colonel Fleming, is going to do the very best he can under the language provided in a bill by this Congress. Whatever you do, do not embarrass Colonel Fleming by sending the bill back to him containing language so indefinite, so intangible in description as the original phrase "area of production." It does not reflect credit upon the membership of this body, in my opinion, to have had such language incorporated in any bill.

When Colonel Fleming was before the Committee on Appropriations, of which I have the honor of being a member, I asked him in general the following question:

> Colonel, what is one of your outstanding difficulties in administering the Wage and Hour Act?

In the hearings you will find his answer in substantially the following language:

> The definition of "area of production."

I asked:

> What would it do for you if the Congress were to define agriculture?

He said:

> Mr. SHEPPARD, it would be one of the finest things that could be done by the Congress not only in behalf of my own organization but of all organizations that have anything to do with the interpretation of laws applying to agriculture.

[Applause.]

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield for a question.

Mr. GEYER of California. Did he indicate how he wanted to phrase it?

Mr. SHEPPARD. No; he did not.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield.

Mr. CRAWFORD. Does the gentleman believe it would help facilitate the administration of these laws if Congress would give to the Wage and Hour Division and other divisions of the Government some definition of what constitutes agricultural labor instead of creating dissension among all the departments and having them fighting every minute of the day trying to decide what does constitute agricultural labor?

Mr. SHEPPARD. Replying to the gentleman from Michigan, I will say "Yes," for the reason that it certainly could not be any worse monstrosity than they are now operating under, and the Buck amendment should be an improvement.

The gentleman from Massachusetts [Mr. McCORMACK] made the statement when the gentleman from California [Mr. BUCK] had the floor that the reason the Ways and Means Committee permitted this language defining agriculture to remain in the bill, when it was before the Ways and Means Committee, was because of their sympathy for agriculture and their desire to exclude agriculture from taxation.

May I ask my friend the gentleman from Massachusetts [Mr. McCORMACK], is not this proposal in the Buck amendment to define agriculture as meritorious now as it was when the Ways and Means Committee considered it? I do not say the proposal offered by the gentleman from California [Mr. BUCK] is going to be a complete answer to the situation or will solve the problem in its entirety, but certainly as a legislative group we should do something to help the situation. I ask the amendment be agreed to.

[Here the gavel fell.]

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have spent several days trying to find out what this wage-hour law was intended to do, what it is doing, what it ought to do, and what it ought not to do. Now, we have got down to the place where we are trying to find out

and decide for ourselves what agriculture is. I am not entirely certain I know what it is in its entirety. I am not certain I could give a definition that would cover every activity included under the word "agriculture," but I have read the proposed amendment introduced by the gentleman from California [Mr. BUCK], and I think it is one of the best-drawn things from a legislative standpoint I have ever encountered. It leaves no doubt whatsoever what is meant, and that is a very, very great virtue, whether we are for it or against it. The gentleman from Massachusetts [Mr. MCCORMACK], upon my asking him if he would describe the extent to which this amendment runs, ended up by intimating it would reach even a woolen mill. Now, I do not mean to use a harsh expression, but that is nonsense, and the gentleman from Massachusetts does not really mean that.

A careful reading of the amendment will show it applies only to those things that are incidental to running a farm and marketing its goods in the raw state. That is all. It does not cover processing, such as canning or freezing these goods, in a commercial undertaking.

If anybody wants to know what a commercial undertaking is, he can look it up in a dictionary. I have the impression that a commercial undertaking is one in which the person who is in it both buys and sells. A canner buys the raw crops, processes them, and then sells the finished product. He is in a commercial undertaking, and this amendment excludes him from the definition of a farmer or an agricultural pursuit.

At the risk of boring you, let me give an illustration of the kind of thing this amendment would cover, and I ask you in all honesty if the illustration is not justified under the circumstances. In the part of the country where I live we raise more beans, next to the State of Michigan, than any other part of the country. We will call them Boston-baked beans so you city people will understand what I mean by the term "beans." There are several varieties, but they are all treated in the same way. We harvest them, then we put them through a threshing machine. That is a farm operation, I hope you will all agree. But when the beans come out of the threshing machine they are not fit for market. They have to be cleaned, or, as we call it, "picked." No farmer can afford to maintain for himself a bean picking or cleaning plant. So, little plants have been established all around the country. We take our beans to that plant and have them picked for us. We pay the cost of the picking. It is part of the operation in preparing the beans for market. Without the threshing machine they cannot go to the market and without the picking machine they cannot go to market and we pay for both the threshing and the picking. Our contention is that the picking of those beans is a necessary incident to raising and marketing the beans. This amendment offered by the gentleman from California [Mr. BUCK] would exempt that little plant where the beans are picked. We are charged by the pound. For years prior to the enactment of the Wage and Hour Act and the extension of it by definition to the bean-picking plant, I paid 5 cents a pound to have them picked. As soon as the act went into effect I had to pay 7 cents a pound, and no one is the better for it. It caused unemployment rather than increased employment. The cost goes right back on the farmer when he has to pay for these services. And the market price of his product does not go up. You will notice this amendment relates to services incident to the marketing of crops—the raising and marketing of crops. The definition is an accurate one, it is a reasonable one, and you cannot divorce this service from agriculture. Without it there is no agriculture.

When I sell wheat I have to have it cleaned. When I sell oats I have it cleaned, else it cannot be sold. Those grains are not marketable otherwise. Is that not a part of agriculture? The exemption does not follow the wheat to the flour mill. There the wheat is processed into flour and the flour is sold for commercial purposes. The amendment offered by the gentleman from California [Mr. BUCK] absolutely excludes that operation. I wish the people here who are such friends of labor would understand something about our difficulties. The Buck amendment will not hurt labor one little bit. Labor cannot be hurt by it. It relieves from a menace of the present law the men and women who raise the food of this Nation.

[Here the gavel fell.]

Mr. HEALEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I tried to obtain time as soon as possible after the conclusion of the remarks of the gentleman from Michigan who addressed his remarks to me particularly and to my colleague the gentleman from Massachusetts [Mr. MCCORMACK]. As I stated to him in the brief colloquy he permitted me to have with him, I observe that when matters affecting labor are under discussion on this floor the gentleman seems to lose all control of his emotions. Every fiber of his being seems to be aquiver. When a man is so emotionally moved as the gentleman from Michigan has so often evidenced here on the floor, he naturally omits many of the very pertinent and relevant facts from a discussion.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. Not just at this moment.

Mr. HOFFMAN. Then I make the point of order, if the gentleman wants——

Mr. HEALEY. If the gentleman wants to make a point of order, all right.

Mr. HOFFMAN. That the gentleman is indulging in personalities; and now I withdraw it, because I do not care anything about it.

Mr. HEALEY. I think the gentleman indulged in personalities when he referred to me.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Was not the gentleman's action emotional then?

Mr. HEALEY. I think it was.

Mr. HOFFMAN. I will make another point of order, that the gentleman from Massachusetts is indulging in personalities and violating the rules.

Mr. McCORMACK. Does the gentleman want the words taken down?

Mr. HOFFMAN. No; I do not.

Mr. McCORMACK. Why does not the gentleman go through with it and see if it is subject to a point of order?

Mr. BULWINKLE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BULWINKLE. That the gentleman from Michigan should ask the Chairman to recognize him on the point of order, otherwise he is violating the rules of the House.

The CHAIRMAN. The gentleman from Massachusetts will proceed in order.

Mr. HEALEY. The gentleman from Michigan [Mr. HOFFMAN] complained about a ruling made by the Secretary of Labor under the Healey-Walsh Act. The Supreme Court has just sustained the Secretary of Labor, and as a lawyer and as a Member of the House of Representatives, I am satisfied to accept the decision of the Supreme Court, as I believe most of the other Members of the House are.

During the speech of the gentleman from Michigan another gentleman from Michigan made the statement, after the gentleman yielded to him for the purpose, that the Secretary of Labor had just made a wage determination of 90 cents an hour for certain skilled work.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. If I do not have it correct, I will yield to find out what it is.

Mr. ENGEL. Common labor; and, if the gentleman will yield further, I believe the place was Beltsville.

Mr. HEALEY. It was in connection with a construction job, was it not?

Mr. HOFFMAN. Yes.

Mr. HEALEY. I will say to the gentleman that if that wage rate was made by the Secretary of Labor it was made under the provisions of the Bacon-Davis Act, which governs

construction work. Of course, that was a Republican measure, sponsored by Republicans—a former distinguished Republican Member of the House and one of the Senate—for the purpose of protecting the labor standards in the building trades.

Of course, all of the remarks of the gentleman are irrelevant to the subject under consideration. My colleague the gentleman from Massachusetts [Mr. MCCORMACK] answered the statement of the gentleman from Michigan [Mr. HOFFMAN] that he was unsympathetic with the farmer. In that same connection I want to say that I believe my record here on votes affecting the farmers of this country speaks eloquently of my sympathy with the welfare of the farmer. I have always endeavored to do what I could on every occasion when any farm legislation was considered here to help the situation of the farmer.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a statement?

Mr. HEALEY. Not at this moment.

Addressing my remarks now to the particular subject under discussion, let me say that this matter has already been construed by a court. I believe it was the Ninth Circuit Court of Appeals, in the North Whittier Heights case. This decision concerned the same type of workers in a labor-relations case that are covered by the amendment of the gentleman from California [Mr. BUCK]. The decision in that case, in effect, stated that workers engaged in the advanced stages of processing and preparing for markets agricultural products are in no different situation than any other industrial workers. These persons work in establishments that are essentially industrial in character. There they have the conveyor-belt and the assembly-line technique. In no substantial sense can these workers be considered as having anything to do with farms or the actual process of farming. It is impossible to find any reasonable line of distinction between such workers and persons engaged in work on any other normal factory assembly line. [Applause.]

[Here the gavel fell.]

Mr. LANDIS. Mr. Chairman, I offer an amendment as a substitute for the Buck amendment.

The Clerk read as follows:

Amendment offered by Mr. LANDIS as a substitute for the amendment offered by Mr. BUCK: After the enacting clause, insert the following:

"SECTION 1. 'Agriculture' includes farming in all its branches and includes all service performed—

"(1) On a farm, in the employ of any person, in connection with cultivating the soil or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

"(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

"(3) In connection with the production or harvesting of maple sirup or maple sugar or any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the raising or harvesting of mushrooms, or in connection with the hatching of poultry, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying and storing water for farming purposes.

"As used in this subsection, the term 'farm' includes stock, dairy, poultry, fruit, fur-bearing-animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards."

Mr. LANDIS. Mr. Chairman, the first three parts of the definition of agriculture really apply to farming. I want to eliminate the processing and some of the industrial parts of this definition. Thousands of workers engaged in these activities were left out of the Social Security Act. Leaving out subsection (4) will eliminate those that are entitled to come under the Social Security Act.

Subsection (4) reads as follows:

(4) In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

This paragraph covers commercial freezing and commercial canning, but it leaves out all those other commercial items of packing houses. I am sure that this House does not want to eliminate the packing houses from the Wages and Hours Act.

I would like you to remember that if those interested in agriculture want an exemption for hours all you have to do is strike out the last two lines of the subsection at the top of page 12.

If you are interested in hours and wages, then you will pass the Buck amendment as it is, and you will include the packing houses and the processing plants and you also have 200,000 employees, who are not farmers, put under the act.

Mr. BUCK. What does the gentleman understand by a packing house?

Mr. LANDIS. This language "immediately off the farm" was intended for a small group of farmers to go out and pack their goods together, but I do not believe that the Congress expected to exempt all the big co-ops in the State of California and all over the Nation.

Mr. BUCK. This is not a California proposition.

Mr. LANDIS. I am talking about co-ops in California and co-ops in other States as well.

Mr. BUCK. The gentleman does not misunderstand packing as applying to meat packing, does he?

Mr. LANDIS. When the big packing plants in any State go together and pack and have storages together, they compete with the other storage and packing plants.

Mr. BUCK. I may say to the gentleman that if he will reread the amendment carefully, he will understand that meat-packing plants and packing plants of that kind are not included in my amendment. The amendment applies only to such processing, packaging, and so forth, as is incidental to the normal operation of getting the farm products to the market. Once livestock has reached the corrals of Chicago or Kansas City or Omaha and is bought by what you understand to be packing plants, we are no longer interested. Processing then is an industrial operation and my amendment does not cover that.

Mr. LANDIS. I would like to ask the gentleman a question. Are you for exempting them from wages and hours?

Mr. BUCK. I am going to say that I am as far as the labor used in preparing fruits, vegetables, and other horticultural or agricultural commodities for market is concerned. For this reason——

Mr. LANDIS. Then there is no use arguing——

Mr. BUCK. Just a minute. After we had the severe financial depression of 1929, 1930, and 1931—this is not partisan at all and I appeal to my Republican friends as well as my Democratic friends—wages on farms dropped down to as low as 15 cents an hour because the farmer could pay no more to produce his crop. I do not see how you are going to fix a wage level on farm products, which are perishable and must be consumed, unless you are going to guarantee him some price for his product that will enable him to pay that wage level, and you are not attempting to do that.

Mr. LANDIS. The farmer, on a farm, as long as he is a farmer, is exempt under the act.

Mr. BUCK. Do you want me to go home, or do you want to go home yourself and tell your small cooperatives that they cannot have the same exemption that you and I can have? If you do, go on home and make your record on that.

Mr. LANDIS. They can have an exemption for fresh fruits and vegetables just by striking out two lines in the section on top of page 12. That is one industry that is in distress, and that is what I am interested in.

[Here the gavel fell.]

Mr. ROBERTSON. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Indiana [Mr. LANDIS].

The amendment offered by the gentleman from Indiana may be called a delaying amendment. He splits the Buck amendment in two and takes out the heart of it.

The gentleman from New York [Mr. WADSWORTH] has made you a very fair and correct analysis of what is involved here. He pointed out that commercial operations are excluded from the Buck amendment. He pointed out that only the work on the farm or for the farmer was included in the Buck amendment, and then he asked you this question: Do you intend to do something to help agriculture, or do you intend to insist upon the principle of a wage rate and an hour rate that gives nobody a job and which will actually result, in the rural sections, in less employment for labor?

We must realistically face the world in which we now live. We are not in the war in Europe, and we do not intend to be in that war, but we are in the economic maelstrom that has resulted from that war. We will continue to be in it as long as the war lasts, and maybe for a long time afterward. The farmer has lost his export market. He cannot hope to sell abroad his surpluses while this war continues. He is a marginal operator. The Buck amendment will wipe out a part of the hardships of the area of production. It follows the definition of the Social Security Act of agriculture and agricultural labor, and may I add that I have made some investigation of the wages in the co-ops on the west coast and in the Midwest where they make some butter and process their milk into cheese in small cooperatives, and the wages for the most part are above the present minimum wage of the Wage and Hour Act; but they cannot afford, when this act takes them to 40 hours next year, to pay time and a half for overtime, and I want to say that if you believe that the economy of this Nation can be supported on a 40-hour week with time and a half for overtime, and a minimum 40-cent wage, applicable to all labor, why do you not put it in the law? Why do you not make the law effective as soon as Congress adjourns? Why do you not go before the Nation on that issue? You know there would not be a corporal's guard reelected to this Congress after such a law had been in effect a few months. We cannot support that economy. You know that when a man is making a dollar and a half or $2 an hour it is folly that he should be paid time and a half for overtime over 40 hours.

You know that the 40-hour week wrecked New Zealand. You know that the 40-hour week wrecked France when the penalty was only 10 percent for overtime, but you insist on this overtime. That is what gets these cooperatives in California. They do not mind the wage, but 40 hours a week, with time-and-a-half overtime for a marginal industry, will crush these small marginal operators. You would intensify unemployment in this Nation. This amendment in all fairness should be adopted, and let no red herring be drawn across the trail about child labor, because child labor is not involved in this amendment any more than it was involved in the bill last year which was agreed to by the committee which said that as far as fresh fruits and vegetables are concerned, they would be exempt from the area-of-production definition. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate upon this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all debate upon this amendment and all amendments thereto close in 30 minutes. Is there objection?

Mr. GEYER of California. Mr. Chairman, I object.

Mr. RAMSPECK. Mr. Chairman, I move to strike out the last word. This matter has been debated for about an hour. The leadership of the House has informed us that they expect to finish this bill tonight. If gentlemen want to stay here and talk all night, it is all right with me, because I can stay as long as anybody else, but I now move that debate upon this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Georgia.

The question was taken; and, on a division (demanded by Mr. ENGEL) there were—ayes 97, noes 16.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. ENGEL] for 3 minutes.

Mr. ENGEL. Mr. Chairman, may I have the attention of the gentleman from Georgia [Mr. RAMSPECK]. I call the gentleman's attention to the bottom of page 11, subsection (5) which provides for exemption for preparing, cleaning, and so forth, of fresh or dried fruits and vegetables.

Mr. RAMSPECK. Of what bill is the gentleman now speaking?

Mr. ENGEL. I am speaking of the Norton bill, page 12.

Mr. RAMSPECK. Starting at the bottom of page 11?

Mr. ENGEL. Yes.

Mr. RAMSPECK. Very well.

Mr. ENGEL. At present there are thousands of little potato warehouses all over the country, some with as few as two employees. Under the area-of-production clause, even under the limited interpretation of the Wage and Hour Division, if these warehouses employ less than seven employees they are exempt. Would a potato stored all winter, ready to be shipped and put into a car in the spring, be considered a fresh or dried vegetable, and come under that clause?

Mr. RAMSPECK. The gentleman is asking me something that I do not know.

Mr. ENGEL. Under subsection 12 you exempt the handling, grading, cleaning, polishing, hand picking, or storing of whole seeds, beans, peas, or grain, and so forth. Would the gentleman have any objection to inserting the word "potatoes" because surely you do not expect to include potatoes.

Mr. RAMSPECK. I would not object to putting the word "potatoes" in there.

Mr. ENGEL. May I ask the gentleman from California [Mr. BUCK] whether those warehouses would be exempt under his amendment?

Mr. BUCK. I would have to have a little more information about potato warehouses.

Mr. ENGEL. They are privately owned.

Mr. BUCK. If these warehouses were in the same situation as the bean-cleaning warehouses, and so forth, engaged in the preparation of beans for market, they would be exempt under my amendment. I do not know anything about potatoes.

Mr. ENGEL. Might the fact that the charge for preparing them for market is borne by the warehouse owner and not by the farmer have any influence?

Mr. BUCK. Then I think they would not come under my amendment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GEYER of California. Mr. Chairman, the gentleman from California [Mr. BUCK] has told you that, so far as wages are concerned and so far as hours are concerned, California is above all of these exemptions. Why, then, does he come here and offer this amendment? I will tell you why. You have heard of the Trojan horse and of the camel getting his nose under the tent. I told this House yesterday that this comes from that infamous organization known as the Associated Farmers.

This is nothing more or less than an entering wedge to take out from under the National Labor Relations Act and from this bill some 200,000 workers in the State of California and other places and to place them under sweatshop conditions. They want the definition the same as the Ways and Means Committee has it for taxation purposes. They would like to take out from under the provisions of this act, and particularly the National Labor Relations Board, the right of collective bargaining, so that they can continue with their vigilante activities which they have made notorious, the account of which is all contained in this report from the Civil

Liberties Investigating Committee of the Senate. These are the kind of little farmers they are talking about:

American Sugar Crystal Co., which owns and operates 32,493 acres, doing their processing work on this little farm; the American Fruit Growers, Inc., 21,735 acres, which they own and operate and control and carry on all the processing of their products; Cudahy Packing Corporation, 8,535 acres.

This all comes from the Civil Liberties Committee report, from sworn testimony.

I could go on down the line. The Hawaiian Sugar Co., Ltd., 90,000 acres. They want to take all of those people who work for them on those farms from under the benefits of the National Labor Relations Act. I could go on and on and on.

I told you the other day that this Associated Farmers organization is an organization of farmers that farms the farmers. They are an organization of farmers that speaks for railroads. They speak for a great many groups that certainly are not farmers.

This amendment springs from this organization of labor haters. They do not want employees anywhere to organize.

Next week there will be an amendment brought in here to redefine agriculture in the National Labor Relations Act. I am surprised that some of my colleagues from California, who know all about this pickax-handle vigilante group, are supporting this legislation, yet they claim to be friends of labor. Only one of my colleagues has dared to defend this organization. It was he who yesterday refused my unanimous-consent request to continue exposing them.

I see my time is up. I hope you will kill this Buck amendment.

The CHAIRMAN. The gentleman from Wisconsin [Mr. KEEFE] is recognized for 3 minutes.

Mr. KEEFE. Mr. Chairman, it seems to me we are using a lot of valuable time in reaching the real crux of this situation.

If I understand the amendment offered by the gentleman from California [Mr. BUCK], he is simply proposing to redefine agriculture, as it is presently defined in existing law. Is that not true?

Mr. BUCK. That is correct.

Mr. KEEFE. You are simply redefining "agriculture"? Your amendment in itself exempts nothing. Were it not for the provision in subsection 6 of 13, which exempts agricultural labor, your amendment in itself would exempt nothing; but when we adopt your amendment, which redefines agriculture, it then must be related back to the exemption which is found in subsection 6 of 213 of the code, which exempts any employee employed in agriculture. That exemption will be any employee employed in agriculture as defined in your amendment. That is right, is it not?

Mr. BUCK. If the gentleman will permit me to answer, I think the gentleman is quite correct in that statement. However, I realize what the gentleman's interest is in connection with certain canning operations.

Mr. KEEFE. Now the gentleman has answered my question, let me state further what I am interested in.

Mr. BUCK. Now wait a minute.

Mr. KEEFE. I do not yield further. You have answered my question. Even though your definition of agriculture is accepted—and I want to say to the gentleman that I am going to vote for it, despite what I stated the other day—if your definition of agriculture is accepted, we still will have to provide for the exemptions for canning plants and processing plants, as is provided for in the Norton amendment.

Mr. BUCK. I told the gentleman that the other day.

Mr. KEEFE. I am not asking the gentleman for that further advice. That is a fact, is it not?

Mr. BUCK. Oh, I never attempt to advise my colleagues.

Mr. KEEFE. Well, that is the fact, is it not?

Mr. BUCK. Certainly.

Mr. KEEFE. I am going to support the amendment because I cannot see that it does any harm at all; and if this definition of agriculture is broader than some of the people think, then the definition can be restricted in the further provisions of the act as they may be adopted later on.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. CRAWFORD. Does not the gentleman think the Buck amendment will really do some good?

Mr. KEEFE. I think it will do some good as it is presently put into the law, where you propose to place it by your amendment today, by redefining the definition of "agriculture," which is found in subsection (f) of section 6 of the present law.

[Here the gavel fell.]

The CHAIRMAN. At this time the Chair recognizes the gentleman from California [Mr. THOMAS F. FORD] for 3 minutes.

Mr. THOMAS F. FORD. Mr. Chairman, yesterday, in the course of reading the Barden bill for amendments, the distinguished gentleman from Wisconsin [Mr. SCHAFER] offered an amendment, the purport of which was to bar the import of all goods to the United States unless these goods were manufactured under wage and hour conditions exactly conforming to the Fair Labor Standards Act now in force in the United States.

In view of the fact that such a requirement in a measure, designed exclusively to govern conditions in the United States, the colorful and distinguished gentleman from Wisconsin knows that the amendment, while technically germane to the bill under discussion, was utterly impossible of enforcement. Impossible from the practical standpoint for the obvious reason that it would require the services of an army of investigators even if, by some chance, the foreign nations affected would permit the investigation or volunteer the information.

Impractical and impolitic for the further reason that in order to enforce it effectively, an embargo would have to be declared against the nations whose goods would be most directly affected.

If this method were resorted to, to carry out the provisions of the amendment, the Fair Labor Standards Act would have to be further amended empowering or directing the President to declare such an embargo.

The declaration of such an embargo at this time would further aggravate an already delicate international situation to such an extent that it might be tantamount to a declaration of war.

Now the distinguished gentleman from Wisconsin loudly proclaims that he and his party—the Republican Party—are determined to keep America out of war, but, much as I dislike saying it, the large vote that the amendment secured came from the peace-loving Republican side of the Chamber.

The plain moral seems to be that the Republicans, in their desperate—and, I am convinced, hopeless—desire to get back into power, are apparently willing to risk embroiling the Nation in all the horrors of war, for the debatable advantage which might result from the opportunity of putting the Democrats on the spot on a silly, trivial, and wholly unenforceable amendment, because a vote against this amendment would enable the orators of the Republican Party to assert that the Democrats voted for oriental labor as against American labor.

No man in the House knows better than the distinguished gentleman from Wisconsin how totally impractical and frivolous this amendment was. But he is a shrewd politician, and he hoped to promote the interests of his party, even at the risk of involving the United States in a bloody and devastating war.

[Here the gavel fell.]

The CHAIRMAN (Mr. SHEPPARD). The Chair recognizes the gentleman from Ohio [Mr. SMITH] for 5 minutes.

Mr. SMITH of Ohio. Mr. Chairman, I realize what I am about to say will have little serious consideration from the Members of the House. I anticipate it will fall mostly upon deaf ears.

However, I am impelled to speak out at this moment particularly to have the RECORD show that not all the Members of this body are blind to the fact that the most important part

of the problem before us is receiving no consideration whatever.

Rivers of oratory have in the last few days been gushing from the Well of the House protesting solicitude, even pity, for the poor, underpaid workers of this country.

The meat of all this eloquent pleading is that we have in our country a group of employers who are not quite human, but regular chiselers who do not scruple to rob their fellow men of the just fruits of their labor; that the victims of this nefarious practice need the protection of this pure and holy Government of ours, which never "takes from the mouth of labor the bread it has earned," not even a kopeck in taxes.

That there are many chiselers in our country no one, of course, questions. What the human race, not only here but elsewhere as well, always has questioned, does now, and always will question, is just how many chiselers there are and who they are.

Christ had some interest in this question. He sought by a simple little democratic process of self-elimination to set up the proper formula by which mankind should always count its stainless souls and sinners. He merely asked us to apply his foremost principle of charity:

> He that is without sin among you, let him first cast a stone at her. * * * And they which heard it, being convicted by their own conscience, went out one by one * * * even unto the last: and Jesus was left alone, and the woman standing in the midst.

Suppose we were to apply this simple Christian principle here in this glass-domed temple from whence there is so much pouring out of splenic name calling and judging of others, would the result be any different than it was when it was applied by Christ 2,000 years ago? Of course not, and every man in this Chamber, down deep in his heart, knows this is the truth.

Keeping this fact in mind, we need have no trouble telling just how many real chiselers there are in our country and exactly who they are. The census showing the total population ought to be completed within a short time and available to all of us.

So much for the need of a little soul cleansing on our part as legislators as a better basis for more rational and honest legislation. This, however, is not what I had in mind when I stated at the outset that the most important part of this bill is not being discussed.

Every speech I have heard on this bill in support of fixing wages by law, or, for that matter, every speech I have heard in support of such legislation since I have been a Member of this body, concerned itself with the quantity of money only which should be paid the worker. Not a single word have I ever heard coming from the advocates of this sort of legislation which concerned itself, even in the least, with the quality of the money the worker ought to receive.

Yet there is no question that the quality of money is of far greater importance to labor than the quantity. Nothing is more clear or certain in the evolution of money that this. As the quality of money in which labor is paid has improved, so have the purchasing power and standard of living of the working people improved.

Every great monetary reform that has ever taken place had to do with improving the quality of money, not the quantity. That was true of Queen Elizabeth's reform of the coin of the realm; of the English reform of the standard unit of value connected with its suspension of specie payment from 1797 to 1820; of Austria's reform of its money in the latter part of the nineteenth century following its nearly 100 years of debacle caused by incontrovertible paper currency. Our own great reform of the money as embodied in the Constitution had to do exclusively with its quality. The Revolutionary War itself was perhaps as much the result of poor quality of money as the tyranny of King George. In my opinion the basic achievement of the Constitution makers was the reform of the quality of money, the establishment of a standard unit of intrinsic value, gold and silver.

The reform of our money following the Civil War had to do with its quality. That which took place under the administrations of Cleveland and McKinley had to do exclusively with the quality of money.

Probably in every suspension of specie payment that ever took place, deterioration of the quality of money was the essential cause of the suspension. It is likewise probable that every return to specie payment that has ever taken place was intended to serve and did serve to improve the quality of money.

The great contest between Bryan and McKinley involved the quality of money. In fact it was a struggle between the advocates of quantity money, on the one side, and the advocates of quality money on the other. Quality, as we all know, won out, with the result that from 1896 to 1914 this country achieved one of the greatest periods of prosperity experienced in our history.

Put a floor under wages, that is, fix by law a minimum wage for workers, say the advocates of minimum-wage laws.

But, a floor under wages made of what? Quantity dollars only, or quality dollars also? A floor under wages made of hard money, dependent entirely for its strength and durability upon its own intrinsic value, or one made of irredeemable paper money which has no intrinsic value and whose strength and durability, therefore, are wholly dependent upon the whims and caprice of politicians?

A floor under wages made of gold and silver, whose value or purchasing power is fixed by nature, or one made of wood pulp and rags, whose value or purchasing power is fixed by the self-interest of politicians?

A floor under wages made of gold and silver whose purchasing power has been more stable than any other known or tried substance since these metals have been used for money? Or one of irredeemable paper money, a mere political promise to pay whose purchasing power has been more unstable than any other known or tried substance since it came into use for money?

A floor under wages made of gold and silver which has been the worker's greatest protection to keep and enjoy the fruits of his labor, and the greatest assurance society has had for the most equitable distribution of wealth? Or a floor under wages made of irredeemable paper currency, such as we all are now forced to use, which Daniel Webster properly termed, "The most effectual of inventions to cheat the laboring classes of mankind"?

The CHAIRMAN. The gentleman from Oregon [Mr. PIERCE] is recognized for 3 minutes.

Mr. PIERCE. Mr. Chairman, I am asking the Representatives of the city districts to give us this definition of agricultural labor. I believe it is right. I believe we are not asking anything that is not proper and good for the original act itself. I believe in the wage and hour law, I voted for it, and I think it is mild compared to what I believe will be passed by men sitting in these very seats in years to come.

I can see no solution for the unemployment problem except a cutting down of hours and a regulation of wages. But right now we have some problem to get proper support and backing behind the law. It has been the administration of the act that has caused the trouble. A letter came to my desk today from a farmer near The Dalles, a city of 6,000 people, in an area where they grow large quantities of cherries. Those farmers formed a cooperative organization and built an expensive plant in the city of The Dalles some years ago to take care of their cherries. They are operating cooperatively, and the plant belongs to the farmers. A company dealing in cherries commercially came out from New York and built a plant just outside the city limits. Under the construction of the Wage and Hour Act by those administering it the New York firm does not come under the law, yet the old farmers, just because they happen to have placed their building in the city, do come under it. It is constructions such as this which have brought this law into disrepute.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Not now.

Mr. Chairman, I am asking that this definition of agricultural labor be given. It will assist in administration of the

act. Give us this opportunity to back up the wage and hour law. I want to back up the National Labor Relations Board, too. I do not want either of these laws wiped out or seriously impaired. I do not want anything done to bring them into disrepute. Help us sustain them by giving us this definition. It will create a better attitude toward the act. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Chairman, I rise to support the amendment offered by the gentleman from California [Mr. BUCK]. When I came in the door a minute ago I was very much surprised to see one of our colleagues from California [Mr. GEYER] again attacking the Associated Farmers. The Associated Farmers has not anything to do with the Buck amendment. May I say to the gentleman from California [Mr. GEYER]; that I am not a member of the Associated Farmers, but I know many of the small farmers who are members of that organization, and I may say to him that there are no finer people in the San Joaquin Valley, the Tenth Congressional District of California, than the Associated Farmers.

Mr. GEYER of California. Will the gentleman yield?

Mr. ELLIOTT. I will not yield. Sit down.

Mr. GEYER of California. I had an idea the gentleman would not yield.

Mr. ELLIOTT. Mr. Chairman, I have heard two or three attacks against the Associated Farmers. I can truthfully say to the Members of the House—and this can be proven—that there is no group of people in the State of California who are any more sincere toward people in distressed condition that have come to our State in the last 3 or 4 years than are the members of the farm organizations out there. In one school district in my home county last year, after the farmers paid a school tax of $2.11 in the district they were called upon to pay an additional $1.40 school tax to care for the school children of the migrant people who came there from other States. They also had to pay an increase in the cost of hospitalization, which was placed upon those farmers. I never heard a whimper out of any one of them when I was home last summer or the year before. They want to do everything they can to help the people who are in a distressed condition.

Mr. Chairman, I voted for the wage-hour legislation and I expect to continue to do so. This amendment which the gentleman from California [Mr. BUCK] offers is a phase that will be of assistance to agriculture, and if any Members of the House have an idea that the farmers are getting rich, it might be well for some of them to invest their money back home in a ranch and try to make a living off of it.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. HAWKS].

Mr. HAWKS. Mr. Chairman, I am awfully glad that the gentleman from California [Mr. GEYER] brought up the question of the Associated Farmers. He might better have stated, and probably more truthfully have stated, that he supports the kind of activities that a certain Mr. Harry Bridges is carrying on in California, wrecking shipping, ruining industry, and adding to the unemployment problem, rather than being in opposition to the Associated Farmers.

Mr. Chairman, the Associated Farmers, as I understand it, and I was in the great State of California last fall, is an organization primarily to combat the kind of thing that Harry Bridges was doing to that grand State, and particularly to the farmers of the State of California.

Mr. GEYER of California. Will the gentleman yield?

Mr. HAWKS. No.

Mr. GEYER of California. The gentleman mentioned my name.

Mr. HAWKS. I am not yielding.

Mr. GEYER of California. He mentioned my name.

Mr. HAWKS. It does not make any difference. The gentleman had his chance at demagoging all day. Now let me speak for a while, for certainly, insofar as this bill is concerned, there has been plenty of demagogy, but very little common sense.

The gentleman from New York [Mr. WADSWORTH], a few minutes ago, in a very straightforward manner, gave a common-sense explanation of the Buck amendment. Certainly the most rabid supporter of the Wage and Hour Act could see the sense of the gentleman's argument. The operations that are confined to the farm and which are covered by the Buck amendment certainly should have the support even of the chairman of the Labor Committee, who last year made the statement that any amendments to the Wage and Hour Act would be made over her dead body. Well, I guess that will be the truth. I do not see any hope of action in this session of Congress the way this thing has been balled up by the Labor Committee.

Mr. Chairman, I trust the House will support the Buck amendment, and I hope in the future the gentleman from California [Mr. GEYER] will profess a more sincere understanding of the Associated Farmers than he has and stop supporting the activities of such aliens as Harry Bridges.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. LEAVY].

Mr. LEAVY. Mr. Chairman, I rise in support of the Buck amendment and, of course, in opposition to the substitute amendment offered by the gentleman from Indiana.

The definition of agriculture, as found in the Wage and Hour Act, reads now:

(f) "Agriculture" includes farming in all its branches and, among other things, includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities (including commodities defined as agricultural commodities in section 15 (g) of the Agricultural Marketing Act, as amended), the raising of livestock, bees, fur-bearing animals, or poultry, and any practices (including any forestry or lumbering operations) performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, including preparation for market, delivery to storage or to market or to carriers for transportation to market.

A little later I shall call your attention to the language of the proposed amendment, and you will see how it clarified a very troublesome and confused situation, and makes possible the continued existence of individual farming, which is now struggling to compete with commercial and corporation farming.

I am sure that no one can question my record for 4 years in this House as a friend of labor. I am one who twice signed the petition to bring the wage and hour bill on the floor. My voting record shows that I have supported wage-hour legislation on all occasions. I am still as heartily in favor of it as I ever was, but the situation that has caused us more trouble than anything else since it has been a law has been the matter of interpretation, definition, and of rulings in attempting to define what is and what is not agriculture. This Congress more than 4 years ago laid down a definition of what constitutes agriculture and placed it in the Social Security Act, and under that act the benefits and the burdens fall on those not engaged in agriculture, and likewise the responsibilities. The definition is as follows:

SEC. 3. (f) "Agriculture" includes farming in all its branches and includes all service performed—

(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

(3) In connection with the production or harvesting of maple sirup or maple sugar or any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the raising or harvesting of mushrooms, or in connection with the hatching of poultry, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying and storing water for farming purposes.

(4) In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

As used in this subsection, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

Mr. MURDOCK of Arizona rose.

Mr. LEAVY. I am sorry, I do not have time to yield.

In 4 years that definition has worked very effectively and satisfactorily. Little fault has been found with it. If it comes to a court for construction, such construction then will be a judicial determination that would aid us in every phase of agriculture where we had the same definition of agriculture in question. I think one definition of agriculture should be accepted, adopted, and run through all legislation affecting agriculture. [Applause.] We have A. A. A. benefits, we have soil-conservation benefits, in a short time we are again going to have up for consideration this matter of parity payments for the farmers, and we have marketing agreements that affect agriculture, and the one definition should apply throughout. The person who is a farmer for the purposes of the Social Security Act should be a farmer for all purposes.

To my friends who are fearful that this will do an injury or a hurt to unorganized labor, let me say that the 200,000 who have been referred to so much are not people who get any benefits from social security. They are not covered into it. In my own district, where apple growing is one of the principal industries, a grower with 500 acres has all of the processing facilities on his ranch and he is exempt entirely from the provisions of the Wage and Hour Act; but 50 growers with 10 acres each cooperate and haul their product to a central place. They are exempt from social-security obligations, but subjected to all of the provisions that you find here. For 20 years we have tried to tell the farmer to become a cooperator, and by the Wage and Hour Act you discriminate against the small operator and make cooperation impossible. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. RAMSPECK] for 3 minutes.

Mr. RAMSPECK. Mr. Chairman, I simply want to point out in reference to the Buck amendment that in any definition of agriculture contained in this bill, whoever it exempts from the wage and hour bill also exempts them from the child-labor provisions of the act. It does propose to include in the definition of agriculture some operations which are not now included, such as the canning of fruits and vegetables.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from California.

Mr. BUCK. The gentleman is making, and I am sure he does not want to make, an inaccurate statement. The amendment specifically states that the provisions of this paragraph shall not apply to commercial canning or commercial freezing.

Mr. RAMSPECK. Yes; I understand that, but I reiterate my statement that it does exempt the canning of fruits and vegetables. What is commercial canning? Can anybody tell me that?

Mr. BUCK. Commercial canning is canning for profit off the farm. The canning on the farm is presently exempted, I may tell the gentleman.

Mr. RAMSPECK. There is no such definition as that in this act. I simply want the Committee to know on what they are voting. If they vote for this amendment, they are voting to extend the exemption of child labor as now defined in the definition of agriculture to include various other operations which, in my opinion, are purely commercial operations that are carried on by cooperatives in certain sections of the country and are carried on by commercial canneries or packers in other sections of the country. I personally cannot see any difference between an operation by a cooperative that is organized for profit—and that is what they are—and one carried on by a commercial cannery or packer that is doing exactly the same thing to the same products.

Mr. Chairman, I hope the Committee will reject the amendment. [Applause.]

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I move to strike out the enacting clause.

The CHAIRMAN. The gentleman is out of order, because there was a limitation on the time, and all time has expired.

Mr. RANKIN. This is a motion to strike out the enacting clause. There is no time set on it.

The CHAIRMAN. The gentleman should put the motion in writing and send it to the Clerk's desk.

The question is on the amendment offered by the gentleman from Indiana [Mr. LANDIS] as a substitute for the amendment offered by the gentleman from California [Mr. BUCK].

The substitute amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from California [Mr. BUCK].

The question was taken; and on a division (demanded by Mrs. NORTON) there were—ayes 136, noes 51.

Mrs. NORTON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers, Mrs. NORTON and Mr. BUCK.

The Committee again divided; and the tellers reported that there were—ayes 149, noes 56.

So the amendment was agreed to.

Mr. BURDICK. Mr. Chairman, I usually pride myself on having some intelligence—at least enough to be properly identified as "man" in the animal kingdom. I think I have the power of attention. In the case of the bill or bills before us now, and upon which we shall shortly vote, I confess my mind is not entirely settled and clear as to what we are doing or intend to do. I hope others are not so confused.

We started out with the Barden bill, but before we could find out what that bill was we substituted the Ramspeck bill, for parliamentary purposes only, and for no other purpose. No one attempted to tell us what that bill is or was or has been. We found our time was limited and made a short cut, and, while we should have debated the Barden bill, we have been debating the Norton bill, which the author said was not her bill, so I am not sure whose bill we have been debating. The only author to manfully acknowledge the parentage of his bill was Mr. Barden, but since we have not discussed his bill but other bills, I still do not know whether or not he is to be congratulated or not. He now does not know what is in his bill, because, while we have discussed the Norton bill, we have amended the Barden bill. He is completely exhausted in defending his bill, which we have not debated at all. All admit we are now back where we started, only further back. It looks to me like a 30-yard penalty for holding. [Laughter and applause.]

You see you can clearly understand the Ramspeck bill, because that has not been discussed at all. If you will turn now to page 3, line 10, of the Ramspeck bill, or another bill, if you have lost the Ramspeck bill, you will find in section 13 of the printed bill—not the committee bill or the substitute bill—subtitle 10, classification A to Z, and so forth, you will find that the exemptions allowed the farmers in that section differ from the same page in the other bills, with this difference: In the Ramspeck bill we have stricken out some of the exemptions to the farmers that we now seek to put back in this bill before us—if anyone can tell which bill is before us.

My mind is fully at rest, and my conscience clear on this piece of legislation, and I am prepared to vote—for which bill, for which title or subtitle, which substitute, I do not know. I have come, however, to one very important conclusion; I am going to vote. [Laughter.] Anyway, as to how I

vote is my business now, but it may be the farmer's business when the primary election comes around.

As things generally go in Congress, I feel that those of us who have contributed to this debate, and those who were wise enough to keep out, can be justly proud of the contribution they have made to the country in this debate. My only hope is that those who administer the law, and those who must dodge it to keep going, will have their hunger for information satisfied by reading the proceedings of this debate. [Applause.]

Mr. KITCHENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KITCHENS: On page 9, before line 10, insert the following new section:

"SEC. 1. Section 3 (m) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"'(m) Wage paid to any employee may include a reasonable charge, as determined by the Administrator, for the furnishing to such employee of board, lodging, or other facilities'."

Mr. KITCHENS. Mr. Chairman, there seems to be an opinion prevalent in the Congress amongst certain Members that an employer is just an inanimate thing, and that it makes no difference whether he has any income or not, he must do certain things.

This little amendment is an attempt to place the employer on an equal basis with other concerns; in other words, it is for the purpose of permitting the employer to make a reasonable charge for such services as the employer may render to the employee. If he maintains a store and sells goods, he cannot do that solely for his own health. He is doing it in part for the benefit of the employee. I know we allow our sentiments sometimes to run away with us. I know that some of us from down South are accused of not being for labor, and it is said that we favor low wages. There never was a more dastardly charge nor a more untruthful charge than that. There is no Representative from the South who believes in low wages for labor or anything of the sort. I believe that labor should receive as high a wage in one section of this country as he receives in any other section of the country [applause]; but, of course, when there are discriminations against the employee in my section of the country, when he is made to pay more than his fair share in freight rates, and when his employer is compelled to pay a higher freight rate than the employer's competitors elsewhere, and the employee is required to take up the differential, I say it is unfair, and I voted for labor in my section when I voted against the wage and hour bill. I voted for the wage earner in the South when I voted against the wage and hour bill, not only because of freight-rate discriminations but because of advantage given to large monopolistic industrialized concerns. That is the way I see it.

Now, I believe in fair treatment of the employer as well as the employee. I know that he has to earn an income before he can pay a wage. We must have jobs before we can earn anything. That is sensible, and that is all that this little amendment attempts to do—to enable him to make a reasonable charge for services and facilities he furnishes the employee, and nothing more. Why should the employer be penalized? If I were an employee, I would want my employer to be successful. I would want him to prosper so I could keep my job and better my condition, and I submit that this amendment should be adopted. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The amendment was rejected.

Mr. KITCHENS. Mr. Chairman, I have another amendment at the desk.

Mrs. NORTON. Mr. Chairman, can we not come to some agreement as to time? We are going to finish this bill tonight, and I think we will have to have some agreement on time. Would the House be willing to accept an agreement to finish all debate upon the substitute and all amendments thereto by 5 o'clock? I make that request, Mr. Chairman.

The CHAIRMAN. The gentlewoman from New Jersey asks unanimous consent that all debate on the substitute and all amendments thereto close at 5 o'clock. Is there objection?

Mr. TARVER. Mr. Chairman, I reserve the right to object. I request that all pending amendments be read so that we may know what amendments will be up for discussion and then have a better idea of how much debate there should be. I ask unanimous consent that all amendments on the desk be read for the information of the Committee.

Mrs. NORTON. Does the gentleman mean to have them all read now?

Mr. TARVER. I think we ought to be advised what we are going to discuss. Then we will be in a better position to know whether we want to close debate.

Mrs. NORTON. Would not the gentleman be satisfied to have it stated how many amendments there are at the desk? I think we can get a fairly good idea in that way. Mr. Chairman, I am willing to stay here until 12 o'clock tonight if the rest of the House wants to do so, but unquestionably we are going to finish the bill tonight.

Mr. BLAND. Mr. Chairman, I reserve the right to object. We could not agree to a proposal of that kind and for this reason: We would run into the identical situation that developed yesterday afternoon when we were discussing amendments. Considerable time was given to unimportant amendments, and when the time was all gone, at the last minute, a very vital amendment came in with no opportunity to discuss it. If there is reasonable opportunity for discussion of bona fide amendments, so far as I am concerned I am ready to shorten debate, but I do want time for the discussion of bona fide amendments.

Mrs. NORTON. Will the gentleman agree to close debate at 6 o'clock? I modify my request in that respect, Mr. Chairman.

The CHAIRMAN. The gentlewoman from New Jersey modifies her request that all debate close at 6 o'clock.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I object, and I call for the regular order.

The CHAIRMAN. Objection is heard.

Mrs. NORTON. Mr. Chairman, I move that all debate upon the substitute and all amendments thereto close at 5 o'clock and 30 minutes p. m.

Mr. BLAND. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BLAND. That motion under the agreed reading of this amendment is not in order at this time but should be made to each particular amendment.

The CHAIRMAN. The Chair is ready to rule on the point of order. The unanimous-consent request granted yesterday provided that the reading of the substitute would be dispensed with, and that it would be read for amendment by sections today under the same terms as was the agreement in respect to the Ramspeck bill. Therefore, except by unanimous consent for the entire substitute the Chair does not think it is in order to move to close debate. The Chair, therefore, sustains the point of order.

Mr. O'TOOLE. Mr. Chairman, I offer the following preferential motion, which I send to the desk.

The Clerk read as follows:

Mr. O'TOOLE moves that the Committee do now rise and report the bill back with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. O'TOOLE. Mr. Chairman, it is not necessary for me to dwell on the need for my motion to be passed. Every man in the House is sufficiently experienced to know that an effort is being made to draft legislation on this floor on a question that is of vital importance to hundreds of thousands of people in this country. It is impossible to draft good legislation the way we are attempting to do it today. It has been tried before in the 150 years' history of this House, and it has failed, and it will fail today. Let reason prevail. Let us send this bill back to the committee. Let the committee study it at greater length and finally come to us with a strong, corrected piece of legislation—a piece of legislation that will not engender the bitterness or feeling shown here today. I do not mean to attack the committee. The committee itself is at variance as to particular points. If they who have

studied the bill cannot agree as to its contents, how can we give to the people of this country a good bill when we are trying to make legislation here under the 5-minute rule? [Applause.]

[Here the gavel fell.]

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the motion of the gentleman from New York.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. HOFFMAN. Mr. Chairman, there has been a great deal of criticism of the Labor Committee and its members have been taken to task because they do not all agree as to this legislation. In fairness, does anyone on the floor know of any committee that has brought in a major piece of legislation where all the Members were in agreement as to its meaning? The trouble is not so much with the committee itself as it is with the interpretations which have been placed upon previous legislation.

Nor should the committee be criticized because members who have not had the time or who have not taken the time to study the legislation are not able, in a few moments spent on the floor listening to debate, to fully understand it. A patient examination over a reasonable length of time would, I am sure, do much to give a better understanding of what has been offered. We have been here 4 days discussing labor legislation. During 3 of those days there has been earnest and almost continuous debate directed to the legislation itself. If we now send the bill back to committee, is there any assurance that the House itself will have any more enlightenment after the committee has given the legislation another month's consideration? Why not now finish the task which we have begun and dispose of these proposed amendments to the Labor Act, rather than give evidence of our inability to deal with the situation by sending it back to the committee?

If there are so many Members who want to go tonight at 5 o'clock or 5:30, or who have other engagements, why not adjourn at the later hour until tomorrow, then come back and finish the job? We understand that the farm legislation does not come up until Monday. So vote down this motion and continue our discussion of this bill today and tomorrow, and end this debate as far as the House is concerned.

The CHAIRMAN. The question is on the motion of the gentleman from New York [Mr. O'TOOLE], that the enacting clause be stricken out.

The question was taken; and on a division (demanded by Mr. O'TOOLE) there were—ayes 47, noes 95.

So the motion was rejected.

The CHAIRMAN. The gentleman from New York [Mr. MARCANTONIO] offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MARCANTONIO: On page 9, line 10, strike out all of the language commencing with the word "that" on page 9, line 10, up to and including the period on line 5, page 11.

Mr. MARCANTONIO. Mr. Chairman, my amendment strikes out the provision of the bill which exempts Puerto Rican workers from the protection of the Fair Labor Standards Act. The excuse for the exemption of those workers has been time and time again given us as a desire to prevent the needle industry of Puerto Rico from going out of existence. That excuse is a sham and it is untrue.

First of all, let me dwell on the needle industry a minute and then I shall come back to the real reason for this attempt to exempt Puerto Rican workers from the benefits of this law. As far as the needle industry is concerned in Puerto Rico, I had an opportunity to explain it to the House on last Friday. It is a contract system. There is no such thing as a needle industry in Puerto Rico. It is not owned by anybody in Puerto Rico. It is work which is sent by chiselers from the city of New York down to some contractor in Puerto Rico. That contractor parcels it out to a subcontractor and that subcontractor parcels it out to another subcontractor, and so on down the line. You have conditions whereby excellent embroidered handkerchiefs, for which you pay as much as $12 a dozen in department stores in the city of New York are made by poor women and children who receive only 5 cents a dozen. Now, it has been said that this relieves unemployment; that if these women and children are deprived of this type of coolie existence it will increase unemployment. I disagree with this contention and deplore it.

I say that if we are going to perpetuate an economy which is based on a coolie wage system, then certainly we are neither fair to ourselves nor are we fair to the people in Puerto Rico. We cannot foster an everlasting coolie wage system in Puerto Rico and still consider ourselves an enlightened people. When we remove the protection of this law from these Puerto Rican women and children we are sacrificing them to the avarice of the worst type of labor exploiter. We are not relieving unemployment, a condition which has existed for years prior to the enactment of the wage and hour law, but we are increasing unemployment by making it impossible for Puerto Rican workers to acquire a decent purchasing power to relieve unemployment. Exempt Puerto Rico from the provisions of this law and you increase unemployment, you reinforce the chains of economic bondage for the people of Puerto Rico and you add to the vileness of our imperialism in Puerto Rico.

Furthermore, please bear this in mind: When they tell you that they are up against terrific competition from Japan and China, that again is not true. We have placed Puerto Rico within the tariff walls of the United States, and Puerto Rican products come within that same protection even though this same tariff has been a factor toward the impoverishment of the Puerto Rican people.

Finally, with regard to the needle trade, even if you want to make an adjustment, although I am opposed to any change in the law, you may do so by an amendment offered by the gentleman from New York [Mr. BARTON], which gives the Administrator discretion to fix the rate of pay on piece work, and most of this needle trade is piece work. Hence, why extend the exemption to all of the Puerto Rican industries? The answer is that the needle-industry argument is used just as a smoke screen to conceal the real question. The question here is sugar. The main industry of Puerto Rico, so-called industry, is sugar. What they are really seeking to do under the guise of a veil of tears over the needle industry is to exempt the Puerto Rican sugar workers from the protection of this law.

Sugar workers in Puerto Rico, through their unions, entered into an agreement with the sugar corporations. A part of the agreement stated that in the event this law was declared unconstitutional or in the event the law was amended or changed the rate of pay which the sugar companies agreed to pay, the rate of pay guaranteed by the Fair Labor Standards Act, would be discontinued, and that the workers would then go back to the old pay. Do you not now see the chicanery behind this exemption?

We have heard a great deal about farmers here today, but the sugar plantation owners of Puerto Rico are not farmers. They are large foreign sugar corporations, Wall Street-owned and Wall Street-controlled. These large foreign sugar corporations own over 70 percent of the total arable sugar lands of Puerto Rico. They can afford to pay 30 cents an hour, but simply do not want to. Let me give you the figures from the Manual of Sugar Companies for 1939, published by Farr & Co., of New York, showing the enormous profits of these most arrogant and pampered babies of our imperialism in Puerto Rico.

Here are 4 sugar companies:

Eastern Sugar Associates; Fajardo Sugar Growers; Central Aguirre Associates; and South Puerto Rico Sugar Co. (Guanica).

[Here the gavel fell.]

Mr. MARCANTONIO. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. CRAWFORD. Mr. Chairman, reserving the right to object. This amendment is very important. I do not know who else wants to talk on the amendment or to offer an amendment to it. I understand the Resident Commissioner from Puerto Rico wishes to speak on the amendment. If time for debate is going to be limited I shall have to object. Otherwise I will not.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for 3 additional minutes. Is there objection?

There was no objection.

Mr. MARCANTONIO. Mr. Chairman, as I was saying, we are not dealing with farmers in Puerto Rico who are seeking relief from this law; we are dealing with four large sugar corporations which own over 70 percent of the total arable sugar land of Puerto Rico and which own the economic life of Puerto Rico as well as many of the so-called spokesmen of Puerto Rico. While they have been paying these wages under this agreement, the wages of the Fair Labor Standards Act, from which they are now seeking to get from under by means of this exemption, they have been and are making tremendous profits. Let me give you a picture of their enormous profits.

The Eastern Sugar Associates earned profits in 1938 of $455,091. The Fajardo Sugar Growers earned profits in 1938 of $1,234,631. The Central Aguirre Associates earned profits of $1,973,026; and the South Puerto Rico Sugar Co. earned profits of $1,235,172.

While these four large companies have been paying the wages required under this law from which they are now trying to escape, they have earned $4,897,920—almost $5,000,000—profits in 1 year. The figures for 1939 are not yet available, but all indications point toward bigger profits in 1939 and 1940. By skillful manipulation of propaganda—and the only thing you read about Puerto Rico down here is what the sugar interests hand out—these sugar corporations that have made and are making these huge profits are using the needle industry as a screen behind which they seek to amend this law, so that they may escape from its wage and hour provisions. My colleagues, all the information you have been receiving on Puerto Rico has been the sugar-corporation side of Puerto Rico. I give you the side of the Puerto Rican workers. I am talking about the plight of these workers employed by the sugar corporations, not by the small farmers, but by large Wall Street-owned sugar corporations. The Puerto Rican workers do not want this law amended. Before he died, Alonzo Forres, secretary of the Federation of Labor of Puerto Rico, fought for the retention of this law. The needle-industry chiselers, the sugar barons, and their stooges want this law amended. I know that the overwhelming masses in Puerto Rico want this law retained, because it is the first ray of hope that they have received from the Congress of the United States. Certainly this Congress is not going to take this protection from them, and by amending this law exempt the Puerto Rican workers from the benefits of this law. Certainly we are not going to aid these Wall Street-owned sugar companies that made $5,000,000 profit in 1 year to get from under the agreement which they had with the sugar workers and force the Puerto Rican workers back to the old disgraceful wages. [Applause.]

[Here the gavel fell.]

Mr. PAGÁN. Mr. Chairman, I arise to oppose the amendment suggested by the gentleman from New York [Mr. MARCANTONIO]. Also, if I have the time, I want to answer certain remarks that the gentleman from New York made to the House during the general debate about these labor bills on last Friday similar to those he made today.

I, as Resident Commissioner from Puerto Rico, support the amendment concerning Puerto Rico as it appears in the Norton bill as reported last year by the House Committee on Labor.

First, I shall make plain and clear that there is really no controversy at all about the Norton bill as reported by the Committee on Labor insofar as it refers to Puerto Rico. The amendment covering Puerto Rico appears in just the same language in the three bills. Said amendment provides that industrial committees be appointed, with representation of employers, employees, and the administration, to fix the proper and fair scales of wages among the several industries or groups of industries. Said amendment has been supported by all the parties concerned, by industry, by agriculture, as well as by labor, and by the administration in Puerto Rico. Moreover, after long hearings before the Wage and Hour Division of the Department of Labor in Washington, where representatives of industry and labor, as well as of the Government of Puerto Rico, were heard, the present Administrator of the Division has agreed to this amendment as proper, necessary, and convenient to protect labor as well as American industry in Puerto Rico.

The House Committee on Labor, after a thorough study and consideration of the peculiar conditions of Puerto Rico, also reported and recommended the change in the law as provided in the amendment.

I said the American industry, and I mean the American industry just as well as I mean the American labor in Puerto Rico, because Puerto Ricans are American citizens and because the amendment provided in the so-called Norton bill tends to protect the American industry and labor in Puerto Rico against foreign industry and labor which compete with our industry and labor as affected by the wage and hour law as it is in force at present.

The main industry affected in Puerto Rico by the Wage and Hour Act is our needlework and embroidery industry, which may employ about 70,000 of our 400,000 of poverty-stricken and unemployed laborers in Puerto Rico. The needlework and embroidery industry in Puerto Rico is practically our principal nonagricultural industry. This industry does not compete with any other area in continental United States. We compete with foreign countries which pay very low wages, ranging from 3 and 4 cents per hour, under very poor living conditions of labor.

Due to the present Wage and Hour Act, during the first year of its enforcement in Puerto Rico, our shipments of needlework and embroidery dropped from $21,000,000 in 1938 to about $11,000,000 in the following year, or about half, with the resulting decrease in the island income, in wages to laborers, and in purchasing power of my people who buy every year about $100,000,000 of foodstuffs, clothing, and so forth, from the farmers of the South and West and the manufacturers of the North and East in continental United States.

To oppose the amendment as provided in the Norton or the Committee on Labor bill is practically going against American industry and labor, and protecting foreign industry and foreign labor of Japan, of China, of Madeira, and other foreign countries where laborers are under lower standards of living and earn wages amounting to from 3 to 4 cents per hour.

I do not question the sincerity of the remarks and attitude of the gentleman from New York, as I do not question the sincerity of any Member of Congress, but I can state that my colleague from New York [Mr. MARCANTONIO] has been misled with incorrect, erroneous, and not truthful information. He lives at and represents a district far away from my island, about 1,400 miles away, and does not know the real conditions of Puerto Rico, and he is not in a position to see and feel the conditions of poverty and unemployment in Puerto Rico, where in a small island overcrowded with a population of nearly 2,000,000 inhabitants we have about 400,000 of unemployed laborers.

The gentleman from New York cannot bring before the House a single statement, letter, or telegram from any bona fide labor union or labor leader of Puerto Rico in opposition to the amendment of the Norton or Committee on Labor amendment.

I can state to the House that labor in Puerto Rico supports the amendment as reported by the Committee on Labor of this House. The former Resident Commissioner from Puerto Rico, the late Santiago Iglesias, supported last year this same amendment. No one has ever been in Puerto Rico a more authorized spokesman of labor than Santiago Iglesias. He was the pioneer, the father of the labor movement in Puerto Rico, and he fought there a life struggle for labor.

I should tell the gentleman from New York that I can offer official unchallenged facts about conditions in Puerto Rico.

The Governor of Puerto Rico, Mr. Blanton Winship, in a statement he made last year before the Wage and Hour Division, Department of Labor, said as follows:

At its peak in 1936 Puerto Rico's needlework industry had become the second greatest industry in the island in point of shipment to the United States mainland. Its shipments in that year amounted to around $21,000,000. It has declined sharply since that time, due chiefly to the competition of China and Japan, which has been growing up under the protection of the application of the most-favored-nation clause to the trade agreement of 1935 with Switzerland, whereby the tariff on certain types of hand-ornamented handkerchiefs and other needlework products was sharply reduced.

Women of the Orient are said to receive in many cases as little as 5 or 6 cents a day for their work. We cannot compete with them without adequate tariff protection. Very grave injury has resulted to our hand-needlework industry in Puerto Rico. It has already been substantially cut in half in the 2 years since 1936.

With their families these 90,000 women may represent as many as 400,000 to 500,000 mouths to feed. Taking that together with our present unemployment situation, caused largely by the undue restrictions imposed on our sugar quota, and other trade-agreement restrictions on our industries, there may easily be as many as 750,000 or 800,000 people in the island left without means of support.

The gentleman from New York also spoke about very low wages in Puerto Rico, which, as he stated, might be maintained if the law is amended. I answer his remarks about that, reading to the House a statement made in a public document by the well-known Brookings Institution of Washington, after making a thorough and unbiased survey of the needlework industry in Puerto Rico, which is as follows:

At rates prevailing in Puerto Rico, however, girls who give the same assiduous attention to their tasks that is given by operatives in our eastern cities earn from $9 to $12 a week on sewing machines and up to $17 a week in more highly skilled occupations.

Before closing my remarks I want to recall to the House part of the report made by the House Committee on Labor last year, after hearing and thorough study of conditions of labor in Puerto Rico, which reads as follows:

The minimum-wage and maximum-hour standards of the Fair Labor Standards Act apply to Puerto Rico and the Virgin Islands in the same manner as they apply to the United States. Sections 1 and 2 of the committee amendment provide a special procedure for fixing minimum wages for the industries of such islands. These sections authorize the Administrator to appoint a special industry committee or committees to recommend minimum-wage rates for employees in Puerto Rico and the Virgin Islands who are engaged in interstate commerce or in producing goods for interstate commerce. The industry committee or committees are to be composed of residents of Puerto Rico, the Virgin Islands, and the United States outside of Puerto Rico and the Virgin Islands and to include representatives of the public, employers, and employees.

The Administrator and the special committee or committees, when fixing wage rates for employees in the islands, are subject to the standards of section 8 with respect to the fixing of wage rates for employees in the United States. The minimum-wage rate or rates to be fixed, if economic factors require it, may be less than the statutory minima prescribed by section 6 of the act. But to fully protect the competitive position of industries in continental United States, the amendment provides that such committee or committees shall not recommend, nor shall the Administrator approve, wage rates which will give to industries of the islands a competitive advantage over industries of the United States outside of Puerto Rico and the Virgin Islands.

When a wage order is issued by the Administrator on the recommendation of such special industry committee or committees, it will have the effect of superseding the rates fixed in the statute for any employee of Puerto Rico and the Virgin Islands who is engaged in commerce or in the production of goods for commerce so long as and insofar as such employee is covered by the wage order. All wage orders issued pursuant to the recommendations of such special committee or committees are subject to review in a United States circuit court of appeals by any aggrieved person for the purpose of determining whether the rates fixed by the wage orders are in accordance with law and are supported by substantial evidence.

Hereafter no industry committee except a special industry committee, as provided in the amendment, will have the power to recommend minimum-wage rates for the employees of such islands. No wage order issued by the Administrator prior to the enactment of the bill is to be, after such enactment, applicable to any employees engaged in commerce or in the production of goods for commerce in Puerto Rico or the Virgin Islands.

Industries in Puerto Rico and the Virgin Islands now operate under many economic disadvantages not common in the United States. Per unit costs of production aside from labor tend to be high because of lack of raw materials essential to manufacturing industries, management difficulties, and the great expense of plant construction and mechanization due to distance from centers of equipment production. Conclusive evidence that such economic disadvantages do exist in these islands is found in the fact that their wage rates, which are substantially lower than those in the United States, do not attract industries from the United States to any appreciable extent. It is believed that the application to the islands of the inflexible minimum-wage rates prescribed by the act will cause serious dislocation in some insular industries and curtail employment opportunities. The object of this amendment is to fix wage rates for these islands which are high enough to discourage migration of business from the United States but which are low enough to encourage industrial development and to provide employment opportunities in the islands.

I want to recall to the House that the Senate of the United States has already approved by unanimous vote this amendment, through a bill of Senator KING.

For these reasons, and speaking on behalf of labor and as Resident Commissioner from Puerto Rico, not from New York or any other area of continental United States, nor from any foreign country, I support the amendment recommended last year by the gentlewoman from New Jersey [Mrs. NORTON] and the Committee on Labor, feeling myself confident that that is for the sake and good of industry and labor in Puerto Rico, where our thousands of unemployed people prefer to earn a living by working instead of depending on charity or relief paid from the chest of taxpayers of the United States.

I hope that the amendment of the gentleman from New York is turned down. [Applause.]

Mr. FRIES. Mr. Chairman, will the gentleman yield?

Mr. PAGÁN. I yield to the gentleman from Illinois.

Mr. FRIES. Are the sugar industries opposed to paying $12 a week?

Mr. PAGÁN. That is a question for the industry. I have the official statistics of Puerto Rico with me, and all data pertaining to it. I should explain——

Mr. FRIES. I am asking the gentleman if they are opposed to paying that wage.

Mr. PAGÁN. I repeat that is a question for the industry. Let the gentleman proceed——

Mr. FRIES. Why should they not come under this law, then?

Mr. PAGÁN. So far as the agricultural side of sugar is concerned, it is not covered by the present law.

[Here the gavel fell.]

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it becomes increasingly obvious that the reason this debate has not proceeded as rapidly as is the custom in this House is because one Member talks about 30 cents an hour and $12 a week, but he is not talking about the same thing that a Member from somewhere else in the country is talking when he speaks about 30 cents an hour and $12 a week. In other words, in considering this bill we fail to distinguish between what is the nominal money wage and what is the effective wage due to the difference in cost of living in various communities. The necessity of so distinguishing has been well shown in our experience with the W. P. A. You who have had experience in this welfare work know how their relief budgets are made up. They include heat, rent, food, and other necessaries. But they have discovered that the cost of the same necessaries will vary in different neighborhoods of a single county, and the discrepancy is very much wider over the whole country. Those of us who went down last year to hearings held by a committee of the Wage and Hour Division on proposed raises in the minimum wage in the shoe industry saw an illustration of what is happening. People from the rural districts fought against a raise in the minimum wage because their people were living comfortably on the present wage and an increase in the minimum wage rate would mean that the rural factories would close and the people would lose their jobs; whereas, on the other hand, Members from the metropolitan sections, particularly in the East, fought for the raise in wage because the existing wage was insufficient to protect their workers against sweatshop labor. They were both right.

I think the statesmen of the future, perhaps the near future, will come in here and amend the law maybe so as

to zone every neighborhood in the United States so that each neighborhood may have a wage which will prevent sweatshop conditions. Such a wage in one community might be as low as one-tenth in one part of the country what it should be in some of the larger metropolitan sections.

The fundamental weakness of this law, in my opinion, is such that it tends inevitably to drive the people toward big cities, creating increasing misery and causing larger amounts of money for welfare work to be paid by the Government, increasing by billions of dollars the appropriations necessary for slum clearance, and so forth. I hope that the statesman of tomorrow will see that every law that goes on the statute books should have the reverse effect. The purpose of our legislation should be to encourage the people out of the highly populated sections toward the rural districts and more pleasant parts of the country, where they may have the advantages of free air and sunshine and food from their own gardens and other advantages.

Mrs. NORTON. Will the gentlewoman yield?

Miss SUMNER of Illinois. I yield to the distinguished gentlewoman from New Jersey.

Mrs. NORTON. All agricultural labor is exempt from this bill. That has been said so many times it is unnecessary to repeat. Is the gentlewoman objecting to paying workers in the United States 30 cents an hour for their labor?

Miss SUMNER of Illinois. I am endeavoring to point something out to the distinguished gentlewoman from New Jersey.

Mrs. NORTON. I want a "Yes" or "No" answer.

Miss SUMNER of Illinois. I must answer in my own way. I do not yield further.

Mrs. NORTON. I want to know whether the lady is in favor of reducing the workers of the United States below 30 cents an hour?

Miss SUMNER of Illinois. No; but I am trying to tell you that when you talk about 30 cents an hour you are fighting for a mere pittance that will not deliver your laborers in metropolitan districts from the sweatshops that exist there.

Mrs. NORTON. I would be glad to pay them 60 cents an hour.

[Here the gavel fell.]

Mr. WOOD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on last Friday the gentleman from Georgia [Mr. RAMSPECK] was speaking in general debate on the bill now under consideration, and he asserted that 30 cents an hour was the test. He also stated that he could not vote for any bill unless evidence were placed before him that convinced him that a 30-hour exemption is necessary in order for the law to be administered impartially. In the course of those remarks, the gentleman from Texas [Mr. DIES] interrogated the gentleman from Georgia [Mr. RAMSPECK] as follows:

> Is it not a fact that when there is an increase in the price of any farm implement growing out of an increase in wages, that that is passed on to the farmer? What is the difference between a canning factory and a cultivator factory or any other factory?

Then I interjected an interrogation and asked the gentleman from Georgia:

> Is it not a fact that the wages paid by the International Harvester Co. and these other manufacturers of farm machinery have nothing to do with the price of the machinery?

At that time the gentleman from Michigan [Mr. MICHENER] interceded as follows:

> Did I understand the gentleman to say that the cost of producing a thing has not anything in the world to do with the sales price of that article?

I replied to the gentleman from Michigan as follows:

> What I meant to convey is that the wage cost in the production of a thresher or a binder used on a farm is a very small part of the cost of that machine to the farmer. It is not 1 percent, nor one-half of 1 percent.

Mr. Chairman, we were talking about the percentage of increased wages. The gentleman from Michigan tried to convey a misinterpretation to the House of my remarks. What we were all talking about was the percentage increase in wages. The gentleman knows as well as I do that during the war and the post-war days, when farmers were receiving $23 and $24 a hundred pounds for livestock, when we were paying 60 and 70 cents a dozen for eggs, and nearly all farm commodities were selling at similarly high prices, the International Harvester Co. raised the price of their machinery. Since that time many inventions have been applied. They have increased gradually the man-hour production by applied science.

They have not increased the wages appreciably since the post-war days, and during the depression from 1929 to this very day they have not reduced the price of their farm machinery, although wages and farm prices went down to the bottom from 1930 to 1933. I say that the wages paid in the auto industry, for instance, have nothing in the world to do with the price of a car as between 25 years ago and today. When Henry Ford raised his minimum wage to $5 a day, he dropped the price of his car to $430. When he raised the general minimum wage to $6 a day, he was manufacturing cars cheaper than any other auto firm in the country. So it is today that, despite the increase in wages, the automobile industry by the use of mechanization is producing automobiles far more cheaply than in the days when a model T Ford sold for $430.

May I say to those gentlemen who come from the States of King Cotton, and who are most vociferous in opposition to the Wage and Hour Act, that their main crop is not governed by the wage the cotton pickers or what the ginners get; it is governed by a world market. So it is with wheat and many other commodities.

I notice the gentleman from Michigan just voted for the Buck amendment. I want him to go back to his district and tell his people that he was so friendly to labor that he voted for the passage of the Buck amendment, which takes from under this law 200,000 or 300,000 industrial workers, and also takes those industries from under the child-labor provisions of this law. [Applause.]

[Here the gavel fell.]

Mr. DUNN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have been enjoying the debate the past 3 days. If the Members of the House have to put up as much of an argument to get into heaven as they have in the past 3 days in trying to pass labor legislation, I doubt whether many Members will arrive there.

I maintain that 30 cents an hour is an insufficient wage to properly maintain any man or woman in this country, in Puerto Rico, or in any other place in the world. Thirty cents an hour last year would go further than 30 cents an hour this year, because the price of the necessary commodities of life have increased 15, 20, or 25 percent. I hope the time is not far distant when we will have the 5-day, 30-hour week and that no laboring man or woman will receive anything less than 75 cents or a dollar an hour. Our Government can afford to pay such wages. There is a great abundance of everything in this country that is necessary to promote the welfare of mankind. When we want hundreds of thousands of dollars or millions of dollars for battleships and other instruments to destroy life we get it very easily, but it is a difficult task to have legislation passed for the welfare of our people.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. DUNN. I yield to the gentleman from New York.

Mr. MARCANTONIO. The argument throughout this debate has been at all times, as far as the States were concerned, that under these particular conditions this particular industry or this particular set of people cannot pay the 30 cents an hour. The committee in return has been insisting on the payment of that 30 cents an hour every place in the States. What I cannot understand is, What is the peculiar reason for the committee and its chairman in refus-

ing to insist on 30 cents an hour for Puerto Rican workers, and what is the peculiar reason why the majority of this committee and its chairman favor sugar corporations in Puerto Rico in their attempt to get out from under the contract by which they are paying the wages which are guaranteed by the Fair Labor Standards Act? What peculiar conditions can there be, when a corporation can pay and has agreed to pay, to justify this exemption which will permit the sugar corporations to escape their responsibility to pay 30 cents an hour?

Mr. DUNN. I wholeheartedly agree with the gentleman and I maintain that if a corporation cannot pay its employees at least 30 cents an hour it has no right to be in business.

Mr. MARCANTONIO. These sugar corporations are making close to $5,000,000 a year even though they pay the rate guaranteed by the Fair Labor Standards Act now. They want to get from under their contract. If this Norton bill is adopted and if we do not adopt my amendment, we are going to permit these four large sugar corporations to get out from under their contract and go back to the old wages. Why this exception from the general rule of 30 cents an hour? Why discriminate against Puerto Rican workers?

Mr. DUNN. I hope the gentleman's amendment is adopted to prevent that terrible condition from prevailing.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MARCANTONIO].

The question was taken; and on a division (demanded by Mr. DUNN), there were—ayes 26, noes 52.

So the amendment was rejected.

Mr. KITCHENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KITCHENS: On page 10, after line 19, insert the following new section:

"SEC. —. Section 6 of the Fair Labor Standards Act of 1938 is amended by inserting, after the word 'wages', in the third line of subsection (a) thereof, the following: 'in cash or in the form of deductions for money due to an employer from an employee.'"

Mr. KITCHENS. Mr. Chairman, this amendment simply enables an employer, in case his employee owes him some money, to deduct that sum, or part of it, from the pay the employee receives from the employer for wages. At present if the employee owes the employer, the employer, under the ruling of the Administrator, is not permitted to deduct anything for what the employee owes him. As I said a while ago, I believe in treating everybody right. I believe in treating the employee right and I believe in treating the employer right. He is entitled to a little protection as we go along. I regret the necessity of having to introduce an amendment to cure a matter of this kind. It is so difficult to work out injustices administratively. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. KITCHENS].

The amendment was rejected.

The CHAIRMAN. Is there any other amendment to section 1? If not, we will pass to section 2.

Mr. BARTON of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTON of New York: On page 10, line 20, after "Sec. 2.", insert "(a)", and on page 11, after line 5, insert the following:

"(b) Section 6 (a) of such act is amended by adding paragraph 5 at the end thereof, to read as follows:

"'(5) If such employee is a home worker in Puerto Rico or the Virgin Islands, not less than the minimum piece rate prescribed by regulation or order; or, if no such minimum piece rate is in effect, any piece rate adopted by such employer which shall yield, to the proportion or class of employees prescribed by regulation or order, not less than the applicable minimum hourly wage rate. Such minimum piece rates or employer piece rates shall be commensurate with, and shall be paid in lieu of, the minimum hourly wage rate applicable under the provisions of this section. The Administrator, or his authorized representative, shall have power to make such regulations or orders as are necessary or appropriate to carry out any of the provisions of this paragraph, including the power without limiting the generality of the foregoing, to define any operation or occupation which is performed by such home-work employees in Puerto Rico or the Virgin Islands; to establish minimum piece rates for any operation or occupation so defined; to prescribe the method and procedure for ascertaining and promulgating minimum piece rates and to prescribe standards for employer piece rates, the proportion or class of employees who shall receive not less than the minimum hourly wage rate; and to define the term "home worker."'"

Mr. BARTON of New York. Mr. Chairman, this is the same amendment the committee adopted without a dissenting vote on Monday. The effect of it is simply to give to the Administrator the power to fix piece rates in Puerto Rico and the Virgin Islands on a basis commensurate with the hourly rates established by the industry committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BARTON].

The amendment was agreed to.

Mr. LUDLOW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUDLOW: After line 5, page 11, insert a new section as follows:

"Sec. 3. Section 7 (b) of the Fair Labor Standards Act of 1938 is amended in paragraph 2 by striking out the words 'two thousand' and substituting the words 'two thousand and eighty'."

Mr. LUDLOW. Mr. Chairman——

Mr. BARTON of New York. Mr. Chairman, if the gentleman will yield I would like to say that so far as this side of the committee is concerned, there is no objection to that amendment.

Mr. LUDLOW. I am pleased to hear the gentleman state that, and I would like to ask the gentlewoman from New Jersey if she has any objection to the amendment.

Mrs. NORTON. No.

Mr. HOFFMAN. Mr. Chairman, I would like to know what the amendment is before we vote on it.

Mr. LUDLOW. Mr. Chairman, under the Fair Labor Standards Act, as it will be in full force and effect on October 24 next, an employee may work 2,080 hours a year if he has no guaranty as to regularity and continuity of his employment.

But, if he and his employer see fit to enter into an annual voluntary continuous wage agreement, which is to the mutual advantage of both, and to the advantage of society in general, he can work only 2,000 hours a year.

This, to my mind, is clearly an error in the original enactment, an error that operates against public policy, and my amendment would correct it.

The sole and only purpose of my amendment is to put the employee who seeks a continuous annual-wage agreement on par as to annual hours of service with the employee who has no such agreement and who may quit his work or lose his job at any time. If my amendment is adopted the employee who has no voluntary annual-wage agreement with his employer and the employee who has such an agreement will be allowed to work exactly the same number of hours a year, namely, 2,080 hours or 40 hours a week for 52 weeks.

Mr. HOFFMAN. The gentleman means it just increases the number of hours?

Mr. LUDLOW. Eighty hours.

The amendment I offer would not in any way weaken or cripple the wage and hour law, but would strengthen and improve it by ironing out what appears to be a very clear and obvious discrimination.

Certainly these constant wage and employment agreements are in the interest of the employee as well as the employer, and certainly they are in the general public interest because they contribute to the stability of society and the general feeling of security and contentment that is so much to be longed for, especially in this time of social unrest and economic insecurity.

That being the case, why penalize the employee who desires to enter into a voluntary constant wage and employment agreement? Why reduce his annual income—for that is what it amounts to—below the possible income of his fellow worker who has no assurance as to constancy of employment?

Is it not in the interest of society to encourage these constant wage and employment agreements and to make the differential, if there is to be a differential, not as it now is in favor of the haphazard employee but of the employee who has the foresight and constancy to enter into a continuous-employment agreement? Surely it is. My amendment does not even go so far as to provide a differential. It treats both exactly alike.

The amendment I offer would merely substitute the figures "2,080" in section 7 (b), paragraph 11, subparagraph 2, of the Fair Labor Standards Act in place of the figures "2,000", so that the employee, under these voluntary constant-wage agreements "shall not be employed more than 2,080 hours during any period of 52 consecutive weeks." This amendment would perfect and strengthen the Fair Labor Standards Act and would operate to the general stability of the industrial situation and the benefit of society. It would give the faithful employee an incentive by enabling him to earn a little more annually as a reward for his constancy.

I am advised by those who are in a position to know that the amendment I offer would go a long way toward improving the industrial situation of the country. It has been estimated that if the act were amended as suggested in a reasonable time several million employees in the United States would be working under annual constant wage and employment agreements that would guarantee constant employment and wages for at least a period of 52 consecutive weeks. Would not every employee rather be assured of continuous employment and a definite income over a period of 52 weeks than go on from day to day or week to week not knowing what he or she may earn? It surely is in the interest of the American people to encourage both employers and employees to enter into constant wage and employment agreements. The law as it now stands sounds the death knell of such agreements.

I submit that this proposed amendment should commend itself to all friends of the Fair Labor Standards Act; and I ask the lady from New Jersey whether she has any objection to my amendment?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The question was taken; and on a division (demanded by Mr. LUDLOW) there were—ayes 53, noes 8.

So the amendment was agreed to.

Mr. KITCHENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KITCHENS: On page 11, after line 5, insert the following new section:

"SEC. —. Section 7 (b) of the Fair Labor Standards Act of 1938 is amended by adding at the end of subsection (3) thereof the following: "or (4) for any period of 4 consecutive workweeks the average length of which is not in excess of that specified in subsection (a)."

Mr. KITCHENS. This amendment, Mr. Chairman, is in line with the amendment you have just adopted, except it does not increase anything, but enables the employee and the employer not to lose so much time or so much earnings from break-downs or shut-downs because of weather conditions, interruption of supplies, or other conditions not infrequently encountered in the lumber industry. These interruptions cause employees to lose time and earnings on a weekly basis under the present wage and hour law. If shut-downs occur toward the end of the week the employee has no opportunity to make up the time or the earnings he has lost. It would seem only fair to correct this situation, which largely is under the control of neither the employer nor the employee. This would give the employee an opportunity, which most of them evidently want, through averaging of hours, to average a full week's pay for every week; in other words, give him the benefit of the time he has lost. Of course, very few of you gentlemen, I suppose, ever worked at a sawmill. I have worked at a sawmill for 35 cents a day and boarded myself or was boarded by my father, and I know that out in the country and all over this country you will find these little sawmills, and even some quite large ones, and people working and living out there, and they can only work sometimes 3 or 4 days a week on account of shut-downs. They close down for one cause, purpose, or another, not the employee's fault, and in order to prevent the employee from losing his time and wages, his earnings being limited, and his weekly hours being limited by law, I have offered this amendment, and I think it is a good one.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The amendment was rejected.

The CHAIRMAN. Is there any other amendment to section 2? [After a pause.] The Chair hears none. Amendments are open now to section 3.

Mr. BARDEN of North Carolina. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BARDEN of North Carolina: Page 11, line 6, strike out section 3 and insert the following:

"SEC. 3. Section 7 (c) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"'(c) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of that specified in such subsection without paying the compensation for overtime employment prescribed therein if such employee is so employed in connection with or incidental to—

"'(1) the grading or storage of grain at terminal markets or handling or transportation in connection with or incidental to such operations; or

"'(2) the wholesale distribution of perishable or seasonal fresh fruits and vegetables, or handling or transportation in connection with or incidental to such operations; or

"'(3) the storage at terminal markets of any seasonal or perishable agricultural or horticultural commodity, or handling or transportation in connection with or incidental to such operations; or

"'(4) the felling of trees, logging or operations incidental to the felling of trees or logging performed prior to delivery, and the delivery, of the logs to a mill for sawing, making pulp, or other processing;

And if such employee receives compensation for employment in excess of 56 hours in any workweek at a rate not less than one and one-half times the regular rate at which he is employed. In the case of an employer engaged in any of the operations specified in paragraphs (1) to (4), inclusive, of this subsection, neither the provisions of subsection (a) nor the limitation of 56 hours in any workweek, during a period or periods of not more than 14 workweeks in the aggregate in any calendar year shall apply to his employees in any place of employment where he is so engaged. In the case of an employer engaged in the grading, loading, slaughtering, or dressing of livestock, or preparing products therefrom at the packing plant, or in handling or transportation in connection with or incidental to such operations, and in the case of an employer not exempted under the provisions of section 13 (a) engaged in the canning, processing, or preserving of any perishable or seasonal fruits or vegetables, including dried fruits, or in handling or transportation in connection with or incidental to such operations, the provisions of subsection (a), during a period or periods of not more than 14 workweeks in the aggregate in any calendar year, shall not apply to his employees in any place of employment where he is so engaged. As used in this subsection, "terminal market" in the case of any agricultural or horticultural commodity means any urban center of more than 150,000 population (according to the last decennial census) where such agricultural or horticultural commodity is customarily stored before processing, or, where such commodity is customarily stored and the greater part thereof distributed to consumers within or adjacent to such urban centers.'"

Mr. BARDEN of North Carolina. Mr. Chairman, that is the exact section relating to hours which is contained in H. R. 7133, the bill under consideration yesterday, with the exception that I have changed the 16 to 14 weeks. That is the number of weeks provided in the act at the present time and is the same that is carried in the Norton bill. The hours in this section introduced by me at this time relate to 56 instead of 60 hours, as in the Norton bill. It reduces the hours 4 hours a week and the number of weeks the same. There is a difference with reference to the bill under consideration, in that there are certain exemptions allowed in the law as it is now written for the handling of livestock for 14 weeks. That allows for the flood season, the rush season in the livestock business. That exemption is in the present law, as it is now written, but it is not carried in the hours provisions in the present Norton bill. This part of the bill that we considered yesterday as the so-called Barden bill was approved without any amendment, with

the exception that I think we struck out a couple of words, and I struck out the word "not," but the terms of this bill are very similar, and take care of all of the situations provided in the law and makes an addition with reference to the timber situation, which my good friend the gentleman from Maine [Mr. SMITH] brought to my attention and to the attention of the committee, and it was placed in both bills. The timber addition is in both bills.

Mr. DUNCAN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN of North Carolina. Yes.

Mr. DUNCAN. The definition of a terminal market is any urban center of more than 150,000 people. As I understand it, the employees engaged in the activities defined in paragraphs 1, 2, and 3 at terminal markets of more than 150,000 people, would be relieved of the provisions of the present act, but if they were employed in communities smaller than 150,000 then they would be subject to the provisions of the act as it exists now. Am I correct in that assumption?

Mr. BARDEN of North Carolina. I think the gentleman is correct in that.

Mr. DUNCAN. And may I ask further, taking my own city as an example: It is a rather large grain center. It is located 50 miles from Kansas City and 100 miles from Omaha, both of which are likewise grain and packing centers. My town would be subject, so far as hours of labor are concerned, to the provisions of the present act, but Kansas City and Omaha would be relieved of the conditions of the act.

Mr. BARDEN of North Carolina. May I say to the gentleman that I think the other was taken care of in later amendments? What this amendment is designed for is to take care of the flood seasons of that grain situation in those large centers for that short period of time.

Mr. DUNCAN. But there are many smaller cities in this country that are great grain centers, particularly in the Middle West.

Mr. BARDEN of North Carolina. May I say to the gentleman that is one of the tremendous problems we are facing in connection with this bill?

[Here the gavel fell.]

Mr. ENGEL. Mr. Chairman, I rise in opposition to the amendment.

I just wanted to ask the gentleman from North Carolina [Mr. BARDEN] a question. Does the gentleman's amendment strike out the entire section 3?

Mr. BARDEN of North Carolina. Section 3 of the Norton bill; yes, sir.

Mr. ENGEL. The entire section 7 (c)?

Mr. BARDEN of North Carolina. Yes.

Mr. ENGEL. Now, repeating my statement made a few moments ago, there are in the United States thousands of small potato warehouses, in towns of 150 population. Under "area of production," which of course will be eliminated by this bill, those workers are exempt. Is there anything in this amendment which would exempt those workers from the hours provision of the act?

Mr. BARDEN of North Carolina. Not in this division. May I say that under the hours provision they are not exempt now? My district probably produces as many potatoes as any district in the United States.

Mr. ENGEL. I beg the gentleman's pardon, but if they had seven employees or less, I think they were exempt from the act.

Mr. BARDEN of North Carolina. Provided they are located within a certain area and provided they did not get any potatoes from more than 10 miles away.

Mr. ENGEL. Why should they not be exempt from this act?

Mr. BARDEN of North Carolina. I am in perfect accord with the gentleman.

Mr. ENGEL. Would the gentleman care to amend his amendment?

Mr. BARDEN of North Carolina. I am afraid somebody else might have something to say about that, but what you want is the other exemption.

Mr. ENGEL. May I say this: I have an amendment on the desk to section 3, which will include potatoes with the other products, to which members of the committee on both sides of the aisle agreed. I would like to have the same amendment go on to any amendment which is a substitute.

Mr. BARDEN of North Carolina. If I am thinking of the type of potatoes that the gentleman has in mind—men engaged in processing and preserving of perishable commodities——

Mr. ENGEL. Potatoes are neither fresh nor dried vegetables. That is where the joker comes in.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. ENGEL. I yield.

Mr. AUGUST H. ANDRESEN. Under "exemptions," in section 13, paragraph 10, there is an exemption to any individual employed within the area of production as defined by the Administrator engaged in the "handling, packing, storing, ginning, compressing, pasteurizing, drying, and perfecting, in their raw or natural state, or canning of agricultural or horticultural commodities for market." That is the law. Now, it is our hope that we will be able to strike out "area of production" as defined by the Administrator, which will give the gentleman the exemption which he desires.

Mr. ENGEL. I thank the gentleman.

Mr. BARDEN of North Carolina. If "area of production" is stricken out there would not be any need for this amendment.

[Here the gavel fell.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the amendment offered by the gentleman from North Carolina [Mr. BARDEN] is an amendment that is sponsored by all the farm organizations in this country. The amendment was acted on yesterday in connection with the entire bill, but due to certain complications that arose in connection with the adoption of so many other amendments, the entire proposal was defeated. The amendment is fair and it will eliminate a great deal of confusion that now exists in the law. For instance, section 7 of the law deals with certain agricultural commodities, including dairy products, sugar, fresh fruits and vegetables, and a half a dozen other different commodities that are also treated in section 13 of the law under the title of "exemptions."

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. JENSEN. Does it also include the poultry industry as it pertains to the packing of eggs and poultry in the small plants over the States?

Mr. AUGUST H. ANDRESEN. That is my understanding. It includes those as coming within the purview of "agricultural products," exempt under section 13 of the act.

Mr. JENSEN. But it does not specifically name poultry and eggs?

Mr. AUGUST H. ANDRESEN. No; it does not specifically name poultry and eggs, but it is my understanding that poultry and eggs are agricultural commodities. If I am wrong in that, I certainly want to be corrected, because we do want an exemption for those small poultry plants that are operating in every community in the country.

I would like to ask the gentleman from North Carolina [Mr. BARDEN] a question. The committee amendment provides for an exemption as to small poultry plants, and the gentleman's amendment proposes to strike out the committee amendment in that respect. Does the gentleman's amendment take care of giving exemption to these small poultry plants?

Mr. BARDEN of North Carolina. May I say this: Poultry, and so forth, in the law will be taken care of under section 13 (a) (10) if we properly handle that situation when we arrive at it. But that will correct the very thing that one

Member referred to, where an employee could work on vegetables and would be exempt, but he would not be exempt if he was working on poultry, and so forth. This amendment is not an exemption from hours and wages, but the principal thing here that is not in the Norton bill is the provision that is now in the law, which takes care of livestock in the flood season.

Mr. AUGUST H. ANDRESEN. Then the gentleman's interpretation is that poultry will be taken care of in the general exemption?

Mr. BARDEN of North Carolina. The gentleman is perfectly familiar with this section. This is exactly that section of the Barden bill with the number of weeks reduced from 16 to 14.

Mr. AUGUST H. ANDRESEN. I believe I am familiar with it, but I wanted this colloquy so that the Administrator would know what the intent of Congress was.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. COX. The language of the pending amendment which represents a section taken from the so-called Barden bill was offered largely by Representatives of the farming group; or, in other words, members of the committee sponsoring the amendment to the law in collaboration with the Representatives of the farm group did draw the amendment as it is now represented in the pending amendment?

Mr. AUGUST H. ANDRESEN. The gentleman is correct.

Mr. COX. But the purpose of the proposal, as I understand it, is to take care of those necessary operations carried on in a delivery of a commodity to the market which must be paid for by the farmer, and also to provide some form of relief for the processors during certain seasons of the year.

Mr. AUGUST H. ANDRESEN. The gentleman is correct. The amendment should be adopted unanimously to clear up ambiguities that now exist in the law.

[Here the gavel fell.]

Mr. DUNCAN. Mr. Chairman, I wish recognition on the amendment.

The CHAIRMAN. The gentleman from Missouri is recognized for 5 minutes.

Mr. DUNCAN. Mr. Chairman, I call attention to that part of the amendment which defines a terminal market. You will observe that No. 1 under paragraph (c) defines the industry in which labor may be employed to be exempted from the wage provisions of the present act:

The grading or storage of grain at terminal markets—

That is the important part—

the grading or storage of grain at terminal markets, or handling or transportation in connection with or incidental to such operations; or the wholesale distribution of perishable or seasonal fresh fruits and vegetables, or handling or transportation in connection with or incidental to such operations.

Under that paragraph the term "terminal markets" is not used.

The next paragraph:

The storage at terminal markets of any seasonal or perishable agricultural or horticultural commodity, or handling or transportation in connection with or incidental to such operations.

Under the terms of this amendment these smaller communities which have elevators for the storage of grain or vegetables will be discriminated against in a competitive way by larger communities through the definition placed upon "terminal markets." That definition is: "Any urban center of more than 150,000 population." There are a great many cities throughout this country that have large grain-storage facilities and facilities for the storage of fruits and vegetables that do not have a population of 150,000.

In my question to the gentleman from North Carolina I mentioned my own city of St. Joseph, Mo. That is one of the large grain centers of the Middle West. It has a population of about 85,000 people. It is 50 miles from Kansas City, where there is likewise a large grain-storage center. North Kansas City, just across the Missouri River in my congressional district, has many large grain elevators. It is a community of approximately 6,000 people; yet that community just across the river from Kansas City would be required to comply with the hours provision of the present Wage and Hour Act, my own city of St. Joseph would be required in the handling of grain to comply with the hours provision—not the wages but the hours provision—of the present Act; whereas Kansas City, a city of 500,000 population, and Omaha, a city of 225,000 population, would not be required to comply with the hours provision of the present act. It seems to me that it is a very distinctly unfair provision and will bring about an unfair competitive situation within the industry, particularly as between the communities in which those storage facilities are located.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN. Certainly.

Mr. MAY. Would the result of this amendment, if adopted, be that in the gentleman's city of St. Joseph, they would have to commence operations at an earlier hour or continue them to a later hour than they would in Kansas City or Omaha?

Mr. DUNCAN. Their employees would be subject to the provisions of the existing act. They would have to pay overtime but not in Kansas City and Omaha. The result would be that the handling of grain in the smaller communities—and that exists all over the country because there are many grain elevators in small cities—would be subject to this provision.

Mr. BARDEN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN. I yield.

Mr. BARDEN of North Carolina. May I say to the gentleman that this amendment was drawn with the communities separated that way because of the nature of the operations. One is an attempt to put one group that was in the market area in the metropolitan area, you might say, and then to give exemption to the other groups, give them a shorter range.

Mr. DUNCAN. But the trouble is that most of these grain centers throughout the Middle West are in the small communities and they are going to be placed at the mercy of these others and will have their markets taken away.

[Here the gavel fell.]

Mr. JONES of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, what I say has no particular reference to the pending amendment. I have not been able to give as much thought and study to this measure as I would like, but in the time I have been permitted to give it study I believe it goes about as far and includes about as much as agriculture can hope to secure favorable action on at this time. What we are interested in is the net result. Of course, this does not go as far as a good many people think it should go. On the other hand, it probably goes further than others think it should. At any rate, it seems to me it is about as much as we can hope to secure in the way of favorable action and final enactment at this session. For that reason it seems to me that the wise thing would be to accept this bill practically as it is presented by the committee without any further material amendment.

It is possible that many good amendments could be attached to the measure, but if the bill is loaded down with amendments, it is likely to be recommitted or is likely to never reach final enactment and approval. So it seems to me that the wise thing, on the part of those who are interested in a fair measure that is presented in the best form that it can be hoped to ultimately secure, would be to vote down all further amendments unless it is some amendment that is necessary to be offered by way of correction.

Mr. HARNESS. Will the gentleman yield?

Mr. JONES of Texas. I yield to the gentleman from Indiana.

Mr. HARNESS. In making that statement, does the gentleman think that we should pass the Norton bill or the committee bill and take away from agricultural processors the

exemptions they now enjoy under the rulings of the Administrator?

Mr. JONES of Texas. No. As it is written at the present time, I do not think it will take away the advantages. If some of the amendments that were suggested are adopted, it would take those away. If you will read over in a calm way the stipulations in this bill, you will find that you are in a good deal better position than if you do not have any bill at all, and sometimes a man has to choose between getting a part of something or all of nothing.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. JONES of Texas. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman knows that the Administrator and everyone else has had a great deal of difficulty over the definition of area of production.

Mr. JONES of Texas. Yes.

Mr. AUGUST H. ANDRESEN. All the confusion has risen over that. Does not the gentleman feel we should correct that in order to eliminate the confusion?

Mr. JONES of Texas. I certainly think the confusion over the area-of-production proposition should be corrected; but, as I understand it, the provision we now have under consideration, which deals with hours, plus the stipulation that appears now on page 15 as written in the bill, will pretty well take care of the situation. I am in sympathy with the position which the gentleman takes, but I am very fearful. If we go the full length of the matter the gentleman has in mind, he might find we would get no further than the floor of this House, so far as results are concerned, and I am interested in getting results. There has been a good deal of disappointment so far as some phases of the operation of the act are concerned, and I say that in all good faith.

Mr. AUGUST H. ANDRESEN. That is what we are trying to correct.

Mr. GORE. Will the gentleman yield?

Mr. JONES of Texas. I yield to the gentleman from Tennessee.

Mr. GORE. Would the gentleman include in his expression the so-called Buck amendment?

Mr. JONES of Texas. I understand the Buck amendment is not in the bill.

Mr. GORE. It has been adopted today.

Mrs. NORTON. Will the gentleman yield?

Mr. JONES of Texas. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. The Buck amendment was adopted today and I am very much confused over the Buck amendment. My understanding is that that amendment will do exactly what the House voted down yesterday, and I hope will vote down tomorrow.

Mr. JONES of Texas. That has to do with the definition of agriculture?

Mrs. NORTON. Yes. It broadens the definition of agriculture and in my opinion, if adopted, will have the effect of legalizing child labor in all these processing operations. This is so because section 13 (c) of the act exempts persons employed in agriculture from the child-labor provisions of the act. I want to know from the gentleman as chairman of the Agricultural Committee, whom I consider an authority on agricultural matters, which I certainly am not, if he favors the Buck amendment?

Mr. JONES of Texas. I have not considered the Buck amendment with enough care to really answer the question. I shall be glad to look it over and tell the gentlewoman frankly what I think of it, though, of course, I do not claim to be an expert in such matters.

Mrs. NORTON. Will the gentleman give me an answer to that question before we conclude debate on this bill?

Mr. JONES of Texas. I shall be happy to give the gentlewoman my opinion. It will be my personal opinion, but I shall be happy to give that.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from North Carolina [Mr. BARDEN], of course, is just part of a general scheme or strategy to try to restore to the committee bill what was in the Barden bill and defeated yesterday. He is undertaking to substitute the language of his bill for section 3 of the committee bill thereby reducing the actual number of hours permitted these processors and reducing the number of operations to which the additional hours are given.

There are some 16 different operations included in the committee bill and only about 4 in the amendment which the gentleman has offered. I anticipate that what he plans to do if he gets this amendment adopted is about as follows: When we get further on into the bill, where we amend section 13, he proposes to offer from his own bill a long list of operations which are to be exempted from both wages and hours entirely. If that does not happen, of course the amendment which he offers now will take away things that the committee is offering to people engaged in the processing of agricultural commodities. I think that is a fair statement of the situation we are about to vote on.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I am interested in the gentleman's statement because, as I understand it, under section 7 (c) there is exempt at the present time the processing of milk, whey, dairy products, sugarcane and so forth, and as the gentleman states, some 16 products under existing law, whereas under the Barden amendment only about four operations will be exempt. So that if this amendment proposed by the gentleman from North Carolina is adopted, and we do not follow it up by adopting the part of the Barden bill known as section 13 (a), it will result in a limitation of the present law.

Mr. RAMSPECK. Yes, that is true; it will result in a limitation of the present law and the restriction of what the committee placed in its bill in section 3. Therefore, I hope that the Committee will reject the Barden amendment.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. The gentleman will agree, I believe, that some amendment is necessary in connection with the processing of livestock to correct the ruling of the Administrator, who has ruled that the exemption applies only to the employees on the killing floor. This ruling has in fact nullified the entire exemption of 14 weeks. I believe the gentleman will agree that some amendment is necessary to clarify that situation.

Mr. RAMSPECK. The gentleman is talking about an amendment to the existing law now, not an amendment to the committee bill.

Mr. COFFEE of Nebraska. I will say that the committee bill legalizes the interpretation that has been given. It does not change the present law. The Barden amendment does help to clarify that situation.

Mr. RAMSPECK. The gentleman is advocating, as I understand, an entire exemption for 14 weeks of all employees of any concern engaged in slaughtering cattle?

Mr. COFFEE of Nebraska. In excess of the regular workweek.

Mr. RAMSPECK. This would include the office boys and everybody else?

Mr. COFFEE of Nebraska. Within the plant.

Mr. RAMSPECK. Yes.

Mr. COFFEE of Nebraska. It is impossible to exempt a portion of the employees. Say that one is exempted from overtime penalties and another is not, it would disturb the labor relations.

Mr. RAMSPECK. It may be that some amendment of that sort would be advisable, but I do not believe we ought to throw out section 3 of the committee bill with the 16 operations in which we are proposing to give a 60-hour week,

in order to relieve complaints made against the Administrator's definition of area of production and substitute for it only four operations and a 56-hour week, when it may be that the further amendment the gentleman from North Carolina plans to offer to exempt from both wages and hours may be defeated. As the gentleman from Texas so ably said, if you really want any legislation, I think it would be very wise to stick more closely to the committee bill. It goes even further than some of the representatives of the administration wanted it to go, and they have criticized our going quite so far. Certainly, if we go further than that we are not going to get any legislation. [Applause.]

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I rise at this time in order to answer our distinguished New Deal leader, the gentleman from California [Mr. FORD], who denounced the amendment which I offered on yesterday in order to make effective the Wage and Hour Act by protecting American business institutions, agricultural and industrial, and the employees therein, from the unfair, cheap, chiseling competition of foreign imports which are produced by workers who work as long as 90 hours a week and receive wages as low as $2 per week.

Since the gentleman indicated that the Republicans voted solidly for the amendment, I thank him for his testimony because the Republicans did vote for my amendment. Only five Members of the Democratic majority voted for this amendment. I am glad that the gentleman has so testified. The working men and women of the United States will know just how the members of the Republican and Democratic Parties stood on the highly important question of protecting our American agriculture and industry and our American workers from unfair, chiseling competition of cheap foreign products produced by workers who toil long hours for low wages.

The gentleman tried to ridicule this amendment and pointed out that it was impossible to put it into effect. He apparently does not know that there is now on the statute books the so-called Taber-Lenroot law of February 15, 1927, which requires that milk and cream imported from Canada and other foreign countries be produced under sanitary conditions established by the Secretary of Agriculture.

I also call his attention to the New Deal National Industrial Recovery Act, approved June 16, 1933, a copy of which I hold in my hand. You know what act that is, do you not? Barney Baruch's Blue Eagle legislation.

I suggest that the gentleman from California [Mr. FORD] get a copy of the Industrial Recovery or Blue Eagle Act and refer to subsections (e) and (f) of section 3, which proposed to do the same thing my amendment proposes to do, to protect industries which are regulated with reference to hours of labor and minimum wages from the unfair competition of cheaply produced, chiseling foreign imports, which are produced by workers who labor long hours for small wages. I believe our New Deal leader, the gentleman from California [Mr. FORD], who confessed a few moments ago on the floor of the House that the Republicans were practically the only ones who voted for my amendment to protect our American working men and women from unfair chiseling foreign competitors, had better read that Blue Eagle Act, for which he voted. Of course, he may have voted for it because he wanted to rubber stamp every proposed law which the New Deal bureaucrats sent to Congress.

You know that this National Recovery Act was Barney Baruch's Blue Eagle Act.

Mr. Chairman, subsections (e) and (f) of section 3 of the National Industrial Recovery Act, approved June 16, 1933, reads as follows:

(e) On his own motion, or if any labor organization, or any trade or industrial organization, association, or group, which has complied with the provisions of this title, shall make complaint to the President that any article or articles are being imported into the United States in substantial quantities or increasing ratio to domestic production of any competitive article or articles and on such terms or under such conditions as to render ineffective or seriously to endanger the maintenance of any code or agreement under this title, the President may cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this subsection, and if, after such investigation and such public notice and hearing as he shall specify, the President shall find the existence of such facts, he shall, in order to effectuate the policy of this title, direct that the article or articles concerned shall be permitted entry into the United States only upon such terms and conditions and subject to the payment of such fees and to such limitations in the total quantity which may be imported (in the course of any specified period or periods) as he shall find it necessary to prescribe in order that the entry thereof shall not render or tend to render ineffective any code or agreement made under this title. In order to enforce any limitations imposed on the total quantity of imports, in any specified period or periods, of any article or articles under this subsection, the President may forbid the importation of such article or articles unless the importer shall have first obtained from the Secretary of the Treasury a license pursuant to such regulations as the President may prescribe. Upon information of any action by the President under this subsection the Secretary of the Treasury shall, through the proper officers, permit entry of the article or articles specified only upon such terms and conditions and subject to such fees, to such limitations in the quantity which may be imported, and to such requirements of license, as the President shall have directed. The decision of the President as to facts shall be conclusive. Any condition or limitation of entry under this subsection shall continue in effect until the President shall find and inform the Secretary of the Treasury that the conditions which led to the imposition of such condition or limitation upon entry no longer exists.

(f) When a code of fair competition has been approved or prescribed by the President under this title, any violation of any provision thereof in any transaction in or affecting interstate or foreign commerce shall be a misdemeanor and upon conviction thereof an offender shall be fined not more than $500 for each offense, and each day such violation continues shall be deemed a separate offense.

Mr. Chairman, I intend again to offer my protecting amendment to this bill, and I ask all New Deal friends of American labor to follow the advice of your President. Let us have some action from the New Deal side in favor of protecting American working men and women from long hours and low wage chiseling foreign competition, and less talk.

Mr. Chairman, the Members of Congress have labored long hours today, discussing and considering wage and hour legislation. I therefore believe that a motion to rise and adjourn until tomorrow would be in order at this late hour. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. BARDEN].

The amendment was rejected.

Mrs. NORTON. Mr. Chairman, I have an announcement to make. Several of the Members have come to me and stated that they have commitments for dinner tonight and have asked that we not continue in session. So in order to accommodate Members on both sides of the House, I now move, Mr. Chairman, that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. RAYBURN] having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the bill (H. R. 5435) to amend the Fair Labor Standards Act of 1938, had come to no resolution thereon.

GOLDEN GATE INTERNATIONAL EXPOSITION AT SAN FRANCISCO IN 1940

Mr. DEMPSEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 481, Rept. No. 2060), which was referred to the House Calendar, and ordered to be printed:

House Resolution 481

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of Senate Joint Resolution 200, a joint resolution to provide for participation of the United States in the Golden Gate International Exposition at San Francisco in 1940, to continue the powers and duties of the United States Golden Gate International Exposition Commission, and for other purposes. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment, the Committee shall rise and report

the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion, except one motion to recommit.

PERMISSION TO ADDRESS THE HOUSE

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

AMENDMENT OF THE HATCH ACT

Mr. DEMPSEY. Mr. Speaker, I am sure the membership of the House will be very much surprised to learn that the great Committee on the Judiciary of the House today, as I am advised, tabled the so-called Hatch bill, Senate 3046.

I recognize there are Members of the House who are glad to see this done. I recognize some of the same Members would vote for the bill if it came out, but if it can be scuttled in committee, they are not put upon record, and with the country today being almost unanimously for this bill——

Mr. KELLER. What bill?

Mr. DEMPSEY. The amendment of the Hatch Act.

Mr. KELLER. The "Hatchet" law?

Mr. DEMPSEY. Did you ask me to yield to you?

Mr. KELLER. I am trying to get it straight.

Mr. DEMPSEY. Mr. Speaker, please do not take this interruption out of my time.

Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. BARTON of New York. Mr. Speaker, will the gentleman yield?

Mr. DEMPSEY. I am very happy to yield to the gentleman.

Mr. BARTON of New York. Can the gentleman tell us what the vote was in committee and how it was divided between the parties?

Mr. DEMPSEY. The vote in committee, as I understand, was in executive session, and when I say that, I mean in the extreme.

Mr. BARTON of New York. They did not want to be counted?

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. DEMPSEY. I shall be happy to yield to the distinguished gentleman.

Mr. MARTIN of Massachusetts. I want to inform the gentleman from New Mexico that I am heartily in sympathy with his purpose to have this proposed legislation enacted into law.

Mr. DEMPSEY. I thank the distinguished minority leader.

I want to say to the House that I have introduced a resolution today asking the Rules Committee, by special order, to permit this bill to come to the floor and be considered by the House. On Friday I shall have a discharge petition on the Clerk's desk. So those who are in favor of clean politics and who are not in favor of using the Federal Treasury as a campaign fund [laughter]—I know some of you may not like to hear the truth, but you are going to hear more about the truth with respect to this bill than you have heard for a long time. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McLEOD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of 75 years of Negro progress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CIVIL AERONAUTICS AUTHORITY

Mr. VORYS of Ohio. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. VORYS of Ohio. Mr. Speaker, on Tuesday, April 30, the President issued a statement setting forth his reasons for making the proposed reorganization of the Civil Aeronautics Authority.

He stated that by placing the Authority in an executive department civil aeronautics would secure representation at the Cabinet table.

Prior to the creation of the Authority civil aeronautics had such representation. That representation did not prevent the Department of Commerce from making a woeful failure of the regulation and development of civil aeronautics. The Civil Aeronautics Authority now is an independent agency like the Interstate Commerce Commission. The reorganization would make it a subordinate Board. This blow to its prestige and dignity will not be compensated by alleged representation at a Cabinet table by a Secretary of Commerce so busy with a thousand and one details of running his Department that civil aeronautics will have to compete for attention with many other matters far less important to the national welfare.

Mr. HINSHAW. Is the gentleman's interest due to his having been an aviation official?

Mr. VORYS of Ohio. Yes. My experience as director of aeronautics of Ohio causes me to be interested in safe and sound aviation administration.

It was also stated that this shift into the Department of Commerce will permit a closer relationship with the air navigation chart service of the Coast and Geodetic Survey and the reporting service of the Weather Bureau. The Weather Bureau is now in the Department of Agriculture and will be shifted into the Department of Commerce under the same plan which shifts the Civil Aeronautics Authority. Therefore the reason for the shift must be the present place of the Coast and Geodetic Survey in the Department of Commerce. But that survey engages to a very minor degree in aeronautical activities. It is of less importance to civil aeronautics than are 10 or a dozen other bureaus, agencies, and departments. Its aeronautical work represents only 4 percent of its entire activity.

The President's statement also says that the Authority will remain an independent Board continuing to appoint and control its own personnel and submit its own budget. But the President's reorganization order states in terms that budgetary and personnel functions must be performed under the direction of the Secretary through facilities he designates. The only independence provided for in the reorganization plan is that of rule making, adjudication, and investigation functions. The appointment of personnel and the making of expenditures are obviously not rule making, adjudication, or investigation. Therefore personnel and expenditures and budgetary matters are not independent of the Secretary under the terms of the reorganization plan but are shifted to the Department of Commerce and will be under the Secretary's control.

The President's statement also says that the proposed reorganization more clearly distinguishes between the functions of the Administrator and the Authority. On the contrary, the proposed reorganization splits safety regulation between the Administrator and the new Board. The Administrator will grant safety certificates and prescribe the terms and conditions therefor and the new Board will adopt safety rules. Obviously conflict between the two agencies will result. There are many other sources of conflict involved in this scrambling of functions. Under the present act the division of functions is clear cut. The Administrator is confined to construction and operation of air-navigation facilities and to promotional work. Any other duties are such as may be delegated to him by the Authority under the Authority's direction. The Authority itself has all regulatory duties.

The present act clearly distinguishes functions; the proposed reorganization mingles them under vague phraseology that will be open to grave differences of interpretation.

The President's statement likewise says that the abolition of the Air Safety Board and the transfer of its functions to the new Civil Aeronautics Board will not impair the present independence of accident investigation. However, the new Board will be adopting safety rules and also investigating accidents. This means that it will be investigating itself. This is not independence of accident investigation. The present act sets up a separate and independent investigating board, the Air Safety Board, charged entirely with the function of investigating accidents and having nothing to do with regulation. Therefore it is able to make impartial and fearless investigations and findings.

The President's statement likewise asserts that economies will result. It is true that the members of the Air Safety Board will be eliminated. Their salaries total $22,500. Unless the work of investigation is to be crippled, they will have to be replaced, so that the saving will not be that great. The only way to achieve economies will be by transferring some of the present functions of the Authority to the present personnel of the Department of Commerce. But such a move is one of the very evils to be guarded against. The Department of Commerce demonstrated its inability adequately to regulate civil aeronautics, and at the present time it has no familiarity whatever with the subject.

RETIREMENT PAY OF FORMER OFFICERS, ARMY, NAVY, AND MARINE CORPS

Mr. COLMER, from the Committee on Rules, submitted the following resolution, which was read and referred to the House Calendar, for printing under the rule:

House Resolution 483

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of S. 134, an act providing for continuing retirement pay, under certain conditions, of officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability while in the service of the United States during the World War, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Military Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered over the radio by the gentlewoman from Ohio [Mrs. BOLTON].

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain excerpts from an article by Dorothy Thompson on Central Europe.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks and to include several brief excerpts from the Lenroot-Taber Milk Act and from the National Industrial Recovery Act of July 16, 1933.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks and to include two telegrams received from W. W. Thatcher, chairman of the National Farmers Union legislative committee, and the president of the National Federation of Grain Cooperatives.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. DICKSTEIN] is entitled to recognition for 20 minutes.

Mr. DICKSTEIN. Mr. Speaker, in view of the lateness of the hour, I ask unanimous consent that I may have the same time on next Wednesday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

RESTORING CERTAIN BILLS TO THE PRIVATE CALENDAR

Mr. DICKSTEIN. Mr. Speaker, on April 2 three bills were objected to on the Private Calendar. I have two unanimous-consent requests to make. First, I ask unanimous consent that the bills H. R. 8226, H. R. 8379, and H. R. 7955 be restored to the calendar. I also ask unanimous consent that the Committee on Immigration be permitted to file supplementary reports on those three bills which they had not fully made at the time objection was made to the bills.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, do I understand that the Members who objected to those bills have now consented that they be restored to the calendar?

Mr. DICKSTEIN. That is right; and I am to file a supplemental report.

Mr. MARTIN of Massachusetts. In which you bring out additional evidence?

Mr. DICKSTEIN. That is right. I have talked to the Members on both sides of the aisle who objected.

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, are those the bills that were stricken from the Consent Calendar?

Mr. DICKSTEIN. No; they were objected to on the Consent Calendar.

Mr. MARTIN of Massachusetts. The Consent Calendar or the Private Calendar?

Mr. DICKSTEIN. It was on the Private Calendar. They were objected to because the report was not full enough. I have talked to the gentlemen on both sides of the aisle and they have agreed to this consent.

Mr. MARTIN of Massachusetts. This simply restores them to the calendar and any Member of the House will have the opportunity to object later if he so desires?

Mr. DICKSTEIN. That is right. It also gives the committee the right to supply additional information in the supplemental reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CLAYPOOL, for 1 week, on account of official business.

To Mr. RANDOLPH, for 4 days, on account of official business.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2925. An act to amend the Tennessee Valley Authority Act of 1933; to the Committee on Military Affairs.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.), the House adjourned until tomorrow, Thursday, May 2, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will meet on Thursday, May 2, 1940, at 10:30 a. m., in room 128, House Office Building, for the consideration of H. R. 9093.

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Friday, May 3, 1940, at 10 a. m., in room 328, House Office Building, to consider various bills.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce on Monday, May 13, 1940, at 10 a. m.

Business to be considered: To begin hearings on S. 280 and H. R. 145—motion pictures. All statements favoring the bill will be heard first. All statements opposing the bill will follow.

COMMITTEE ON PATENTS

There will be a meeting of the Committee on Patents on Thursday, May 9, 1940, at 10:30 a. m., for the consideration of H. R. 8441, H. R. 8442, and H. R. 8444, all of which relate to amendments to the patent laws.

There will be a meeting of the Committee on Patents on Thursday, May 16, 1940, at 10:30 a. m., for the consideration of H. R. 9384, H. R. 9386, and H. R. 9388, all of which relate to amendments to the patent laws.

EXECUTIVE COMMUNICATIONS, ETC.

1586. Under clause 2 of rule XXIV, a letter from the Attorney General, transmitting a draft of a proposed bill for the relief of John A. Kames, was taken from the Speaker's table and referred to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SABATH: Committee on Rules. House Resolution 478. Resolution granting a rule for the consideration of S. 1610; without amendment (Rept. No. 2036). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 469. Resolution granting a rule for the consideration of H. R. 9266; without amendment (Rept. No. 2037). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 479. Resolution granting a rule for the consideration of Senate Joint Resolution 217; without amendment (Rept. No. 2038). Referred to the House Calendar.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 8475. A bill to define "American fishery"; with amendment (Rept. No. 2039). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 8283. A bill to amend section 4370 of the Revised Statutes of the United States (U. S. C., 1934 ed., title 46, sec. 316); with amendment (Rept. No. 2040). Referred to the Committee of the Whole House on the state of the Union.

Mr. CARTWRIGHT: Committee on Roads. H. R. 9575. A bill to amend the Federal Aid Act, approved July 11, 1916, as amended and supplemented, and for other purposes; without amendment (Rept. No. 2041). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2042. Report on the disposition of records in the Department of Labor. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2043. Report on the disposition of records in the Federal Works Agency. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2044. Report on the disposition of records by the Government Printing Office. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2045. Report on the disposition of records in the Department of the Treasury. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2046. Report on the disposition of Records in the Post Office Department. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2047. Report on the disposition of records in the Federal Security Agency. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2048. Report on the disposition of records in the Navy Department. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2049. Report on the disposition of records in the Interior Department. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2050. Report on the disposition of records in the Department of Agriculture. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2051. Report on the disposition of records in the War Department. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2052. Report on the disposition of records in the Department of Commerce. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2053. Report on the disposition of records in the Department of Labor. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2054. Report on the disposition of records in the Department of Labor. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2055. Report on the disposition of records of the United States attorney at Brooklyn, N. Y., by the Department of Labor. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2056. Report on the disposition of records in the Federal Works Agency. Ordered to be printed.

Mr. FULMER: Committee on Agriculture. House Report 9594. A bill to amend section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing the transfer of funds to cover advances for crop insurance; without amendment (Rept. No. 2057). Referred to the Committee of the Whole House on the state of the Union.

Mr. PIERCE: Committee on Agriculture. H. R. 8628. A bill to amend the Perishable Agricultural Commodities Act, 1930, as amended, to include as a perishable agricultural commodity cherries in brine, and for other purposes; without amendment (Rept. No. 2059). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEMPSEY: Committee on Rules. House Resolution 481. Resolution granting a rule for consideration of Senate Joint Resolution 200; without amendment (Rept. No. 2060). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 483. Resolution granting a rule for consideration of S. 134; without amendment (Rept. No. 2061). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SMITH of Washington: Committee on Pensions. S. 1608. An act to repeal the provisions of Private Law No. 347, Seventy-first Congress, pertaining to Victoria Kessel; without amendment (Rept. No. 2058). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 9588) for the relief of Cora E. Faubion, and the same was referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOYKIN:

H. R. 9616. (By request.) A bill to prohibit proof of acts done by an inventor in foreign countries; to the Committee on Patents.

By Mr. DINGELL:

H. R. 9617. A bill to promote the development of the mineral resources of certain lands belonging to the United States located in Allegan County, Mich.; to the Committee on the Public Lands.

By Mr. KUNKEL:

H. R. 9618. A bill to extend the times for commencing and completing the construction of a bridge across the Susquehanna River at or near the city of Harrisburg, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. McGEHEE:

H. R. 9619. A bill to amend the District of Columbia Unemployment Compensation Act; to the Committee on the District of Columbia.

By Mr. DEROUEN:

H. R. 9620. A bill to authorize the disposition of recreational demonstration projects, and for other purposes; to the committee on the Public Lands.

H. R. 9621. A bill to provide for the establishment of the St. John Island National Recreational Area in the Virgin Islands of the United States, and for other purposes; to the Committee on the Public Lands.

By Mr. BUCKLER of Minnesota:

H. R. 9622. A bill to extend the status of veterans of the World War to persons enrolled or enlisted and serving on United States Shipping Board vessels during the World War in war zones; to the Committee on Naval Affairs.

By Mr. CROSSER:

H. R. 9623. A bill to amend the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTWRIGHT:

H. Res. 480. Resolution providing for the consideration of H. R. 9575, a bill to amend the Federal Aid Act, approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Rules.

By Mr. DEMPSEY:

H. Res. 482. Resolution providing for the consideration of S. 3046, an act to extend to certain officers and employees the provisions of the act entitled, "An act to prevent pernicious political activities"; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. D'ALESANDRO:

H. R. 9624. A bill for the relief of John Monarch; to the Committee on Claims.

By Mr. EDELSTEIN:

H. R. 9625. A bill for the relief of Moses Limon and Ida Julia Limon; to the Committee on Immigration and Naturalization.

By Mr. MACIEJEWSKI:

H. R. 9626. A bill for the relief of George Colton; to the Committee on Naval Affairs.

H. R. 9627. A bill for the relief of Richard Burrill; to the Committee on Claims.

By Mr. MOUTON:

H. R. 9628. A bill for the relief of Claude W. LaSalle; to the Committee on Claims.

By Mr. POWERS:

H. R. 9629. A bill for the relief of Arthur Netter and Kate Netter; to the Committee on Immigration and Naturalization.

By Mr. TENEROWICZ:

H. R. 9630. A bill for the relief of Vincenzo Bologna; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7826. By Mr. MARTIN J. KENNEDY: Petition of the Maritime Association of the Port of New York, New York City, expressing approval of the proposed amendment of the Foreign Trade Zones Act in accordance with House bill 9380, and urging immediate passage by Congress of the amendments proposed in the bill; to the Committee on Interstate and Foreign Commerce.

7827. By Mr. KEOGH: Petition of the Maritime Association of the Port of New York, favoring the passage of the Hart bill (H. R. 9380); to the Committee on Ways and Means.

7828. By Mr. KRAMER: Resolution of the Southern California Council of the National Association of Women Lawyers, relative to proposed amendments to the National Labor Relations Act; to the Committee on Labor.

7829. Also, resolution of the Hollywood Central Young Democrats, Inc., relative to subversive activities, etc.; to the Committee on the Judiciary.

7830. By Mr. LYNCH: Petition of the Maritime Association of the Port of New York, endorsing House bill 9380, which seeks to amend the Foreign Trade Zone Act of June 18, 1934, to conform to the purpose and intent of the law and would authorize and require the United States Maritime Commission to execute and enforce the provisions of section 3 relating to rates and charges; to the Committee on Ways and Means.

7831. Also, petition of the Ward Baking Co., New York, opposing the proposed provision in the transportation bill to reduce the 3-year limit for recovery of overcharges to 2 years; to the Committee on Interstate and Foreign Commerce.

7832. By Mr. PFEIFER: Petition of the Maritime Association of the port of New York, approving House bill 9380, to amend the Foreign Trade Zones Act of June 18, 1934; to the Committee on Ways and Means.

7833. By Mr. SCHWERT: Petition with 74 signatures thereon, urging favorable action on House bill 237, a bill making it possible for post-office employees to take promotional examinations; to the Committee on the Post Office and Post Roads.

7834. By the SPEAKER: Petition of the United Association of Plumbers and Steam Fitters of the United States and Canada, Local 399, petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7835. Also, petition of the International Workers Order, Local 4368, San Pedro, Calif., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

7836. Also, petition of the American Youth Congress, New York, petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

7837. Also, petition of the International Workers Order, Lodge No. 946, Los Angeles, Calif., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

7838. Also, petition of the Bloomington Federation of Labor, Bloomington, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

SENATE

THURSDAY, MAY 2, 1940

(Legislative day of Wednesday, April 24, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, in whom we live and move and have our being, and who pourest on all who seek it the spirit of grace and supplication: We beseech Thee to keep alive in us this day the holy desires Thou dost impart. Do Thou sanctify all our thoughts and our endeavors; open the eyes of our minds and our hearts that we may endure, as seeing Him who is invisible. Draw us ever closer day by day in the bonds of holy friendship, where the hurts received in life's hard struggles are, in great measure, healed, the blows of adversity are softened, the pains of disappointment lessened, and the wounds of sorrow are bound up with the oil and wine of tender human sympathy. So link our purposes in life with Thine that in the darkest hours of doubt we may never forget that right is right and honor is honor, nor yet ever swerve from the path of rectitude. Teach us, dear Lord, that in the pilgrimage of duty the heart bursts into song, sorrow leaves the faithful soul which mounts on the wings of gladness, and, though weeping may endure for a night, joy cometh in the morning.

We ask these blessings in the name and for the sake of Him by whom all things were made, Thy Son Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Wednesday, May 1, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 252) to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrd	Downey	Hayden
Ashurst	Byrnes	Ellender	Herring
Austin	Capper	Frazier	Hill
Bailey	Caraway	George	Holman
Bankhead	Chandler	Gerry	Hughes
Barbour	Chavez	Gillette	Johnson, Calif.
Barkley	Clark, Idaho	Glass	Johnson, Colo.
Bilbo	Clark, Mo.	Gurney	King
Brown	Connally	Hale	La Follette
Bulow	Danaher	Harrison	Lee
Burke	Davis	Hatch	Lodge
Lucas	Nye	Sheppard	Townsend
McCarran	O'Mahoney	Shipstead	Truman
McKellar	Overton	Smathers	Vandenberg
McNary	Pepper	Smith	Van Nuys
Maloney	Pittman	Stewart	Wagner
Mead	Reed	Taft	Walsh
Miller	Reynolds	Thomas, Idaho	Wiley
Minton	Russell	Thomas, Okla.	
Murray	Schwartz	Thomas, Utah	
Norris	Schwellenbach	Tobey	

Mr. MINTON. I announce that the Senator from Illinois [Mr. SLATTERY] is absent from the Senate because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from Ohio [Mr. DONAHEY], the Senator from Pennsylvania [Mr. GUFFEY], the Senators from West Virginia [Mr. HOLT and Mr. NEELY], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are detained on public business.

The Senator from Rhode Island [Mr. GREEN] is unavoidably detained.

Mr. AUSTIN. I announce that my colleague from Vermont [Mr. GIBSON] is necessarily absent.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

LAWRENCE T. POST AND OTHERS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation for the relief of Lawrence T. Post, G. F. Allen, and D. Buddrus, which, with the accompanying papers, was referred to the Committee on Claims.

REPORT OF OPERATIONS UNDER SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting, pursuant to law, a report for the fiscal year ended June 30, 1938, of the operations under sections 7 to 14, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

PETITION

The VICE PRESIDENT laid before the Senate a petition of sundry citizens of New York City, N. Y., praying for the enactment of House bill 801, the so-called Wagner-Van Nuys-Capper antilynching bill, which was ordered to lie on the table.

THE STORY OF WASHINGTON—RESOLUTION OF CHIPPEWA FALLS LODGE, NO. 1326, B. P. O. E.

Mr. WILEY. Mr. President, recently it has been the great privilege of many Americans to read that great book, Tree of Liberty, by Elizabeth Page. It is truly one of the very few great American historical novels. To the student of history it is especially pertinent now because one can see that "the tides in the affairs of men" ebb and flow as they do in the great oceans. Right now the world and America, probably on a different or larger scale, are living through many of the same experiences that people lived through back in the days of the inception of this country.

In this book the stature of Washington is not diminished. He was truly a great man, a man of common sense, a man who understood his fellow men, a man who appreciated that great ideas were in conflict, and that men were simply the exponents of those ideas.

Mr. President, my reason for addressing the Chair at this time is that in my morning mail I received from the Elks' Lodge in my home town a resolution which I ask to have printed in the RECORD at the conclusion of my remarks. This resolution brought to my attention a speech delivered by a distinguished lawyer of my home State, Frank L. Fawcett, on the subject, Washington, If He Were Alive Today. Mr. Fawcett, whose home is in Milwaukee, challenged the group before which he spoke with the statement, that with all the wealth of material on the life of Washington, no great drama or cinema has been written about his life, and he asks the question "Why?" He stated, and I believe he stated a great

truth, that in this particular period a motion picture based on the life of Washington would serve a great constructive and patriotic purpose.

The VICE PRESIDENT. Without objection, the resolution referred to by the Senator from Wisconsin will be printed in the RECORD.

The resolution is as follows:

Having a supreme admiration for, and complete confidence in, the matchless leadership of our patriotic grand exalted ruler, Henry C. Warner; and

Believing in the far-reaching and beneficent effects of his thorough and thrilling program of Americanism; and

Having given unqualified endorsement to his dedication of the week of February 19 with the fond hope that it will rekindle the vestal spark of patriotic fervor of a Paul Revere and a Betsy Ross; and

Knowing that it will bring home to the consciousness of the American people their lasting indebtedness to the young Virginian who was "First in war, first in peace, first in the hearts of his countrymen"; and

Being of the opinion that the production of a picture The Father of Our Country is a tribute long past due, and that the story of Washington and his unselfish sacrifice and service would inspire the citizenry of our beloved country to nobler and more patriotic efforts and again make Old Glory the symbol of freedom and the safeguard of our liberty: Now, therefore be it

Resolved, That Chippewa Falls Lodge, No. 1326, send a copy of this resolution to our distinguished and patriotic Member, United States Senator ALEXANDER WILEY, that he may devise ways and means toward the consummation of this end by bringing it to the attention of the United States Senate.

Unanimously adopted April 9, 1940, by Chippewa Falls Lodge, No. 1326.

V. K. REMINGTON, *Exalted Ruler*.

REPORTS OF COMMITTEES

Mr. BILBO, from the Committee on Pensions, to which was referred the bill (S. 1770) granting a pension to Mittie Gaffney, reported it without amendment.

Mrs. CARAWAY, from the Committee on the Library, to which was referred the bill (S. 3645) to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931, reported it without amendment.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 3693) to authorize the Secretary of War to grant permission for pipe lines, reported it with amendments and submitted a report (No. 1569) thereon.

RAILROAD COMBINATION IN THE EASTERN REGION (PT. 3 OF S. REPT. NO. 1182)

Mr. BARKLEY (for Mr. WHEELER), from the Committee on Interstate Commerce, submitted an additional report, pursuant to Senate Resolution 71, Seventy-fourth Congress, in connection with the investigation of holding and affiliated companies, relative to railroad combination in the eastern region, which was ordered to be printed.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WAGNER:

S. 3906. A bill to amend the Railroad Unemployment Insurance Act, approved June 25, 1938, as amended June 20, 1939, and for other purposes; to the Committee on Interstate Commerce.

By Mr. HARRISON:

S. 3907. A bill to authorize the acceptance of donations of property for the Vicksburg National Military Park, in the State of Mississippi, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. HAYDEN:

S. 3908. A bill for the relief of Mrs. J. E. Purtymun and Mrs. B. H. Russell; to the Committee on Claims.

By Mr. WALSH:

S. 3909. A bill to amend the World War Veterans' Act, 1924, as amended;

S. 3910. A bill to authorize the Administrator of Veterans' Affairs to furnish domiciliary and hospital care and medical treatment to World War veterans of the United States merchant marine, and for other purposes; and

S. 3911. A bill to amend the Internal Revenue Code with respect to merit rating under the Federal Unemployment Tax Act; to the Committee on Finance.

S. 3912. A bill for the relief of Louis Rosenstone; to the Committee on Immigration.

By Mr. OVERTON:

S. 3913. A bill to amend the Flood Control Act of June 15, 1936, as amended, to provide for adjustment of main Mississippi River levee grades; to the Committee on Commerce.

(Mr. PEPPER introduced Senate bill 3914, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

ARMY PROMOTION SYSTEM—AMENDMENTS

Mr. JOHNSON of Colorado submitted sundry amendments intended to be proposed by him to the bill (H. R. 9243) to provide for the promotion of promotion-list officers of the Army after specified years of service in grade, and for other purposes, which were ordered to lie on the table and to be printed.

ASSISTANT CLERK, COMMITTEE ON ENROLLED BILLS

Mrs. CARAWAY submitted the following resolution (S. Res. 265), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution 213, agreed to April 10, 1940, authorizing the Committee on Enrolled Bills to employ an assistant clerk, to be paid from the contingent fund of the Senate, for the remainder of the present session, is hereby amended to include the time from the beginning of the session to the date of adoption of the said resolution.

STRATEGIC AND CRITICAL MATERIALS

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to submit a resolution, have it read, and referred to the Committee on Military Affairs.

The VICE PRESIDENT. Without objection, the resolution will be read.

The resolution (S. Res. 266) was read, as follows:

Whereas it is the policy of the National Government to increase the stocks of strategic and critical materials with a view to preventing the dependence of the United States upon foreign nations for supplies of such materials in times of national emergency: Therefore be it

Resolved, That it is the sense of the Senate that the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce should make every effort to utilize to the fullest practicable extent any powers that they now possess for the purpose of acquiring, by purchase, exchange, or otherwise, stocks of materials determined to be strategic and critical materials in accordance with the act of June 7, 1939, and that the Secretary of the Treasury should determine the extent to which any such materials may be acquired in payment of the existing indebtedness of foreign governments to the Government of the United States, and the extent to which legislation may be required for the purpose of facilitating any such acquisition and the reduction of such indebtedness by means of such acquisitions.

The VICE PRESIDENT. The resolution will be referred to the Committee on Military Affairs.

Mr. THOMAS of Utah. Mr. President, when we considered the Strategic Materials Act, the Senator from Massachusetts [Mr. LODGE] offered an amendment which would, in effect, have done the same thing which I am suggesting that we attempt to do. I then opposed the amendment because it had no place in that act.

The Senator from Delaware [Mr. TOWNSEND] has submitted a resolution looking toward the acquirement of strategic materials by our Government through the use of certain funds which the Treasury Department can use. Therefore I deem this resolution to be not only consistent with the aim of the Senator from Massachusetts but also thoroughly consistent with one of the aims of the Senator from Delaware.

ADDRESS BY HON. JAMES A. FARLEY ON AMERICA'S ROAD TO PEACE

[Mr. WALSH asked and obtained leave to have printed in the RECORD an address by Hon. James A. Farley, at Boston, Mass., on Sunday, April 21, 1940, on the subject America's Road to Peace, which appears in the Appendix.]

ADDRESS ON FOREIGN POLICY BY HON. BRECKINRIDGE LONG

[Mr. CHANDLER asked and obtained leave to have printed in the RECORD an address on foreign policy delivered by Hon. Breckinridge Long, Assistant Secretary of State, at the Forum on Foreign Policy and National Defense at the National Institute of Government, May 2, 1940, which appears in the Appendix.]

CORPORATION DIRECTORS—ADDRESS BY RICHARD C. PATTERSON, JR.

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an address delivered by Richard C. Patterson, Jr., before the Harvard School of Business Administration, at Cambridge, Mass., on March 15, 1940, relative to the management of corporations, which appears in the Appendix.]

RECREATIONAL OPPORTUNITIES IN THE TENNESSEE VALLEY

[Mr. STEWART asked and obtained leave to have printed in the RECORD an address by E. S. Draper, Director, Department of Regional Planning Studies, Tennessee Valley Authority, before the southeastern meeting of the American Automobile Association, Knoxville, Tenn., April 22, 1940, on the subject New Recreational Opportunities in the Tennessee Valley, which appears in the Appendix.]

LETTER FROM STEWART M'DONALD ON WORK OF FEDERAL HOUSING ADMINISTRATION IN WYOMING

[Mr. SCHWARTZ asked and obtained leave to have printed in the RECORD a letter addressed to him by Mr. Stewart McDonald, Administrator of the Federal Housing Administration, and a tabulation attached to the letter, showing by counties the extent of loans made by Wyoming banks and private-lending agencies operating in conjunction with the Federal Housing Administration, which appear in the Appendix.]

ADDRESS BY DR. ARTHUR TALMAGE ABERNETHY ON WAR

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an address on the subject of war, delivered by Dr. Arthur Talmage Abernethy at Rutherford College, North Carolina, which appears in the Appendix.]

ARTICLE BY HUGH S. JOHNSON ON FOREIGN LOANS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by Hugh S. Johnson on the subject of foreign loans, which appears in the Appendix.]

SOUTH'S GREATEST RESOURCE—EDITORIAL FROM LEXINGTON HERALD

[Mr. CHANDLER asked and obtained leave to have printed in the RECORD an editorial from the Lexington Herald entitled "South's Greatest Resource," which appears in the Appendix.]

REGULATION OF MODES OF TRANSPORTATION

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD a statement by a delegation of representatives of agricultural organizations, and a letter to the President of the United States, relative to the transportation bill, which appear in the Appendix.]

CIVIL AERONAUTICS AUTHORITY AND AIR SAFETY BOARD

Mr. McCARRAN. Mr. President, today there appeared in the Washington Times-Herald a very able article under the caption "Facts, Not Spinach," by Frank C. Waldrop. The article is a short one. I send it to the desk and ask that it be read by the clerk.

The VICE PRESIDENT. Without objection, the article will be read.

The legislative clerk read the article, as follows:

FACTS, NOT SPINACH—A COMPARISON OF AIR SAFETY BEFORE AND AFTER THE C. A. A.

(By Frank C. Waldrop)

Mr. Roosevelt has displayed a very fancy talent for name-calling lately, brought out by objections to his proposed abolition of the independent Civil Aeronautics Authority in favor of a board subservient to the Secretary of Commerce.

As soon as he proposed this reversion, criticism was heard all about the country. He waved his cigarette holder and called it "spinach."

But the critics wouldn't shut up. They got louder. They came to Washington.

So Mr. Roosevelt put his cigarette holder down and abused them as "ignorant," "gullible," and/or "political."

It just happens that these ignorant, gullible, spinach dispensers have some facts which will permit them to avoid name calling entirely. They have only to point to the record. Here it is:

The Bureau of Air Commerce was abolished and the Civil Aeronautics Authority installed because the Bureau was a flop.

It had a duty to make the rules for civil aviation, enforce them, provide the system of aviation aids such as airports and radio beams and maps, and, finally, to cite the guilty if this set of rules and aids should fail to prevent a crash. That meant, of course, that the Bureau would have to be strong and able to criticize pilots, air-line managers, airplane makers, other branches of the Federal Government, and, finally, itself.

Did it work? Well, hardly.

Between March 4, 1933, and August 22, 1938, there were 39 fatal aircraft accidents on regularly scheduled runs of domestic aviation companies, in which 217 persons were killed.

The Bureau, as you can see by looking at the public record compiled throughout more than 3 years of congressional investigations, was not capable of acting as a sufficient controlling authority in aviation.

It was shown to be nothing but a cringing, politically addled little catch-all, into which the Secretary of Commerce dumped incompetent hacks and into which he stuck his fist whenever he wanted to prevent the hacks from really cracking down on chance-taking airplane operators. He usually wanted to.

Congress finally recognized that aviation is an extremely complex, difficult, and a rapidly changing industry needing intelligence, independence, and critical analysis to remain safe and at the same time progress—too volatile to endure such incompetence in government.

So it set up the Civil Aeronautics Authority to make the rules and operate the aids to aviation, and set up within the Authority the Air Safety Board to criticize those rules and aids and investigate any disasters with a view to publicizing the causes. The Board was a wholly independent governor on the engine of aviation—free to criticize the Authority, the air lines, the plane makers, or the pilots.

The C. A. A. and A. S. B. went into action on August 22, 1938. In the first 8 months of operation there were 3 fatal accidents, in which 17 persons died. In the more than 12 months since there have been none. There has been friction between Board and Authority—and there should have been. They were intended not to fraternize but to cross-check one another for safety's sake.

Is that spinach? Does that mean anything? Can you call pride in that ignorance, gullibility, or politics?

Mr. Roosevelt gives as his reason for tearing down this independent system and a return to the old the need of aviation for a "seat at the Cabinet table."

It had not one but two seats at the Cabinet table in February 1934, when he canceled the air-mail contracts on advice from his Postmaster General and Secretary of Commerce, and instructed a third Cabinet member, the Secretary of War, to see that the Army pilots would keep the air mail moving.

The disaster that followed, and the quick retreat, do not speak so very highly for Cabinet representation of aviation.

Does it matter whether aviation is represented at the Cabinet table if aviation is getting along all right not represented there and got along all wrong when it was?

Mr. Roosevelt can't spinach the facts away. The same planes, the same pilots, and the same companies are flying the same routes today they were from 1933 to 1938.

The only difference is they are flying them better, safer, and more often.

It is safer to leave them that way than to chance a return to the killing system of the past—and that's no spinach either.

Mr. McCARRAN. Mr. President, I ask that immediately following the article read by the clerk there be inserted in the RECORD an editorial appearing in the Washington Evening Star of yesterday and an editorial appearing in the Christian Science Monitor of yesterday, both on the same subject.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The editorials are as follows:

[From the Washington Evening Star of May 1, 1940]

INADEQUATE ANSWER

In striking back at critics of his reorganization order placing the Civil Aeronautics Authority within the Commerce Department and abolishing the Air Safety Board, President Roosevelt unfortunately has failed to reply to many important specific criticisms which have been raised against the plan.

In the 3 weeks since his order was announced, there has been an unceasing storm of criticism from all parts of the Nation and from virtually all of the national aeronautical organizations. During this period there has been scarcely a voice raised in support of the plan.

Such unanimity of opinion on so vital a question is difficult to discount. This criticism cannot be dismissed, as the President sought to do, by saying that it is actuated by "ignorance, gullibility, and politics." A great mass of this criticism undoubtedly has been sincere, and it has come from people identified with civil aviation who obviously are seriously disturbed by an Executive order which they consider unjustified and unwise.

A great deal of the criticism has been leveled against the abolition of the Air Safety Board. In his reply, Mr. Roosevelt told newsmen that the investigation of accidents can be done competently without having three men at the top who have been fighting each other all day long. He referred apparently to the Air Safety Board. As a matter of fact, the Air Safety Board has been composed of but two men since last November 21, when Col. Sumpter Smith resigned to take over chairmanship of the Interdepartmental Engineering Commission, which is building Washington

National Airport. There has been no public evidence of any friction between the two remaining members, whose findings, obviously, have had to be unanimous, since disagreement would mean a deadlock.

The best evidence that the Civil Aeronautics Authority and the Air Safety Board are working well is the fact that the Nation's air transport system has been operating for more than a year without death or serious injury; that the great civil pilot-training program is going ahead with unparalleled safety; that the air lines are prospering and are handling passenger, mail, and express traffic which is increasing month by month in a succession of new all-time records.

For years civil aviation was regulated from within the Commerce Department. Much of that period was marked by inefficiency, wrangling, and a lack of results which was reflected throughout the industry. Conditions since creation of the Civil Areonautics Authority and the Air Safety Board, beyond any question, have improved very greatly. Why give up a system which is beneficial and successful to go back to one which has been tried and found wanting?

Congress is going to be asked to vote down the President's reorganization plan, and it should be voted down unless Mr. Roosevelt can make a more specific and more convincing answer to his critics.

[From the Christian Science Monitor of May 1, 1940]

NEED OF C. A. A. SHIFT UPHELD AS PRESIDENT ASSAILS CRITICS

WASHINGTON, May 1.—Official cognizance by President Roosevelt of the oppcsition to his Executive order transferring the Civil Aeronautics Authority to the Commerce Department brought a new phase to the controversy.

Mr. Roosevelt attacked opponents of his order, charging they are moved either by ignorance, gullibility, or politics.

He followed this up by calling Democratic members of the House Reorganization Committee to the White House for a conference after receiving reports that Senate and House Republicans are organizing to vote as a unit against his two latest reorganization plans.

Mr. Rocsevelt evidently was throwing his full weight into the rapidly developing fight. Stephen T. Early, Presidential secretary, said Mr. Roosevelt had been informed he faces organized opposition.

The fight was rapidly broadening beyond the contest over the Civil Aeronautics Authority order.

The order would end the present independent "three-in-one" agency made up of a five-man, quasi-judicial group, an Administrator, and an Air Safety Board, each of which is independent from the others in certain respects. Under the new Roosevelt plan the so-called Authority turns into the Civil Aeronautics Board, and it loses certain powers to the Administrator. The Air Safety Board is abolished. Its accident-investigation functions are shifted to the Civil Aeronautics Board.

Mr. Roosevelt at his press conference April 30 used the dispute to comment on the whole broad subject of governmental reorganization.

The difficulty with the President's job, he declared, is that there are so many independent agencies making direct reports to the Chief Executive that he is unable to master them all without expenditure of excess time. The better way, he said, is to have these groups headed up through a cabinet post, the chief of which is able to follow and digest the problems and reports to the President. Almost everybody, Mr. Roosevelt commented, seems to be in favor of higher efficiency and economy as "an abstract idea," but he added, "there is a rather discouraging collapse of enthusiasm when concrete proposals are made," especially on the part of those looking for "selfish protection of their own special interests."

Mr. Roosevelt singled out the appearance, in Washington, of a group of uniformed aviation pilots protesting the Roosevelt order calling themselves the "lobby to save lives."

"The implication that we are not interested in saving lives," wrote Mr. Roosevelt, "is certainly contradicted by the record of our progress in civil aviation during recent years."

Mr. Roosevelt was subjected to hard questioning at his press conference, and gave a testy defense of his move. The new set-up, he declared, with the Air Safety Board eliminated, is not a case of the authority being judge, jury, and prosecutor. At one point Mr. Roosevelt commented that the three men at the top of the present Air Safety Board, whose positions would be abolished by the transfer, have been fighting each other all day long.

Mr. Roosevelt threw in the personal observation with a rather grim smile that few members of the press could handle the amount of administrative detail that comes over the President's desk with all the independent agencies still uncorrelated; and he added that few other men would apply themselves to the task.

Legislative opposition to the Executive order is centering in Senator PAT MCCARRAN, Democrat, of Nevada. He has introduced a resolution to block the reorganization, and is enlisting congressional support.

PROHIBITION OF FOREIGN SILVER PURCHASES

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have inserted in the RECORD, as part of my remarks, an editorial from the New York Times of today entitled "The Silver Folly."

The VICE PRESIDENT. Is there objection? The Chair hears none.

The editorial is as follows:

THE SILVER FOLLY

If it passes the pending Townsend bill, the Senate will at last have moved to wipe out the worst and most foolish part of a fantastic piece of legislation. The new bill prohibits the President and the Secretary of the Treasury from acquiring any more foreign silver under the Silver Purchase Act of 1934. That act provides that silver must be purchased until its monetary value, at $1.29 an ounce, equals one-fourth of the total value of the country's monetary gold and silver together. Despite the purchase of more than 2,200,000,000 ounces of silver since the act was passed, at a cost of more than $1,000,000,000, the inflow of gold has been so great that the goal set by the act is farther away than it was when the legislation was passed in June 1934. Of the silver purchased, the overwhelming bulk has been foreign. In 1939, for example, nearly five times as much foreign as domestic silver was acquired by the Treasury. The huge mountain of silver already acquired by the Treasury, in fact, is equal to more than 50 years' domestic production at the current rate.

The committee report in favor of the Townsend bill points out that the further purchase of foreign silver is without excuse; that it is wasteful of American resources; that it involves bestowal of benefits abroad without considerations of reciprocity; that there is no prospect of fulfilling the "treadmill terms" of the Silver Purchase Act of 1934; that that act has failed to achieve any of the objects promised by its sponsors in 1934; and that "silver buying is not a proper instrument of foreign policy." This country's uninterrupted purchasing of Mexican-produced silver since 1934, the committee remarks, "has not produced in Mexico the results which might be expected from such purchases viewed as a good-neighbor effort." As for the argument that purchase of foreign silver should be continued because, by giving foreigners purchasing power, it makes jobs for American producers of export commodities, the committee declares that if there were any validity in the argument "it would be a logical step to increase our buying price for silver five or ten fold, and thereby make five or ten times as many jobs for Americans."

The enactment of the Townsend bill would do nothing to end the indefensible provision which compels our Treasury to buy the total annual silver output of American mines at the fantastic price of 71 cents an ounce. It would, moreover, leave a messy legislative situation under which the Treasury would still be directed by an unrepealed act to move toward a goal the achievement of which the new act would make practically impossible. But at least the worst and most costly part of the silver folly would have come to an end.

PHILIPPINE TRAVEL-PAY BILL—VETO MESSAGE

Mr. BURKE. Mr. President, I desire to present a privileged matter. Yesterday the Committee on Claims took action and instructed me to present the matter to the Senate.

The Committee on Claims, to which was referred House bill 289, the Philippine travel-pay bill, which was returned by the President to the House of Representatives without his approval, and which was reconsidered and passed by that body, reports the bill back to the Senate with the recommendation that the bill be passed, the objections of the President to the contrary notwithstanding.

I now move that the Senate proceed to reconsider House bill 289.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Nebraska.

The motion was agreed to; and the Senate proceeded to reconsider the bill (H. R. 289) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899.

Mr. BURKE. Mr. President, I desire to make a very brief statement in reference to the matter.

On April 11, 1899, when the treaty of peace between this country and Spain was finally concluded, there were in the Philippine Islands between 12,000 and 15,000 State volunteers officers and men. Under the terms of their enlistment they were entitled to be mustered out of service at that time; and by the provisions of the statutes then in force, and still in force, I understand, they were entitled, upon being mustered out, to be transported to the place of their enlistment, or, in lieu thereof, to receive travel pay and allowances in the amount specified in the statute. However, in the weeks prior to April 11, 1899, the Philippine Insurrection had assumed a very serious aspect, and these volunteer soldiers were pretty well scattered in various parts of the islands attempting to quell the insurrection.

I was interested, in reading the official report made on this matter, to find that a few weeks before, prior to the time mentioned, these volunteer troops had beaten off the attacks of the insurrectionists, had advanced their lines beyond the blockhouses and remained in that position, but the First Nebraska Regiment had made the farthest advance, to the waterworks, a distance of 8 miles.

Because of the condition in the islands arising from the insurrection, the President and the War Department were very anxious that these volunteer soldiers should not exercise their right and demand their release from the Army. The report of the committee sets out the cablegram sent by The Adjutant General to General Otis, and his reply. The cablegram requested General Otis to ascertain whether these Volunteers would be willing to reenlist and remain in the islands for a further period, until the insurrection could be quelled. General Otis, under date of March 16, 1899, sent this cablegram from Manila to The Adjutant General at Washington:

> Believed after inquiry majority volunteer organizations willing to reenlist for 6 months from ratification of treaty, provided that upon original discharge are paid traveling allowances to places of muster in and that after expiration of second enlistment they are transported to those places by the United States.

So, according to the record, in all the various places where these volunteers were engaged, in the trenches, or in the dugouts, or wherever they were, their commanding officers presented the matter to them as to whether they would be willing to remain for another period, not to exceed 6 months, and almost without exception they acquiesced.

If it had been possible then to go through the formality of mustering those men out and immediately mustering them in again for a second enlistment, this proposal would not be before Congress today, because the men would then have had the legal right to what they now claim, because the statute gave them that right without any question. But because they were scattered, and for other reasons, that formality was not complied with, and they were not mustered out and mustered in again, so that they do not have a legal standing.

After the men had returned to this country, many of them attempted to present their claims to the accounting officers, or the Court of Claims, or wherever such matters would be presented, but it was denied that they had a legal right. However, there can be no question that the moral obligation rests fully upon the Government to carry out what the commanding officers of these volunteers told them would be done in the event they were willing to remain for another period of enlistment; and that is all this bill proposes to do.

On at least five different occasions the Senate has passed an identical measure. In the Seventy-fourth Congress both Houses passed the measure and it was vetoed, and the same thing occurred in the Seventy-fifth Congress. In the Seventy-sixth Congress the Committee on Claims, after further study of the matter, reported the bill unanimously, and it passed the House as well as the Senate, and is now before us again on the President's veto. Last week the House, by much more than the required two-thirds majority, voted to pass the bill, the objections of the President to the contrary notwithstanding, and it seems to me that the Senate should take similar action.

Mr. President, let me add a further word. The question has been asked by a Senator beside me as to how much money is involved. According to the report submitted to the committee, payments would be made to between seven and eight thousand individuals, or, if they are deceased, to their representatives, that is, according to the statute, the widow, a child, mother, or father, or, if there were no relatives within those degrees, no payment would be made. The payments would average between three and four hundred dollars, making a total, as nearly as the committee could estimate, of $3,200,000.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. BURKE. I yield.

Mr. LUCAS. I call the Senator's attention to the message of the President, in which, among other things, he said:

> However, approval of this bill would result in the payment of a gratuity to each of the officers and men concerned in an amount exceeding his pay for a full year, plus the value of rations for the period involved, in sea travel from the Philippines to the United States, a benefit utterly without warrant, since each individual concerned has already received transportation and subsistence at Government expense for the journey performed in addition to full pay for the entire time.

Will not the Senator explain that?

Mr. BURKE. I shall be very glad to. In the first place, there is a great deal of resentment, I find, at the use of the word "gratuity," which I think was unfortunately and by oversight used in the message, as these men claim, and with every semblance of fact and truth to bear them out, that this is not a gratuity at all; but that there was what amounted to a contract, a binding agreement, negotiated at the request of the President of the United States, speaking through The Adjutant General.

In reference to the further statement made, if the Senator from Illinois will read the message further, he will find that the President is referring not to the bill now before the Senate but to one of the previous measures, and he quotes from his veto message on the previous bill.

The amount then was somewhat larger, as the figures have been changed, and my understanding, as I have said—and the committee sought as definite information as could be secured—is that the total will not exceed $3,200,000. Even that amount is not to be paid at once, but, under the provisions of the bill, each claimant would be required to file his claim with the Accounting Office and make his proof showing that he was entitled to payment.

It is true, as the Senator will find, that when the second enlistment was over the men were transported back to the place of their enlistment, but in the Regular Army and in the volunteer army, if the men are actually mustered out when an enlistment expires, each soldier is entitled then to be transported back to the place of his enlistment, or, in lieu of that, to accept the travel pay and allowances. When the Army is anxious to secure a reenlistment a member of the regular force always takes his travel pay and allowances and reenlists, and when that enlistment period is over, he is transported back to the place of his enlistment. So that there is nothing unusual or out of the way about this procedure.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. BURKE. Certainly.

Mr. LUCAS. I do not believe the Senator from Nebraska has fully answered my question. I again refer to the part of the paragraph in the veto message which specifically says, "each individual concerned has already received transportation and subsistence at Government expense for the journey performed in addition to full pay for the entire time."

Mr. BURKE. There is no argument about that. These men enlisted for the first period, their service to terminate when the war was over, and of course they were paid a dollar a day, or whatever it was, during that period. Then, when they reenlisted, they received their pay of a dollar a day during that period, and when that enlistment was over, and the insurrection was at an end, they were transported at Government expense back to the place of their enlistment.

Mr. LUCAS. Were they paid for the service they rendered?

Mr. BURKE. They were paid the Regular Army pay, whatever it was; yes.

Mr. LUCAS. What are they seeking in addition to the Regular Army pay, and transportation from the islands back to the United States?

Mr. BURKE. They are seeking travel pay and allowances due them when their original enlistment expired. On the 11th of April 1899, when the treaty of peace was concluded, each and every one of these officers and men, under the terms of his enlistment, was entitled at that moment to be mustered out of the service and to be taken at Government expense back to this country, to the place where he enlisted. There is no argument about that. In lieu of that, if they wanted to remain in the Philippines or to do anything else, they could take the amount specified in the pending bill, and

provided by statute. But the Government being anxious to have them remain for another period, instead of transporting new volunteers from the United States to the Philippines, said to these men, in effect, "If you will reenlist now we will pay you the travel pay and allowances which you are entitled to accept in lieu of being taken back to the United States. Serve your next period and of course we will then transport you home."

Mr. BARKLEY. Mr. President, that is a point about which I wanted to ask the Senator a question.

Mr. BURKE. I yield.

Mr. BARKLEY. I understood the Senator to say that it is customary in the Army, probably not through any legal provision, but is a custom, or a practice, that when an enlistment expires, the soldier has the option of returning home——

Mr. BURKE. It is under a specific provision of the statute.

Mr. BARKLEY. He can either return home at Government expense, or he can receive what is called a travel allowance at that time, and then reenlist. Is that correct?

Mr. BURKE. That is correct.

Mr. BARKLEY. So that if he reenlists he receives a travel allowance, although he does not travel. Although he does not return home, he receives what he would have received if he had returned home?

Mr. BURKE. I thank the Senator. That brings out the point very clearly.

Mr. BARKLEY. Then, if he reenlists, he later returns home at Government expense. Did these men collect the travel allowance?

Mr. BURKE. They did not; and that is why this bill has been introduced. They have been denied that benefit from that time to the present.

Mr. BARKLEY. To what extent have soldiers who served in the Philippines or elsewhere, and who reenlisted, been allowed to collect travel pay and allowances for expenses which they did not incur?

Mr. BURKE. My understanding is that in every case of reenlistment travel allowance is paid.

Mr. BARKLEY. Is that a provision of the statute?

Mr. BURKE. Yes; the statute so specifically provides.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. BURKE. I yield.

Mr. BROWN. The testimony before the Committee on Claims showed that a good many of these soldiers were smart enough to see the situation, and they insisted upon being discharged, and then reenlisted. They thus obtained their travel pay back to the United States.

Mr. BARKLEY. In other words, they insisted on being discharged and then collected their travel allowance in cash?

Mr. BROWN. Yes.

Mr. BARKLEY. And then reenlisted and were later brought back to the United States at the Government's expense.

Mr. BROWN. Yes. And the men in question are not now in the same position as the men were in who were discharged and insisted upon reenlisting.

Mr. BARKLEY. Are there included in this bill any of those who got their discharge, got their travel pay, reenlisted, and then subsequently were transported back to the United States?

Mr. BURKE. No; they are specifically excluded. That is the reason why the bill reads as it does. It requires each one who makes a claim to present it to the proper Government department so that proof can be had on it.

Mr. BARKLEY. Did the men in question reenlist without being discharged?

Mr. BURKE. They were not formally mustered out. They reenlisted for a period not to exceed 6 months, and they all stayed from 4 to 6 months or until their services were no longer required. Some of them, I think, were even kept for a 7-month period.

Mr. BARKLEY. I still do not understand all that I know about it. [Laughter.]

Mr. BURKE. I think the majority leader has brought out clearly just what the situation was. Regular Army soldiers whose term of enlistment may expire at any time in the year, depending on when they entered the service, if they are in China, or the Philippines, or any place else, when their terms of enlistment expire are entitled to be transported back to the place at which they enlisted, or in lieu thereof to take their travel pay and allowances. If they choose to stay and reenlist, they receive their travel pay and allowances, and at the end of the reenlistment, if they have enough of Army life, they are transported back to the United States at Government expense.

Mr. BARKLEY. The Senator said some soldiers were smart enough to be mustered out and get their travel pay and allowances. Why were not the others as smart? They all knew about it; did they not?

Mr. BURKE. The individuals to whom I am referring who received travel pay and allowances were members of the Regular Army. The Senator from Michigan [Mr. BROWN] stated, and I now recall it to be the fact, that there were individuals among the volunteers, legally trained or otherwise, who insisted upon the formality of being mustered out, and then being immediately mustered in for the next period of service, and in those cases they were paid immediately, under the statute, the exact amount of travel pay and allowances that would be paid to one in like circumstances under this bill who did not stand upon his legal rights and say, "I want to be mustered out and mustered in again right away so that I can get that pay."

Mr. BARKLEY. Did the officers of the Army have any authority to hold out or make the promise that the men who reenlisted without being mustered out would be given this travel pay?

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. BURKE. I yield.

Mr. SCHWARTZ. The average private in the Army does not seriously consider what the authority of the head of the Army is; when that officer speaks, he takes his authority for granted.

Mr. BURKE. I quote from the hearings of January 10, 1931, in part, as follows:

> Section 15 of the Army bill reads, in part, as follows: "That the President is authorized to enlist temporarily in service for absolutely necessary purposes in the Philippine Islands, volunteers, officers, and men, individually or by organizations, now in those islands and about to be discharged, provided their retention shall not extend beyond the time necessary to replace them by troops authorized to be maintained under the provisions of this act and not beyond a period of 6 months."

In accordance with that provision of the statute The Adjutant General cabled to General Otis as follows:

> The President inquires as follows:
> "If we are not able to get you sufficient forces to replace volunteers under your command before exchange of ratification of treaty, will you be able to enlist your present volunteer force under this section?"
> By order Secretary of War.

In reply to that message, General Otis, who was in command, cabled as follows:

> MANILA, *March 16, 1899.*
>
> ADJUTANT GENERAL,
> *Washington:*
> Believed after inquiry majority volunteer organizations willing to reenlist for 6 months from ratification of treaty, provided that upon original discharge—

They were never really actually discharged—

> are paid traveling allowances to places of muster in and that after expiration of second enlistment they are transported to those places by United States.
>
> OTIS.

I do not find anywhere in the record any answer to that cablegram of General Otis, but apparently the conditions laid down were accepted. There was no denial of it. The men were kept in the service for the other period, and everything was done except actually to go through the formality of mustering them out and immediately mustering them in again.

Mr. BARKLEY. Mr. President, will the Senator yield for another question?

Mr. BURKE. I yield.

Mr. BARKLEY. The transaction out of which this measure grows occurred 42 years ago. There have been three vetoes of similar bills by the present Chief Executive, one of which was in the Seventy-fourth Congress and one in the Seventy-fifth Congress.

Mr. BARKLEY. One was a pocket veto, upon which Congress, of course, could not pass. I have forgotten whether there were votes to override the vetoes of the other measures or whether they died simply as the result of the vetoes.

Mr. BURKE. No; there was no vote to override.

Mr. BARKLEY. Prior to the Seventy-fourth Congress and during all the time since the Spanish-American War, what has been done by Congress in the way of the enactment of a law to make this payment, and if Congress passed a law, what happened to it?

Mr. BURKE. I think there has been a bill before every session of Congress, with the possible exception of the first Congress after the hostilities ceased, at which time the men were under the impression that they had a right to get this pay without any action of Congress. They proceeded on that theory for a little while, until it was finally determined that, because they were not actually mustered out and again mustered in, they had no legal standing, and very shortly after the war and at every session of Congress thereafter bills were introduced providing for making these payments; hearings were had before the committees; sometimes bills would pass one House and not the other, but on at least three occasions which have been mentioned, during the present administration, the bill has passed both Houses.

Let me add that when the bill in the Seventy-fifth Congress was passed and vetoed, it seemed to some of us that there were certain logical objections to the bill in that it might be possible under that measure for some individuals to claim benefits who would not be entitled to them. It provided for an outright payment without having the matter examined, as now provided in this bill and did not make it clear that those who were wise enough to be mustered out and mustered in, and received their pay, would not be paid over again.

So the bill this year was drawn with the idea of removing what appeared to be rather valid objections, and I may say frankly to the Senator from Kentucky that it was a great surprise to the members of the committee and to all who were familiar with the matter that the measure should come back with a veto. The only reason—if I may say it, and this is largely assumption on my part—the only reason I can see why this unfortunate occurrence has happened is that the Chief Executive in exercising his veto on this occasion had in mind the previous bill. He does not refer to the present bill at all, but cites from objections he urged to the passage of the previous bill. It has been stated to me by one who should know what he was talking about that the War Department and, I believe, the Veterans' Administration—I do not know whether they have anything to do with it—but three different departments of the Government have submitted memoranda favoring the enactment of the present bill. I do not vouch for that statement.

Mr. BARKLEY. I have only one other observation to make. I would not deny to any American citizen the payment of any just claim because of its age. But the fact that the events in question occurred so long ago; that the Congresses closer to the events did not take action; and that only in the last 3 or 4 years has Congress taken action raises the presumption of a burden of proof on the part of those who advocate the payment to show that it is a just claim and that it ought to be paid.

Mr. BURKE. I agree with that statement very fully, and for that reason I have been taking a very active part in opposition to a proposal to pay several million dollars on the French spoliation claims which originated in the period from 1792 to 1800, and also with respect to a very large number of claims growing out of the War of 1812, and many out of the Civil War, some of which, however, have been passed in very recent years.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. BURKE. I yield.

Mr. GILLETTE. I thought perhaps I could contribute something to remove the misconception which is apparent on the part of some of my colleagues. I happened to be a soldier at the time in question, not in the Philippines, but at Chickamauga Park. We had enlisted for the duration of the war. The war was over and our term of enlistment had expired. Every soldier was called in by his company commanding officer, and his patriotism was appealed to on this ground:

> While you enlisted for the duration of the war, and your term of enlistment is over, and are entitled to go home, and to receive your transportation home, an unsettled period is going to follow during which the Government will require the services of soldiers. You owe it to your Government. The patriotism which induced you to volunteer ought to carry over and induce you to stay in the service. We are requesting you to stay in the service instead of demanding your discharge and transportation to the point of your enlistment.

Some of the men did as requested, and some did not. The men in the Philippines had the same proposal put to them. Every man whose term of enlistment had expired was entitled to be brought back to the United States, or, in lieu thereof, to receive travel pay and subsistence allowance. The men were urged to stay. They stayed at the request of their officers, who appealed to their patriotism.

As I see it, there is no legal obligation to pay these men. They were finally brought back to the United States. However, at that time they could have demanded that they be brought back, or that they receive in lieu thereof travel pay and subsistence allowance, because the Government would have been required to send additional men to take their places. However, because they listened to the appeal to their patriotism, it seems to me there is every implied obligation on the part of the Government to pay this claim.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BURKE. I yield.

Mr. LUCAS. Why did not the Government insist that all the men be mustered out and then mustered in at that particular time, in view of the fact that a certain number of them were mustered out and mustered in?

Mr. BURKE. The chief objection to going through the ceremony of mustering them out and mustering them in again was that they were scattered all over the islands. As I stated earlier, the First Nebraska Volunteers had advanced through the enemy territory. In fact, the colonel of the regiment was killed at about that very time. They were engaged in warfare, perhaps not on the scale of that now going on in Norway, but just as serious and deadly. The Government could not call the men in to go through what, after all, was only a formality. They all knew what it was about. They knew that they were to stay for another period, not to exceed 6 months; and they did not do what they probably should have done—that is, insist that they be taken to Manila, or wherever the mustering-out and mustering-in could take place.

Mr. LUCAS. Let me ask a further question: Does the record of the hearings show how many men are affected by the bill?

Mr. BURKE. No one can say with absolute certainty, because some have died and have left no widows, children, mothers, or fathers. In such a case the payment lapses. However, the best estimate we are able to make is that the number is about 8,000. I notice in the veto message that the number is referred to as 15,000; but the information we have is that there were not to exceed 12,000 Volunteer troops in the islands on the 11th of April 1899, and that of that number, some were paid at the time, and others have died without relatives in the degree of consanguinity required to entitle them to the benefit of the bill. The number is about 8,000.

Mr. LUCAS. The bill provides that the widow, children, mother, or father shall be paid?

Mr. BURKE. The widow, children, mother, or father, in accordance with the statute.

One further statement before I conclude: Overriding a Presidential veto has always impressed me as being one of the most serious and thought-provoking acts a Member of the National Legislature is called upon to perform. During the brief period I have served in the House of Representatives and in the Senate, in every instance, with one exception, I have voted to sustain the veto of the President, although in some cases it seemed to me there was much merit on the other side. However, in the case of this particular bill, with which I have long been familiar, I am very sure that justice, right, and fair dealing require that this very belated payment be made. Therefore I shall freely and gladly vote to pass the measure notwithstanding the veto of the President.

Mr. McNARY. Mr. President, I ask to have printed in the RECORD at this point an excellent statement by the Senator from Kansas [Mr. CAPPER] on the pending pay bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ARTHUR CAPPER

I shall support the motion of the Senator from Nebraska that House bill 289, commonly known as the Philippine travel pay bill, be passed over the veto of the President.

The bill provides for travel pay and allowances for officers and enlisted men of the Volunteer services who remained in service in the Philippines in 1899 beyond the term of their enlistment, and after ratification of the treaty of peace with Spain on April 11, 1899.

This bill simply provides for payments to these men that should have been made 40 years ago. I hope the Senate will do as the House of Representatives did, and pass the bill notwithstanding the Presidential veto. The House passed the measure over the veto by a vote of 274 to 72, as I recall.

During the War with Spain several regiments of volunteers were in active service in the Philippines. They were in service on April 11, 1899, when their terms of enlistment expired, and they were entitled to be discharged and returned to their homes. Under the terms of their enlistment, and under regulations, they were entitled to travel pay and a subsistence allowance from the Philippines to their homes, or to the points where they were mustered into service.

In the spring of 1899 a serious situation existed in the Philippines. Aguinaldo and some 30,000 Philippine troops, who had been trained by, and who had cooperated with, the American troops against the forces of Spain, had started an insurrection in February of that year. The fighting was at its height in April, when the terms of enlistment of these men expired.

If they had been in the Regular Army, and had reenlisted, they would have received as a bounty travel pay and subsistence to their home stations.

The War Department was very anxious to have these volunteers remain in the islands and finish the job of subduing the insurrection. To replace them at that time would have been very difficult; in fact, the campaign would have had to be halted until fresh troops could be sent from the United States.

There was an exchange of telegrams between Adjutant General Corbin and General Otis, commanding the American forces in the Philippines. In answer to a cablegram from Adjutant General Corbin, on March 16, 1899, General Otis had replied as follows:

"Believe after inquiry majority Volunteer organizations willing to reenlist for 6 months from ratification of treaty, provided that upon original discharge are paid traveling allowances to places of muster in, and that after expiration of second enlistment they are transported to those places by the United States."

The substance of this communication was presented to the men by their officers, and almost to a man they agreed to remain beyond the date of treaty ratification if their services were needed. Presumably they would have reenlisted, but the campaign developed in such a way that this formality was ignored.

In the latter part of March a general advance was ordered against the insurrectionists, and from then until June—longer than that for some of the men—the volunteers were in the field. The troops were continually on the move, under very bad conditions, poorly equipped, under a tropical sun, in the jungles much of the time, continually harassed by the enemy. The result was that they never actually were reenlisted. They just kept on fighting until the insurrection was quelled.

There never seems to have been any question as to the understanding had on all sides that the men were to receive travel pay and allowances as one of the conditions of their remaining in service.

I never have understood why the Government of the United States, under these circumstances, stood on the technicality that these men had not been formally discharged from their original enlistment and therefore had not been reenlisted.

There is no argument as to the technical soundness of the position taken by the Government, but these brave men had not stood on a technicality when their enlistments expired on April 11, 1899. They did not stand in their tracks; nor did they sulk in their tents. They did not say, "Our terms of enlistment are up. We will not fight another day unless we are formally discharged, reenlisted, and get our travel pay and allowances." They thought they had an agreement that would amount to a contract with their Government, and they lived up to their agreement. They kept faith with the terms of the implied contract.

It has been argued that these veterans are asking for a gratuity from the Government. It has been stated that they finally traveled home at Government expense and now are trying to collect twice. I do not share that belief. I do not accept that statement as the truth. These veterans simply are asking for belated justice—40 years belated—in the payment of an honest debt—a debt honestly incurred but not honestly carried out by our Government.

I say that men who offered their lives on the battlefield ought not to have to plead with their Government to pay them what was promised them at the time. I trust the Senate will do what the House already has done—enact this legislation, notwithstanding the veto of the President.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding? On this question the Constitution requires that the vote be by yeas and nays. The clerk will call the roll.

The legislative clerk proceeded to call the roll, and called the name of Mr. ADAMS, who voted in the affirmative.

Mr. NORRIS. Mr. President, does the Constitution also require that the veto message be read?

The PRESIDENT pro tempore. The Chair is informed that it was read.

Mr. BARKLEY. Mr. President, the roll call has already started, but, I think, by unanimous consent, the veto message could be read for the information of the Senate. It was read a week or so ago.

I ask unanimous consent that the roll call be suspended until the message can be read.

The PRESIDENT pro tempore. Without objection, the roll call will be suspended and the message will be read.

The legislative clerk read as follows:

To the House of Representatives:

I am returning herewith, without my approval, H. R. 289, a bill for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899.

The provisions of this bill are almost identical with the provisions of H. R. 2024 of the Seventy-fifth Congress, which I returned to the Congress without my approval on September 22, 1935, and the provisions of H. R. 2904 from which I withheld my approval and indicated the reasons therefor in my memorandum of disapproval dated June 20, 1938. The principal reasons for withholding my approval from the two bills in question are set forth in my memorandum of June 20, 1938, in connection with H. R. 2904, as follows:

The effect of this bill is that the beneficiaries thereof "shall be entitled to the travel pay and allowance for subsistence provided in sections 1289 and 1290, Revised Statutes, as then amended and in effect, as though discharged April 11, 1899, by reason of expiration of enlistment, and appointed or reenlisted April 12, 1899, without deduction of travel pay and subsistence paid such officers or soldiers on final muster out subsequent to April 11, 1899."

I am advised by the Secretary of War that there were approximately 15,000 officers and soldiers of the volunteer forces of the United States in the Philippine Islands at the conclusion of peace with the Kingdom of Spain who would become beneficiaries of this act.

The Comptroller General in his report on February 23, 1935, advises that the enactment of this bill would authorize payment of travel pay at the rate of 1 day's pay and one ration for each 20 miles, inclusive of the distance by water from the Philippine Islands to San Francisco, approximately 8,000 miles, and that such payments for the water travel alone will exceed 1 year's pay plus 1 day's ration for each day of such period. It is estimated the cost of the legislation will approximate $7,000,000.

Congress has heretofore recognized the service of these officers and men by the award of a special medal, and there was also an allowance by the act of Congress approved January 12, 1899, of 2 months' extra pay to all volunteers who served honestly and faithfully beyond the continental limits of the United States. I join most heartily in recognizing and appreciating the patriotic service of these men.

However, approval of this bill would result in the payment of a gratuity to each of the officers and men concerned, in an amount exceeding his pay for a full year, plus the value of rations for the period involved in sea travel from the Philippines to the United States, a benefit utterly without warrant, since each individual concerned has already received transportation and subsistence at Government expense for the journey performed in addition to full pay for the entire time.

I have recently signed an act restoring pensioners of the War with Spain and Philippine Insurrection to their full rate of pension. I feel that no breach of trust has been committed by the Government as regards the men who served their country in the War with Spain and Philippine Insurrection and, from the facts in this case, general legislation upon this subject, as provided in H. R. 2024, is not deemed advisable.

In view of the fact that the circumstances involved in this proposal are the same as they were when the previous bills were under consideration, I find no justification for changing my position with respect thereto.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *April 23, 1940.*

The PRESIDENT pro tempore. The clerk will resume the calling of the roll.

The legislative clerk resumed and concluded the calling of the roll.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is necessarily absent. If he were present, he would vote "yea."

Mr. LUCAS. My colleague [Mr. SLATTERY] is unavoidably detained from the Senate because of illness in his family. If he were present, he would vote "yea."

Mr. MINTON. I announce that the Senator from Florida [Mr. ANDREWS], the Senators from West Virginia [Mr. HOLT and Mr. NEELY], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Montana [Mr. WHEELER] are absent from the Senate on public business. I am advised that if present and voting, these Senators would vote "yea."

The Senator from Minnesota [Mr. LUNDEEN] and the Senator from Washington [Mr. BONE] are in conference in Government departments. I am also advised that if present and voting, these Senators would vote "yea."

The Senator from Rhode Island [Mr. GREEN] and the Senator from Mississippi [Mr. HARRISON] are unavoidably detained.

The Senator from Virginia [Mr. BYRD], the Senator from Ohio [Mr. DONAHEY], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained.

The result was announced—yeas 76, nays 3, as follows:

YEAS—76

Adams	Davis	Lee	Russell
Ashurst	Downey	Lodge	Schwartz
Austin	Ellender	Lucas	Schwellenbach
Bailey	Frazier	McCarran	Sheppard
Bankhead	George	McKellar	Shipstead
Barbour	Gerry	McNary	Smith
Bilbo	Gillette	Maloney	Stewart
Brown	Glass	Mead	Taft
Bulow	Gurney	Miller	Thomas, Idaho
Burke	Hale	Minton	Thomas, Okla.
Byrnes	Hatch	Murray	Thomas, Utah
Capper	Hayden	Norris	Tobey
Caraway	Herring	Nye	Townsend
Chandler	Hill	O'Mahoney	Truman
Chavez	Holman	Overton	Vandenberg
Clark, Idaho	Johnson, Calif.	Pepper	Van Nuys
Clark, Mo.	Johnson, Colo.	Pittman	Wagner
Connally	King	Reed	Walsh
Danaher	La Follette	Reynolds	Wiley

NAYS—3

Barkley	Hughes	Smathers

NOT VOTING—17

Andrews	Gibson	Lundeen	Wheeler
Bone	Green	Neely	White
Bridges	Guffey	Radcliffe	
Byrd	Harrison	Slattery	
Donahey	Holt	Tydings	

The PRESIDENT pro tempore. Two-thirds of the Senators present having voted for the passage of the bill on reconsideration, the bill is passed, the objections of the President of the United States to the contrary notwithstanding.

NAVAL APPROPRIATIONS

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 8438) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BYRNES. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. BYRNES, Mr. GLASS, Mr. THOMAS of Oklahoma, Mr. OVERTON, Mr. WALSH, Mr. HALE, and Mr. LODGE conferees on the part of the Senate.

APPROPRIATIONS FOR THE DEPARTMENTS OF STATE, COMMERCE, JUSTICE, AND FOR THE JUDICIARY—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8319) making appropriations for the Departments of State, Commerce, and Justice, and for The Judiciary, for the fiscal year ending June 30, 1941, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 12, and 21.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 5, 8, 9, 10, 13, 14, 15, 16, 17, 23, 25, 26, 27, 30, 31, 32, 33, 34, 36, and 37, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: "Bureau of Interparliamentary Union for Promotion of International Arbitration, $10,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$8,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,083,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$110,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert: "$308,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$1,325,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the amount named in said amendment insert "$7,500"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the amount named in said amendment insert "$7,500"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,650,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "$187,500"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 28 and 29.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
PAT MCCARRAN,
J. H. BANKHEAD,
KEY PITTMAN,
STYLES BRIDGES,
Managers on the part of the Senate.

JAMES MCANDREWS,
LOUIS C. RABAUT,
MILLARD F. CALDWELL,
JOHN H. KERR,
BUTLER B. HARE,
ALBERT E. CARTER,
KARL STEFAN,
Managers on the part of the House.

The report was agreed to.

PROHIBITION OF FOREIGN-SILVER PURCHASES

The Senate resumed the consideration of the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes.

Mr. DOWNEY. Mr. President, I shall detain the Senate but briefly in presenting my argument in opposition to the bill of the Senator from Delaware [Mr. TOWNSEND] proposing to prohibit the purchase of foreign silver. Before proceeding with my discussion I desire to review certain facts in relation to our monetary purchasing policy, including both silver and gold, which probably have been stated already, but I desire somewhat to recast the statements that have been made.

Mr. President, we are sending abroad immense sums of money for the purchase of gold and silver. As a matter of fact, during the last calendar year we imported in gold and silver $3,640,000,000. To understand the full amount of that sum, let me state it in this way, that we could, by expending that sum in America, have built a million homes at an average cost of $3,600; or the amount of money that we annually spend for the purchase of gold and silver would support from twelve to fifteen million people.

I agree with practically all the economists and bankers that the tremendous flow of gold and silver into the American Nation is steadily building a greater and greater problem, because, being a great exporting country and a great creditor nation, it is unlikely that we will ever again be able to use our gold or silver in the settlement of our accounts with foreign nations. Consequently, I am in sympathy with the distinguished Senator from Delaware in his effort to work out some rational solution of our gold-silver problem. But I must admit that I am somewhat astounded at the emphasis the Senator from Delaware places upon the silver-purchasing policy as contrasted with the gold-purchasing policy.

Why do I say that? I say that because of the amount of money that we spent for the precious metals in 1939 over three billion and a half dollars went for the purchase of gold and only $70,000,000 for the purchase of silver.

Thus 98 percent of the total amount of money expended went for gold and less than 2 percent went for silver. Consequently it immediately becomes apparent that the distinguished Senator from Delaware is exercising his energy and his talent on less than 2 percent of the inflowing precious metals. Thus what we are attempting to do here will hardly at all tend to solve this very serious problem. But, as I shall attempt to show very briefly later, Mr. President, it will to a great extent devastate our commerce with Mexico and may sadly injure our relations with our closest neighbor to the south.

Mr. President, as the distinguished Presiding Officer (Mr. PITTMAN in the chair) knows better than anyone else here, not only are we importing 50 times as much gold as silver but we are paying 100 times as much for gold as we are for silver. We only pay 35 cents an ounce for silver and we are paying $35 an ounce for gold. I have been told by the best experts I could find that, if and when there is a collapse of gold and silver as monetary standards, if that time ever comes, gold will probably drop to $8 or $9 a pound from $500 a pound, but silver for commercial purposes will, at least, always have a value of from $3 or $4 a pound, and at 35 cents an ounce it is only worth about $5 a pound. In other words, if there should be an ultimate collapse of the monetary value of gold and silver, gold must fall from $35 an ounce, while silver would only fall from 35 cents an ounce; and there is not very much difference in the value of the two metals for commercial purposes.

Mr. KING. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield to the Senator from Utah.

Mr. KING. I desire to corroborate in part the statement of the distinguished Senator from California. He will remember that Mr. Keynes, as well as other writers upon gold and silver and upon monetary questions, have admonished us that there is a danger of the concentration of substantially all the gold of the world in one or two countries, in which event it would then be treated as redundant currency, and other nations would demonetize gold as many have demonetized silver.

I think the Senator is right in challenging attention to the danger of our concentrating the gold. We have committed, perhaps, as great a crime in the concentration of gold as the Senator from Delaware thinks we have by the purchase of silver.

Mr. DOWNEY. I thank the Senator from Utah for his contribution to this subject, about which he, too, is an expert, and I am very much of a layman.

So, Mr. President, we may start with the knowledge that we face the possibility of great loss in our accumulating gold hoards, while the loss that may come from buying silver, even at 71 cents an ounce, can never be very great. I am not going to repeat the arguments which have been made by the present distinguished Presiding Officer as to the future possibility of the use of silver for monetary purposes in India, China, and elsewhere, and the possibility of an increase in the value of silver after the present European war is over, because those arguments are already in the RECORD more exhaustively and more authoritatively than I could offer them.

I desire, however, to suggest another vital difference resulting from the importations of gold and silver. It is generally conceded that practically all the silver which comes into America is for the settlement of debts accumulated through the purchase of our wealth being currently produced. That means that for every dollar of additional purchasing power that we can give to Mexico Americans who otherwise would not be employed will be employed in manufacturing goods to satisfy that demand; and I desire to repeat this statement for the attention of the distinguished proponent of this bill. I have said that as far as silver is concerned, the $70,000,000 which we are importing employs in the production of goods vitally needed by Mexico probably about 70,000 Americans who otherwise would not be working. If that purchasing power were not coming into the United States there would be no substitute for it; and to that extent our unemployment would be increased.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. DOWNEY. Yes; I yield.

Mr. TOWNSEND. We are taking silver for the goods which we are sending to Mexico, are we not?

Mr. DOWNEY. That is correct.

Mr. TOWNSEND. Does the Senator agree with the general consensus of opinion, with the Chairman of the Federal Reserve Board, and with the 12 members of the Federal Advisory Council, that the purchase of foreign silver is a waste of our substance; in other words, that we have no need whatever for the silver?

Mr. DOWNEY. Unfortunately, the Senator from Delaware was absent when I made part of my argument.

Mr. TOWNSEND. I am sorry.

Mr. DOWNEY. Yes; I regret it, too, because I do not want to detain the Senate by a repetition of what I have already said. Let me say to the distinguished Senator, however, that I will cover the question he has now asked me just a stage further in my argument; but I want to make this point clear at this time, and I shall be glad to have the distinguished Senator from Delaware comment upon it: I am now contrasting the evil effect of this tremendous tide of inflowing gold compared with any effect of the inflowing silver; and I have already pointed out, let me repeat to the distinguished Senator, that for every dollar of silver that is coming in, $50 of gold is coming in; that this bill attempts to strike at only 2 percent of the problem which is involved. I have also pointed out that we are paying 100 times as much per ounce for gold as for silver, and that, if there is a collapse in the monetary value of gold and silver, gold must plunge almost to the price of silver, but silver is now very near its value for commercial purposes.

I have stated the next point, and that is that silver is used to buy our actual goods and wealth produced by men and women who would not be employed unless they were producing to satisfy the market created by our purchases of silver; but as far as gold is concerned, let us reflect upon this fact: Out of the $3,500,000,000 expended for its purchase, less than $800,000,000 is used in the purchase of goods currently being produced in America, because our favorable international

balance of trade last year was only about $800,000,000. That was satisfied in gold; but, beyond that, over two and one-half billion dollars of gold came into the United States, some of it to be temporarily earmarked, but all of it ultimately to flow into the purchase of our stocks, our bonds, and our real estate. So, Mr. President, we may safely say that silver which comes into the United States is used to buy machinery and other goods that would not be produced if it were not for our silver policy; but three-fourths of our inflowing gold is being used to buy existing forms of property and to increase the holdings of wealth of foreigners in the United States.

Mr. President, I also desire to point out the fact that mining is the great industry of Mexico. Mining in Mexico is very similar to the automobile business in this country. The distinguished Senator from Delaware [Mr. TOWNSEND] has seemed to assume that, if we should stop purchasing silver and silver should drop to 20 or 25 cents an ounce, all that Mexico would lose should be figured on present producton at 25 cents, rather than 35 cents, an ounce. But, as the distinguished presiding officer [Mr. PITTMAN] would explain the matter far better than I, many mines in Mexico that could not operate at 25 cents an ounce can operate at 35 cents an ounce. As a matter of fact, most of the great, high-grade silver properties of Mexico have been exhausted by mining covering centuries of commerce; and many of the mines of Mexico that can do business at 35 cents an ounce would be totally dismantled and shut down at 25 cents an ounce.

Mr. TOWNSEND. Mr. President——

Mr. DOWNEY. I yield.

Mr. TOWNSEND. Then the Senator is keenly interested in keeping the mines of Mexico open?

Mr. DOWNEY. Yes; I am, Mr. President. I want America to do everything in its power to promote Mexican prosperity. A large portion of Mexican silver comes as a byproduct in the mining and milling of other metals, notably in the production of gold, lead, zinc, and copper. With silver at 20 to 25 cents an ounce in Mexico, many of the other mines in Mexico—lead, zinc, copper, and gold—will be compelled to close or to curtail their operations.

As a matter of fact, I may say to the distinguished Senator from Delaware that it is the consensus among mining experts in Mexico that the cessation of the purchase of silver at 35 cents an ounce, if silver then drops to 20 or 25 cents an ounce, will be a devastating blow to the mining industry of Mexico that will seriously affect the well-being and the prosperity of all its citizens.

I have a distinguished friend, one of the best-known business leaders of America, who probably knows Mexico better than any other American that I know. He is a man of highest integrity, conservatism, and accuracy, Mr. E. R. Jones. He is the president, and I think the main owner, of the Wells-Fargo & Co. Express, S. A., operating in Mexico, and doing a large business there. He is not a Democrat. He is not a new dealer. He is a follower, I believe, of the same type of Republican orthodoxy to which my distinguished colleague from Delaware belongs.

I asked Mr. Jones to express to me in a letter his opinion of the effects upon Mexican commerce and our Mexican relations if we should now end the purchase of silver from Mexico. He did so in an interesting and valuable communication which I here hold in my hand. I am not going to read it, but I do want for the benefit of the RECORD to read two very brief quotations from it.

Mr. E. R. Jones begins by saying:

> As you know, I am not a Democrat, neither am I a supporter of the New Deal; but I do try to be eminently fair in my consideration of all political subjects. Therefore I must express to you my sincerest view on this one question, and to say that you are perfectly at liberty to quote this on the floor of the United States Senate or any other place you see fit.
>
> It is this: I am in sympathy with President Roosevelt's silver-purchase policy and his gold-purchase policy. Inasmuch as the gold-purchase policy is not under discussion, I will confine myself to the silver-purchase policy.
>
> I can think of no individual thing that we can do that will contribute more to the already confused situation prevailing in this hemisphere than to drop the purchase of silver. The reverse of this is also true; that is, that by the continued purchase of it we will help the exchange situation, the international trade situation, and especially the relations existing in this hemisphere.

Mr. TOWNSEND. What did the Senator say Mr. Jones' business was?

Mr. DOWNEY. Mr. Jones in the president of and I think a large owner in the Wells-Fargo Express Co.

Mr. TOWNSEND. Where is it located?

Mr. DOWNEY. In Mexico City. He lives in the United States, but the main place of the business is Mexico.

I might say this; within the last year I myself spent some time in Mexico, and my investigation there convinced me that if we want to damage our relations with Mexico, if we want to devastate and strike a blow at Mexico, this is a well-conceived way to do it.

My distinguished colleague evidently has but little concern in what happens in the country of Mexico. Perhaps he is like many of the editorial writers who are supporting the policy of the distinguished Senator, who have said openly that we should punish Mexico, by this policy, because of their expropriation of some of the oil properties of American and British companies. That view is widely held. I cannot say that the distinguished Senator has directly supported that view, but the implication from his question as to whether I was interested in the well-being of Mexico, or some such question, leads me to believe that that is his position.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. TOWNSEND. We have been buying silver from Mexico, as we have from other countries, for the past 4 years, and have been paying an exorbitant price for it, and, as has been demonstrated many times, we have no use for it. We are taking something for which we have no use, and we are sending the Mexicans our goods in return. And at the same time that we were trying to build up the good-neighbor policy, Mexico has been confiscating our property. That is my position.

Mr. DOWNEY. Mr. President, in the course of the debate I do not desire to be led into a discussion of the controversies between the Standard Oil Co. and the Shell Co., and the Government and people of Mexico. So far as I am concerned, my sympathies are with the Mexican people and their Government. That does not mean very much, because sympathies may easily go astray, but I will say that my investigation of the oil situation, talking with the leaders on both sides, convinces me that there are two sides to that question, and has also led me to believe that the Mexican people at least are very fervently of the belief that their side is the right side, which, of course, is not conclusive, but does indicate that if we desire to breed ill will and animosity, south of the Rio Grande, this is an excellent way to do it.

I hope the people of the United States and Mexico may establish the friendliest relations and in harmonious cooperation pass happily through the chaotic years that lie ahead.

I very much admire President Cardenas. I believe he has been a leader of devoted ability and enlightened statesmanship and that he and his fellow citizens will fairly meet us on any just plan looking to friendlier relations.

Mr. TOWNSEND. Mr. President, will the Senator further yield?

Mr. DOWNEY. I yield.

Mr. TOWNSEND. Does the Senator feel that the proposal submitted to Mexico by the Secretary of State to arbitrate all these issues—not only the oil issue, but the issue growing out of the confiscation of lands owned by Americans there as well—does the Senator feel that that is a fair and just way of settling the question?

Mr. DOWNEY. I may say to the distinguished Senator that I do not believe I could with propriety answer that question at this time, and it would require a fuller understanding on my part of the present conditions surrounding the oil industry in Mexico. Let me say to the distinguished Senator from Delaware that I am anxious to see the most neighborly and

friendly relations with Mexico that are possible, and it has been my experience in life that kindliness and fairness and forbearance are the best bases on which to work out just settlements, and I may add that the kind and exalted conduct of the Senator from Delaware [Mr. TOWNSEND] clearly indicates that he entertains the same philosophy. Does the Senator, then, mean that by doing injury to Mexico by this kind of a bill we will further the solution of this unhappy controversy between our citizens and Mexico? My experience in life does not lead me to believe so. If to me were committed the problem of defining the relations between our country and Mexico, with the ultimate objective of working out the differences between the two nations, as the very first step I would endeavor to assist Mexico, rather than damage her.

Mr. TOWNSEND. Will the Senator yield?

Mr. DOWNEY. I yield.

Mr. TOWNSEND. Does not the Senator think that has been attempted by the State Department and by our representatives in Mexico? Does not the Senator think they have sought in every way to satisfy Mexico? And now, inasmuch as they have not found a way to do it, they are asking that the Mexicans arbitrate. Does not the Senator think that is a reasonable request?

Mr. DOWNEY. I have already indicated to the Senator that I do not at this time care to attempt to answer that question. The query was made by our Secretary of State; it is now an international subject, and I have no desire to transgress upon that particular controversy at this time. But I should like to ask the distinguished Senator for one moment to do this with me, let us just travel back along the course of American progress for one century.

Mr. TOWNSEND. Very well; I will go with the Senator.

Mr. DOWNEY. Let us go back to that unhappy period when American nationals and the American Government, by brutal, corrupt, and avaricious methods, provoked the Mexican people and the Mexican Government, and finally, with our armies resting in the city of Mexico, without right or justification, we took from Mexico over one-half of its area, and far more than one-half in value.

I know it is much easier for us to discuss the misdoings and the misconduct of other nations than to accept the blame for our own, but I say, Mr. President, that the American people still owe to the people of Mexico a great moral debt we have never paid. Coming from the State of California, which was one of the Territories gained by our conquest of Mexico, I have no desire to enlarge upon this particular phase of our history, but I do say that we still owe an obligation to our southern neighbor that I hope we may soon begin to pay.

The distinguished Senator has indicated by remarks here that he feels that the lapse of a century of time might raise the defense of the statute of limitations. I reply however long one may delay the payment of a debt it still remains due and its liquidation the wisest policy.

We are entering a chaotic decade in this world of hate and passion. I have no fear of any assault upon the Western Hemisphere by Germany, Japan, or Russia. I know that we have the men and the resources with which to defend ourselves, and that the distances are so great that we cannot be successfully attacked. But I do say the most important thing for us to do is to maintain neighborly relations in the Western Hemisphere, and I can think of no better way of maintaining neighborly relations south of the Rio Grande than by fair and generous action.

As I have already stated, we are spending three and a half billion dollars for gold, 80 percent of which comes from outside the Western Hemisphere. We are spending about 2 percent of that amount for silver, nearly all of which comes from the Western Hemisphere, and the greater part of that from Mexico. The only substantial effect of the enactment of the pending bill will be to injure China and Mexico. It would leave our great monetary problem untouched; just to the extent that 70,000,000 has a ratio of 3,500,000,000, that is 2 to 100.

Mr. President, in the coming years the boundary line between Canada and the United States, on both sides of which are fidelity and friendship, would be one of the greatest assets the American people could have. Equal to that would be the same kind of a boundary line between Mexico and the United States, and the same kind of relationship of esteem and confidence.

I repeat, we owe a tremendous debt to the Mexican Government and to the Mexican people, and I for one am unwilling to vote for a partial solution of our monetary problem which to no appreciable degree would help to solve that problem, but would be a devastating blow at a neighbor to the south of us, a smaller country whose good helper we should be, and whose friendship and fidelity we may earnestly desire and need in the coming years.

I know that very often this type of argument does not fall very well upon the ears of public leaders. When a Versailles treaty is made or a war settlement is reached it is easy to be harsh, but the day of reckoning generally comes. So, as far as I am concerned, I would rather have the friendship and the fidelity and the neighborly affection of the people of Mexico than a great flotilla of warships or armadas of airplanes. I know of no way, at this time, of more greatly injuring the hope for that sort of relationship than the enactment of this particular bill. I am, therefore, in opposition to it and will cast my vote against it.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	La Follette	Schwartz
Ashurst	Davis	Lee	Schwellenbach
Austin	Downey	Lodge	Sheppard
Bailey	Ellender	Lucas	Shipstead
Bankhead	Frazier	McCarran	Smathers
Barbour	George	McKellar	Smith
Barkley	Gerry	McNary	Stewart
Bilbo	Gillette	Maloney	Taft
Bridges	Glass	Mead	Thomas, Idaho
Brown	Gurney	Miller	Thomas, Okla.
Bulow	Hale	Minton	Thomas, Utah
Burke	Harrison	Murray	Tobey
Byrd	Hatch	Norris	Townsend
Byrnes	Hayden	Nye	Truman
Capper	Herring	O'Mahoney	Vandenberg
Caraway	Hill	Overton	Van Nuys
Chandler	Holman	Pepper	Wagner
Chavez	Hughes	Pittman	Walsh
Clark, Idaho	Johnson, Calif.	Reed	Wiley
Clark, Mo.	Johnson, Colo.	Reynolds	
Connally	King	Russell	

The PRESIDING OFFICER (Mr. LEE in the chair). Eighty-two Senators have answered to their names. A quorum is present.

PROMISES AND THE FOREIGN SILVER PROGRAM

Mr. TOWNSEND. Mr. President, the junior Senator from Utah [Mr. THOMAS], in his speech on silver, took exception to the statement in Senate Report No. 1332, that the Silver Purchase Act of 1934 has failed to achieve the objects which its sponsors promised. He objected, in particular, to some of the promises cited in quotation marks in point 6 of the report. He expressed doubt that such promises had ever been made in connection with advocacy of silver buying. I am not surprised that those arguments now appear unbelievable to the Senator. They were fantastic. They are fantastic. Yet they were made.

The argument about the maldistribution of gold, to which the Utah Senator referred, is to be found strewn liberally through the hearings held on silver in the early 1930's. See, for example, the House Coinage Committee's hearings, The Effect of Low Silver, dated 1932. Or see the various pamphlets on silver published about the same time by Mr. F. H. Brownell, of the American Smelting & Refining Co. In the Coinage Committee's printed hearings for 1932 (72d Cong., 1st sess., hearings before the House Committee on Coinage, Weights, and Measures on H. Res. 72, The Effects of Low Silver), there is published as an appendix a statement entitled "The Study of Silver." In this statement a special section is devoted to the subtopic, Relation of silver to maldistribution and hoarding.

Then there was the promise—now rightly derided by the Senator from Utah—that buying silver would cause tariff restrictions to vanish. That argument was not invented for the sake of Senate Report No. 1332. It was an argument

actually used in the silver campaign. It was made by no less distinguished a person than the late Speaker of the House, Hon. Henry T. Rainey. (See For Silver Money, Paris, September, 1934.)

Another promise made by advocates of the Silver Purchase Act was that it would bring prosperity to China and the China trade. Senate Report No. 1332 quotes such a promise as follows: "enabling China to 'buy our bathtubs, our shoes, and our shirts'." The Senator from Utah expressed doubt that such a fantastic argument was ever used in connection with silver. He thinks it must have been used in connection with some other subject. But no; he is mistaken. It was used in connection with silver in a hearing on the subject before the House Committee on Coinage, Weights, and Measures, by a witness introduced by the committee chairman as one of America's best authorities on finance, and one whose great public influence in bringing about the enactment of the Silver Purchase Act of 1934 is a matter of public record. I refer to the Reverend Charles E. Coughlin, of Royal Oak, Mich. For the exact quotation, I refer the Senator from Utah to the Coinage Committee's printed hearings for January 15, 1934, page 63. In the hearings (73d Cong., 2d sess., House Committee on Coinage, Weights, and Measures, Gold Reserve Act, H. R. 6976, pp. 63–64), the witness testified:

> Now, that is one point to bear in mind, India and China cannot buy our bathtubs, our shoes, our shirts, our wheat, our automobiles, and our copper pipe, because if they attempted to do so, instead of paying one dollar for wheat, India would be obligated to pay four in their money; they cannot afford to trade with us.

Mr. President, for the information of Senators on the subject of just what was promised by the advocates of silver buying prior to the enactment of the Silver Purchase Act of 1934, I send to the desk a memorandum entitled "Contentions of Silver Advocates Prior to Passage of the Silver Purchase Act of 1934," by Herbert M. Bratter, and ask that it be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

CONTENTIONS OF SILVER ADVOCATES PRIOR TO PASSAGE OF THE SILVER PURCHASE ACT OF 1934

(By Herbert M. Bratter)

Below are briefly analyzed the principal arguments employed by advocates of silver prior to passage of the Silver Purchase Act of 1934. Not a few of these arguments and contentions, it may be observed, were the same as were used in this country in the 1880's and 1890's, when silver was not so generally rejected as was the case in the early 1930's.[1]

The arguments are here examined from an objective and nonsectional viewpoint. The writer's criterion is simply the greatest good for the greatest number of Americans. The arguments and contentions are examined on their face value, without questioning the motives of those who conducted the campaign for silver. Yet it needs to be recorded that the more prominent protagonists of silver included not only earnest "old-fashioned bimetallists" and persons who firmly believed the depression could be cured simply by monetary measures, but also persons financially interested in the mining and smelting of silver, in the purchase and sale of silver bullion, or in the trade with silver-producing and so-called silver-using countries of the Far East. Had the public appreciated the fallacies and weaknesses of the silver arguments, no silver legislation would have been enacted in 1933 and 1934.

The arguments and contentions made for Government purchases of silver in the 1930's were centered on the existing economic depression. They covered a wide range of appeal, ranging from complicated and often highly misleading formulas on the one hand to unsupported assertions or mere appeals to emotion on the other. The latter were doubtless as effective in their own sector as were the former in theirs and, although difficult to analyze, they are nonetheless worth listing. For convenience, the principal silver arguments may be grouped as follows: (A) Arguments related to the monetary aspects of the depression and inflation; (B) arguments specifically involving bimetallism or symmetallism; (C) arguments related to stabilization of international rates of exchange; (D) arguments pertaining to the purchasing power of the Orient; and (E) appeals to sentiment or emotion.

[1] With changing circumstances the silver bloc in Congress has changed its tactics and its arguments. Its contentions in 1938 to 1940, markedly different from those of 1930–34, are not examined in this monograph.

For the history of the present silver legislation and an analysis of its effects, see Herbert M. Bratter, The Silver Episode, in the Journal of Political Economy (Chicago), October and December 1938, and testimony before the Senate Committee on Banking and Currency, April 19, 1939, hearings, To Repeal the Silver Purchase Act of 1934 (76th Cong., 1st sess., pt. 1, pp. 17–62).

(A) INFLATION ARGUMENTS FOR SILVER

During every general business depression, American history teaches, demands for expansion of the currency develop. The more intense the depression the stronger are the demands that the supply of currency be expanded. Usually inflationists request paper money. But there are always some who incline to inflation by means of silver—either its full remonetization or the use of an increased amount of the metal in our monetary system. Such use of silver, they feel, will raise commodity prices and thereby help terminate the depression. As the last depression developed, the ranks of silver advocates in the mining areas were swelled by many who became convinced that there was a shortage of gold, that the "appreciation of money" was more than just a symptom of the depression, and that the solution was, therefore, simple and easy—to increase the supply of "basic money."

The shortage-of-gold theory, as exemplified by the pamphlets of Mr. Francis H. Brownell, of the American Smelting & Refining Co., gained many adherents. The quite widespread assumption that there was a shortage of gold was, to say the least, a very controversial point. In 1930 the League of Nations' gold delegation had, it is true, predicted a decline in the production of new gold. Although the prediction was so shortly to be disproved by events, it was, nonetheless, persuasively employed by some silver advocates. "Shortage of gold" became a prevalent conception, and silver was suggested as a useful substitute for the yellow metal.

The argument that the incorporation of silver in the monetary system would remedy the depression is thus essentially "monetary" in its appeal. Its error lay in assuming a nonexistent shortage of gold and in considering the cause of the economic depression to have been monetary. The preponderant opinion among economists who have studied that important question is clearly to the contrary. That the general public found the argument plausible, however, is not difficult to understand. People reasoned: "Since money is scarce, why not get the Government to increase the supply?" The inflationists of 1930 reasoned exactly as did those of 1893 and 1873; they were for silver because they sincerely believed its coinage would bring more money into being and so restore prosperity. They did not realize that the United States then held plenty of gold, nor could they foresee that we would shortly devalue the dollar and so "increase" our gold stock by 69 percent.[2]

The shortage-of-gold advocates of silver, we should further observe, made no distinction between the situation in countries practically denuded of gold and countries like the United States with plenty of gold to meet all requirements. The world's total supply of monetary gold during the depression was not smaller but actually was larger than in prosperous 1929. In the depression years the Occident's centralized gold stock was being rapidly increased, owing to the outpouring of hoarded Indian gold and to increased mine production, induced by the fall in mining costs. The use of gold in hand-to-hand circulation was diminishing. Revaluation of gold by country after country, moreover, was equivalent to a huge additional increase in the world's monetary stocks of the metal. Indian gold dehoarded from 1931 to 1933 alone amounted to over $1,000,000,000. Revaluation, moreover, was certain to stimulate the production of new gold throughout the world.

Apart from these changes, if the stock of gold was obviously sufficient to support a high price structure prior to 1930, it was certainly large enough—even without the new additions mentioned—to support the sadly deflated structure of 1930 and subsequent years, when prices were so much lower and the volume of business so much smaller. (Early in 1933, when the silver campaign was in full swing, the United States' stock of currency was 30 percent greater than in 1929, while the physical volume of trade was 48 percent smaller.[3] We were doing only 52 percent as much business as in 1929, and this at prices 30 percent lower, but with 30 percent more currency outstanding.) It follows that our gold stock was more than adequate for our needs, and offered ample basis for monetary and credit expansion whenever the growth of business should require it. It was therefore quite erroneous to argue for currency expansion on the grounds of insufficient monetary reserves. Reduction of media of exchange in circulation does not mean "shortage" of ways to utilize the existing monetary reserves more efficiently.

The expression "maldistribution of gold" is frequently encountered in prosilver literature of the early 1930's. It refers to the concentration of a large proportion of the world's stocks of the yellow metal in the United States, France, etc. This disproportionate accumulation was in large measure attributable to the economic disequilibrium of the times and so was a symptom of the depression, not its cause. There were, it is quite true, various countries which economic forces had denuded of their monetary stock of gold; but these countries were not silver-holding countries, and the argument that silver would be a substitute for gold was certainly of little interest to them. Remonetization of silver could not help such countries, since they neither possessed stocks of silver nor any means to acquire it. To buy silver abroad they would have found as difficult as to reacquire gold. For either purpose they lacked the necessary foreign-exchange resources. Such resources are built up only by a so-called favorable or export balance of trade, visible and invisible. The argument that United

[2] While the silver agitation was attaining its maximum pitch, under the stimulus of the broadcasts of the Reverend Father Coughlin, but prior to passage of the silver-purchase bill, gold was revalued by authority of the act of January 30, 1934.

[3] Hoarding of currency and velocity of circulation should also be taken into account.

States Treasury purchases of silver would serve to remedy such a shortage of gold in the Occident was quite mistaken, as has since been demonstrated.[4] Nor was it demonstrable that the exchange of American gold for foreign silver would be in the best interests of the United States. Yet many Americans must have been convinced by the shortage-of-gold argument for silver.

The inflation theory that the issuance of silver currency would supply an otherwise unsatisfied demand for money appealed to many who did not realize that our currency and credit system was already such that it could automatically expand whenever the growth of business activity demanded. So long as businessmen could offer satisfactory security they could readily borrow from the banks, and such borrowings were always convertible upon demand into currency, if so desired.

It is of course a mistake to think of bank notes and coin as constituting our only circulating medium, and to overlook the part played by checking deposits.

Up to a certain point, determined by the demand for currency, the issuance of silver serves no useful purpose at all, being in fact a needless expense because other and much cheaper forms of currency are available. Beyond the "saturation" point, however, the issuance of silver would be inflationary, or at least destructive of confidence, and, therefore, dangerous. In any case, if inflation of the currency be regarded as something desirable, there are much cheaper ways of accomplishing it than through the needless purchase of silver and issuance thereagainst of silver certificates.

Unless done to excess, the issuance of nonretirable silver certificates does not result in expanding the total currency in circulation, but merely in substituting a rigid element for a flexible element in our currency. If currency inflation be regarded as desirable, it may be achieved by revaluing gold more quickly than by purchasing silver.

A typical silver-as-inflation appeal in the early 1930's was the assertion: "Remonetization of silver will, at no cost, relieve the taxpayer of part of his burden."[5] Space does not permit examination here of the evils of inflation. Suffice it to observe that inflation is an invisible tax collector. By reducing the value of money, it taxes everyone who depends upon a fixed money income and in time that means that practically everyone is adversely affected. The taxpayer, therefore, is not aided by silver inflation. Silver producers are the ones helped, and the benefit to them comes not out of the thin air but from the pockets of the rest of the people. This fact is inescapable. If the silver acquired is foreign metal, American exporters of merchandise will tend to benefit as the foreign silver sellers dispose of their dollar balances here, buying our goods or services. But the benefit to the American merchandise exporter, like that to the American silver miner, can be gained only at the expense of the Nation as a whole.

A different type of argument connecting silver with the depression runs as follows: "Silver is a key commodity; by raising its price we will lift the whole commodity price level." This viewpoint was quite widely disseminated, particularly through the influential Coinage Committee hearings in 1932. Although it was not supported by the facts, many were persuaded of its force. The statement is still encountered from time to time, despite the demonstration of its invalidity afforded by events subsequent to initiation of our heavy silver-purchase program.[6] Witness, for example, the following typical version of it as presented to the Senate on May 2, 1935, by Senator ELMER THOMAS, of Oklahoma: "When silver was selling at 81 cents an ounce, wheat was selling at $1.02 a bushel. Last year wheat was selling at 95 or 96 cents a bushel. That explains the situation." Mr. René Léon, during the abovementioned hearings, pointed out that rises (or declines) in wholesale commodity prices in the United States were frequently preceded by rises (or declines) in the price of silver. Because the one had preceded the other, Mr. Léon reasoned, it must have caused the other: Post hoc, ergo propter hoc. Actually, this type of reasoning is quite fallacious. The reason the price of silver tended to anticipate general commodity price movements was simply that silver was a very sensitive commodity. Enjoying an international market traded in by banks and speculators, and performing in China the functions of an international exchange medium, silver naturally reflected the course of economic conditions more rapidly than could an unwieldy index based upon nearly 800 varied and often highly sluggish commodity prices. To the uninitiate, the charts Mr. Léon displayed before the committee and published in its hearings must have seemed convincing. The fact is that silver was, and still remains, an insignificant commodity, both in the world as a whole and in the United States, which is the world's second largest silver-producing country.[7] The burden of evidence is very much against the contention that silver is a key commodity.

Speculative commodities like silver, wheat, cotton, etc., often display temporary sympathetic action in the direction (not necessarily in the degree) of their day-to-day movements, especially during times of inflation agitation. But, more often, special circumstances govern even the temporary movements of sensitive, speculative commodities. The above-mentioned reference to the increase of the price of silver from an average of about 44 cents in January 1934 to 70 cents at the time of the Senator's speech (and to 81 cents during the interval) was due to speculation and to United States Government purchases of the metal. The much more moderate percentage change in the price of wheat cited by the Senator was due chiefly to factors directly affecting the agricultural situation, and had no connection with silver beyond possibly a momentary speculative affinity.

From the foregoing type of prosilver assertion it is only a step to such sweeping statements as "Restoration of silver will end the depression," or "Failure to improve the value of silver by remonetization may jeopardize and possibly wreck our civilization in the not remote future,"[8] or "Remonetization of silver would result in buoyant markets everywhere; it is a world-wide specific for the ills which have befallen all nations."[9]

There was, however, no evidence at all that the promised results would follow remonetization of silver, whether on a national or international scale, unless "buoyant markets" means the disturbing speculative adjustment to new conditions. Certainly, the effects of America's silver-purchase program since 1933 have thus far failed to even mildly substantiate the second part of the above assertion.

Other panacea arguments for silver include the following: "Recognize silver and tariff restrictions will vanish."[10] It is difficult to conceive of any basis for this claim, for there is hardly any remote connection between silver and the tariff question, unless it lie in the congressional arena, where, at one time during the last century, there existed a close liaison of the logrolling type between the spokesman for silver and the tariff.[11] The panacea idea also characterizes the Bimetallic Association's claim that "the people's purchasing power can be restored only by restoring silver to its usefulness as money."[12] To suggest that prices can be raised only through the costly and cumbersome silver acquisitions is quite unconvincing to thoughtful persons. This argument, like many others, oversimplified the causes of the depression. Not merely was silver not a major cause of our depression; it had hardly the remotest causal connection with it. In any case, with the depreciation of the dollar in 1933 and January 1934, any vestige of excuse for inflation via silver had been removed prior to the passage of the Silver Purchase Act of 1934.

Insofar as the various arguments cited above are related to the economic depression they hold forth the supposed prospect of simultaneous benefit to the country as a whole by way of the currency. Another line of appeal for the use of silver in terminating the depression was focused upon the economic status of silver producers and holders of silver here and abroad. Two examples of this line of reasoning may be selected:

"Higher silver will stimulate business in the Western States, and so restore prosperity to the country"; and "To reestablish entire confidence in silver would increase the purchasing power of vast numbers of its holders."[13] The first of these arguments is easily dissipated by an examination of the pertinent statistics. The statistics show that silver is too unimportant an item in the national welfare. Even within the seven States which produce nearly all our silver, the mining of that metal yields only a fraction of their income. The products of their farms and forests are much more important. Silver in 1933 constituted less than 7 percent of the value of those States' mineral production and was equivalent to less than 3 percent of the value of their farm income.

In the eight States which produced over 96 percent of this country's silver in 1937, silver accounted for only 1.6 percent as much income as did other minerals and farm products. Of total accountable income received by these eight States in 1937, silver—valued at the subsidy price of over 77 cents—comprised only 0.62 of 1 percent, and in no one of the eight States was it as much as 7 percent of the total income.

Let us now examine the second of the two arguments just quoted. If confidence in silver were reestablished among nonholders of the metal, the statement would be true, for then the holders of silver could sell it to others and the purchasing power of the former would thereby be augmented. Unfortunately there

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[4] For a discussion of the relation of gold and silver stocks to the price level, see Arthur D. Gayer, Monetary Policy and Economic Stabilization, passim.

[5] Secretary of Bimetallic Association of Denver, in the New York Times, October 16, 1933.

[6] Cf. Silver, hearings before a Special Committee on the Investigation of Silver, U. S. Senate, 76th Cong., 1st sess., Washington, 1939, pt. 4, p. 141, and passim.

[7] As to the unimportance of silver—even in the United States, the world's second largest silver producer—see To Repeal the Silver Purchase Act of 1934, hearings, op. cit., pp. 23–31.

[8] Sir Montagu deP. Webb, a bimetallist of Karachi, India, whose writings on the subject were circulated in the United States by silver advocates.

[9] Edward Tuck, well-known bimetallist, writing in Scribner's magazine, January 1934 and March 1935. Concerning the unimportance of silver, see To Repeal the Silver Purchase Act of 1934, hearings before the Senate Banking and Currency Committee on S. 785, April 1939, pp. 18–62.

[10] Hon. Henry T. Rainey, Speaker of the House of Representatives, quoted in For Silver Money! (Paris), September 1934.

[11] For evidence of this given by Senator Teller of Colorado, see Charles J. Bullock, The Monetary History of the United States, p. 114, f. 3.

[12] Bimetallic Association, Denver, Colo., in hearings before Committee on Finance, United States Senate, February 6, 1932, p. 37. Senator WHEELER made the same sort of statement when he wrote in Liberty (Oct. 22, 1932): "There is only one radical remedy for our trouble." See also Sir Montagu deP. Webb in For Silver Money! (Paris), September 1934.

[13] John Ford Darling, quoted in For Silver Money! (Paris), September 1934.

is no way of artificially reestablishing confidence in silver on the part of nonholders (other than the American Government) and of thereby increasing the purchasing power of the silver holders. Even if it were possible to do so, a question naturally suggests itself, namely: If the purchasing power of silver holders is increased without their having created an equivalent amount of new wealth, is it not true that their gain in purchasing power is at the expense of those who will have taken over their silver at an artificial price? And if this be the case, what interest have nonholders of silver in transferring purchasing power from themselves to silver holders?

(B) ARGUMENTS FOR BIMETALLISM AND SYMMETALLISM

The foregoing discussion has dealt with the implications of various arguments urging increased monetary use of silver, but without fixing the price of silver in terms of gold. Let us not consider the suggestions that bimetallism be adopted either by this country alone (national bimetallism) or by international agreement (international bimetallism). Among the characteristics of bimetallism is the provision that silver may be converted by its holder into currency (free coinage) without maximum limit as to amount and on such a basis that its price, in terms of currency and of gold, does not vary. In other words, under bimetallism the government or governments concerned undertake to establish a market for silver and gold at a fixed ratio, e. g., 16 to 1. The advantage which such an arrangement would confer upon silver producers is obviously that of an unlimited market and a guaranteed price.

With reference to bimetallism, at this point it suffices to recall that the silver controversy of the 1890's centered directly on the proposal that the country return to bemetallism. The controversy reached its height in the election of 1896, and thereafter, as we have seen, died down. The revival of silver agitation in the early 1930's gave rise to arguments for the readoption of bimetallism, but in many cases, the latter were in reality just arguments for the greater employment of silver and gave no attention to the chief aspect of bimetallism, a fixed ratio between silver and gold. In other words, the expressions, "remonetization of silver" (meaning the making of silver once more a standard of value) and "restoration of silver" (which in many cases meant merely restoration of a higher price for silver) were often interchangeably used.

Prominent among the arguments made for bimetallism were statements that we should return to it "because it worked successfully during a large part of the last century"; that it "would give us a more stable standard of value"; that it offers a "safe form of inflation"; and that it "will stabilize the exchanges." [14]

The world is not without experience with the weaknesses of bimetallism. The assertion that the system worked successfully in the nineteenth century is not well founded, for we know that bimetallism broke down. Bimetallism was never in universal use. Had it been universally adopted, it still probably would have broken down, as did the gold standard in recent years.

Nineteenth century bimetallism had its chief support in France, where it was maintained for 70 years from 1803 to 1874. The changing market ratio of silver and gold characterized periods of years during which one of the two metals was moving into France, while the other metal was moving out, or vice versa. Since the world market ratio constantly fluctuated, the maintenance of a fixed ratio in a bimetallic country meant that at most times either one or the other metal was overvalued there. For example, in 12 years between 1803 and 1820, silver could be obtained for gold more cheaply within France than outside; hence gold flowed into France and silver flowed out.

Due to this factor, bimetallic countries tended to find themselves moving alternately—as the market ratios changed—toward de facto gold or silver monometallism. A good example of this was the United States itself, which legally had bimetallism from 1792 to 1873.[15] Actually, the mint ratio was for a time sufficiently out of line with the market ratio, so that gold tended to leave the country. Within a few years after the change in our mint ratio in 1834, silver became undervalued, and silver dollars disappeared from circulation.[16]

Turning from its internal to its international aspects, we find that under bimetallism the world's exchanges were not stable. The alternate fluctuation in silver and gold production, always present, as well as other factors affecting their relative values, would make it difficult successfully to operate bimetallism today, just as they made it difficult in the last century. There is no "scientific" lasting ratio between silver and gold which would hold for long. The selection of any fixed ratio would of necessity involve an arbitrary choice.

Certain general objections to the large-scale use of silver in the monetary reserves apply also to bimetallism. The bulkiness of silver compared to gold renders it unsuitable for hand-to-hand circulation in other than fractional denominations, as American experience with the standard silver dollar has proved. Silver's bulkiness is equally an obstacle in its use in bank reserves or for the settlement of international balances. Since the metal today is not acceptable for such purpose in leading countries, true international bimetallism is unattainable. In the light of this well-established fact, for a single country to undertake national bimetallism would be merely to undertake an unprofitable philanthropy for the benefit of silver producers and holders, without even the hope of success. Were international bimetallism temporarily achievable, it would nonetheless break down with every major disturbance in the relative international distribution of monetary silver and gold. The causes of the break-down of the gold standard similarly would have worked to cause the break-down of bimetallism.

Rightly or wrongly, moreover, the public generally places no confidence in bimetallism. This is sufficient reason for our not turning to it.

Another objection to bimetallism which developed in the international monetary conferences of the last century, is that bimetallism in reality sets up simultaneously two standards of value. To attempt to use two variables as interchangeable standards of value is contrary to logic.

The belief that bimetallism would eliminate exchange confusion and instability was held in various quarters. Thus: "To remove the present exchange confusion requires a metallic, international unit of value; this, bimetallism will supply." Obviously, the gold standard offers a "metallic, international unit of value" just as much as does bimetallism. For bimetallism to work satisfactorily, it would be necessary for all nations to have a sufficient supply of both gold and silver to see them through the downswings of the business cycle and adverse balances of trade. Furthermore, it would be necessary for all countries to follow uniform practices with regard to money and credit, since marked differences in the use of the gold and silver would tend to break down an international bimetallic system. For example, the supply of United States dollars of all kinds (currency, bullion, and bank deposits) is considerably larger than our supply of gold. Normally, our internal monetary and credit policies exert a tremendous influence on the commodity value of gold the world over. In other words, gold is only the "tail," and the dollar is the "dog."

As we have had adequate occasion to note in recent years, the exchange instability that drives currencies off a metallic base has its roots in maladjustments of balances of international payments. These maladjustments are the result, for example, of over-expansion of production of given commodities, of wars, or of arbitrary political action illustrated by bilateral trade agreements, import quotas, exchange control, and similar evidences of nationalism. Clearly such basic instability would not have been avoided and would not be remedied by a resort to bimetallism or to any other monetary standard. Even if the nations possessed an adequate supply of silver and gold in adequate proportions, in the face of the nationalism which now characterizes the world it would be impossible to get them to agree to stabilize the exchanges on the basis of bimetallism, the gold standard, or any other rigid system. But, they do not today possess the necessary silver and gold. With the best will in the world, to establish bimetallism now would require redistribution of the world's stocks of silver and gold. Who would finance such redistribution?

There was also the argument that bimetallism would offer us a more stable standard of value for internal purposes. It was argued that if we use two metals in fixed ratio instead of one, the risk of fluctuations in their joint value is less than in the case of one metal; that if one of the metals appreciates in value there is at least the chance of compensation in the movement of the other.

That "two commodities are more stable than one" is not self-evident with reference to gold plus silver. In any event, cannot the end sought be approached by other means than the use of silver? The instability of the value of gold is universally admitted. But it remains to be demonstrated that silver is less unstable than gold. If we adopted bimetallism or symmetallism the new monetary demand for silver might eventually result in greater stability in the value of silver than now obtains. In such a case the stability would result from the adoption of bimetallism or symmetallism. This is not the same as the argument that we should incorporate silver in our monetary system because it will bring an added element of stability. Between 1890 and 1931, when admittedly the leading countries were completing the establishment of the gold standard and the abandonment of the silver standard, the purchasing power of silver in terms of other commodities (not the price of silver in terms of gold), declined without major interruption.[17] This decline was in part due to the abandonment of silver. Had silver not been so abandoned as a monetary metal, its value would have been less unstable during the period referred to. But the facts being what they were, silver from 1890 to 1931 was a less stable metal than gold. If gold be not an ideal standard of value, there is no evidence to show that silver is a better one, in which case there is nothing to be gained by adding silver to our gold reserves. As a reserve material gold is much better than silver. To illustrate the preference for gold, during our banking crisis of 1932–33 the people hoarded gold, not silver. In settling international balances, gold, not silver, is the metal creditors want.

To add to our monetary reserves a cumbersome metal, difficult to dispose of, and especially to acquire it at a cost far in excess of its realizable value, is simple waste. It is unfortunate that we embarked upon precisely such a wasteful process.

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[14] Cf. Senator BURTON K. WHEELER in Liberty (Chicago), October 22, 1932.

[15] In fact, however, from 1814 to 1817, and again from 1862 through 1878, the United States was on a fiduciary standard.

[16] The premium on gold was not sufficient during most of the period following 1834 to warrant the melting or exporting of fractional silver coins.

[17] See charts in Herbert M. Bratter, Silver Market Dictionary, pp. 115–116, or The Silver Market (U. S. Department of Commerce, T. P. S. 139), p. 29. In 1890 the price of silver adjusted to the wholesale price level of the United States was equivalent to $1.87 per ounce; in 1931 it was equivalent to less than 41 cents. There are very good reasons to suppose that the value of silver would have declined further in the period following 1931 had not the agitation to do something for silver become marked.

There is reason to believe that some members of the Roosevelt administration favored the London silver agreement and the Silver Purchase Act mainly because they felt that the stability-of-silver argument had weight. Thus Prof. George F. Warren, a prominent member of the President's "brain trust," subscribed to this view in 1933 when he asserted:

"By adopting bimetallism or symmetallism it is possible to set any price level that is desired. If silver is remonetized, it should certainly be done by symmetallism, as proposed by the great English economist, Alfred Marshall. This proposal is now receiving considerable attention in England. It is very simple. Instead of having a dollar exchange for 23.22 grains of gold, it would exchange for some given weight of gold plus a given weight of silver. Since two commodities are more stable than one, and since silver production is less erratic than gold production, such a money would be more stable than gold. If once established, it would work in the same way in which the gold standard works, except for greater stability." [18]

The "considerable attention" being received by the subject of symmetallism in England was definitely not of any influence in the formulation of Great Britain's monetary policies.

We have noted the arguments that bimetallism is a "safe" form of inflation because it is not capable of indefinite expansion and an "honest" form of inflation because it has value behind it. As to this claim, any inflation tends to weaken confidence in the currency and hence is not "safe." [19] If, at the other extreme, it is intended that we should limit the volume of money rigidly to the amount of gold and silver on hand, it should be observed that we would be introducing an element of weakness through sacrificing elasticity. Since we had been experimenting with inflation on a huge scale and had revalued our gold stock by almost 70 percent, it was certainly unnecessary to turn to silver in 1934.

It was perhaps not without significance that all the proposals of the early 1930's to establish bimetallism suggested a ratio of silver to gold far out of line with the then existing market price of silver. All such suggestions would have raised the price and the purchasing power of silver. It is very apparent that the more persistent advocates of bimetallism in the years mentioned were men whose personal or political fortunes directly or indirectly benefited as the price of silver should be improved and as the market for silver should be broadened. This is not to imply that there were not also sincere bimetallists with no financial or political interest in silver. But it is very interesting to observe that, following passage of the Silver Purchase Act of 1934, very little further demand for bimetallism was heard. It seems safe to conclude that the demands for remonetization of silver at some artificially high ratio were mostly demands for a redistribution of wealth not obviously in the general public interest—a distribution from the general public to silver holders and producers.

(C) ARGUMENTS RELATED TO EXCHANGE STABILIZATION

Distinct from the specific subject of bimetallism and exchange stability was the argument that any large silver-purchase program would make for exchange stability. Some based their reasoning on the statement that our purchasing of foreign silver would serve to redistribute a large part of the world's gold reserves. Others curiously reasoned that our acquisition of a large stock of silver, as well as (not instead of) gold, would enable us to dictate the terms of currency stabilization.

The gold-distribution argument referred to apparently assumed that we ought to redistribute our stock of gold, regardless of the cost to ourselves. It was very effectively used in the silver campaign, and even later it was sometimes offered as justification for our silver purchases.[20] We could exchange gold for more useful things than silver by reducing import tariffs. Actually, despite our large silver purchases, the gold stock of the country has increased greatly. If we grant that, with silver not a standard of value here, American silver purchases tend to keep out gold which would otherwise enter the country, it follows that, in so doing, they tend to interfere with an automatic broadening of the monetary base—an effect just the opposite of the inflationary influences which many persons sought in the purchase of silver.

The suggestion that by denuding the world of a large part of its silver and gold we could force currency stabilization on our own terms was a curious one. It would have been much more logical to argue that our accumulation of the two metals would merely more solidify the already widespread managed-currency movement abroad. The influence of our silver purchases in China's adoption of a managed currency is apropos of this point. That our possession of a vast hoard of silver could ever wean Great Britain or France from their disinterest in the white metal or could encourage them to stabilize when they were unwilling was a hope foredoomed to disappointment.

Nonetheless, there are some who have described our silver policy as a club over the head of the British. Senator THOMAS of Oklahoma, for example, was quoted as urging us to "line up Mexico, Canada, and the South American silver countries, etc., * * * we could lend those countries gold or silver, fix up a stabilization arrangement, and then Great Britain would have to come our way." In support of the club-over-Britain argument it was held that: (a) The buying of foreign silver makes for depreciation of the dollar in terms of sterling and appreciation of the pound vis-à-vis the dollar; (b) through the "ruppee ratio" our silver program might yet bring Britain to do our bidding in the matter of currency stabilization; (c) an alternative variation of this argument was that our ability to let the price of silver drop was a weapon against Britain.

As to (a), unless the silver purchased abroad is purchased from a country in the sterling area, the argument certainly does not apply. Even where silver is purchased in the sterling area, the argument does not entirely apply unless the silver is a product of the sterling area. To illustrate, if we buy Mexican or Chinese silver in London, even though such silver has been held in London for some time, our action in part simply counterbalances the effects which the previous British purchase of that silver had on British exchange. Only to the extent of the British profit, if any, on the silver concerned, does the British exchange rate benefit from our purchase of that silver. The idea that, through our silver purchases, we could force an appreciation of the pound was indeed naive. One need only reflect that any country can, with the greatest of ease, depreciate its currency at will.

The unreality of argument (b) has been examined elsewhere.[20a] Here we need merely note that, excepting in the Anglo-Indian trade, the rupee exchange ratio is not a really vital matter to the British. To them the rupee is distinctly a very subordinate matter when compared to the pound sterling itself.

The suggestion (c) that our Treasury's opposite policy of December 1935, a policy of letting silver decline sharply in price, was another club over Britain's head was equally unrealistic. It is hard to conceive that anyone should have believed that a decline in the price of silver would cause the British to do our bidding in the matter of international currency stabilization.

(D) PURCHASING-POWER-OF-THE-ORIENT ARGUMENT

The arguments to the effect that our export trade would greatly benefit by increasing the price of silver played a most important role in building up sentiment favorable to the passage of the Silver Purchase Act of 1934. "Raise the price of silver, which is the Orient's only standard of value," we were told, "and thereby increase proportionately the purchasing power of hundreds of millions of people in the Far East." The argument took various forms, often including not only silver-standard China and Hong Kong and sterling-exchange-standard India but also South America, Australia, Mexico—erroneously presumed to be on the silver standard—"half the world," "three-quarters of the world," and even "four-fifths of the world's population." [21]

Another example is the following, quoted from a long letter from the secretary of the Bimetallic Association of Denver to the editor of the New York Times (published October 22, 1933):

"I am among the financially illiterate who want to know why the purchasing power of the Chinese has not been cut into less than one-third when we say their ounce of silver is worth 38 cents in our money, although our dollar, with less than 1 ounce in it, is worth 100 cents. I have been talking with Chinese merchants who know quite a lot about Chinese purchasing power. Many small articles that sold for 10 to 50 cents manufactured here were very popular with them, but they could not and would not pay 50 cents to $2 for them, silver being under 30 cents at the time of the talk."

Copious additional versions of the purchasing-power-of-the-Orient argument for raising the price of silver may be found in the speeches, articles, etc., of Senators Borah, Thomas, Wheeler, and Pittman, of Father Coughlin, René Léon, Raymond Moley, Sir Henri Deterding, and high administration spokesmen both in the Hoover and Roosevelt administrations.

Some of the same men who vigorously urged the above argument later urged us to raise the price of silver for a different reason; namely to prevent the development of oriental manufacturing industries. (See, e. g., Senator WHEELER in CONGRESSIONAL RECORD of January 27, 1934.) Both this and the main argument here under consideration, be it noted, were designed to enlist support of the export trade in the cause of silver.

It was, of course, true that the quotation of the currency of a silver-standard country—although not necessarily its purchasing power—increased when the price of silved increased. Accordingly, many persons interested in the trade with Asia, Mexico, etc., as well as others who favored any action which would stimulate international trade, were convinced by the apparent merit of the reasoning quoted above.

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[18] From Professor Warren's paper, Stabilization of the Measure of Value, published by the Committee for the Nation.

[19] This and following objections, it goes without saying, are as much objections to silver expansion in any form as objections to bimetallism specifically.

[20] For example, one commentator was quoted as saying that the silver program is "virtually the only current means available for shoving into world trade part of the massive gold hoard of this country" (The New York Times, December 25, 1935). A different statement of the same argument is given in Handy & Harman's Twentieth Annual Review of the Silver Market.

[20a] Hearings, To Repeal the Silver Purchase Act of 1934, op. cit., pp. 56–57.

[21] A good example of this argument is to be found in Senator BURTON K. WHEELER's radio address of December 28, 1932 (S. Doc. No. 158, 72d Cong., 2d sess.). Silver remonetization would "quadruple the purchasing power of untold millions of people * * * of the Orient, Russia, and South America." (Where the arguments referred to "the Orient" we may conservatively read "China.") The Reverend Charles E. Coughlin's radio address of December 3, 1933, contains the assertion that "four-fifths of the world's population [is] now using silver as its medium of exchange."

The most conspicuous error in statements identifying oriental purchasing power with the fortunes of silver was, of course, the inclusion of India, Mexico, South America, Australia, and New Zealand, etc., in the category of silver-standard countries whose currency would rise in keeping with a rise in the price of silver. The fact was that for many years the silver standard had not existed in Mexico, India, Australia, South America, etc. In 1929 and 1930, when this argument for silver made its appearance, only China, Hong Kong, and a very few countries of lesser importance maintained their currencies on a silver basis.[22] Strictly speaking, the argument here under analysis should be viewed only in relation to silver-standard countries. Since with the deepening of the depression various minor countries discontinued the silver standard (Siam, French Indochina, Persia), the area to which the argument supposedly applied was being definitely narrowed. Today, for example, there remains no silver-standard nation anywhere in the world, China and Hong Kong having adopted the policy of controlling exchange rates. It is therefore obvious that the sweeping area claimed for this argument for silver was very misleading to the uninformed. The argument, moreover, greatly overestimated the practical potentialities of the Orient in international trade.

A further error was the reasoning that an increase in the purchasing power of a silver-standard country was produced merely by increasing the foreign-exchange value of its currency. For example, consider the argument as it applied to silver-standard China prior to October 1934. For generations the Chinese (as also the Indians) had bought silver out of their savings. The silver had had to come from abroad, and—but for exceptional years of depression—China was long a net importer of silver. The ability of the Chinese to import silver depended upon their ability to sell goods and services abroad. If they sold more goods, their overseas balances (purchasing power) improved, and with it their ability to buy silver improved. By and large, they bought silver regardless of its price, and—so important a factor in the silver market was the demand from the Chinese—it is safe to say that the world price of silver depended in very large measure on "the purchasing power of the Orient," the very opposite of the claim made by American silver producers.

The depression hit China heavily and reduced its purchasing power, so that China was converted from a net importer of silver to a net exporter, but that does not in the least affect the validity of the facts just presented.

Silver advocates should have differentiated between the oversea purchasing power of the Chinese people and the purchasing power of the Chinese monetary unit, the silver yuan. The latter was merely the medium of exchange. It served as a unit of account and did not affect the oversea purchasing power of the Chinese unless and until it was physically taken out of circulation and sold abroad. In the latter event it did add to the purchasing power of the Chinese. But to argue that merely changing the value of the unit in which a country's international business is measured is to increase the quantum of that country's trade was completely misleading. One might as logically have argued that by increasing the size of ore cars we would proportionately increase the output of our mines. Raising the price of silver did increase the value of the yuan, but as a result silver flowed out of China. So difficult did the situation become that China suspended the silver standard in October 1934, and formally abandoned it in November 1935.[23]

Because of China's adverse international trade balances from 1932 to 1935, inclusive, she would have had to export large quantities of silver regardless of the Silver Purchase Act and it is not altogether impossible that this outward flow of metal would in any case have forced China to abandon the silver standard. From this aspect, the Silver Purchase Act may have been far more helpful to China than that country has admitted, by providing a buyer for silver which she might otherwise have had to dump at lower prices, and by thus facilitating her abandonment of the silver standard. This effect, however, was very different from what the sponsors of the Silver Purchase Act promised.

If we regard the American silver purchases as having a stimulating effect on China's imports and on America's exports to China, it should be noted that this involves the transfer of wealth and purchasing power from the United States to China in exchange for a metal that is of no use to us. It is pertinent to ask ourselves whether this is desirable from our own general viewpoint. For one thing, the increased Chinese purchasing power is not earmarked for expenditure in the United States, but may be used in importing goods from Germany, Japan, Great Britain, or any other country. While the purchase of Chinese silver does tend to increase Chinese purchases of American exports—albeit not by increasing the exchange value of China's monetary unit, as was claimed—is the resultant exchange of American products for silver of benefit to us? The products we export to China are consumable goods—hence real wealth—whereas the overvalued silver we get in exchange and impound serves no useful purpose from our national standpoint. Are we not really giving away some of our natural wealth and labor in this process? Is not the purchase of oriental silver merely dollar depreciation under another name?

While China was on the silver standard the argument that the oversea purchasing power of that country increased when the price of silver and the exchange value of China's unit of currency increased seemed plausible because of the fact that, following such increases, a given quantity of Chinese currency would buy more than it formerly would. This was quite undeniable (so long as China maintained the silver standard); temporarily, Chinese importers of foreign goods stood to benefit. But, by the same token, an appreciating Chinese exchange rate made it progressively more difficult for foreigners to buy Chinese goods. So, while one group of Chinese tended to benefit, another group—domestic customers of the first—tended in equal measure to lose. There was thus no net gain.

Reducing the local money income of the export group cannot balance a gain of purchasing power of the import group, which therefore gradually loses its benefits.[24] Moreover, any alteration of the exchange rate, however worthy its object, always entails undesirable price and economic readjustments.[25] Workers become unemployed and must seek new ways of earning a living. During periods of such readjustment, businessmen find it difficult to plan their operations and trade slows down.

Finally, once a readjustment between the importing and exporting classes has been completed, the stimulus which the one or the other group received has worn off and there remains no net benefit, even to the favored group. It should be borne in mind that only a very small fraction of the world's foreign trade was ever accounted for by silver-standard China and "silver-using" India, etc. Of the import trade of 90 countries in 1929, less than 5½ percent was accounted for by "over half the world," represented by China, Hong Kong, India, and Ceylon. China alone accounted for less than 2½ percent of the total. In 1930–32 the share of these countries in world trade was even smaller, reflecting the falling off in Occidental demands for raw materials.[26] Even more significant, the value of foreign trade was and still is an extremely unimportant part of China's total trade: less than 3 percent of the total volume. The serious inconvenience to domestic trade caused by a disappearance of China's currency, therefore, far outweighed any possible benefits of America's silver program to China's import trade. The adverse effects on Chinese trade of the monetary stringency caused by the flow of silver to America is illustrated in scores of official reports from China. For example, the American commercial attaché in Shanghai on June 8, 1935, reported:

"Shanghai trade and industry during May felt decidedly acute effects of the monetary stringency, with the situation accentuated by bank failures. Despite the best exchange rates prevailing in the past 6 years, dealers in a considerable range of staple commodities and manufactured goods are unable to take advantage thereof, due to the shortage of cash, slowness of up-country collections, and lack of bank credit." [27]

A study of Chinese trade statistics over a period of years, both under a falling and a rising price of silver, fails to substantiate the argument that a rising exchange rate produces a net increase in Chinese imports. For example, statistics show, for 1927 to 1935, the changes in the United States exports to China, including Hong Kong and excluding Manchuria, during the periods when silver was declining (1928–32) and when it was rising in market price and purchasing power (1933–35).

In 1935, when there was an increase of 35 percent in the price of silver, and when the value of our merchandise imports from

[22] The argument is really an old one, and may be found in various reports and articles, notaby in the report of the National Monetary Commission (Washington, 1910), Foreign Exchanges, statement of Mr. Morton Frewen, pp. 9–13. The report cites various American consular reports from the Far East as to the deleterious effects of a declining price of silver on Chinese commodity imports. See also Worthington C. Ford, Silver in Commerce, in The Gold-Silver Controversy, Essays from Political Science Quarterly (New York, 1896), p. 112.

[23] It seems hardly necessary to point out that what we are here considering is the effect on the purchasing power of China abroad in the light of a change in Chinese exchange rates, and not the internal effects on China of our silver-purchase program. That heavy American silver purchases would be harmful to China was predicted long before this country embarked on its silver program. See C. A. Conant, The Principles of Money and Banking, New York, 1905, p. 343. Cf. Herbert M. Bratter: The Silver Market (U. S. Department of Commerce, Trade Promotion Series No. 139), p. 55; Oriental War Raises Interest in Silver Issue in New York Herald Tribune of November 29, 1931; What the Exporter Asks About Silver, in Export Trade and Finance (New York), January 2, 1932.

[24] A certain foreign machine cost 1,000 yuan prior to the advance in the price of silver, and 666 yuan subsequently. The importer could thus afford to sell it to his customers more cheaply, sharing with them the 334 yuan profit. But, simultaneously, a quantity of Chinese export hides formerly selling in New York at $1,000 were, due to the increased exchange rate on China, raised in dollar price to $1,500.

[25] Referring to the example in the above footnote, the sellers of hides find it difficult to maintain the normal volume of their sales, unless they reduce their price. If they do this, they lower their money income. The business of the machine importer in China has been temporarily stimulated, but, owing to the shrinkage of exports, on a dwindling market. Prices begin to readjust themselves to the changed conditions.

[26] For the figures, see Commerce Reports, February 1, 1932, p. 212; April 8, 1933, p. 212.

[27] For other similar reports, see U. S. Department of Commerce, Foreign Financial News, Far Eastern Notes, passim.

China showed an increase over 1934 (i. e., an addition to China's oversea purchasing power), China's merchandise imports from us declined about 80 percent. A similar distinct absence of the claimed relationship between the price of silver and China's purchasing power as expressed in imports of American goods is evidenced by the figures for 1928, 1931, 1932, and 1933. Indeed, in 1931 and 1933 the price of silver and the value of our merchandise exports to China actually moved in opposite directions. More important than the price of silver as a clue to changes in China's purchasing power abroad are the figures of American commodity imports from China.

(It should, of course, be noted that no published statistics take account of that part of our China trade transshipped in Japan; nor is any attempt here made to adjust the statistics for lag.)

The purchasing power of the Orient, it was further argued, would benefit from an increase in the price of silver because the market value of the silver hoarded in Asia would increase proportionately.[28] It was stated that the Chinese and Indian hoarders felt poor because silver had declined. "Raise the value of their silver holdings and they will buy foreign goods."

This argument is not convincing. Unless the silver is sold, no increase in purchasing power is felt. To argue, for example, that an increase in the theoretical value of India's 4,000,000,000 ounces of silver ornaments and coin is a great boon to the country while the silver remains hoarded is very misleading. Would the reader of this, assuming that he owns a living-room chair, feel richer tomorrow if the market price of new furniture advanced? Probably not. If, perchance, our reader were contemplating the purchase of another article of furniture, the advance in price might indeed make him feel poorer. To the Indian who habitually buys and hoards silver, his purchasing power over the commodity silver is at least as important as his purchasing power over other imported commodities like typewriters or alarm clocks; and a higher price of silver may actually displease him.

Quite a different suggestion as to the connection between silver and the trade with China is contained in an argument which was given some prominence during a period when Japanese industrial competition was attracting attention. According to this argument, a higher price of silver would reduce oriental industrial competition. Of course, as already mentioned, it was erroneous to assume that the whole Orient was on a silver basis. Japan and India, the two leading industrial countries of Asia, had not been silver-standard countries for many years, and their currencies were therefore not raised in foreign-exchange value by an increase in the price of silver. Insofar as the argument had any force with reference to China, it remained to be shown how a higher price of silver could reduce Chinese industrialization. The American silver program forced China off silver. But, even if this had not occurred, the increase in the price of silver and of the yuan, to the extent that it made Chinese commodity exports more difficult, cut into China's real purchasing power abroad and so would probably have tended to force China to manufacture goods formerly imported, had China retained the silver standard.

The argument under analysis is not a new one. In 1896 Francis A. Walker,[29] the bimetallist, wrote that for several years British consuls had been reporting the industrialization of "India, Japan, and even China," which latter was manufacturing the woodwork of pianos and "even manufacturing English beer." Since Walker's day this tendency had developed greatly, and Japan had become a powerful industrial nation. Yet our trade with Japan had not declined, but increased, until that Empire constituted one of our leading customers. Industrialization of China was not necessarily an evil which America should seek to delay. Nor was it something which America could easily stop. That the steady industrial development of Shanghai had not been prevented by changes in the exchange value of China's silver currency is shown in the statistics of kilowatts of load connected to the Shanghai Power Co. system from 1901 through 1934.[30]

The arguments dealing with the purchasing power of the Orient were indeed more varied than might be supposed. There was the assertion, for example, that bimetallism "would enable us to take away Britain's trade with the Orient,"[31] a statement unsupported by any evidence; and there was the prediction that "unless the United States remonetizes silver, British and Japanese interests will soon dominate the world textile markets,"[32] an equally undemonstrated proposition.

Related to the foregoing was the argument, stressed by Mr. René Léon during the 1932 coinage committee hearings, that "restoring the price of silver will reverse the flight of capital from Orient to Occident, which occurred when the price of silver declined." Actually there was no evidence of any flight of capital of the sort mentioned.[33] Today it is pertinent to ask, rather, whether the American-induced outflow of Chinese silver was not accompanied by a flight of capital, induced by the restoring of the price of silver.

(E) APPEALS TO SENTIMENT, ETC.

Finally we come to a group of assertions, statements, contentions, and the like, which were more often appeals to sentiment than to reason. Nonetheless, such appeals, setting forth fancied merits of silver, are to be found liberally scattered in the documents of the silver campaign. They would hardly merit consideration but for the fact that they were not without their intended effect. Some typical examples are therefore quoted with brief comment below.

For instance, it has been maintained that "nature alone can be trusted with the world's money supply,"[34] an assertion which, if true, would warrant the scrapping of our entire currency and credit system. Such a proposal would surely not be seriously entertained. No more convincing is the reasoning that "there may be something to the silver arguments; therefore, they should be tried as an experiment."[35] With all our knowledge of the history of silver, and with all the evidence of competent economists, bankers, and officials against it, there was no excuse for further "experimenting" with the metal. The silver-purchase acts of 1878 and 1890 had been experiments with a disastrous end. When President Cleveland summoned the special session of 1893 to repeal the Sherman Act, he stated plainly:

"The people of the United States are entitled to a sound and stable currency and to money recognized as such on every exchange and in every market of the world. Their Government has no right to injure them by financial experiments opposed to the policy and practice of other civilized states, nor is it justified in permitting an exaggerated and unreasonable reliance on our material strength and ability to jeopardize the soundness of the people's money.

"I cannot rid myself of the belief that there lurk in the proposition for the free coinage of silver, so strongly approved and so enthusiastically advocated by a multitude of my countrymen, a serious menace to our prosperity and an insidious temptation of our people to wander from the allegiance they owe to public and private integrity."

Another argument of dubious validity was that "we should substitute sound silver for unsound paper money." Paper money may become "unsound," but there is no reason to suppose that the exigencies which drive a government to inflate would not, were there no paper money, drive it to "clip the coin." History is replete with examples of such debasement by government. (In the Gold Reserve Act of 1934 the President was actually given the power to reduce the content of the standard silver dollar.)

A long-time silver advocate stated:[36]

"It would be safer and sounder to bring about an increase in the quantity of world purchasing power in use, not by the issue of banks or by government of more paper money, the flow of which might dry up or turn into a disastrous flood, according to circumstances, but rather by the legalizing of the free minting and use of more silver money, the supply of which could not dry up (by the arbitrary decision of a central bank in London or elsewhere), nor run and drown us (by excessive issues by some reckless or bankrupt government). Moreover, silver money is already used by, and has always been popular with, a half or more of the populations of the earth."

Suffice it to observe here that an increase in purchasing power comes from an increase in the production of saleable goods and services, not of money, by the use of which transactions are merely measured. Resort to silver for paper money would be only deflationary, if we were to depend on metal exclusively for our circulatory media. The above statement confuses "standard of value" with "store of savings."

Actually, one must allow for a large degree of management of currencies in the future, and there is no reason to suppose that the restoration of silver would improve the quality of the managing.

A related and historic argument, often adduced by proponents of bimetallism in justification of a higher price for silver runs as follows: "Silver and gold are found in nature in the ratio of about 16 to 1; therefore we should restore silver to this, its natural value." The world value of silver in terms of gold is not a matter which the United States can legislatively determine. Such value depends not upon the quantities of silver and gold produced in past centuries, but upon the relative demand for and market supply of each metal. Proponents of this argument cited estimates of total silver and gold production since 1493. Examination of the intervening trends of production shows marked fluctuations. The ratio of silver production to gold production was, during the last years of the seventeenth century, over 30 to 1; 20 years later it was barely 20 to 1; at the end of the eighteenth century it was about 50 to 1; and in the middle of the nineteenth century, about 5 to 1.[37] The historic ratio of 16 to 1, which is usually urged by bimetalists, has no relationship to present-day conditions. It was recommended during the worst part of the depression, when the silver-gold ratio on the open market went above 80 to 1, and it was recommended subsequently, when the ratio was as high as 77.7 to 1,[38] notwithstanding the recent vast accumulations by the Treasury.

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[28] Cf. The Effect of Low Silver, Hearings before the Committee on Coinage, Weights and Measures, Washington, 1932.

[29] International Bimetallism, New York, 1896, pp. 250–251.

[30] See Growth of Shanghai Industry, in The Far Eastern Review, Shanghai April 1935, especially graph on p. 146. Also see John E. Orchard, Shanghai, in The Geographical Review, January 1936.

[31] Senator WHEELER in Liberty (Chicago), Oct. 22, 1932.

[32] Senator WHEELER, quoted in The Washington Daily News, Dec. 27, 1933.

[33] Cf. The Effect of Low Silver, op. cit., p. 242 (testimony of Prof. E. W. Kemmerer) and p. 151 (statements of Mr. René Léon and K. C. Li).

[34] Edward Tuck in Scribner's magazine, January 1934.

[35] Senator Key Pittman, for example, urged this experimental approach during a Senate speech.

[36] Sir M. DeP. Webb in Capital (Bombay), August 17, 1933.

[37] For a graph, illustrating these changes, see Edwin Walter Kemmerer, Money, New York, 1935, p. 365.

[38] Based on gold at $35 per ounce and silver at 45 cents.

Following passage of the Silver Purchase Act, silver advocates sometimes asserted that our own action was more significant than might be supposed, and that the example we were setting the world by our 1-to-3 silver-gold program would inspire other countries to follow suit. But this supposition was not warranted by the evidence. To date there has been not the slightest indication that our purchases of silver have increased the monetary demand for that metal in other countries. Outside of the United States, silver as a standard of value is more than ever a dead metal. It will take more than United States Treasury demand to cause foreign monetary authorities to esteem silver. Instead, the manner of the Treasury's purchases in 1934 and 1935 served only to increase foreign uncertainty and distrust in the metal, and perhaps to delay any prospect of international currency stabilization. This country can never legislate silver back into its pristine esteem abroad.

A rather vague characterization by one of its authors has described the present silver program as "designed to balance our domestic currency.[39] Alternate versions of this statement were that the program "is designed to restore the monetary price of silver to parity with the gold which circulates in the United States," and "our silver program is designed to restore silver to parity in an orderly manner throughout the world and to stabilize it at such parity." [40]

These are rather meaningless descriptions, and we can only conjecture as to their rationalization. What, for example, is the "parity" of silver? In view of various earlier statements, which were widely circulated, we are probably safe in assuming that the above-quoted objects refer to the relative proportions of silver and gold currency in our monetary system during the last years of the nineteenth century. But why such a restoration of balance should be desirable has never been explained on other than sentimental grounds. In the 1890's the proportion of gold in our monetary system had become dangerously low for a gold-standard country, a condition directly due in large part to the effects of our Silver Purchase Acts of 1878 and 1890. It is somewhat ironical that that very ill result of past silver purchases later served effectively as a reason for our vastly larger 1933 and 1934 purchase program.[41] The appeal was in a class with the very widely voiced demand that "silver should be restored to its rightful and ancient position alongside gold," a purely sentimental plea for a return to horse-and-buggy days. It is similar to the observation that "after all, silver has served mankind as currency for well over 2,500 years," [42] to the plea to restore silver to its "historic role as a precious metal," [43] or to such references as the "position held by silver since the beginning of history until 1873." [44]

In slightly different form, although possibly more effective in its appeal to Americans, is the recommendation that we should remonetize silver because "Hamilton was a bimetallist, Jefferson was a bimetallist, Washington was a bimetallist." [45] Would it not be just as logical to urge a revival of slavery because Washington held slaves?

Such were the arguments which caused our Government to seek and secure an international agreement on silver at London in 1933, which brought to American silver producers a market for their entire silver output at a great premium, and which made possible additional silver purchases on an unheard-of scale.

Mr. TOWNSEND. As to the results of the program, I refer the Senator from Utah to part I of the Senate Banking and Currency Committee's 1939 hearings on Senate bill 785, pages 17 to 62.

Mr. THOMAS of Utah. Mr. President, of course I am very happy to stand corrected. At the same time, I think the argument referred to, no matter where or how used, was quite fantastic, and still remains quite fantastic. I am sorry to see it being used at the present time.

Mr. THOMAS of Oklahoma. Mr. President, I desire to discuss the merits of the bill pending before the Senate. I have no interest in the two amendments, one offered by the Senator from Nevada [Mr. PITTMAN] and the other by the Senator from Utah [Mr. KING]. Suffice it to say that I am against both amendments. Likewise, I am against the provisions of the bill.

I had hoped that the distinguished chairman of the Committee on Banking and Currency [Mr. WAGNER] might be present, at least at the beginning of my remarks. I see that he is not present. I shall have to defer reference to a particular feature of the bill until he is present in the Chamber.

Mr. President, I now make the charge—with no reference to the distinguished author of the bill—that the bill is a Federal Reserve Board bill and a bankers' bill.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. For the information of the Senator, I will say that I have never consulted a banker or a member of the Federal Reserve Board in drafting the bill, or at any other time in reference to it.

Mr. THOMAS of Oklahoma. I do not intend any reflection upon the distinguished author of the bill.

Mr. President, the bill is supported by the Federal Reserve System and the members of that system.

Mr. TOWNSEND. That is true.

Mr. THOMAS of Oklahoma. The bill is supported by the Governor of the Federal Reserve Board.

Mr. TOWNSEND. That is true.

Mr. THOMAS of Oklahoma. It is supported by the members of the council which advises the Federal Reserve Board.

Mr. TOWNSEND. That is true.

Mr. THOMAS of Oklahoma. The members of the council are the heads of the great banks of the Nation; and they are unanimously against the use of silver, and in favor of the repeal of the Silver Purchase Act.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. I might add further that the bill is also supported by a very large percentage of all the newspapers in the United States, including a great many in the Senator's own State.

Mr. THOMAS of Oklahoma. Mr. President, I do not dispute that statement. I have seen in the RECORD quotations from editorials in various newspapers of the country on the bill; and I have yet to find in those editorials a single line which throws any light upon this question. So far as I can learn, the writers of the editorials know little, or nothing, of the silver problem, and they know less of the monetary problem.

Mr. President, the pending bill is of very great importance. It affects the pocketbook of every man and women in America. If enacted, it has possibilities of lowering the prices of the things which the people produce.

What was the condition of the country when the act was passed? At the beginning of this administration, in 1933, approximately 6,000 kinds and forms of money were in circulation in the United States. This administration thought that was too many kinds of money to be in circulation; and, as the result of conferences no doubt, it was decided to simplify our monetary system. Economic conditions made it seem obvious that we should go off the gold standard. When that was done, gold was taken out of circulation. Gold certificates were recalled from circulation. So, as the result of economic conditions, the country lost two forms of its money—gold coin in the first instance, and gold certificates in the second instance.

Mr. President, that was not all. The next thing that was done was to call in for redemption Federal Reserve bank notes; and the next thing that was done was to call in for redemption the national bank notes. So every time the administration decided to eliminate some form of existing currency it made currency more scarce in the United States. At the time these things happened there were between 5,000 and 6,000 national banks in the United States. Each of those banks had its own circulation. Each had its own form of national-bank notes. When the policy of retiring the national bank notes was adopted, those national bank notes were called in and canceled, thus still further reducing the amount of money in circulation.

At this point, Mr. President, I desire to place in the RECORD the exact facts which I have been discussing. First, I call attention to a statement from the Treasury Department dated February 28, 1933. That was just before the present administration came into power. At that time we had in

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[39] Senator PITTMAN, quoted in New York Herald Tribune, January 14, 1936.

[40] Ibid.

[41] As to the reference to "gold which circulates in the United States," it was surprising to find such a statement being made in 1936, 3 years after the nationalization of gold. In 1936 gold did not circulate in the United States, and so this argument for silver purchases was then inapplicable.

[42] Francis W. Hirst, quoted in For Silver Money! (Paris), September 1934.

[43] H. Rothbarth, quoted in For Silver Money! (Paris), September 1934.

[44] Edward Tuck in Scribner's magazine, January 1934.

[45] Senator BURTON K. WHEELER in Liberty, October 22, 1932.

circulation $571,000,000 in gold coin. In a month or two that gold coin was called in. It went out of circulation; and the moment the gold was ordered out of circulation it ceased to circulate, or, when it did circulate, it went to a bank and was retired. So we reduced our circulation by that one order in the sum of about $571,000,000 in gold coin.

As soon as the gold coin was ordered out of circulation the gold certificates were called in for cancellation. At that time we had $649,000,000 of gold certificates in circulation. Add the gold coin and gold certificates and we have a sum of more than $1,000,000,000 of real money taken out of circulation early in 1933. But that is not all.

A little further down this list we find Federal Reserve bank notes. At that time we had in circulation a few million dollars of those notes, but they were ordered out of circulation. At that time we had national bank notes in circulation in the sum of $860,000,000, and the moment national bank notes were ordered out of circulation, of course, they ceased to circulate, or when they came to a bank they were cashed and sent to the Treasury for retirement.

So by that one policy gold coins were taken out of circulation; gold certificates were taken out of circulation; Federal Reserve bank notes were taken out of circulation, and national bank notes were taken out of circulation. By that action and policy our circulating medium was contracted in a sum in excess of $2,000,000,000.

Mr. President, I think no one will disagree with my statement that as money became scarcer money became more valuable when measured in terms of property. So this policy was deflationary. The calling in of gold, the retirement of gold certificates, the retirement of gold coin, and the withdrawal from circulation of Federal Reserve bank notes and national bank notes had the result of contracting our currency in the total sum of over $2,000,000,000.

It was at that time that the policy was inaugurated of increasing the supply of silver certificates, if not silver dollars. So the law, to which I have referred, was designed to counteract the decrease in the then existing supply of money—and by money I mean the thing that one can see, the thing he can spend with a stranger. So in 1934 the present law was enacted. At that time we did not have very much silver in the United States. I shall place in the RECORD figures showing the exact amount. On February 28, 1933, we had in circulation of standard silver dollars some $28,000,000; we had silver certificates in circulation at that time to the extent of only $362,000,000. The two would not nearly take the place of the gold withdrawn from circulation; it would not take the place of gold certificates withdrawn from circulation; it would not take the place of national bank notes withdrawn from circulation. So the present silver law was passed with one objective, at least, and that was to furnish a satisfactory form of money to take the place of money withdrawn and canceled out of circulation.

Mr. President, silver has been money for a long time. I think history will bear out the statement that silver was, if not the first, at least one of the first things used for money throughout the world. So far back as we can go in history, silver has been the one metal, along with gold perhaps, that has served the peoples of the world. In the days of the American Colonies things or commodities were first used for money. In some sections of the eastern seaboard tobacco was used for money; in other sections Indian beads or wampum was used for money. Every colony, so I am advised, had a different system of money; but when the struggle with the mother country came and the Colonies were forced together for the purpose of defense, the first thing that had to be done was to devise something that might circulate among all the Colonies as money.

Mr. President, what was that thing? It was not tobacco; tobacco could not circulate among all the Colonies as money. It was not beads, wampum; they could not circulate among all the Colonies as money. The one thing that the Colonies agreed to use as a circulating medium throughout all the Colonies was silver.

At that time the Colonies had no mint; they did not have very much silver; but there was in circulation among the Colonies what was known as the Spanish milled dollar, which was a coin made of silver. I exhibit to the Senate a Spanish milled dollar which was in actual circulation in colonial days. This piece of silver [exhibiting] called a Spanish milled dollar, which I hold in my hand and exhibit to the Senate, has a date on its face of 1787. This particular coin was minted 2 years before the birth of this Government.

So, in the early days the Colonies agreed to accept Spanish milled dollars as they were then current in some sections of the eastern seaboard. The first unit in colonial days was a silver unit. It was not an American dollar; the American dollar had not been heard of at that time; it was not a gold dollar; the gold dollar had not been heard of at that time; but it was a coin known as the Spanish milled dollar.

Later on, after the Government was organized in 1789, when it was found to be necessary to have a system of money, the new Secretary of the Treasury, Mr. Hamilton, was directed by the President to investigate the advisability of the establishment of a mint and the formation of a monetary system. Mr. Hamilton made a thorough study of the whole financial question, and very shortly he submitted a report recommending a definite system of money for the United States. Under that system a dollar made of silver came to be the unit of account for the monetary system of the United States. At that time the amount of silver recommended to go into the dollar was exactly the same amount that is in the dollar of today. I exhibit to the Senate a silver dollar that is today current throughout the United States. This coin has not been changed in 150 years save in one particular. The amount of pure silver in the dollar has never been changed, but the proportion of alloy has been changed. In the early days the silver dollar contained 12 points of alloy, whereas today it contains only 10 points of alloy; but the amount of pure silver in the dollar which is in circulation today throughout the country has not been changed since it was established in the early days of the United States Government shortly after it was formed in 1789.

So, Mr. President, silver has always been regarded as money in the United States. Silver was the basic unit of account for many years. Later on gold came into circulation. Then gold and silver circulated at a parity on a ratio approximately of 16 to 1 from the early days of the Nation up until about 1873. At one time, under the administration of Andrew Jackson, the silver dollar was more valuable in terms of property than was the then gold dollar. A slight adjustment was made during Andrew Jackson's administration seeking to bring the two species of money, the gold dollar and the silver dollar, to a parity. That was done. Two acts of Congress were passed during Jackson's administration in the effort to bring about the adjustment. Thereafter gold dollars and silver dollars circulated on a parity at a ratio of about 16 to 1 until 1873, when silver was demonetized as money. Silver continued, however, to be recognized as a form of money from that time until the present.

For many years, in the Congress, the issue over money was very acute. Many bills were passed seeking to revitalize and remonetize silver. Silver acts were passed providing for the purchase of silver and the coining of such silver into money. In 1900, it is true, the Congress passed what is known as the present Gold Standard Act, but, notwithstanding the enactment of that act, silver was then in circulation, and silver has continued to be in circulation ever since the enactment of the so-called gold-standard law in 1900.

Mr. President, the law which some now seek to repeal was enacted in 1934 for the specific purpose of increasing the amount of money in circulation—and by "money" I mean actual money; I mean specie as distinguished from credit money. The bill was passed, as I have said, in 1934. The Nation began to acquire silver. I think very little, if any, of that silver has been coined into standard silver dollars. The fact is that as silver was acquired by the Government the Treasury Department issued silver certificates

against such silver, and those certificates were placed in circulation. As I said a moment ago, when this act was passed silver certificates were in circulation to the extent of $362,000,000 and silver dollars were in circulation to the amount of $30,000,000. We had a few more silver dollars than that, and a few more silver certificates.

I shall place in the RECORD the total amount of standard silver dollars in existence at the time of the enactment of the present law.

According to this statement—it is Form 1020 of the Treasury Department, of date February 28, 1933—at that time we had, of standard silver dollars, $540,007,703. At that time we had silver certificates in the sum of $482,682,100. Of course, as the silver dollars accumulated in the Treasury, the Treasury in turn issued certificates against them and kept those certificates in constant circulation. As a result of our silver policy, we have increased the amount of our silver certificates in circulation from the amount just stated of approximately half a billion dollars until on the 29th of April 1940, only 2 or 3 days ago, we had silver certificates in circulation to the amount of $1,818,697,732.

So it is true that through this policy we have increased the permanent money in circulation in this country from about half a billion dollars to $1,800,000,000. That means that this policy has been the direct means of increasing the permanent money supply about $1,300,000,000.

A while ago I made the statement that this bill is a Federal Reserve bank bill and a bankers' bill. That statement is true, and that is all there is to this fight. It may be asked, Why are the bankers and the Federal Reserve System against silver? The answer is plain. As we get silver and issue Treasury certificates against it, the banks get no interest on that money. The silver is received by the Treasury. The Treasury prints paper and circulates the paper. It does not necessarily go out through the Federal Reserve banks; and neither the Federal Reserve banks nor any other banks, for that matter, get any interest whatever on a silver certificate. The banks do not like that. To the extent that we place in circulation permanent money on which they get no interest, their interest money goes out of circulation. It goes out of existence. If we could put in circulation four, five, or six billion dollars of silver certificates or United States notes, there would be little, if any, occasion for any Federal Reserve notes; and if there were no Federal Reserve notes, the Federal Reserve System, as a system, would fold up and collapse for want of revenue to support the system.

The Federal Reserve System is maintained through interest on the notes it issues, and through the loans it makes; and if we eliminate the Federal Reserve notes, we eliminate the interest the Federal Reserve banks get on those notes. So, to the extent that we have issued silver certificates, we have driven out of circulation Federal Reserve notes; and to the extent we have done that we have diminished the interest which the Federal Reserve banks receive, and which the big banks of the Nation receive.

Mr. President, I will not ask the Senate to take my word upon that proposition. The hearings on this bill are clear, and I shall refer briefly to a few sentences from them.

Mr. Eccles is the Chairman of the Board of Governors of the Federal Reserve System. Mr. Eccles testified in behalf of this bill. Mr. Eccles, speaking for the Federal Reserve Board, for the Federal Reserve System, and for the big banks of the Nation, is for this bill, which means he is against silver.

I quote from the testimony of Mr. Eccles on page 70 of the hearings on this bill. In the middle of that page Mr. Eccles says:

> As a matter of fact, silver certificates have displaced Federal Reserve notes to a certain extent. Nearly all the dollar bills, the greater part of the $5 bills, and a portion of the $10 bills, are now silver certificates.

He admits that the issuance of silver certificates replaces and drives out of circulation Federal Reserve notes; and when a Federal Reserve note goes out of circulation it goes back to the Federal Reserve System, where it is canceled. Then they do not get interest on the circulation of that Federal Reserve note. So the banks of the Federal Reserve System are against silver. They are against United States notes. They would be against gold certificates. They would like to see gold, theoretically, come back into circulation, because they know it would not actually circulate. It would be in circulation for them to keep in their vaults and to have in reserve, and probably no gold certificates would be issued against it; so they would be for gold coin coming back into circulation, but they are against silver coin coming into circulation, because silver and silver coins are not now held to be a satisfactory reserve.

At another place in the hearings I quote from Mr. Eccles. On page 73 of the hearings I quote again from his testimony. At that place he says:

> The issuance of silver certificates does not change the amount of currency outstanding but results in the substitution of silver certificates for the same amount of other currency in circulation.

There are two admissions, two positive, unqualified statements. First, when silver is placed in circulation or silver certificates are placed in circulation, they drive out other kinds of currency. When they are placed in circulation they drive out Federal Reserve notes, because that now is the only other kind of circulation we have. At the present time there is no gold or gold coin in circulation; only silver and Federal Reserve notes, and United States notes; that is true, but United States notes are not being redeemed.

In the days of Lincoln, when United States notes were first issued, they had to be issued because there was nothing else to use for money. We had no gold; we had no silver; we had to have money; and the so-called Lincoln greenbacks were printed and circulated with which to finance the so-called War between the States. After the war was over, and the country got back on its feet again, and taxes began to come in, the Department of the Treasury began to retire the so-called Lincoln greenbacks. As the greenbacks were retired, money became scarcer; and as money became scarcer, money became dearer; and as money became dearer, prices began to fall. The Congress in those days was wise enough to understand at least something about the money question; and when Congress saw money becoming scarce, and prices beginning to fall, it passed a law which provided that from the date of its enactment the greenbacks should not be retired.

That law did not have the full effect desired. Congress passed a law providing that the greenbacks could not be retired, but still the banks collected the greenbacks and would not put them in circulation; so then Congress passed a second law providing that not only should the greenbacks not be retired, but when they should be paid into the Treasury for any purpose whatever they should not then be canceled, but should be placed back in circulation, and kept in constant circulation. So, Mr. President, from that day until this not a single dollar in greenbacks has been canceled, and the law now is that the greenbacks shall be kept in circulation; but I desire to call the attention of the Senate to exactly how this law is being observed.

It is now the law that the greenbacks shall be kept in constant circulation. I exhibit to the Senate a sheet similar to the one referred to just a moment ago, but of a different month. I now call attention to Form No. 1028 of the Treasury Department, the issue of March 31, 1940, only a little over 1 month ago. On that date we had in circulation $44,000,000 of silver dollars, and we had in circulation $1,507,000,000 of silver certificates, but the Federal Reserve System held in its vaults the sum of $263,000,000 of silver certificates.

Now, let me show what is being done about United States notes. Silver certificates are in existence; they are in circulation; but the Federal Reserve System will not permit the full amount to be placed in circulation and kept in circulation.

In regard to United States notes, on March 31, 1940, we had the full amount we have had now for 70 years—that is, $346,681,016 in Lincoln greenbacks. Under the law those notes are supposed to be kept in constant circulation, but on March 31, 1940, the Federal Reserve Board had hoarded up in the vaults of its banks $84,000,000 of United States notes.

To the extent that they can hoard silver certificates, to the extent that they can hoard United States notes, they can make money scarcer, so that if the people have a demand for money and the banks have a demand for money they will not send out silver certificates; they will not send out greenbacks; but they will send out their own Federal Reserve notes, on which they get interest. There is no interest on silver certificates and they will not send them out. There is no interest on greenbacks and they will not send them out. So, while I am not saying that the distinguished author of this measure is aware that his bill is a Federal Reserve bank bill and a big-bankers' bill, nevertheless, that is exactly the case; and, from my viewpoint, that is the only excuse for the bill being before the Senate. It is an attempt to make money scarce.

Mr. President, if this bill shall be passed, there will soon follow, in my judgment, a bill to repeal the law providing for the purchase of domestically mined silver. If Congress still further discredits silver, in my judgment, a bill will soon be prepared and introduced repealing the so-called subsidy upon domestically mined silver. We shall first discredit silver still further by the passage of this measure. We shall next discredit silver still further by stopping the so-called subsidy to the domestic miners. Then we shall have silver about where we want it from the standpoint of the Federal Reserve System and the standpoint of the big bankers of the country. Still one more bill must be passed, however, and that is a bill that will stop the circulation of silver certificates—exactly as we stopped the circulation of gold certificates, but for another reason, at the beginning of this administration. If the bankers can call in the silver certificates and replace them with Federal Reserve notes, thus taking silver dollars out of circulation, as was done with regard to gold, then what kind of money will we have left? We will have but two kinds. Eight years ago we had 6,000 kinds of money. Now we have got down to about three kinds—that is, silver, United States notes, and Federal Reserve notes.

Those are the only kinds there are now. Of course I do not count pennies and dimes and nickels and quarters as money. That is change, and it is legal tender, but, in my estimation, it is not used in the calculation. So if the pending bill shall be enacted, the movement will be on its way to get silver and silver certificates out of circulation. That will leave, then, two kinds of money, United States notes and Federal Reserve notes.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Nebraska?

Mr. THOMAS of Oklahoma. I yield.

Mr. NORRIS. The Senator has not told us what form the other bill, which must follow if this one shall be passed, to take silver certificates out of circulation, will take. It is quite evident, from what the Senator has said, that if we enact this bill, then another one, to stop the purchase of American-produced silver, will be passed, and that by those two bills we will stop the purchase of silver and its circulation to that extent. But to take care of the amount already in circulation will take another bill.

Mr. THOMAS of Oklahoma. That is correct.

Mr. NORRIS. Another bill will be necessary to get it out of circulation.

Mr. THOMAS of Oklahoma. That is correct.

Mr. NORRIS. The Senator has not described the form of that bill.

Mr. THOMAS of Oklahoma. The form of that bill I cannot foretell. Eight years ago there were almost a billion dollars of national bank notes in circulation. They are not in circulation now. They went out of circulation. We have retired those national bank notes. Something has taken their place.

As I have stated, the gold certificates are out of circulation. As to the form of the third bill, to get rid of silver. I cannot now say, but some bill will be proposed, and probably passed, retiring silver certificates, and replacing them with Federal Reserve notes. If that shall be done, silver certificates will be out of circulation, as national bank notes are out of circulation.

National bank notes did not draw any interest. There were a billion dollars of national bank notes in circulation, from time immemorial, until 8 years ago. The Federal Reserve System got no interest on national bank notes, and national bank notes are now history. There were gold certificates in circulation. No interest was paid on gold certificates, and gold certificates are now history. There were the Treasury notes of 1890. No interest was received from those, and they were ordered called years ago. A million dollars' worth of Treasury notes of 1890 are still out. They are perhaps lost, or in hoarding somewhere, or perhaps have been destroyed. As soon as one shows up, it is canceled. They are not in circulation.

I am making the forecast that if this bill passes, the next bill will be to stop the purchase of domestically mined silver. If we discredit silver here today by the enactment of the pending bill, then Congress and the country will have a right to assume that Congress is against silver; that silver is no more valuable for money than is copper, or lead, or zinc, or some other form of base metal.

Mr. President, if that happens, then, in my judgment, for the same reason the national bank notes have gone out of circulation, for the same reason that the Federal Reserve tried to do away with United States notes, the powers behind this bill will concentrate on some program to get rid of the silver certificates, and if they succeed, they will be replaced by $1,800,000,000 of Federal Reserve notes, and each one of those Federal Reserve notes would draw interest for the Federal Reserve System.

If that should happen, we would have then but two kinds of money: first, permanent money, United States notes; and, second, temporary money, Federal Reserve notes. If these forces are as powerful as that, they will introduce another bill very shortly, to retire United States notes. Then what will we have left? One form of money, and one form only, that is, Federal Reserve notes, subject to being placed in circulation at the will of the bank, and subject to be called at the will of the bank. Then we will have rubber money in truth and in fact, a dollar of one purchasing power today, perhaps, and a dollar of another purchasing power tomorrow. All printed money will be removed from circulation, and the only kind we will have left will be the temporary money, which can be placed in circulation at will and withdrawn at will.

Mr. HUGHES. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. HUGHES. What rate of interest will the Federal Reserve notes bear, those which the Senator predicts?

Mr. THOMAS of Oklahoma. The Federal Reserve System tries to control credit through the rate of interest which it charges on its loans. It is true that under the law the Federal Reserve System may charge the very highest rate for its money, and under the same law it may charge a lower rate for its money. That is the way the Federal Reserve System controls the amount of credit in existence. If credit becomes tight it reduces the rate in order to stimulate the use of credit. If credit becomes too plentiful it raises the rate on its loans, to make it very expensive to use credit. For that reason we would have but one temporary form of money, put out at will, contracted at will, and then we would have a monetary system which would be in the hands of a particular group, not the Congress, not a Federal agency, but a private agency, which could do what it wanted with the money of the people of the United States.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. Is the Senator familiar with the rate of interest charged by the Federal Reserve at the present time?

Mr. THOMAS of Oklahoma. I cannot tell the Senator the rate of interest being charged at the present time. It is very low.

Mr. TOWNSEND. It is very low, less than 1 percent.

Mr. THOMAS of Oklahoma. It is very low, it is true. That is from the necessities of the case. The Government has to borrow vast sums of money, and, of course, the Government is interested in financing its borrowings at the lowest possible rate. But the fact is that while the Federal Reserve at the present time is willing to lend money to the Government at a very low rate, indeed, the loans to the member banks are not made at such a low rate of interest.

Mr. President, the money question, I know, is somewhat involved. It has been stated on the floor many times during recent years that we are paying too much for gold. Almost every day we hear it said that $35 an ounce for gold is entirely too much to pay. In my judgment, those who make that charge do not understand the first principle of our monetary system.

In 1900, to be specific, Congress passed a law making gold the basis of the money of the United States. At that time and since that time gold has been regarded as the basic money of the world. Until recently gold was the basis of all domestic money throughout the world, as well as exchange money. Gold today is the basis of all exchange, but it is not the basis of domestic money. So in 1900, I think it was, we declared that gold was the basic primary metal money of the United States, and Congress fixed 25.8 grains of gold nine-tenths fine as the amount we would call a dollar. At that rate of gold in the dollar, 25.8 grains nine-tenths fine, an ounce would coin $20.67 worth of money. If those figures are accurate—and they are—an ounce of gold contains enough metal to coin, under the old system, $20.67 of gold coin. That means that one-twentieth and sixty-seven one-hundredths of an ounce of gold became a dollar.

I have a very crude diagram which I desire to exhibit to the Senator from Nebraska [Mr. NORRIS], the Senator from Wisconsin [Mr. WILEY], the Senator from Kentucky [Mr. BARKLEY], and the other Senators who are doing me the honor of listening to me. I have here a pasteboard disk. For the purposes of my argument let us assume that this disk is an ounce of gold. It is made round in order to make my demonstration a little more intelligent.

I have marked on this disk a series of spokes, making the disk resemble a wheel. This ounce of gold was worth $20.67 prior to our gold devaluation. That meant that you could take an ounce of gold and cut it into 20 parts and sixty-seven one-hundredths of a part, and each whole part would be a dollar.

Gold is supposed to have intrinsic value. Paper has practically no intrinsic value. But gold, the thing with which we redeem our paper money, is supposed to have intrinsic value, and for the purposes of my argument it does have an intrinsic value. It is something which people desire; it is something which men go into the earth to dig for; it is something which people search sand and gravel throughout the earth to find. So this ounce of gold could be divided into twenty and sixty-seven one-hundredths parts, and each part would be a dollar. That would mean that each of the parts between the spokes, for example, the part I am now indicating, and which I take out, is one-twentieth of the whole. That piece contains enough gold to be a dollar under the old system. That would mean that the ounce of gold would coin 20 gold dollars and 67 cents of another gold dollar.

Of course, at the time to which I have been referring we measured all our commodities and all our property in gold; so if we said that a bushel of wheat was worth a dollar, it was worth that amount of gold, indicated by the crude illustration. In other words, this much gold [indicating] could be exchanged for one bushel of wheat.

We found that because of increased demand for money throughout the world, and the increase in debts throughout the world, the demand for money vastly increased. Whereas years ago a few dollars would transact the business of a community, or of a State, or of a nation, because of increased population, increased trade and commerce, increased debt, and increased taxes, the people had to have more money. Gold was not being produced in proportion to the demand for money; that is, the increase in the production of gold was not comparable with the increase in the demand for gold. So gold began to increase in value. By February of 1933 the little piece of gold I indicate, representing a dollar, had so increased in value that it was worth $1.67 in terms of property. The people of the country who produced wheat, and cotton, and corn, and livestock, and all the other commodities produced in America, had to get money for them. The money is convertible into gold, and in order for people to get a silver dollar or a gold dollar, they had to produce on the average $1.67 worth of whichever commodity was to be exchanged for the amount of gold shown by one-twentieth of the disk I exhibit.

As the result of the increased value of gold, the increased value of the dollar, and consequent falling of prices, the people were not able to produce sufficient cotton to provide $1.67 worth, on the average, to get a dollar. They could not produce sufficient wheat to provide $1.67 worth, on the average, to get a dollar. The same thing was true with respect to livestock. As a result the agricultural population of America went bankrupt. They could not pay their bills; they could not pay their taxes. There were foreclosures on every hand. The same thing that applied to farmers applied to the producers of almost all raw materials.

So in 1933 Congress proceeded to decrease the size of the gold dollar, which meant increasing the price paid for an ounce of gold.

Mr. President, this may be somewhat intricate, but it should be very simple. Under the old system this disk of gold was worth $20.67. It could be coined into 20 gold dollars and 67 cents over. When we increased the price of gold to $35 an ounce we did it by decreasing the size of the gold dollar.

In 1930, before devaluation came, it took one-twentieth of an ounce of gold to make a dollar, because gold was worth $20 an ounce plus. When we increased the price of gold to $35 an ounce, then we had another picture before us. I turn the disk over. On the other side I have the same wheel, but instead of having 20 compartments we now have 35 compartments, because this gold disk weighing 1 ounce can now be coined into 35 gold dollars. What does that mean in its effect upon commodities? I will show the Senate what it means. Under the old system a bushel of wheat was worth, for example, one-twentieth of an ounce of gold, as represented by the part of the disk which I exhibit to the Senate. Under the new system we made a new dollar containing only 15 grains plus of gold; that is, we put only as much gold in it as I exhibit on this disk. We reduced the size of the gold dollar so that the new gold dollar contains today 15$\frac{5}{21}$ grains of gold. It is slightly more than one-half as large as was the old gold dollar. Today an ounce of gold, instead of coining $20 in gold, will coin $35 in gold. That means that the gold dollar today is only slightly more than one-half as large as it was before.

Someone may ask: "How does this system affect prices?" It is very simple. Under the old system of $20 to an ounce of gold the gold dollar was of the size I indicated before removing a part of this disk. Take wheat, for example. Before 1933 wheat was worth, for example, a dollar a bushel; that is, it took that much gold to buy a bushel of wheat, or it took a bushel of wheat to buy that much gold. Wheat is always measured in gold because it is a world commodity. It has the same value in terms of gold throughout the world, making allowance for transportation and insurance. Wheat is worth the same in Russia, in France, and everywhere in terms of gold if it is going to be exported, and that is the way we measure the value of wheat. Wheat is worth so much in value of gold.

Under the old system it was worth a piece of gold of the size I indicate; that is, a dollar. But when we changed our valuation that piece of gold, formerly one dollar, became of the value of $1.69. A bushel of wheat is worth this piece of gold. Formerly that piece of gold was worth a dollar, but now it is worth $1.69. So by devaluation of the dollar, which

means increasing the price of gold per ounce from $20 to $35, we increased the price of wheat from $1 to $1.69 a bushel.

Mr. President, those—if there be any—who favor reducing the price of gold per ounce in terms of dollars, favor putting more gold in the dollar, making the dollar a larger chunk of gold, and to the extent that they favor increasing the size of the gold dollar, to that extent they favor a decrease in the price of commodities.

We now measure everything by gold. It is the measuring device of the world. But, Mr. President, if the pending bill shall be passed silver is history. We are acquiring much of the gold in the world, and we are acquiring it pretty fast. I called attention to that sometime ago. There are only $27,000,000,000 of gold in the world so far as we know—less than $28,000,000,000. Of that sum we had on the 29th of April, 3 days ago, the sum of $18,754,000,000. In other words, we have practically $19,000,000,000 of the world's gold. That is nineteen twenty-sevenths or nineteen twenty-eights of all the gold in the world. If this bill shall pass silver will be discredited. No other nation is trying to use silver save the United States, nor is any other nation able to use silver, and if, after full deliberation, we discredit silver, then silver will be a memory.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. Is there any other country using silver now?

Mr. THOMAS of Oklahoma. Mr. President, a number of countries use silver. I do not know of any country which may be said to have a stable monetary standard based on silver. Here is a Mexican silver peso. When one goes to Mexico all he sees there is Mexican pesos.

Mr. TOWNSEND. I want to say that this bill does not discredit silver. It merely stops the purchase of silver from foreign countries.

Mr. THOMAS of Oklahoma. Yes, I know, Mr. President. That is the statement of the Senator from Delaware. But if we pass his bill, what chance would any future Congress have, or what chance would any future Senator or Representative have who tried to favor silver as a monetary metal? No one can prophesy that with any assurance.

Mr. TOWNSEND. We have a law on the books providing for the purchase of silver at a price fixed.

Mr. THOMAS of Oklahoma. Yes; but as I said a moment ago in the Senator's absence, if his bill should pass, I would not say that the Senator from Delaware would come forth in a few days with a bill to repeal the law providing for the purchase of domestically mined silver, but if he should not do so, somebody else would. If Congress puts its condemnation on silver, it is only a question of time until there is introduced in this body a bill to repeal the use of silver entirely. Then the second bill to follow will be a bill to retire the silver certificates, as we retired the gold certificates, as we retired the Treasury notes of 1890, as we retired the Federal Reserve bank notes, and as we retired a billion dollars of national bank currency in the past 8 years.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. A year or two ago we passed a law which is a permanent statute fixing the price of domestic silver at the equivalent of approximately 71 cents per ounce. While that is a permanent law, and will remain so until repealed or modified by Congress, does the Senator from Oklahoma agree with the theory which I entertain, that if the United States withdraws from the purchase of foreign silver, the world price of which is now about 35 cents an ounce, automatically the world price of silver will be reduced to some 20 cents or 25 cents an ounce, because the question of supply and demand controls the price of silver to some extent, as it does other things? Does the Senator agree with that theory?

Mr. THOMAS of Oklahoma. It cannot be disputed, Mr. President, that if we pass the pending bill the Government, of course, immediately will stop buying silver. There will be no quotation on the boards in New York or any place else where we will accept or buy silver at a certain price. Then the speculators of the world will enter the market and become active in buying and selling silver. Boards of trade will be set up in New York and other places, and silver will be dealt in exactly as copper and other commodities are now dealt in.

Mr. BARKLEY. If the world price of silver should decline to 20 cents or 25 cents, would it not inevitably make it harder for us to maintain a permanent statute that fixes the price of domestic silver at 71 cents?

Mr. THOMAS of Oklahoma. Mr. President, if the Congress favors this bill, I cannot imagine anyone, excepting the Senators from those States which have a major interest in the production of silver, being favorable to paying a subsidy on domestically mined silver.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. Of course, the statute is on the books now. It is the law. We would have to repeal the law to change that.

Mr. THOMAS of Oklahoma. Mr. President, the Congress can repeal the existing law.

Mr. TOWNSEND. Of course, it can; but this is authority of Congress that has been given to the Secretary of the Treasury to purchase foreign silver and fix the price. He fixes the price, which is evidenced by the fact that last year, when my bill passed, he changed the price from 43 cents to 35 cents.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. That was because the world prices went down. It was not a fixing of prices by the Secretary of the Treasury, because he testified before the committee that he is paying the world price now, and has been paying it, and that price has gone down from fifty-odd cents to 35 cents, because the world price has gone down, and the Secretary of the Treasury follows the world price as it goes down. He does not fix the price, but he follows it.

Mr. TOWNSEND. If the Senator will permit me, I want to differ with that statement. The Secretary of the Treasury fixes the price, and he fixes it at any time he desires, and at any price he chooses. He changed the price from 43 cents to 35 cents, and he can change it to 30 cents today if he so desires.

Mr. BARKLEY. The Senator knows, of course, that the Secretary of the Treasury fixes the price of the gold he takes, but he does not fix the world price. The reason why he reduced the price of silver from 43 cents to 35 cents was that the world price fell; and he paid and is now paying what is recognized as the world price for silver.

Mr. TOWNSEND. Mr. President, will the Senator further yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. Why does not the Secretary of the Treasury fix the price, when we get all the silver that is offered from Mexico and all other countries? It all comes here, and he fixes the price. Suppose some other country were paying 36 cents. We would not get the silver. Suppose some other country were paying 40 cents. We would not get the silver. The Secretary of the Treasury has the authority to fix the price, and he fixes the price.

Mr. THOMAS of Oklahoma. Under the existing law the Secretary of the Treasury is not obligated to buy a single ounce of silver. He is under no direction to buy a single ounce of silver, today, tomorrow, this month, next month, or next year.

Mr. TOWNSEND. I beg to differ with the Senator.

Mr. THOMAS of Oklahoma. Mr. President, I know the law. The law requires the Secretary of the Treasury eventually—there is no fixed time—to buy silver until the price of silver rises to $1.29 an ounce, or until one-fourth of our total monetary stock is represented by silver, which would be one-third as much silver as gold, in terms of dollars.

Silver is the only metal today used for money which has a value throughout the world. We cannot obtain gold money. We have no gold money, as such. In no place in the world can we obtain a gold coin. We can still obtain silver coin.

Mr. President, I have here, and I exhibit to the Senate, a Mexican peso. It is worth less than 20 cents. If I should gather a group of boys and girls from any country on earth and pitch out this Mexican peso, worth 20 cents, and then scatter a handful of paper money gathered from the face of the earth, which money would the youngsters scramble for? I think they would scramble for the silver money. I should not limit that statement to boys and girls. I should apply it to the United States Senate.

I have here a wad of money collected from various parts of the world. What is this paper money worth? Does the Senator know?

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. What fixes the value of the silver dollar, as well as of the paper dollar? It is the stamping which is done by the United States, is it not?

Mr. THOMAS of Oklahoma. Mr. President, that question is most academic. It is the stamp on the paper, and it is the stamp on the silver which gives both the paper and silver their monetary value. It is not the stamp on the gold which gives gold its monetary value. A piece of gold with no stamp whatever on it is worth as much to the man who knows its value as a piece of gold which is stamped. The only thing the stamp does to a $20 gold piece is to certify that it contains so much gold, nine-tenths fine. That is all the stamp does. But on paper money the stamp is everything.

I exhibit to the Senate some pieces of paper. Here is a Diaz 10-peso note. How much am I offered for it?

Mr. NORRIS. I offer a quarter.

Mr. THOMAS of Oklahoma. I would not take the Senator's money. That is more than it is worth, because it is the money of a defunct government.

Mr. NORRIS. The offer still stands. [Laughter.]

Mr. THOMAS of Oklahoma. Mr. President, I exhibit to the Senate another piece of paper money. It is stamped "$2." It is issued by the city of Detroit. How much am I offered for a $2 bill issued by the city of Detroit?

Mr. BARKLEY. A nickel. [Laughter.]

Mr. THOMAS of Oklahoma. I would not take the Senator's money, because that is a nickel more than it is worth—not because the money of Detroit is not good, but because the money has been redeemed.

I exhibit to the Senate a United States 50-cent note. I doubt if any of the youngsters of the Senate ever before saw a piece of money like this. It is a piece of good money. It is a 50-cent piece. It is a "shinplaster" of Civil War days. It is a Lincoln greenback in the sum of 50 cents, issued during Mr. Lincoln's time, because it carries his picture.

Mr. President, paper money is good in the country where it circulates. What paper money circulates in America save American money? None. What American money circulates abroad? None, except among a few persons who know paper money and know its value. If one were to give a porter in a foreign country a paper dollar, the porter would look at the giver, look at the paper, and the chances are he would shake his head. He would not want to take it. He would take silver. One can pay porters anywhere in the world with silver money. They understand it. They can count it. But if one gives paper money to uneducated persons anywhere in the world, they shake their heads. They will not accept paper money. Paper money is all right domestically, but it is no good outside the territorial limits of the country where it is in circulation.

I have here a piece of money which looks rather peculiar. If I should offer it to some youngster who is not used to accepting money the chances are he would not take it. If one should take it to a cashier in a restaurant and offer it in payment of his bill, the chances are it would not be accepted. It is nothing more or less than a $2 bill of the old "saddle blanket" variety. It is much larger than the modern bill, but it is perfectly good money. It can be spent anywhere in the United States, but if it were offered to anyone outside the United States he would shake his head.

Mr. President, persons outside the United States do not shake their heads at silver. If one takes a silver coin anywhere in the world, that coin is worth something. One might offer a $100 bill in paper money outside the United States. The recipient might shake his head and refuse to give in exchange for the $100 bill a coin of the lowest denomination, because he would not know the value of the $100 bill.

It is now proposed to discredit the only kind of money we have which is recognized as such throughout the world today. We cannot obtain gold money. We do not know when we shall be able to obtain gold money. We have silver. We can keep the silver. However, the Senator's bill would kill silver. Silver has been killed time and time again, but it still has a little life left.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. The Senator says my bill would kill silver. I disagree with him. I want to stop the purchase of foreign silver. A dollar bill has back of it 27 cents worth of silver. That is what the silver costs. It has on it the stamp of the Government, which makes that paper money worth something; and there is the same amount of silver in the silver dollar. We do not refuse to take it because it has only 27 cents worth of silver in it. It has the stamp of the United States on it, and we take it. We have buried at West Point nearly $1,000,000,000 worth of silver which has not been coined into money. If we had use for the foreign silver in our monetary system the problem would be different. We have no use for it. We have the silver buried up at West Point. We do not use it, and we are paying foreign governments with our goods, for something for which we have no use, an exorbitant price fixed by the Secretary of the Treasury.

Mr. THOMAS of Oklahoma. Mr. President, the same thing could be said of gold. If the pending bill discrediting silver is passed—and before it is passed I understand an amendment is to be offered adding the word "gold"—we shall stop the purchase of silver and gold. That means stopping the purchase of foreign silver and foreign gold. If the bill is passed, silver, as money and as a basis of money, will be passé. It will be a thing of the past.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. The Senator from Delaware continually makes the assertion that we are trading our goods for silver for which we have no use. We are trading our goods, which we do not ourselves need, which we do not ourselves consume, for silver.

This is the only time in my experience in the Congress of the United States, extending over a quarter of a century, when anybody has ever asserted that silver is of no value or that it is useless. If, as a matter of commerce and employment of our people, we have to decide between piling up some silver which may be temporarily useless and piling up unsalable surpluses of goods which are equally useless, which would be the wiser course to pursue—to stop the production of goods which we cannot sell and thereby throw other men out of employment, or to go on producing those goods and selling them in return for silver, which, in my judgment, is not only useful now but will be more useful in the future?

Mr. THOMAS of Oklahoma. Mr. President, let me answer that question. If the bill is passed silver will be through. If the flood of gold keeps on coming to America, in 2 or 3 years—3 years at the most—we shall have all the monetary gold in the world. What will then be the condition? With silver discredited, it will no longer be money, or the basis of money. It will be only a commodity, like copper, lead, and zinc. Silver will be dead. Then, if we shall have all the gold in the world in our vaults in America, there will be no more gold to be used as the basis of trade. There is now no gold in circulation. At that time there will be no gold to support the exchange of the world.

Then what will happen? What will happen is what is happening today in some countries which have neither gold nor silver. Countries such as Germany, with neither gold nor silver, are strictly upon a barter basis. When that time comes in America, we shall be unable to sell our goods for silver. We will not accept it. We shall be willing to sell our goods for gold, but nobody will have any gold with which to pay for them. We shall have it all. What are we to do with our automobiles? We will not accept silver for them, and we shall not be able to obtain gold for them, because no one will have any gold. We shall be unable to sell a single car abroad. What shall we do with our surplus wheat? We shall be unable to sell it. Other nations will not be able to pay us, either with silver or with gold. What shall we do with our surplus cotton in the South, one-half of which we must sell abroad in order to sustain that great industrial and farming area? What shall we do with the surplus products of America? We shall be unable to obtain gold for them. We will not accept silver.

We shall begin to trade wheat for coffee, and we shall get all the coffee in the world each year. We shall begin to trade cotton for silk, and we shall get all the silk in the world each year and begin to lay it away, because the balance of trade will be in our favor. Whatever commodity we accept we will get more of it; we will get all there is, if we are willing to trade our surplus products for it, because all they have to pay with is their manufactured goods, their coffee or rubber, or silk, or something else that we will accept. What will be the end?

Mr. President, I am still waiting for the distinguished Senator from New York [Mr. WAGNER], the chairman of the great Banking and Currency Committee, who, together with members of the committee who are now on the floor, reported the pending bill to the Senate. A year ago the Senate adopted a resolution in effect directing the Committee on Banking and Currency, a conservative committee, a brainy committee, an experienced committee, one of the best committees in the Senate, to make a thorough study of our financial, monetary, and banking systems. It has been a year since that was done. Have they undertaken their work? I understood they talked about it one day; but have they done anything to bring about a solution of the monetary question?

Mr. President, I should like to ask the distinguished chairman of the committee, if he were here, if this bill is the result of a study of a year? Is this bill a part of the reformed banking and currency and financial program which we are to follow in the future?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. I happen to be a member of the Committee on Banking and Currency, and I can answer the Senator that the pending bill is not a product of the investigation which the Senate ordered last year. If it were, I would conclude that the mountain had labored and brought forth a chigger, not even a mouse. [Laughter.]

The truth of the matter is that the Senator from New York, chairman of the Committee on Banking and Currency, has set in motion the machinery to lay foundations for the investigation which the Senate ordered it to make. It has done that by asking various agencies of the Government, including the Federal Reserve System, the Comptroller of the Currency, the Treasury Department, the Reconstruction Finance Corporation, and the other lending agencies, to submit information in response to a long questionnaire, carefully prepared by the committee and by its employees, in order that we might collect certain information from the proper departments of the Government, to be used as a basis for hearings and further investigation by the committee later.

Those questionnaires have gone out. I am not informed as to the number of responses which have been made or as to the information which has been collected; but that much has been done in laying the foundation for the investigation and the conclusions which the Senator has in mind.

One of the reasons, among other reasons, why I opposed this bill in the committee, and why I oppose it on the floor, is that if we are going to investigate the monetary question, which involves gold and silver and all other forms of currency, then, it seems to me folly to cut off one of the very prongs of the question which the Committee on Banking and Currency is supposed to investigate and report upon.

Mr. THOMAS of Oklahoma. I was proposing to use that as one argument against this bill. This investigation has not been held, and until the investigation is held, and a report made to the Senate, recommending, perhaps, that this kind of legislation be enacted, I am not willing that the pending bill shall pass, and I shall not vote for it.

Mr. ADAMS and Mr. TOWNSEND addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield; and if so, to whom?

Mr. THOMAS of Oklahoma. I yield first to the Senator from Colorado.

Mr. ADAMS. I merely wish to supplement the statement of the Senator from Kentucky by pointing out that the first two pages of the questionnaire are devoted to inquries relative to silver in its various phases.

Mr. THOMAS of Oklahoma. I now yield to the Senator from Delaware.

Mr. TOWNSEND. I agree that the first two pages are devoted to silver, but this bill has been before the Senate for a long time; it passed the Senate once, but was defeated in conference. The committee have not only held very elaborate hearings on it, but have reported the bill, and recommended that it be passed.

Mr. THOMAS of Oklahoma. Any metal that has a record of 6,000 years as a monetary metal, anything we are using for money and have used for money for 150 years, and anything we now have in circulation to the extent of $2,000,000,000, in my judgment, should not be cast aside until the Banking and Currency Committee have made a thorough study of the whole monetary problem and have submitted a report which may be considered as an entity.

Mr. TOWNSEND. May I say that the Banking and Currency Committee made investigation and reported the pending bill?

Mr. President, if the Senator will yield further.

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. I understood the Senator to say that Federal Reserve notes involved interest payments. I think the Senator said that, did he not?

Mr. THOMAS of Oklahoma. The Federal Reserve System makes loans to banks. Of course if a bank has a balance with the Federal Reserve System, and desires to cash that balance in the form of notes, it can do so, but if the bank desires to increase its holdings and borrows from the Federal Reserve bank and then obtains notes, of course, the bank pays interest on such notes.

Mr. TOWNSEND. I desire to quote, if I may, from the statement of Mr. Eccles, chairman of the Federal Reserve Board. He says:

> It has been stated that the circulation of Federal Reserve notes involves interest payments, while the circulation of silver certificates does not. The fact is that the issuance of Federal Reserve notes as such does not involve interest payments any more than the issuance of any other kind of currency. A person who has a bank deposit can withdraw it in currency and does not have to pay interest; a person who has no deposit and has to borrow must pay interest on his loan regardless of the kind of currency in which he withdraws the proceeds, or whether he leaves them on deposit and checks against them.
>
> The issuance of silver certificates in payment for silver purchases by the Treasury in no way diminishes interest payments on the public debt. If the Treasury paid for silver purchased out of its regular funds, it would have to increase the public debt by the amount of those payments, but the Treasury does not in fact pay for silver in that way, and no proposal has been made that it should do so. Consequently, the issuance of silver certificates has no bearing whatsoever on the interest burden of the Government.

Mr. THOMAS of Oklahoma. I am glad to have the Senator make that admission, and to read from the Governor of the Federal Reserve Board, because in his report the Senator says the silver-buying program is a burden upon the

people of America; yet he just read from the testimony of the head of our financial system, so called, the Governor of the Federal Reserve Board, who makes the statement which I will reread:

Consequently, the issuance of silver certificates has no bearing whatsoever on the interest burden of the Government.

Mr. TOWNSEND. That is correct. I quote further from Mr. Eccles' testimony:

In a period of tight money, when member banks were in debt to the Reserve banks, the issuance of silver certificates, just as of greenbacks, would ease the situation by giving banks reserve money with which to repay their borrowings at Federal Reserve banks. But this result could be accomplished as effectively by open-market operations by the Reserve banks, which would not raise any problems of currency inflation. In any case, this is not the problem today, when banks are out of debt and have a huge volume of excess reserves.

Mr. THOMAS of Oklahoma. Mr. President, I shall close in a moment because the chairman of the subcommittee handling the appropriation bill for the Interior Department desires to call up that bill, and I have no objection to that being done.

Mr. KING. Mr. President——

Mr. THOMAS of Oklahoma. Before I close, I will yield to the Senator from Utah.

Mr. KING. Mr. President, perhaps this is an inopportune time to make the suggestion, but I was about to observe that an amendment has been tendered to the pending bill which calls for liberating the gold which is locked up at Fort Knox and other places and using it in circulation. Obviously, that amendment is germane to the bill under consideration; and, therefore, if we are to consider further the silver bill, we must consider the amendment which I have offered, which deals with gold. So it seems to me that the whole question ought to be considered, I shall not say de novo, but considered in its entirety, gold and silver, in connection with our financial system.

Mr. THOMAS of Oklahoma. Mr. President, it is well known to all those present that the Constitution puts the problem of money upon the back of the Congress. The Constitution says that "the Congress shall have the power to coin money" and "regulate the value thereof."

No other tribunal has that power. The Congress might create a tribunal within certain limitations to do that thing, but the Congress has not done so. Therefore, what we have for money, good or bad, and what we shall have is the responsibility of the Congress of the United States, and at the present time the Treasury Department, as well as the other departments, are conceding that responsibility to us. Not very long ago I introduced a bill with regard to our surplus gold. That bill was sent to the Treasury and other departments mentioned in the bill. The Secretary of the Treasury, acting through his agent, reported on the bill, stating that inasmuch as the Senate had ordered an exhaustive study and investigation of monetary and financial questions and the banking system, they would not care to make any recommendations about the bill introduced by me, which I take it to mean any bill on monetary questions. The Secretary of State made a similar report upon the same bill. I do not have before me the Treasury Department report, but I have the report from the Secretary of State, and the language is practically the same in both. The Secretary of State says:

It would appear that action with respect to the bill might well be deferred pending such further study as the Congress may wish to give to the determination of a national monetary and banking policy.

Mr. President, the Government is not going to buy very much more silver; it is coming in now very slowly; its purchase is discretionary and within the power of the Secretary of the Treasury. So until the study which is now under way can be completed I urge as an objection, which, from my standpoint, cannot be waived, that the pending bill should not be passed until that study shall have been made and the report submitted to the Senate of the United States.

AMERICA'S POLICY TOWARD INSULAR POSSESSIONS OF FOREIGN COUNTRIES

Mr. REYNOLDS. Mr. President, last Sunday night I had the honor to speak over the coast-to-coast network of the Mutual Broadcasting System in a debate with my colleagues the Senator from Minnesota [Mr. LUNDEEN], the Senator from Washington [Mr. SCHWELLENBACH], and the Senator from Utah [Mr. THOMAS] on America's policy toward insular possessions of foreign countries. The debate was presented by the American Forum of the Air, whose director, Theodore Granik, a brilliant attorney and writer, acted as moderator.

Of course, like other Members of the Congress, I have been familiar with the American Forum of the Air. In fact, in its earlier days I debated over its stations. But as I sat there last Sunday night I was suddenly impressed with the fact that only in America—only in a land which grants freedom of speech to its citizens—could such an institution as the American Forum of the Air be possible. In contrast, I thought of certain benighted countries in Europe where totalitarian governments have stifled the press, have done away with anything resembling freedom of speech, and have driven fear into the hearts of their citizens so that no one dares to say what he thinks.

I became curious about the origin of the American Forum of the Air, and I learned that it dates back to the hobby of one man—its director, Theodore Granik.

Back about 15 years ago a youngster just out of law school, who was serving as assistant director of a local New York radio station, conceived the idea of presenting a program under the title of "Law for the Layman." Outstanding civic leaders, judges, legislators, and attorneys discussed legal questions in simple terms that the layman could understand. Later, while a member of the bar in New York City and an assistant district attorney of New York, this young man continued this program over station WOR.

But people wanted both sides of the questions. Letters to the station stated that fact. The result was the founding of the WOR forum hour by Mr. Granik, presenting men and women in debates on vital questions of the day. It was the first program of its kind and was heard over station WOR until 1937, when that station became the key station of the Mutual network in the East.

By that time Mr. Granik had come to Washington to practice law; but his interest in his hobby as a contribution to mass education continued. He revived the idea of a forum program, this time over the Mutual network. During 1937–38 the program was presented as a half-hour feature and soon was attracting the attention of leading national personages, particularly the Members of the House and Senate. Fan mail became so insistent on a longer program that about a year ago Mr. Granik formed the American Forum of the Air.

With this opportunity to indulge in his hobby—mass education—Mr. Granik gave more and more thought to this program. Hobby, indeed, it is, as the program is a sustaining educational feature for which Granik gets no compensation. He considers it his humble contribution to education and to the cause of free speech in its fight against totalitarian muzzling by presenting the pros and cons of controversial timely topics of the day. Many of the topics are suggested in the thousands of letters he receives from listeners throughout the country.

It was not enough to secure as a speaker just a Senator, a Member of the House of Representatives, or a Cabinet officer. It must be the Senator, the Member of the House, or the Cabinet officer who was most vitally interested in the subject to be discussed. The extra half-hour has made it possible to add additional speakers in the form of a panel, and to have impromptu discussions following the presentation of the first two debaters.

In response to many requests from listeners who have been anxious to see their legislators and public officials in action and to ask them a question or two, it was suggested to Granik that he present these programs in an auditorium in

Washington to which people from all parts of the country who might be visiting Washington could come to witness the broadcasts free of charge. The program being in the noncommercial class, there were no funds to pay for an auditorium or meeting place; but undaunted, and believing that as the topics discussed affected government and people, and as the speakers were usually officials of the Government, the public should use one of its own buildings for this purpose, Granik and officials of the Mutual Broadcasting System persuaded Secretary Ickes to allow the use of one of the Government auditoriums. Secretary Ickes agreed to allow the use of the facilities of the radio studios in one of the Interior buildings so as to permit an audience to attend, provided the Interior Department would have no part or connection with the program whatsoever, and provided it was clear that the Interior Department was merely permitting the use of its auditorium to seat an audience. It was also provided there was not to be an item of expense to the Interior Department, and, above all, that both sides should be presented at all times.

It is interesting to note that while Secretary Ickes has appeared on other forum programs he has refrained from appearing on this program, as he has always wanted it clearly understood that in no way was he or the Government in anyway connected with the program.

Granik checks with leaders of both parties in the Senate and the House on each program before he books it. If a Democratic Senator suggests a program, Granik immediately checks with an outstanding Republican leader to inquire whom they want for their lead speaker in opposition, and their panel. Similarly, Republican leaders of both Senate and House suggest programs from time to time, and Granik checks with the Democratic leaders to have them suggest their side.

To maintain a complete, fair presentation and balance, for which Granik has been commended and praised by leaders of both parties, he regularly asks the opposing speakers to send him their suggestions for remarks they might like to have him include in his introductions, and when Granik prepares his introductory remarks he measures what he says about the proponents and opponents line by line, giving the same number of quotations, the same number of phrases pro and con, and so forth.

Despite competition of other popular programs, the fan mail continued to increase. Friends suggested that a similar feature for newspapers be developed and Mr. Granik went wholeheartedly into this field. This newspaper feature, distributed to a large number of papers by United Feature Syndicate and published in Washington in the Washington Daily News, offers to national leaders the same opportunity in the press that the American Forum of the Air gives them over the radio. The articles are of a controversial nature, and both sides are presented by outstanding men and women who are authorities on the subjects discussed.

In addition, the newspaper features carry a box inviting the opinions of the public in general on the subjects discussed. Several thousand letters were received as a result of the first article in the series, and an equally large number on the second article. These letters give a comprehensive cross-section vote on questions of the day, and eventually will furnish a method of getting a real cross section of American opinion on any vital question of the day.

As on the air series, Cabinet officers, Congressmen, and other officials are given an opportunity to present their own unedited, unexpurgated opinions on the subjects under discussion.

I desire to say on the floor of the United States Senate that Theodore Granik deserves a vote of thanks from America for making possible the means of free speech, free expression of opinion, over the air and in the press, on the most vital topics of the day—a condition that could obtain nowhere but in America.

I ask unanimous consent that the record of the debate to which I have referred be published in the RECORD at this juncture in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The debate is as follows:

Announcer MCCORMICK. This is the American Forum of the Air.

Listeners from coast to coast are invited to hear the American Forum of the Air.

The facilities of these studios have been extended by the Secretary of the Interior, Harold L. Ickes, in the interest of promoting educational radio programs temperately discussed by leaders of various schools of thought.

Information as to how you may receive a copy of tonight's proceedings will be given at the conclusion of the broadcast. Tonight the American Forum of the Air will be presented in two parts.

Under the direction of the chairman, Theodore Granik, pioneer in educational radio discussion and newspaper columnist, you first will hear the formal presentation of an opinion expressed by the four invited speakers.

This portion will be followed by extemporaneous discussion by the same speakers.

And now your chairman, Mr. Granik.

Chairman GRANIK. Thank you, Mr. McCormick.

Latest developments of the second world war in Europe have focused our attention on the insular possessions of the warring powers—their colonial holdings—especially those adjacent to or vitally affecting the United States.

Purchase or acquisition in lieu of war debts of British-owned Bermuda and British West Indies have been debated on the floors of the Congress and on the front pages of the daily press. The proximity of Greenland and Iceland to the United States has likewise been a subject of much discussion and the question of application of the Monroe Doctrine has come into the limelight.

And stories of the possibilities of Japan eyeing the Dutch East Indies, with a view to possible acquisition should the Netherlands become involved in the European struggle, again have aroused American public opinion in view of the vast resources of these islands, many of which are vital to this country.

The German occupation of Denmark has already brought to the forefront the problem of sovereignty over Greenland, a vast Arctic bloc only about 1,250 miles from northernmost Maine and well within the Monroe Doctrine's continental sphere. What of Greenland, Americans ponder, with its nearness to the United States and the possibility of its development by a European nation as a naval and air base which might threaten the security of the United States? And what of the Netherlands, whose possessions lie within 1,500 miles of the Panama Canal?

In a speech addressed to the United States and its sister republics in the Western Hemisphere, President Roosevelt declared, "In this association of nations whoever touches any one of us touches all," a speech which might be taken as a warning to aggressor nations against seeking a foothold in western sections.

As new phases of the European war are constantly developing, Americans anxiously ask many questions as to our policy toward these possessions of foreign countries.

What will happen to the British possessions, Bermuda and the British West Indies, if Germany should win? How would it affect the United States?

What is our policy toward the acquisition of Dutch colonial possessions, with their vast stores of rubber and tin, on which the United States must depend for its supplies of these necessities?

We are already pledged to protect Canada againt invasion, but what about Greenland, Iceland, and other foreign possessions, all within striking distance of this country?

The American Forum of the Air has invited four distinguished Members of the Senate, all authorities on the subject, to present their views tonight.

We shall hear first from Senator ELBERT D. THOMAS, of Utah, member of the Foreign Relations Committee. He will be followed by Senator ERNEST LUNDEEN, of Minnesota, member of the Military Affairs Committee and national chairman of the "Make Europe Pay War Debts Committee." We shall then hear from Senator LEWIS B. SCHWELLENBACH, of the State of Washington, and Senator ROBERT R. REYNOLDS, of North Carolina, both members of the Senate Foreign Relations Committee.

Immediately following their short presentations of the subject they will engage in an informal panel discussion.

We invite your letters and comments on tonight's presentation.

And now our opening speaker, Senator THOMAS.

ADDRESS BY SENATOR ELBERT D. THOMAS

America finds herself faced with grave problems as nations in Europe with dependencies in the Western Hemisphere and dependencies near our outlying territorial interests in the Eastern Hemisphere enter into war. In the North Pacific we are neighbors to Canada, Japan, and Russia; in the South Pacific to members of the British Commonwealth of Nations; around the Philippines to China, France, Japan, Holland, Portugal, and the British Commonwealth. In Africa little Liberia has remained untouched and unharmed for generations because of our long-recognized friendly interest. Throughout the Americas we pride ourselves on being a good neighbor among our sister republics. The Monroe Doctrine is now a hundred years old. It has never been a static doctrine, but it has represented principles with a single prevailing thought, which is that the Western Hemisphere shall never be longer considered a place for European or Asiatic exploitation or forced control. Up until a few years ago the doctrine—whether it be thought

of as a principle of self-defense for our own country, whether it be thought of as a principle looking toward a functioning unity for western nations, or whether it be thought of as a regional understanding which the world had learned to respect—was a principle primarily of our own making. Yet its basic idea rested upon the first and foremost principle of international law, which is respect for the independence and territorial integrity of all nations, regardless of their size or power.

In the last few years, due to the extension of the theory of the good neighbor and due to the agreements among the American states, the principles underlying the Monroe Doctrine have been accepted by practically the entire Western Hemisphere. To put it in another way: The Monroe Doctrine has been extended from a unilateral understanding to a multilateral one, and the spirit of cooperative endeavor in maintaining the doctrine and keeping from our shores those who would violate it has now become a task for unified action rather than merely the action of a single state.

Thus, when we talk about the change of status of any territory within the Western Hemisphere such change is not merely a matter of our own concern, it is a matter of concern to all of our neighbors; it is a matter surely of concern to the people of the territory affected, because if the doctrine of nonexploitation and noninterference is good for one it is good for all. Canada has never seen fit to join the Pan American Union or to become a party to pan-American agreements, but Canada has never resisted the theory of the Monroe Doctrine. It is useless, therefore, for us tonight to attempt to talk about what we should do in case of certain eventualities. If a real emergency were to come making it necessary to act first and talk afterward, as might occur, if the Panama Canal, for example, were in danger or if a neighbor were invaded, or if an expeditionary force were sent against one of our neighbors in such a way as to definitely expose us to attack, America should not be backward in acting. For America's whole military and naval theory is based upon the theory of defense and not of offense, so that any action outside this sphere of defense could not be contemplated without doing violence to theories and to understandings which have become fundamental. So well have some of these understandings become recognized that the United States no longer deems it necessary to arm against certain possible eventualities, and miles and miles of our boundaries are unprotected primarily because we cannot conceive of the trust and faith behind the understandings of nonaggression, which have grown up in the last 100 years, ever being violated. How, then, can we be definite about unheard of, unexpected eventualities? Personally, I believe that the mere spirit of cooperative endeavor and the existence of this understanding almost universally throughout the Western Hemisphere is probably our greatest protective force. It, too, is responsible for our naval and military policies. But that we do not put faith entirely in this understanding is proved by the size of our Navy and the preparations made by our Army. But both the size of our Navy and the readiness of our Army are known by the whole world to be in no sense threats but merely sustainers of peaceful processes on a defensive basis.

But that does not leave us without responsibilities. Allow an upsetting of accepted standards of thought and action to enter into these spheres of peaceful and friendly intercourse and the present-day sense of security from molestation from without is ended. No new problems seem ours today but tomorrow may bring many. I will cite a few. You will see that they come right home to you. It is not an exaggeration to say that America lives on rubber and out of tin cans. But we produce no rubber and no tin. Unfriendly interference with our tin and rubber trade lanes would upset our industry, transportation, and our food supplies. Tea and coffee drinking are well nigh universal habits. The trade lanes bringing tea and coffee are far and wide. Let these lanes become closed and American breakfasts are not as usual. I might go on but my task tonight is to lay a foundation for a thoughtful hour of discussion. I have said enough, I hope to drive, at least for 1 hour, two types of the commonest of our slogan mongers from our midsts. First, that America is self-contained and that if she minds her own business and sees that that business remains right here at home everything will be lovely, and second, that if Government left everything to business we would have a happy home world. It is hardly fair to be so simple but slogan mongers are always simple. They know how to fix things. They are like all gamblers—they know it's merely a matter of having the right combination. So let us leave them to it by withdrawing all Government interest in tea, coffee, rubber, and tin and see what happens. Then after we have settled our international policies by not being interested in trade lanes and trade routes let us settle our internal industrial and unemployment troubles by building our internal policies by formula, a formula older even than certain sloganized oft-quoted sentences from Washington's Farewell Address, and, thus solve our health problems, our wealth problems, and our educational problems by a simple proverb:

Early to bed and early to rise
Makes a man healthy, wealthy, and wise!

Some men tell us our world and domestic problems may be solved with that simplicity. I wish to heaven that were the case.

Chairman GRANIK. Thank you, Senator THOMAS. And now as our second speaker in tonight's forum, we present Senator ERNEST LUNDEEN, of Minnesota.

ADDRESS BY SENATOR ERNEST LUNDEEN

Developments in Europe have made the Americas conscious of the necessity of pan-American defense—defense which would remove the danger of foreign possessions and foreign governments now established within our natural defense lines. The United States has suddenly begun to consider what is and has been its policy toward insular possessions of foreign countries within the Western Hemisphere. The West Indies, Greenland, the Monroe Doctrine now are subjects of daily conversation by the American people.

Andrew Jackson demanded the seizure of the West Indies more than a century ago. He successfully collected from France a debt which France had refused to pay for a quarter of a century. Andrew Jackson said in his annual message to Congress, 1834:

"It is a well-settled principle of the international code that where one nation owes another a liquidated debt which it refuses or neglects to pay, the aggrieved party may seize on the property belonging to the other, its citizens or subjects, sufficient to pay the debt, without giving just cause for war. This remedy has been repeatedly resorted to, and recently by France herself toward Portugal, under circumstances less questionable."

Europe owes us fourteen and one-half billion dollars. Military authorities agree that the Caribbean Islands would form our Maginot Line, making the Canal Zone invulnerable and adding absolute protection to our entire coast line—east and west. It would make the Caribbean a protected inland American sea closed to the Old World and open only to the American Hemisphere. In the interest and welfare of the American people who are at present paying 4½-percent interest on the old war loans to Europe, our Government should begin negotiations for the acquisition of these islands in the Caribbean as part payment of the war debts. That action is absolutely in line with the principles established by the great American, Andrew Jackson. It would save us billions of dollars in defense.

Andrew Jackson does not stand alone as the only man who has advocated seizure of the West Indies. Senator Henry Cabot Lodge, Sr., stated in an article entitled "Our Blundering Foreign Policy," which appeared in Forum, March 1895: "England has studded the West Indies with strong places which are a standing menace to our Atlantic seaboard. We should have among those islands at least one strong naval station * * *."

Captain Mahan, greatest United States authority in naval strategy emphasized the vulnerability of our Caribbean interests with foreign countries established in that area. And today Maj. George Fielding Eliot, author of the Ramparts We Watch, admits that "it would be of great advantage to us if we could have a base at the southern end of the chain of islands, a base such as Trinidad or Barbados," British possession in America.

It was February 20, 1923, when Senator James A. Reed, the brilliant orator from the great State of Missouri addressed the Senate on a resolution proposing to take over the British and French West Indies. He said: "There is no strategic reason why Great Britain should insist on holding these islands against us, her friend and brother. They are not necessary for her defense against other countries. If we are to indulge the hope of eternal peace with Great Britain, then they are of no use for attack against us, because we are not to be attacked. They are contiguous to our coast and would be of great value to America in case of any contest with any other foreign power other than herself. Their possession by America would render the canal secure and enable us to keep it open against any nation in the world."

The able and distinguished Senator from Missouri said that Great Britain could maintain these fortified island bases with only one purpose in mind; there could be no other purpose. He maintained then that they should be our military bases, and in this he is sustained by all military and naval authorities.

These men are distinguished by their eminent service to the United States. They restate our foreign policy laid down by Washington, Jefferson, and Jackson regarding insular possessions in our American Hemisphere.

Recent European developments have brought the attention of the American public to Greenland, an island which the President, as well as geography, admits is within the Western Hemisphere.

On April 19, 1939, I offered upon the floor of the United States Senate a resolution authorizing the purchase of Greenland from Denmark. I drew attention to the fact that Greenland was within the American Hemisphere and was one of our strategic points of defense. Further I stated at that time, and I repeat now, that if we can appropriate billions for naval expansion we can well ask for a few million dollars with which to acquire by negotiation and purchase some of these islands lying near our coast and vital to American defense.

Pan-American Airways has been exploring the territory of Greenland for years. Colonel Lindbergh has pointed out the strategic advantages of this truly American land, and the Soviet Government last April 1939 sent two fliers from Moscow to New York by way of Greenland.

Now we are waking up to the facts. We have been in the habit of looking upon this strategic, valuable island as somewhat of an impossible place of no earthly use to anyone. Recent delving into available information regarding Greenland has started the United States thinking of an American Hemisphere for the Americas which will eventually include all islands lying within our hemisphere and now in foreign hands.

The posession of American land by foreign countries is a violation of the spirit of the Monroe Doctrine. We must pursue a foreign policy which will separate America from the quarrels and boundary disputes of Europe.

Chairman GRANIK. Thank you, Senator LUNDEEN. And now we are pleased to present Senator LEWIS B. SCHWELLENBACH, of the State of Washington, who will discuss America's foreign policy in its more general phases. Senator SCHWELLENBACH:

ADDRESS BY SENATOR LEWIS B. SCHWELLENBACH

First, let me state the points on which I think I agree with my friends Senator REYNOLDS and Senator LUNDEEN.

1. When they urge that the United States must not become involved in any foreign war, I agree 100 percent.

2. When they say that our former allies committed a stupid blunder in repudiating their war debt to us, I agree 100 percent.

3. If they urge that by honorable negotiation we should try to secure partial payment of these debts by obtaining from England and France necessary strategic possessions in this continent, I agree 100 percent.

At this point I think I must part company with my two good friends. I think that what I advocate will be much more likely to result in a lasting peace for our people than the course they propose.

Let me put it in this way: We all remember what England's Prime Minister Chamberlain said when he returned from Munich. These were his words: "We have preserved peace in our time." His phrase "in our time" turned out to be just about 11 months.

I will not be content with a "peace in our time" for the United States. I know that each of us in Government is responsible to the mothers and fathers of the young men of military age to see that their boys are not dragged off into war. But I am not content to assure that group of parents alone. I think we in Government have an equally serious responsibility to the parents of boys 10 to 15 years of age. I even venture to think of the mother and father listening to this program who may before this night is over tiptoe in for a good-night glance at an infant boy in his crib. I think, Senators, that you and I have a responsibility to try to so conduct our Government that even they need not fear that that child will become the fodder for cannon when he comes to military age.

We will have no great task in attaining a Chamberlain's peace in our time. We can stay out of this war for the next 11 months, or even the next few years, without much difficulty. We can do that by simply refusing to see or hear what is going on in the world around us. We can rely upon the protection of our two oceans. We can trust to the fact that the other nations are too busy in their own wars to bother with us. It will take no great statesmanship to preserve that sort of a peace "in our time." But I am not content with that. America is entitled to peace during this whole next generation. Those of us in Government owe it to our people to strive to maintain it.

We hear so much today of the lesson we should learn from what happened between 1914 and 1917. I fully agree that that lesson should not be forgotten. The mistakes we made then must not be repeated.

What we must not forget, however, is that avoiding these mistakes will not suffice. By avoiding these mistakes we can preserve a Chamberlain peace "in our time." The avoiding of these mistakes we owe to the parents of the boys who are now of military age. If you agree that we also owe a responsibility to the parents of the younger boys, then you must agree that we must go further than avoid the 1914 to 1917 mistakes.

That responsibility requires that we avoid the mistakes made since November 11, 1918. People often wonder why the peace which followed the last World War was of such short duration. Statesmanship requires an analysis of the reasons behind the short tenure of that peace.

First, it must be conceded that the bases of that peace were unfair. The bases of that peace were punitive. You can't long maintain a peace that has as its purpose either the punishment or intimidation of a great race of people. That's why it is so important that our Government keep the record straight. That's why it is essential that our Government should protest every effort by any government to impose its will through either force or fear upon a weaker government. That is why it is important that we should preserve our economic stability in order that our voice might be heard when the belligerent nations sit around a peace conference at the termination of the present hostilities. If our peace is to last, the peace to which the belligerents agree must have as its basis the principle of fundamental fairness.

The second mistake that the nations made was the abandonment by most of them of the principles of simple, common honesty. The best standard by which to judge the honesty of nations as well as men is whether they keep their word. Broken promises, broken pledges, broken treaties have contributed more to the present world disaster than has any other single factor. These breaches of faith have not been limited to any single nation or group of nations. Treaty breaking, promise breaking, and word breaking have been the rule instead of the exception. International morality reached the lowest point since the seventeenth century. The present war is the natural and logical consequence.

Our people hope when the present wars end to play some part in establishing a lasting peace. To my mind that hope will be barren unless we can enter into such a peace conference with a record clear of the taint of treaty breaking on our own part. The only leadership we want to give the world is moral leadership. We must have our own hands clean if we try it.

That is why I am so insistent that we should discontinue our present policy of violating our obligations under the Nine Power Pact by supplying war materials used by Japan to destroy the administrative and territorial integrity of China.

The third mistake has been the failure of peace-loving nations to prepare to protect themselves against the aggressions of nations which they should have known were bent upon a policy of aggression. Not only China, Ethiopia, Czechoslovakia, Poland, Finland, and Norway have been the victims of their own unpreparedness. Even England and France today are suffering from that mistake. That is why I insist that we shall not permit ourselves to be similarly victimized.

It must not be forgotten that our responsibility for defense is not limited to the 48 States in the continental United States. Almost 120 years ago we assumed the responsibility of defense of the entire Western Hemisphere. That policy of over a century cannot be and will not be abandoned by our people.

America's international policy today must have as its foundation the recognition of these three policies:

First, the maintenance of fairness in our dealing with the other nations of the world.

Second, the eternal insistence that we at least will respect our international promises and obligations.

Third, that we will be so vigilant in our degree of preparedness as will allow us to protect ourselves from attacks from any source.

No one can lay down a guaranteed formula for lasting peace. The best that may be asked of anyone is that he does not repeat the mistakes which should be already evident to him. Certainly it should be apparent that we cannot ignore the world around us. While we may not like what is going on in the rest of the world, the fact is that we live in it. We could commit no greater blunder than to ignore it. There is nothing shorter lived than a fool's paradise. It will take more than a cool head to keep us at peace. We must keep our head up and alert to maintain a lasting peace for our people. May I conclude by repeating that when I speak of peace I mean peace even for that little boy child who is lying in his crib. Even he is relying on us.

Chairman GRANIK. Thank you, Senator SCHWELLENBACH. And as our concluding speaker in the first half of tonight's forum we now present Senator ROBERT R. REYNOLDS, of North Carolina.

ADDRESS BY SENATOR ROBERT R. REYNOLDS

The acquisition of island possessions in the immediate neighborhood of the northern portion of the Western Hemisphere, in which we are interested, really interests itself in the subject of providing for ourselves a stronger national defense. I am interested in making acquisition of islands in the Atlantic and in the Pacific, either by purchase or lease, in order that we may thereby forge around us a steel band for our protection.

Let us weld an iron ring around us. Let us safeguard ourselves by establishment of outposts in the Atlantic, the Pacific, and elsewhere. If we are to be attacked, and if there must be fighting, let's provide ourselves with such outposts as will successfully beat the enemy or enemies from our shores, thus prohibiting fighting within the confines of continental United States.

Firstly, as to the Panama Canal. It must be protected in order to provide uninterrupted ship negotiation from the Pacific to the Atlantic, or vice versa. This is extremely important. The Panama Canal is the key which makes possible the United States' unique two-ocean fleet. At Puerto Rico we are spending millions to strengthen our position in the Caribbean likewise with a view particularly to defending the Canal, which lies to the west. It is important to remember that while Puerto Rico is not particularly valuable economically, it is important to every American that the United States—and not another country—own it, and that no foreign ships and shells be there. Those defenses at Puerto Rico should be further strengthened to the north and to the south by making acquisition of British and French islands in the Caribbean extending from Port of Spain in Trinidad, just off the coast of Venezuela in South America, northward to and including Bermuda, which latter would provide us with our first and only outpost in the North Atlantic.

In the far North Atlantic we should acquire from the French St. Pierre and Miquelon Islands, just off the coast of Newfoundland. There we could construct valuable air, and, if necessary, naval bases, from which points we would be in a position to meet any attack from Iceland, Greenland, or the northeast.

With a view to welding strongly this band of steel in the Atlantic I have but recently introduced a resolution in the Senate of the United States which authorizes the President to enter into negotiations with Great Britain and France for the acquisition of these several island possessions to be credited upon their indebtedness to us, which approximates $10,000,000,000.

Now, to the west, in the matter of outposts in the Pacific for the purpose of protecting the western entrance to the Panama Canal, I suggest the leasing of islands of the Republic of Colombia, just south of the Equator, and the leasing or purchasing of Goose and Cocos Islands—owned by the Republic of Costa Rica. I also suggest that our Government endeavor to acquire Lower California by peaceful negotiations from our sister republic to the south so as to provide additional protection for the Panama Canal from the north. If this were done it would be impossible for any submarine or battle cruiser to find shelter in the waters lying between the mainland of Mexico and the Peninsula of Southern California.

Our fortifications in the Hawaiian Islands are splendidly located as protective outposts in that portion of the Pacific. At Honolulu we have one of the finest and strongest military establishments in the world.

Now, let's proceed northward to the Aleutian Islands. We purchased these a number of years ago from the Russians at the same time we acquired Alaska and other islands of that far-away northern country, for a consideration of $7,200,000. At Unalaska or Dutch Harbor, one of the Aleutian group, we have established a naval air base. These islands extend for more than 700 miles westward from Dutch Harbor in the direction of Japan and Russia. Attu, the westernmost of the Aleutian group, is only about 2 hours' flying time from Japanese territory, and even a shorter distance from Soviet Russia. A base should be established on Attu Island.

At the present time we are now engaged in the construction of a central air base at Fairbanks in Alaska. That is well. Further north at Nome we will eventually find it expedient to erect a military base in view of the fact that Siberia, part of Soviet Russia, is a distance of a mere few hours by boat from American territory. Fact is, the two Diomede Islands near Nome belong to the Russian and American Governments. They are only a mile apart.

North of the Diomedes in the Arctic Ocean lies Wrangell Island. It is about the size of Jamaica. It is located between the mainlands of Alaska and Siberia. As the crow flies it is virtually on a line from the metropolis of New York City to the capital city of the Philippines, the commonwealth of Manila. As a result of its geographical position it has great potential military value on account of the miraculous and phenomenal development of air power.

The first flag was planted on Wrangell Island by members of the American Jeannette expedition around 1880. It is now occupied by Soviet Eskimos and a few Russian soldiers. Its legal possession is in dispute. Recognizing its potential military value, some weeks ago I introduced a bill in the Senate of the United States requesting our State Department to ascertain the legal status of this island.

With the acquisition and development of outposts in the Atlantic and in the Pacific and in the far north where our territory is in the immediate proximity of both Japan and Russia, I believe that thereby we would be able to forge a steel band around our portion of the Western Hemisphere so strong that no enemy from foreign shores, regardless of strength, could successfully penetrate to the extent of waging war upon our shores.

With the development of air power, in which I have unlimited faith, and with these outposts which I have mentioned, there we would establish our first line of defense, and those lines of defense in the Atlantic and in the Pacific, south and north, east and west, would be carried many miles further into the two oceans by the utilization of aircraft. Air power has displaced already to a very large extent the Navy, battleship cruisers, or what not. For instance, it takes a battleship approximately 11 days to proceed from San Francisco through the Canal to New York. A battleship costs around $80,000,000. A fleet of battle planes, bombers, transporting tons of high explosives, can be purchased for an amount not in excess of the cost of one battleship. A fleet of fast-flying battleplanes, deadly in attack, can negotiate the distance from San Francisco to New York within a period of 11 hours. Make your own comparison. Ascertain for yourself by comparison the potential value of each—11 days as against 11 hours.

It is important for Americans to know that England has a naval base at Jamaica, France one at Martinique, the Netherlands one at Curacao. And it is further important for Americans to know that American territory is in the immediate proximity of Russia and Japan—because naval bases these days mean far more than slow battleships. They mean bombers—big and fast and deadly—let's forge that steel band around us and let's do it now.

Chairman GRANIK. Thank you, Senator REYNOLDS. This concludes part 1 of tonight's Forum presentation.

And now as part 2 of tonight's American Forum of the Air, our speakers will engage in an informal panel discussion. Senator THOMAS will open the discussion.

Mr. THOMAS. Senator LUNDEEN closed his remarks with these two sentences: "The possession of American land by foreign countries is a violation of the spirit of the Monroe Doctrine. We must pursue a foreign policy which will separate America from the quarrels and boundary disputes of Europe."

The first sentence lays down a theory of the Monroe Doctrine which I have never heard until tonight. It is a theory that I cannot agree with, it is a theory that is completely out of harmony with the whole history of that Doctrine from its first enunciation.

For example, the American Monroe Doctrine was never aimed at foreign lands that held land in America. If it had been the American Monroe Doctrine would have attempted to drive England out of Canada, to drive France out of certain parts of the West Indies, it would have attempted to drive Holland, and England again, out of her parts of South America. That was not the idea. It was true that the Monroe Doctrine was against foreign exploitation and inroads of foreign power, and it was for sustaining countries in America that had rebelled against foreign oppression and had driven off the influence of foreign lands that were controlled and become independent. But to assume that the Monroe Doctrine is an aggressive doctrine causing us to go out and take land which does not belong to us in this hemisphere would upset entirely the whole peaceful scheme of the Doctrine and all that is behind our pan-American understanding.

Mr. LUNDEEN. In reply to the able Senator from Utah, I would like to say that we hear many new versions of old doctrines, especially under the New Deal. Perhaps we have heard some before. We heard one from Colonel Lindbergh not long ago. Does Canada have the right to involve herself in a European war and, if defeated, then ask us to fight her battles for her? Maybe that will bring some new construction of the Monroe Doctrine. And do nations in Europe have a right to default debts and then fail to provide us with bases whereby we can form that iron band of steel that the able Senator of North Carolina has just spoken of, fail to give us those bases? And certainly that involves new constructions of the Monroe Doctrine. There may be an evolution of the Monroe Doctrine that will change from time to time, although the main principles of the Monroe Doctrine, as I understand them, are these: That we are not to permit Europe to engage in any disturbance here within North and South America, neither are we to mix in their quarrels. It is a two-way proposition.

Of course, the subject is one for writings, and the able Senator from Utah made a long speech; he is a scholarly gentleman, and his statement was a learned one, I must say.

Mr. REYNOLDS. May I just add in reference to that proposition that here recently I have heard a lot of people saying that we ought to use the Monroe Doctrine for the purpose of taking over Greenland and Iceland and going 10,000 miles out of the way into the Orient to take charge of the Dutch East Indies that belong to the Netherlands, and a portion of which belong to the British.

Mr. SCHWELLENBACH. I think that Senator REYNOLDS heard Senator LUNDEEN make the first part of that statement. I haven't heard anyone with much sense, in my opinion, make that part of that statement. They talk about the Four Power Agreement which involved the Dutch Indies, and say that we have some obligation in it. My position is that as long as we violated the Nine Power Agreement, which was written at approximately the same time and is of the same nature with reference to China as the Four Power Agreement is with reference to the Dutch East Indies, so long as we violate that affirmatively by furnishing the materials to Japan with which to destroy the territorial integrity of China, nobody should argue in this country that we should go over and protect the Dutch East Indies under the Monroe Doctrine.

Mr. REYNOLDS. I quite agree with you, Senator, and I do not think there is any obligation on our part whatever to go into the Orient at all and try to protect the French in Indo-China or the British in Borneo or the Dutch East Indies.

Of course, as the able Senator from Utah said a moment ago that we want to protect ourselves insofar as being able to get tin and rubber from the Dutch East Indies, that is true, but at the same time I do not think we should involve ourselves by going over there and trying to protect them.

I want to say this, Mr. Chairman, in answer to what my good friend, Lewis, has just stated here about our selling war materials to Japan. I think it is a crime for us to sell implements of death to any nation in the world for the purpose of making use thereof; and he is right, we ought not to sell implements of death to the Japanese for the purpose of slaughtering and murdering the Chinese, and at the same time we ought not sell implements of death to any nation across the broad waters of the Atlantic for the purpose of killing one another over there. If we are going to stop them from killing them in Asia by not sending the Japanese implements of death, we ought to stop them from killing them in Europe by not selling them war materials over there, and I voted against lifting the arms embargo.

Mr. LUNDEEN. May I ask the able Senator this brief question. You don't believe then in having favored nations over there that we should arm?

Mr. REYNOLDS. I believe we should have one policy for Asia and one policy for Europe. We should have the same policy for the whole world. We ought not say we are going to sell war materials to Europe and we won't sell them to Japan. We have to have one policy for the whole world.

Mr. SCHWELLENBACH. So far as Japan and China are concerned we do occupy a different position. In that case we have a definite agreement, the Nine Power Pact, under which we agree to respect the territorial and administrative integrity of China. Now when we furnish war materials to Japan, which we know they are using for the purpose of destroying the territorial and administrative integrity of China, we are not only doing what you object to, the selling of war materials, but we are also violating a provision of the same agreement into which we entered.

Mr. REYNOLDS. I quite agree there that it is a violation of the agreement, as the Senator just stated.

Mr. THOMAS. I would like to say a word about this band of steel that we are going to build up around us to protect. Probably the best way in the world to invite war on us is to put such a band of steel around us, and where are we going to put it if we start building and start putting our hopes in that kind of an idea to preserve peace?

Mr. REYNOLDS. I would say to the Senator that we are building that band of steel for the purpose of protecting ourselves against the attacks of any enemy or enemies from foreign shores.

Mr. SCHWELLENBACH. You have discussed the question of acquiring new territory for the purpose of protecting ourselves in what you call a band of steel, around all parts of our possessions. Is it very good for us to purchase and acquire new territories when we have a territory, Alaska, across from which, at a distance of about 200 miles, the Russians have in a short period of time constructed seven different naval and air bases? And we permit that territory to be absolutely defenseless and refuse even to appropriate some $12,000,000 to construct an air base at Anchorage.

Mr. REYNOLDS. I heard the Senator quarreling with that committee over that $12,500,000 which was to be utilized for naval bases,

and I agreed with him then and I agree with him now, and I will say to the Senator that I think that we should certainly be giving much more attention particularly at this time to our defenses in the Alaskan Territory.

And by the way, may I mention in passing, that Russian territory is only one-half mile from our territory. The two Diomede Islands up there in the Arctic are just one-half mile apart. One of them, the Big Diomede, belongs to Russia and the Little Diomede belongs to the United States.

Mr. SCHWELLENBACH. You could almost jump from one to the other.

Mr. REYNOLDS. You could almost jump from one to the other. And just a hundred miles north is Wrangell Island, and the legal possession of that is under discussion at the present time.

Mr. LUNDEEN. I would say this, that I agree with the able Senator from Washington that we should fortify Alaska. We should fortify the Fairbanks base and all of those bases. My wife and I traveled through, we are familiar with it, and the fortifications are being neglected there.

Now, when the Senator of North Carolina speaks of the Big Diomede and the Little Diomede, I am not surprised that he says that America has the Little Diomede. We have been getting the little end of everything in the history of foreign affairs.

I would like to call attention to the letter of Mr. William G. McAdoo on March 18, 1940, on this question of debts. He loaned the money under the Wilson administration during the World War. What does he think about it?

Mr. REYNOLDS. When he loaned $25,000,000 for the purpose of buying the Virgin Islands, is that what you are speaking about?

Mr. LUNDEEN. No, I am speaking of the general larger subject.

March 18, 1940—if the Senator will permit:

"I have always favored acquiring the British West Indies and Bermuda in part payment of Great Britain's debt to the United States, and I have advocated it for more than 20 years. The first debt settlement was effected without any consideration of this important question by the United States representative of the Debt Commission. I doubt if this is an opportune time for reviving the subject, but I favor, nevertheless, acquisition of these islands and I am frank to say that I can see no good reason why the British Government should not be willing to transfer these possessions to us in part payment of their debt.

"The advent of the airplane and its continuing development make it more than ever important that the islands adjacent to our shores should be wholly under American sovereignty.

"Very truly,

"WILLIAM G. McADOO,

"Secretary of the Treasury During the World War."

I think we should consider his opinion.

Mr. REYNOLDS. Senator, McAdoo, you know, was instrumental in our making the purchase in 1916 of the Virgin Islands for $25,000,000 and they are one of the group of islands in the Caribbean.

Mr. THOMAS. I am merely interested in bringing home to all thoughtful persons the problems that you multiply immediately when you start attempting to put a steel ring or a steel band around Alaska. We have gotten along pretty well up in Alaska without putting a steel band there; we can fortify Dutch Harbor, we can fortify Wrangell Island, we can do those things, but they must be in conformity with the general defense for the Pacific and our defense out in the Pacific.

Now, say we take over Greenland; do we want to put an iron band around Greenland? Do we want to put an iron band around any new island that you acquire in the South Pacific or in the Gulf Stream or any place of that kind? It is utterly impossible. When you start a policy of defense you want to take into consideration your probable enemies, build your defenses where your enemies are going to come from. We do know how many nations there are in the world; we don't know how many nations there will be in the world tomorrow judging from the way things are going, but for us to accept a defensive policy or a Monroe Doctrine policy of acquiring all the land in the Western Hemisphere and then put an iron band around it, that wouldn't solve a single question for America. You must think in terms of what your reason is for arming.

Now, if, for instance, our sea lanes and things of that kind are interfered with, then it is time for us to think about defenses and to make our defenses accordingly. But if you put an iron band around America it means arming the boundary between the United States and Canada, for example. We have gotten along there pretty well for a hundred years without a single incident.

Mr. REYNOLDS. Not necessarily.

Mr. THOMAS. Well, if it isn't necessary, then let's get down to a foreign policy and Monroe Doctrine policy and a defense policy based upon some principle of common sense, not upon a principle of an iron band or a principle owning the whole territory within the Western Hemisphere.

Mr. REYNOLDS. As I stated at the outset in my preliminary statement, if we are attacked by an enemy or enemies I want that fighting to take place outside of Continental United States. I don't want any of the blood to be spilled upon American soil. I want the fighting to take place beyond the shores of the islands in the Caribbean, beyond the shores of St. Pierre and Miquelon Islands in the north, beyond the shores of the Hawaiian Islands. I want it to take place outside of the United States. Now there is just as much reason for our building defenses in the Atlantic and in the Pacific in a national-defense program as there is reason and sense for us to spend billions upon billions of dollars for a Navy. Why spend a billion dollars this year for a Navy? Are we expecting to attack somebody, are we expecting somebody to attack us? If, as suggested by the Senator, there is no danger of anybody ever attacking us, then let's quit spending these billions of dollars for the Navy and let's therefore begin to fight the enemy with the enemy, the enemy then being poverty and lack of education and misery and illness and sickness and unemployment and all that sort of thing. If the Senator doesn't think that we should build up our forces outside of the United States to keep the enemy out, why then let's take that money and spend it for the purpose of destroying the enemy within.

Mr. THOMAS. I do think that by all means. And the greatest defense the United States can have is a healthy, honest, earnest, well-trained citizenry, able to sustain itself and able to fight for what it knows is right. That is where we should begin.

Mr. REYNOLDS. I am in entire agreement with that.

Mr. THOMAS. Never put faith in a steel band because you sometimes get captured from the rear, and then the steel band belongs to somebody else.

Mr. REYNOLDS. That is the very idea; we don't want them to attack us from the rear, and therefore if we build a band of steel around the United States no enemy can possibly get in to attack us from the rear.

Mr. SCHWELLENBACH. I think that possibly Senator REYNOLDS went a little further than he intended by using the words "steel band," and I think that possibly Senator THOMAS has gone further than he really thinks the Senator went in using the term "steel band." As I understood Senator REYNOLDS, it was his contention that there was a necessity for securing certain strategic positions and that those positions were necessary for the protection of the Panama Canal very largely, the proposals that he made. He swept to one side the necessity for taking over Greenland and Iceland, and I think the fact that he did that is in itself proof that he isn't an advocate of one steel ring entirely surrounding the country, but he simply wants certain strategic places to be secured, and I have no dispute with him so long as no effort is made to pull what might be called a squeeze play upon the present owners of those territories; I think we must conduct honorable negotiations in an honorable way. No matter what other nations may do our position should be, if we want to secure territory, to secure that territory in an honorable way by proper negotiation, and I don't think we should make any effort, as has been suggested here, to make use of an extension of the Monroe Doctrine as being a vindication of our right to seize or to intimidate other nations into giving us possession.

Mr. LUNDEEN. Let us not give out the idea to America that the United States is trying to gain all the territory in the Western Hemisphere, which I like to call the American Hemisphere. There are 21 nations here, I believe I am correct in that, and we are only one of them. True, we are the greatest and the strongest and all that, and have the greatest resources, but there are many other nations, and we do not intend to trespass upon their territory except by negotiation, if there should be some advantage in some small island near the canal where we can fortify and they cannot fortify, but our objective is to so protect all of America that we will be secure against the war madness of Europe, and let us not intrude ourselves into their quarrels, but let us do that which the able Senator from North Carolina said, turn to our domestic problems, our 12,000,000 unemployed, our hunger, poverty, destitution, malnutrition, illness, and ill-clothed and ill-fed people here. There is where our real danger lies; these people will not have the patience much longer to endure, and we will get rid of many of our undesirable elements the minute we have given these people jobs, and I want to say that I thoroughly agree with that.

Mr. REYNOLDS. Just one other word.

Mr. LUNDEEN. I agree with the Senator from Utah and the able Senator from Washington, and perhaps we can have an armistice, a peace, right here among ourselves.

Mr. REYNOLDS. Just one other word about that steel band. A lot of people are saying that Germany is going to win that war in 6 months and at the end of 6 months they are going to come over here and take the United States, including the little gem city of the mountains, that is my home town, Ashland, N. C. I know the Senator from Utah doesn't want Hitler and the Germans to come over here and take Utah and North Carolina and the other States of the Union, and to save his State and to save North Carolina I want to weld a band of steel around the United States so Hitler and the Germans and nobody can ever get in here and bother us.

Mr. SCHWELLENBACH. As long as we have declared an armistice, couldn't you conclude by telling how beautiful the State of Washington is?

Mr. REYNOLDS. It is a very lovely State. But I want to spank you for one thing and that is this: I do think it would be very unsportsmanlike for us to attempt to seize by force the British and French possessions in the Atlantic, and I have never suggested that. As a matter of fact I introduced two resolutions in the Senate of the United States, both of which authorized the President of the United States to enter into negotiations with the Republic of France and with Great Britain with a view to making acquisition of those islands, and the amount agreed upon to be credited to the $10,000,000,000 that France and Great Britain owe us now.

Mr. LUNDEEN. May I say there that I have never advocated the seizure of those islands unless negotiations failed. The seizure that I mentioned and have referred to for more than 20 years was quoting the words of Andrew Jackson against France when she owed us a debt, and he then advocated that policy, but when you

talk of Seattle and the beauties of North Carolina, it is a poor fish that never saw the 10,000 lakes of Minnesota.

Chairman GRANIK. Thank you, gentlemen. You have been listening to an informal panel discussion on "America's Policy Toward Insular Possessions of Foreign Countries."

And now for a final word from Mr. McCormick.

Announcer MCCORMICK. Thus we conclude another broadcast in this season's series of "The American Forum of the Air."

This program emanates from the studios of the Department of the Interior in Washington, D. C., and is a presentation of WOL in cooperation with WOR.

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They originate each Sunday evening through the facilities of WOL in the Nation's Capital.

Stephen McCormick speaking. This is the Mutual Broadcasting System.

Mr. REYNOLDS. Mr. President, in view of the fact that we discussed at the time of the debate to which I have referred the fortifications in Alaska and in that section of the hemisphere, I ask that there be printed in the RECORD at this juncture a very able article by the pen of Gen. Hugh S. Johnson, who writes in reference to that particular question.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

[From the Washington Daily News]

ONE MAN'S OPINION

(By Hugh S. Johnson)

A glance at a map of the North Pacific will show that we are closer to Russia than any other good neighbor except Canada and Mexico. At Bering Strait, Siberia and Alaska almost touch. That is under the Arctic Circle and is not a dangerous menace. But far to the south of that our Aleutian Islands like stepping stones on the way to Kamchatka. The outlying Russian islands of Komandorski and Bering seem to be a mere extension of the Aleutian Archipelago and are within a few miles of the American Near Islands.

The Russians have naval and military air stations on these islands and no less than five such stations on nearby Kamchatka. Expert German naval personnel are reported to be present advising on the extension and strengthening of these bases and outposts. Submarines are being built or assembled on the Amur River behind Kamchatka and German technical missions are known to be at Vladivostok.

We are told that the Germans are there to advise the Russians in defensive works against Japan, but the activity at Komandorski—which sticks out like a sore thumb toward Alaska at Russia's most eastward point in the subarctic North Pacific—is not located against Japan.

We have no fortifications or air bases in the Aleutians, notwithstanding that they skirt the shortest or great-circle route between Seattle and either Japan or the Siberian coast, and that enemy air bases there could threaten the whole North Pacific and our main defensive line—Alaska, Hawaii, and Panama.

It is a threatening and dangerous situation. I know of no professional authority that does not agree that, purely for defensive purposes, we must guard this flank. The Army has authority for an auxiliary air base at Fairbanks, Alaska, but the proposed main operating air base is at Anchorage, at the head of Cook Inlet. This will require $14,000,000 to complete and urgently and immediately demands $4,000,000 to start.

The strategists of the House Appropriations Committee "economized" here while refusing to do so on billions of vote-getting hand-outs. They blacked-out Anchorage. They "economized" also on reserve airplanes for the Army—cutting the number asked for from 476 to 57. Part of this cut the War Department approved in view of increased foreign purchases of military types, but it did not do so as to 166 planes of a type the need for which was not lessened by expanded airplane-production capacity.

Finally, due to the increased tempo of the war and the fact that previous limited production plans do not promise enough equipment in rifles, guns, ammunition, and tanks for a very minimum American protective force in less than 2 years, the Army asked for $39,000,000 not included in the Budget—a Budget ruthlessly slashed by the Budget Bureau against military advice before it even got to Congress. That $39,000,000 bids fair to be denied.

* * * * * * *

In view of the present dangerous world conditions, this kind of careless or stupid trifling with national security may yet write these spendthrifts of political billions and cheeseparers of defensive necessities down as architects of national ruin.

In my opinion, the War Department itself has been bullied into presenting a wholly inadequate program in both speed and quantity. By that very token its timid requests may be taken as an irreducible minimum not to be whittled away by politicians under a claim of economy—when there is no economy elsewhere in their hearts.

The elimination of the Anchorage outpost is especially indefensible. We have by far the best General Staff we have ever had. Its recommendations are the result of years of study and more complete information on world military developments than any other department in Washington. In view of its showing and emphasis on the point, if I were a Congressman I would hate to have it on my soul that I had thrown it out.

Mr. REYNOLDS. In further view of the fact that at that time my colleague the Senator from Utah [Mr. THOMAS] made mention of the Dutch East Indies and the British East Indies, I ask that there now be published in the RECORD an article from some newspaper, the name of which I do not know—the dispatch seems to have come from Amsterdam under date of April 22—entitled "Jap Threat to Dutch East Indies Ridiculed."

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

JAP THREAT TO DUTCH EAST INDIES RIDICULED—HIGH NETHERLANDS OFFICIAL WARNS AMERICA TO BEWARE OF ENGLAND'S ATTEMPT TO DRAW UNITED STATES INTO WAR VIA BACK-DOOR ROUTE

(By Frazier Hunt)

AMSTERDAM, April 22.—A high Government official has completely punctured for me the bubble of possible Japanese intervention in the Dutch East Indies.

"We are victims of our own busybody friends," he told me. "England would like nothing better than to drag America into war through the back door.

BITTERNESS SAID FANNED

"If the Allies are able to involve America in the Far East against Japan, it would remove from the Allies the responsibility for checking Japan in China and fighting her in the event she should decide to join up with Germany.

"Feeding America the idea that Japan is planning an invasion of the Dutch East Indies fans bitterness which might break out into flames."

With astonishing candor this important official also restated the Netherlands' determination to run her own affairs. He said:

"Even if we are invaded by Germany, and Britain and France were to become our Allies, we would not permit them to have anything to do with our islands.

PREPARING FOR SHOW-DOWN

"We would help them fight Germany, but we always make our own decisions on where and how. We would not permit the British to inject themselves into the East Indies."

This comment dovetails with the viewpoint the Dutch here hold regarding their homeland. They will permit no one to make the slightest intrusion upon their neutrality and independence.

"We have been preparing ourselves for some such show-down for a long time," the high official said, continuing:

"The world apparently underestimates our capacity for resistance at home or in the Far East.

"We have around 70,000 soldiers in the East Indies, most of them well-trained, disciplined natives with Dutch officers. But there are also a number of regiments of Dutch regulars.

"There is a modern coast defense at all important harbors with 3 cruisers, 24 submarines, a large number of destroyers, several excellent squadrons of Martin (American-made) bombers and more than 200 seaplanes.

"EMBARGO HELD UNITED STATES WEAPON

"An invasion would be a long-time, major operation. We would blow up the oil wells of Borneo and it would take Japan at least a year to reopen them even if she captured the islands.

"I insist that Holland isn't going to be bullied or thrown off balance. Everybody looks the same to us. We are determined to look after our own destiny."

Then he slyly added:

"Of course, if the situation regarding Japan should be dangerous—which we do not look for at present—then America by a total two-way embargo alone could bring tremendous pressure against Japan.

"We are not telling America her business. She is quite able to take care of herself, but she must understand how much the Allies would like to involve her in a Japanese war and thus into the European war by way of the back door."

CIVIL AERONAUTICS AUTHORITY AND AIR SAFETY BOARD

Mr. McCARRAN. Mr. President, some 2 weeks ago, and after Executive Order No. 4 on reorganization had been submitted to the special committee having charge of that matter, pursuant to a call to which I had to respond to leave the Senate for a few days I arranged with the chairman of the committee the Senator from South Carolina [Mr. BYRNES]

that the matter would not be reported to the Senate until my return to the Senate.

Today I have conferred with the Senator from South Carolina, and we have an understanding, which I am sorry the Senator is not here to listen to but which I quote carefully, that some day early next week the special committee having charge of the resolution which I offered against Reorganization Plan IV will report it to the Senate.

The rule, as I recall it, is that after 10 days such a resolution may be called back to the Senate on discharge of the committee. With the arrangement and agreement I have had with the Senator from South Carolina I do not believe such a motion will be necessary, because, as I understand, he will call a meeting of his committee and have the matter reported to the whole Senate for consideration.

I make this statement so that the Senate may know that early next week I hope to secure Senate action with reference to Reorganization Plan IV and the resolution pertaining thereto.

Mr. President, on yesterday, according to the press, the President, anticipating a solid front of Republican opposition in the Congress to the proposed reorganization of the Civil Aeronautics Authority, summoned to the White House Democratic members of the House Committee on Reorganization, apparently for a discussion of prospects and strategy.

The implication in the President's action that the reorganization issue is to become a party issue, and the suggestion that the battle should be waged on party lines, are regrettable.

In the first place, the machinery set up by the Civil Aeronautics Act and the organization of the Authority provided in that act were adopted by a Congress of predominantly Democratic sentiment, and with the approval and encouragement of a Democratic President.

To a large degree, the need for an independent agency regulating civil aeronautics was first disclosed in evidence produced before a committee headed by a Democratic Senator who has since been elevated by the President to the Supreme Court. Judgment that a new order for the regulation and development of civil aeronautics was an imperative need was more than vindicated by the investigations and reports of another Senate committee headed by another member of the Democratic Party, and actively participated in by prominent members of the Democratic Party.

Both in the House and in the Senate, committee hearings and deliberations lasting for a period of 4 years, and dealing specifically with the bills which resulted in the Civil Aeronautics Act, were conducted under the leadership of able and distinguished members of the Democratic Party; and from beginning to end valued contributions to the writing of the law and to the preparation of the method of organization of the agency set up to administer the law were made by eminent members of the Democratic Party.

In fact, as those participating in the committee hearings are fully aware, representatives of six of the executive departments, and the President himself, vigorously supported the legislation proposed, and fully approved the creation of an independent agency, separate from the executive departments, to be charged with the regulation of civil aeronautics.

The Civil Aeronautics Act was not hastily passed, nor were the Authority and the Air Safety Board given only casual consideration. Deliberate study for many months and many years by members of both parties led to the Civil Aeronautics Act as it now stands. The Authority and the Air Safety Board were the products of the best thought which disinterested Members on both sides of the aisle so generously contributed.

The fight to preserve the creation of Congress, to guard the independence of the Authority, and to maintain the Air Safety Board is not a partisan fight. Democrats and Republicans together created the Authority and set up the Board with an eye alone upon the safety of passengers and pilots, the sound development of a science and an industry, and the strengthening of our national defense.

Mr. President, in connection with my remarks on this subject today I ask leave to have inserted in the body of the RECORD, immediately following my remarks, an editorial appearing in the Washington Daily News of Thursday, May 2, entitled "Lobby to Save Lives."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[The Washington Daily News, Thursday, May 2, 1940]

LOBBY TO SAVE LIVES

President Roosevelt's defense of his plan to reorganize Government control of civil aviation is unconvincing at best, and the President's case was not improved by his sarcastic references to the plan's opponents.

It was easy for Mr. Roosevelt to say, but it would be difficult to prove, that objections are due to ignorance, gullibility, or politics. And the remark about well-intentioned people—Mr. Roosevelt said he was being frightfully polite when he called them that—staking out an exclusive claim to a so-called Lobby to Save Lives was an unworthy slur on a group of men who certainly are not politicians, not gullible, and not ignorant on the subject of safety in the air.

Of course the President also is interested in saving lives. But the progress during recent years, which he cited as evidence of his interest, was made under the system which he now proposes to upset. The story was very different when civil aviation was under the Department of Commerce, where Mr. Roosevelt wants to put it again.

The present Air Safety Board, which his reorganization plan would abolish, is "helpless to take positive steps toward preventing the recurrence of accidents," the President said. But somehow the recurrence of accidents has been prevented. In nearly 14 months no passenger or employee has been killed or seriously injured on any commercial air line.

The Lobby to Save Lives represents 1,500 air-line pilots. Their spokesman, Capt. David L. Behncke, president of the National Air-line Pilots Association, says this:

"The pilots are not in Washington to enter into controversy with the President or anyone else. They are not schooled in politics. They are schooled in flying and know what is necessary to make air transportation safe. They learned about this the hard way.

"One hundred and forty-six of their number met death in air crashes while the Department of Commerce had control of civil flying. There were 130 fatal accidents, and 146 pilots, 279 passengers, and 48 stewardesses and other nonrevenue passengers—a total of 473 persons—were killed during this period. The pilots, the industry and, I am sure, the air-traveling public, do not want aviation put back under control of the Government department that made this kind of record."

One could get the impression that the pilots are being, under the circumstances, frightfully polite to the President.

Mr. McCARRAN. Mr. President, I also ask unanimous consent to have inserted in the body of the RECORD immediately following the editorial just printed a very able article appearing in the Washington Post of today, entitled "C. A. A. Transfer Rejection Seen in Congress."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of May 2, 1940]

C. A. A. TRANSFER REJECTION SEEN IN CONGRESS—COX EXPECTS HOUSE TO TURN DOWN PLAN; GREEN OPPOSES MOVE

Administration forces in the House fear that opposition to the President's proposal to shift the Civil Aeronautics Authority into the Commerce Department will be overwhelming, it was reported last night.

Representative E. E. Cox (Democrat), of Georgia, said that while he himself thought the transfer is justified, the chances are that the House will turn down the plan.

Cox was one of five members of the select committee on Government organization who conferred yesterday with the President on the fourth reorganization order, which calls for the C. A. A. transfer, and abolition of the Air Safety Board.

Two other members, JOHN J. COCHRAN (Democrat), of Missouri, chairman, and LINDSAY C. WARREN (Democrat), of Utah, said they favored the President's plan but declined to predict its chances on the floor.

On the other side, taking the floor of the Senate for an attack on the proposal, Senator MCCARRAN (Democrat), of Nevada, produced a letter from William Green, president of the American Federation of Labor, protesting vigorously against the proposed change.

Green's letter declared he was "utterly amazed" by the President's proposal, contrasted with the "no fatality" air lines record of the last 13 months under the C. A. A. to a death record of 473 while aviation was regulated by the Commerce Department, and appealed to Congress to reject Mr. Roosevelt's plan.

Freshly returned from a visit to his home State, MCCARRAN assailed the President's plan to drop the Air Safety Board and place the C. A. A. under Secretary of Commerce Hopkins.

"Despite widespread opposition," the Nevadan said, "the President attempts to brush aside the criticism by charges that the opposition is being led by persons 'ignorant, gullible, or playing politics.'"

At New York, Attorney Henry Breckenridge, close friend and personal adviser of Col. Charles A. Lindbergh, issued a statement

accusing President Roosevelt of moving "to lay the hand of politics on the clean, bright wings of American aviation."

"The courageous Democratic Senator PAT MCCARRAN, after prodigious toil accomplished the existing legislation which has proved a satisfactory solution of the relations between the Government and the flying industry," he said. "Now comes the President with a scheme to emasculate the independent status of the C. A. A. and restore political control thereof. This after the phenomenal record of the air lines, which have just passed a year without a single fatality.

Here, air-line pilots who had gathered to approve the transfer, replied to the President's cricitism of their "lobby to save lives." Their statement, made by Capt. David L. Behncke, president of the Air Line Pilots Association, said, in part:

"The pilots are not in Washington to enter into controversy with the President or anyone else. They are here in the interest of saving lives. They are not schooled in politics. They are schooled in flying and know what is necessary to make air transportation safe. They learned about this the hard way. One hundred and forty-six of their number met death in air crashes while the Department of Commerce had control of civil flying and air transportation. There were 130 fatal air-line crashes and 146 pilots, 279 passengers, and 48 stewardesses and other nonrevenue passengers—a total of 473 persons—were killed during this period. The pilots, the industry, and, I am sure, the air-traveling public do not want aviation put back under control of the Government Department that made this kind of a record."

It voiced the opinion that the Safety Board was the "greatest single factor in bringing about the present safety in flying."

Mr. McCARRAN. Mr. President, I also ask leave to have printed in the RECORD a letter from the Santa Monica Junior Chamber of Commerce embracing a resolution against the change.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SANTA MONICA JUNIOR CHAMBER OF COMMERCE,
Santa Monica, Calif., April 30, 1940.

Hon. PAT MCCARRAN,
Senator from Nevada, Washington, D. C.

Regarding the President's Reorganization Plan No. IV.

HONORABLE SIR: After a thorough investigation and report by our aviation committee, the board of directors of the Santa Monica Junior Chamber of Commerce voted to express their opposition to the President's Reorganization Plan No. IV because:

(1) The independent Civil Aeronautics Authority should be able to plan ahead with the assurance that a possible change of administration would not disrupt their program.

(2) The Civil Aeronautics Authority and the Air Safety Board are at least partly responsible for the fine safety record of the air lines (87,000,000 miles without a fatality), and of the Civil Aeronautics Authority training program (one fatality—29,000,000 miles).

(3) We oppose a change when the present structure is reported by all operators to be functioning the most efficiently in history.

Our air lines and schools have set the world's highest standards, why change now?

Most respectfully submitted.

SANTA MONICA JUNIOR CHAMBER OF COMMERCE,
By FRANK WIRE, *Secretary.*

Mr. McCARRAN. Mr. President, I also ask to have inserted in the body of the RECORD, following my remarks, an article appearing in the Washington Star of May 1, entitled "Roosevelt Consults House Members on C. A. A. Transfer."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of May 1, 1940]

ROOSEVELT CONSULTS HOUSE MEMBERS ON C. A. A. TRANSFER—SOLID REPUBLICAN VOTE AGAINST REORGANIZATION PLAN EXPECTED

(By John C. Henry)

Anticipating a virtually solid front of Republican resistance in both House and Senate to the two pending Government reorganization plans, President Roosevelt today summoned to the White House the Democratic members of the House Committee on Reorganization for a discussion of prospects for acceptance of the plans.

Most furious controversy yet aroused over any of the four plans was precipitated by the President's proposal in plan IV to transfer the Civil Aeronautics Authority from its present independent status to the jurisdiction of the Department of Commerce.

Centering mostly on this provision resolutions calling for rejection of the pending reorganization plans have been introduced in both House and Senate.

ROOSEVELT DEFENDS TRANSFER

Yesterday, Mr. Roosevelt spoke in defense of the C. A. A. shift, asserting that opposition is based either on ignorance, gullibility, or politics. Furthermore, he added sharply, friction within the Air Safety Board, which would be abolished as such by the pending plan, makes it imperative that the change be made if progress in civil aviation is to continue.

Those who saw the President today were Representatives COCHRAN of Missouri, WARREN of North Carolina, ROBINSON of Utah, BEAM of Illinois, and Cox of Georgia.

WILL COME UP MONDAY

As the group left the White House, Chairman COCHRAN told reporters the matter would be brought to the House floor Monday.

Declining any prediction as to the outcome on the grounds that he had not polled the House, Mr. COCHRAN said the whole fight is centering over the fourth reorganization order which vests jurisdiction of the C. A. A. in the Department of Commerce. The President emphasized to the committee, he said, that the transfer will not impair the independent operation of the Authority but simply will bring it under broad jurisdiction of a Cabinet officer.

Mr. COCHRAN said he had heard no objection to the third order which makes certain changes in the functioning of the C. A. A. Administrator.

White House anticipation of a solid Republican vote against the plans was disclosed this morning by Stephen T. Early, secretary to the President.

One of the purposes of his reorganization plan, President Roosevelt told reporters, was to have the Civil Aeronautics Authority report through the Secretary of Commerce, rather than directly to the President. Mr. Roosevelt explained that he already receives annual reports from about 45 independent Federal agencies and a reduction of this burden was one of the motivating reasons behind the C. A. A. transfer.

PROVISION QUOTED

As a matter of fact, however, the Civil Aeronautics Authority does not and never has submitted its reports to the President.

Section 206 of the Aeronautics Act of 1938, creating the Authority, provides that:

"The Authority shall make an annual report to the Congress, copies of which shall be distributed as are other reports transmitted to the Congress. Such reports shall contain, in addition to a report of the work performed under this act, such information and data collected by the Authority, the Administrator, and the Air Safety Board as may be considered of value in the determination of questions connected with the development and regulation of civil aeronautics, together with such recommendations as to additional legislation relating thereto as the Authority may deem necessary. The Authority may also transmit recommendations as to such legislation more frequently."

Pending in the Senate is a resolution sponsored by Senator MCCARRAN, Democrat, of Nevada, rejecting the transfer. Chairman BYRNES, of the Senate Committee on Reorganization, indicated last night that he would expedite consideration of the McCarran measure.

CLARK DEFENDS C. A. A.

With many Members of Congress already on record as to their reaction to the plan, the Associated Press today quoted Senator CLARK, Democrat, of Idaho, as terming Mr. Roosevelt's defense of yesterday "rather a weak justification for dismemberment of an agency which has established such an incontestibly fine record."

Senator TRUMAN, Democrat, of Missouri urged colleagues not to "permit a proved success to become a proved failure."

On the other hand, Senator ADAMS, Democrat, of Colorado, said he had obtained the impression that "a little reorganization wouldn't hurt" the C. A. A. He explained, however, that he was not sure the President's proposal was the best solution.

From Capt. David L. Behncke, president of the Air Line Pilots' Association, came an immediate rebuttal to Mr. Roosevelt's ironic reference to a "group of well-intentioned people staking out an exclusive claim to a so-called lobby to save lives."

Heading a bloc of veteran pilots now in Washington to oppose the reorganization, Capt. Behncke said:

"The pilots are not in Washington to enter into controversy with the President or anyone else. They are here in the interest of saving lives. They are not schooled in politics. They are schooled in flying and know what is necessary to make air transportation safe. They learned about this the hard way. One hundred and forty-six of their number met death in air crashes while the Department of Commerce had control of civil flying and air transportation. There were 130 fatal air-line crashes, and 146 pilots, 279 passengers, and 48 stewardesses and other nonrevenue passengers—a total of 473 persons—were killed during this period. The pilots, the industry, and, I am sure, the air-traveling public do not want aviation put back under control of the Government Department that made this kind of record."

DISAGREEMENT SCOUTED

Since last November, when Col. Sumpter Smith resigned to devote his full time to chairmanship of the engineering commission in charge of building the Washington National Airport, the Air Safety Board has had only two members. The charge that these two, Thomas O. Hardin and C. B. Allen, have been in any continuing disagreement was scouted today by persons who have observed the work of the Board and point to the fact that there has been no evidence of a deadlock.

It was recalled that when the Bureau of Air Commerce was in the Commerce Department the same organization which made and enforced regulations governing air transportation and which installed, maintained, and operated aids to air navigation along the airways also investigated accidents. Since many of the accidents

involved regulations or aids, the Bureau was an interested party to the investigations, it was pointed out. Some of the harshest criticism of the former set-up was directed to the fact that the Bureau failed to decide against itself in accident cases in which testimony tended to show air navigation aids were at fault. Critics contended there was too much disposition to blame accidents on pilots who had died at their controls and to overlook defects in airways or Federal regulations and their enforcement.

This criticism was one of the chief reasons for creation of the independent Air Safety Board.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. HAYDEN. Mr. President, I ask unanimous consent that the pending bill be temporarily laid aside, and that the Senate proceed to the consideration of House bill 8745, the Interior Department appropriation bill. I further ask that the formal reading of the bill be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

The PRESIDING OFFICER. Is there objection to the first request of the Senator from Arizona?

Mr. TOWNSEND. Mr. President, reserving the right to object, does the Senator think there will be a long debate on the appropriation bill?

Mr. HAYDEN. I know of nothing to indicate that such will be the case. I am quite sure the Senate will very promptly dispose of the bill, probably this afternoon.

Mr. TOWNSEND. I am wondering if we cannot fix a time when we shall vote on the silver bill at some future date.

Mr. BARKLEY. Mr. President, I could not at this time suggest an agreement of that kind, or enter into one, because several other speeches are to be made on the bill, and it is impossible to tell how much time will be consumed in the further argument. I think we had better not attempt to reach any agreement today about fixing a time to vote.

Mr. TOWNSEND. May I ask a further question of the distinguished leader? Does he expect the Senate to continue in session tomorrow?

Mr. BARKLEY. No; I do not. I think we shall take a recess until Monday at the conclusion of the consideration of the appropriation bill.

Mr. TOWNSEND. We shall go over until Monday, and then the silver bill will come up again?

Mr. BARKLEY. The bill will then again come up for consideration.

Mr. TOWNSEND. I have no objection.

The PRESIDING OFFICER. Without objection, the first request of the Senator from Arizona is agreed to.

Without objection, the second request is agreed to.

The Senate proceeded to consider the bill (H. R. 8745) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

The first amendment of the Committee on Appropriations was, under the heading "Office of the Secretary—Office of Solicitor", on page 3, line 14, after "Division)", to strike out "$310,000" and insert "$314,340", so as to read:

For personal services in the District of Columbia and in the field (except Consumers' Counsel Division), $314,340.

The amendment was agreed to.

The next amendment was, on page 4, line 6, after the word "periodicals", to strike out "$139,583" and insert "$151,830", so as to read:

Consumers' Counsel Division, salaries and expenses: For all necessary expenditures of the Consumers' Counsel Division, in performing the duties devolving upon said Consumers' Counsel Division by the Bituminous Coal Act of 1937, approved April 26, 1937 (50 Stat. 72), including witness fees and mileage for witnesses appearing in behalf of the Division before the Bituminous Coal Division and including witnesses before the Interstate Commerce Commission, personal services and rent in the District of Columbia and elsewhere, traveling expenses, including not to exceed $3,000 for expenses of attendance at meetings at which matters of importance to the work of the Consumers' Counsel Division are to be discussed, printing and binding, contract stenographic reporting services, stationery and office supplies and equipment, and not to exceed $1,000 for newspapers, books, and periodicals, $151,830.

The amendment was agreed to.

The next amendment was, under the subhead "Division of Territories and island possessions", on page 4, line 9, to strike out "$118,780" and insert "$121,100"; so as to read:

For personal services in the District of Columbia, $121,100.

The amendment was agreed to.

The next amendment was, under the subhead "Division of Investigations", on page 4, line 19, after the word "exceeding", to strike out "$40,000" and insert "$43,500", so as to read:

For investigating official matters under the control of the Department of the Interior; for protecting timber on the public lands, and for the more efficient execution of the law and rules relating to the cutting thereof; for protecting public lands from illegal and fraudulent entry or appropriation; for adjusting claims for swamplands and indemnity for swamplands; and for traveling and other expenses of persons employed hereunder, $470,000, including not exceeding $43,500 for personal services in the District of Columbia; not exceeding $52,500 for the purchase, exchange, operation, and maintenance of motor-propelled passenger-carrying vehicles and motorboats for the use of agents and others employed in the field service. The Secretary of the Interior shall include in his annual report a full statement of all expenditures made under authority of this paragraph.

The amendment was agreed to.

The next amendment was, under the subhead "Bituminous Coal Division," on page 8, line 12, after the word "periodicals", to strike out "$1,187,800" and insert "$2,387,800"; so as to read:

Salaries and expenses: For all necessary expenditures of the Bituminous Coal Division in carrying out the purposes of the Bituminous Coal Act of 1937, approved April 26, 1937 (50 Stat. 72), including personal services and rent in the District of Columbia and elsewhere; traveling expenses, including expenses of attendance at meetings which, in the discretion of the Secretary of the Interior, are necessary for the efficient discharge of the responsibilities of the Division; contract stenographic reporting services; stationery and office supplies; purchase, rental, exchange, operation, maintenance, and repair of reproducing, photographing, and other such equipment, typewriters, calculating machines, mechanical tabulating equipment, and other office appliances and labor-saving devices; printing and binding; witness fees and fees and mileage in accordance with section 8 of the Bituminous Coal Act of 1937; not to exceed $4,500 for hire, maintenance, operation, and repair of motor-propelled passenger-carrying vehicles including one for use in the District of Columbia; garage rentals; miscellaneous items, including those for public instruction and information deemed necessary; and not to exceed $1,800 for purchase and exchange of newspapers, lawbooks, reference books, and periodicals, $2,387,800.

The amendment was agreed to.

The next amendment was, on page 12, after line 3, to insert:

WAR MINERALS RELIEF COMMISSION

Administrative expenses: For administrative expenses made necessary by section 5 of the act entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes," approved March 2, 1919 (40 Stat. 1272), including personal services, without regard to the civil-service laws and regulations; traveling and subsistence expenses; supplies and all other expenses incident to the proper prosecution of this work, both in the District of Columbia and elsewhere, $11,200: *Provided*, That any claim that has not been prosecuted and disposed of prior to July 1, 1941, shall not thereafter be considered by the Secretary of the Interior and shall be barred.

The amendment was agreed to.

The next amendment was, under the heading "Bonneville power administration", on page 13, line 3, before the word "of", to strike out "$5,650,000" and insert "$6,650,000", so as to read:

For all expenses necessary to enable the Bonneville Power Administrator to exercise and perform the powers and duties imposed upon him by the act "To authorize the completion, maintenance, and operation of the Bonneville project, for navigation and for other purposes," approved August 20, 1937 (50 Stat. 731), including personal services, travel expenses, purchase and exchange of equipment, printing and binding, and purchase and exchange (including one at not to exceed $1,200), maintenance, and operation of motor-propelled passenger-carrying vehicles, $6,650,000, of which amount $8,200 shall be available for personal services in the District of Columbia and $641,800 shall be available for expenses of marketing and transmission facilities, and administrative costs in connection therewith.

The amendment was agreed to.

The next amendment was, under the heading "United States High Commissioner to the Philippine Islands", on page 14, line 4, after the word "expenses", to strike out "$141,000" and insert "$159,000", so as to read:

For the maintenance of the office of the United States High Commissioner to the Philippine Islands as authorized by subsection 4 of section 7 of the act approved March 24, 1934 (48 Stat. 456), including salaries and wages; rental, furnishings, equipment, maintenance, renovation, and repair of office quarters and living quarters for the High Commissioner; supplies and equipment; purchase and exchange of lawbooks and books of reference, periodicals, and newspapers; traveling expenses, including for persons appointed hereunder within the United States and their families, actual expenses of travel and transportation of household effects from their homes in the United States to the Philippine Islands, and return, utilizing Government vessels whenever practicable; operation, maintenance, and repair of motor vehicles, and all other necessary expenses, $159,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Indian Affairs—Salaries", on page 19, line 23, after the name "District of Columbia", to strike out "$548,580" and insert "$556,740", so as to read:

For the Commissioner of Indian Affairs and other personal services in the District of Columbia, $556,740.

The amendment was agreed to.

The next amendment was, under the subhead "Indian lands", on page 25, in line 5, after the name "Colorado", to insert "Nevada", so as to read:

For the acquisition of lands, interest in lands, water rights and surface rights to lands, and for expenses incident to such acquisition (except salaries and expenses of employees), in accordance with the provisions of the act of June 18, 1934 (48 Stat. 985), $325,000, together with the unexpended balance of the appropriation for this purpose for the fiscal year 1940: *Provided*, That no part of the sum herein appropriated shall be used for the acquisition of land within the States of Arizona, Colorado, Nevada, New Mexico, and Wyoming outside of the boundaries of existing Indian reservations.

The amendment was agreed to.

The next amendment was, under the subhead "Industrial assistance and advancement", on page 31, line 23, after the word "available", to strike out "$12,000" and insert "$22,000", and in line 24, after the word "follows" and the colon, to insert "Blackfeet, Montana, $10,000", so as to read:

Industrial assistance (tribal funds): For advances to individual members of the tribes for the construction of homes and for the purchase of seed, animals, machinery, tools, implements, building material, and other equipment and supplies; and for advances to old, disabled, or indigent Indians for their support and burial, and Indians having irrigable allotments to assist them in the development and cultivation thereof, to be immediately available, $22,000, payable from tribal funds as follows: Blackfeet, Montana, $10,000; Hoopa Valley, Calif., $2,000; Red Lake, Minn., $10,000 (from funds held in trust by the United States for said Indians pursuant to the act of June 15, 1938 (52 Stat. 697), and to be used only for educational loans to Indian youths of the Red Lake Band possessing one-fourth degree or more of Indian blood); and the unexpended balances of funds available under this head in the Interior Department Appropriation Act for the fiscal year 1940, and the Third Deficiency Act, fiscal year 1939, are hereby continued available during the fiscal year 1941 for the purposes for which they were appropriated:

The amendment was agreed to.

The next amendment was, on page 34, line 12, after the word "exceed", to strike out "$15,000" and insert "$18,000", so as to read:

For the development, under the direction of the Commissioner of Indian Affairs, of Indian arts and crafts, as authorized by the Act of August 27, 1935 (49 Stat. 891), including personal services, purchase and transportation of equipment and supplies, purchase of periodicals, directories, and books of reference, purchase and operation of motor-propelled passenger-carrying vehicles, telegraph and telephone services, cost of packing, crating, drayage, and transportation of personal effects of employees upon permanent change of station, expenses of exhibits and of attendance at meetings concerned with the development of Indian arts and crafts, traveling expenses, including payment of actual transportation expenses, not to exceed $2,500 for printing and binding, and other necessary expenses, $48,400, of which not to exceed $18,000 shall be available for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "Irrigation and drainage," on page 37, after line 16, to strike out:

For operation and maintenance of the San Carlos project for the irrigation of lands in the Gila River Indian Reservation, Ariz., $140,000 (operation and maintenance collections) and $180,000 (power revenues), of which latter sum not to exceed $24,000 shall be available for major repairs in case of unforeseen emergencies caused by fire, flood, or storm, from which amount, of $140,000 and $180,000, respectively, expenditures shall not exceed the aggregate receipts covered into the Treasury in accordance with section 4 of the Permanent Appropriation Repeal Act, 1934; in all, $320,000.

And in lieu thereof to insert:

For operation and maintenance of the San Carlos project for the irrigation of lands in the Gila River Indian Reservation, Ariz., $65,000, reimbursable, together with $140,000 (operation and maintenance, collections), and $220,000 (power revenues), of which latter sum not to exceed $24,000 shall be available for major repairs in case of unforeseen emergencies caused by fire, flood, or storm, from which amounts, of $140,000 and $220,000, respectively, expenditures shall not exceed the aggregate receipts covered into the Treasury in accordance with section 4 of the Permanent Appropriation Repeal Act, 1934; in all, $425,000.

The amendment was agreed to.

Mr. KING. Mr. President, I should like to inquire of the Senator from Arizona, having the bill in charge, whether the appropriations for the Indian Office are in excess of those last year.

Mr. HAYDEN. They are less.

Mr. KING. What agencies have sustained the reductions?

Mr. HAYDEN. There has been a general reduction in the appropriations for the operations of the Interior Department. That has been accomplished, the Senator will notice from the report, in that the amount appropriated by the pending bill is $15,045,000 less than was carried in the Interior Department appropriation bill last year.

Mr. KING. Let me inquire whether the point which the Senator from New Mexico raised against the bill at the last session of the Congress has been taken into consideration in drafting the pending measure.

Mr. HAYDEN. I am not quite aware of what the objections of the Senator from New Mexico were.

Mr. KING. They related to the Navajo Indians, and to the superimposition upon them, in the form of local autonomy, of a government of which they did not approve, also compelling them to pursue a certain policy in connection with grazing which they regarded as detrimental.

Mr. HAYDEN. So far as I know, at the present time the Navajo Indians have not accepted the Wheeler-Howard Act, to which the Senator from New Mexico objected.

Mr. KING. The Senator has received no objection from the Senator from New Mexico or any statement from him?

Mr. HAYDEN. No. I am sure the Senator from New Mexico is satisfied with the bill.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 44, line 23, after "(49 Stat. 1039, 1040)", to insert a comma and "including the development or purchase of electrical energy and the distribution and sale thereof"; in line 25, before the name "Navajo", to strike out "$650,000" and insert "$1,150,000"; and on page 45, line 1, after the figures "$50,000", to insert "San Carlos, $90,000; Salt River, $50,000;", so as to read:

Arizona: Colorado River, as authorized by and in accordance with section 2 of the River and Harbor Act, approved August 30, 1935 (49 Stat. 1039, 1040), including the development or purchase of electrical energy and the distribution and sale thereof, $1,150,000; Navajo, Arizona, and New Mexico, $50,000; San Carlos, $90,000; Salt River, $50,000; San Xavier, $10,000.

The amendment was agreed to.

The next amendment was, on page 45, at the end of line 4, to strike out "$50,000" and insert "$10,000", so as to read:

California: Mission, $15,000; Sacramento, $10,000; Owens Valley (Carson Agency, Nev.), $10,000.

The amendment was agreed to.

The next amendment was, on page 45, after line 4, to insert:

Colorado: Southern Ute, $10,000.

The amendment was agreed to.

The next amendment was, on page 45, line 6, after the name "Crow", to strike out "$500,000" and insert "$400,000", so as to read:

Montana: Crow, $400,000; Flathead, $250,000; Fort Belknap, $12,000; Blackfeet, $50,000; Fort Peck, $50,000.

The amendment was agreed to.

The next amendment was, on page 45, line 12, after the name "Wapato", to strike out "$75,000" and insert "including surveys of the Klickitat unit, $100,000", so as to read:

Washington: Wapato, including surveys of the Klickitat unit, $100,000.

The amendment was agreed to.

The next amendment was, on page 45, at the end of line 14, to strike out "$46,000" and insert "$41,000", so as to read:

Wyoming: Wind River, $41,000.

The amendment was agreed to.

The next amendment was, on page 45, at the end of line 15, to strike out "$50,000" and insert "$45,000", so as to read:

Miscellaneous garden tracts, $45,000.

The amendment was agreed to.

The next amendment was, on page 45, line 20, after the words "In all", to strike out "$2,047,300" and insert "$2,572,300", so as to read:

In all, $2,572,300, to be reimbursable in accordance with law, and to be immediately available, which amount, together with the unexpended balances of funds made available under this head in the Interior Department Appropriation Act, fiscal year 1940, shall remain available until June 30, 1941.

The amendment was agreed to.

The next amendment was, under the subhead "Education," on page 46, line 13, after the word "schools," to strike out "$6,000,000" and insert "$6,015,000", so as to read:

For the support of Indian schools not otherwise provided for, and for other Indian educational purposes, including apprentice teachers for reservation and nonreservation schools, educational facilities authorized by treaty provisions, care of Indian children of school age attending public and private schools, and tuition and other assistance for Indian pupils attending public schools, $6,015,000.

The amendment was agreed to.

The next amendment was, under the subhead "General support and administration", on page 58, line 18, after the word "provisions", to strike out "$2,846,700" and insert "$2,897,520", so as to read:

For general support of Indians and administration of Indian property, including pay of employees authorized by continuing or permanent treaty provisions, $2,897,520.

The amendment was agreed to.

The next amendment was, on page 60, after line 11, to insert:

Oklahoma, Seminole: The unexpended balance of the appropriation of $7,787 from tribal funds of the Seminole Indians, Oklahoma, contained in the Interior Department Appropriation Act, fiscal year 1940, for reconstruction of a community house is hereby continued available for the same purposes until June 30, 1941.

The amendment was agreed to.

The next amendment was, on page 60, line 18, after the name "Klamath", to strike out "$123,760" and insert "$125,760", so as to read:

Oregon: Klamath, $125,760, of which not to exceed $4,500 shall be available for fees and expenses of an attorney or firm of attorneys selected by the tribe and employed under a contract approved by the Secretary of the Interior in accordance with existing law, and not to exceed $30,000 shall be available for the construction and equipment of a nurses' home and a nurses' dwelling.

The amendment was agreed to.

The next amendment was, on page 61, line 20, after the word "exceed", to strike out "$521,126" and insert "$523,126", so as to read:

In all, not to exceed $523,126.

The amendment was agreed to.

The next amendment was, on page 62, after line 14, to insert:

Expenses of attorneys, Chippewa Tribe, Minnesota (tribal funds): For compensation and expenses of an attorney or attorneys employed by the Chippewa Tribe, under a contract approved by the Secretary of the Interior, $6,000, or so much thereof as may be necessary, payable from the principal sum on deposit to the credit of the Chippewa Indians of Minnesota, arising under section 7 of the act entitled "An act for the relief and civilization of the Chippewa Indians in the State of Minnesota," approved January 14, 1889 (25 Stat. 645), and the amount herein appropriated shall be available for compensation earned and expenses incurred during the period covered by said contract.

The amendment was agreed to.

The next amendment was, under the subhead "Construction and repair", on page 67, after line 6, to insert:

Alaska: Day-school facilities and quarters, $20,000.

The amendment was agreed to.

The next amendment was, on page 67, after line 22, to strike out:

Five Civilized Tribes, Oklahoma (Jones Academy): Improvements to water system, $4,500.

And in lieu thereof to insert:

Five Civilized Tribes, Oklahoma: Improvements to water system, Jones Academy, $31,500; improvements to water system, Talihina Sanatorium, $27,500.

The amendment was agreed to.

The next amendment was, on page 68, line 5, after the figures "$15,000", to insert "quarters, $7,500", so as to read:

Fork Belknap, Mont.: General repairs and improvements, $15,000; quarters, $7,500.

The amendment was agreed to.

The next amendment was, on page 68, line 6, after the word "Quarters", to strike out "$5,000" and insert "$7,500", so as to read:

Fort Berthold, N. Dak.: Quarters, $7,500.

The amendment was agreed to.

The next amendment was, on page 68, line 8, after the word "Quarters", to strike out "$7,500" and insert "$8,500; shop building and garage, $10,000", so as to read:

Fort Totten, N. Dak.: Quarters, $8,500; shop building and garage, $10,000.

The amendment was agreed to.

The next amendment was, on page 68, after line 10, to insert:

Hopi, Ariz.: School facilities, $125,000.

The amendment was agreed to.

The next amendment was, on page 68, line 13, after the figures "$7,500" and the semicolon, to insert "dairy barn, $15,000; shop building, $20,000", so as to read:

Kiowa, Okla.: Nurse aides' dormitory facilities, $40,000; Fort Sill, quarters, $7,500; dairy barn, $15,000; shop building $20,000.

The amendment was agreed to.

The next amendment was, on page 68, after line 17, to insert:

Pipestone, Minn.: Improvements to utility system, $22,500.

The amendment was agreed to.

The next amendment was, on page 69, line 5, after the word "Quarters", to strike out "$5,000" and insert "$7,500", so as to read:

Standing Rock, N. Dak.: Quarters, $7,500.

The amendment was agreed to.

The next amendment was, on page 69, line 17, after the word "Quarters", to strike out "$30,000" and insert "$37,500", so as to read:

Western Shoshone, Nev.: Quarters, $37,500.

The amendment was agreed to.

The next amendment was, on page 70, line 2, after the word "herein", to strike out "$85,000" and insert "$110,000"; in line 3, after the words "in all", to strike out "$916,000" and insert "$1,229,000"; in the same line, after the word "available", to insert "and to remain available until completion of the projects when the unobligated balances shall revert to the general fund of the Treasury"; in line 6 after the word "Provided", to strike out "that not to exceed 10 percent of the amount of any specific authorization may be transferred, in the discretion of the Commissioner of Indian Affairs, to the

amount of any other specific authorization, but no limitation shall be increased more than 10 percent by any such transfer: *Provided further"*, and in line 19, after the name "Treasury", to strike out the colon and *"Provided further,* That the appropriation contained in the Interior Department Appropriation Act, fiscal year 1939, for the construction of a central heating plant, and rehabilitation of distribution lines at Chilocco, Okla., shall be available also for the construction of a print shop."

So as to read:

For administrative expenses, including personal services in the District of Columbia and elsewhere; not to exceed $2,500 for printing and binding; purchase of periodicals, directories, and books of reference; purchase and operation of motor-propelled passenger-carrying vehicles; traveling expenses of employees; rent of office and storage space; telegraph and telephone tolls; and all other necessary expenses not specifically authorized herein, $110,000; in all, $1,229,000, to be immediately available and to remain available until completion of the projects when the unobligated balances shall revert to the general fund of the Treasury: *Provided,* That the unexpended balances of appropriations made available under this head in the Interior Department Appropriation Acts, fiscal years 1939 and 1940, the Urgent Deficiency and Supplemental Appropriation Act, fiscal years 1939 and 1940, and the Third Deficiency Appropriation Act, fiscal year 1939, shall continue available until completion of the projects when the unobligated balances shall revert to the general fund of the Treasury.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Reclamation", on page 81, line 17, after the name "Colorado", to strike out "$75,000" and insert "$100,000", so as to read:

Uncompahgre project, Colorado, $100,000.

The amendment was agreed to.

The next amendment was, on page 81, line 18, after the word "division", to strike out "$700,000" and insert "$900,000", so as to read:

Boise project, Idaho, Payette division, $900,000; the sum heretofore appropriated for construction of the Twin Springs Dam and Snake River pumping plant shall remain available for construction of either or both of the same or such other project works on the Boise River or its tributaries as may be found by the Secretary of the Interior, following current investigations, to be more feasible.

The amendment was agreed to.

The next amendment was, at the top of page 82, to insert:

Humboldt project, Nevada, $100,000.

The amendment was agreed to.

The next amendment was, on page 82, line 2, after the name "New Mexico", to strike out "$50,000" and insert "$100,000", so as to read:

Carlsbad project, New Mexico, $100,000.

The amendment was agreed to.

The next amendment was, on page 82, after line 5, to insert:

Klamath project, Oregon-California, $200,000.

The amendment was agreed to.

The next amendment was, on page 82, line 8, after the name "Wyoming", to strike out "$500,000" and insert "$900,000", so as to read:

Kendrick project, Wyoming, $900,000.

The amendment was agreed to.

The next amendment was, on page 83, line 3, after the word "fund", to strike out "$7,197,000" and insert "$8,172,000", so as to read:

Total, construction, from reclamation fund, $8,172,000.

The amendment was agreed to.

The next amendment was, on page 83, line 17, after the word "fund", to strike out "$8,099,600" and insert "$9,174,600", so as to read:

Total, from reclamation fund, $9,074,600.

The amendment was agreed to.

The next amendment was, on page 86, line 10, before the word "which", to strike out "$1,500,000" and insert "$850,000", so as to read:

Boulder Canyon project (All-American Canal): For continuation of construction of a diversion dam, and main canal (and appurtenant structures including distribution and drainage systems) located entirely within the United States connecting the diversion dam with the Imperial and Coachella Valleys in California; to acquire by proceedings in eminent domain, or otherwise, all lands, rights-of-way, and other property necessary for such purposes; and for incidental operations, as authorized by the Boulder Canyon Project Act, approved December 21, 1928 (43 U. S. C., ch. 12A); to be immediately available and to remain available until advanced to the Colorado River Dam fund, $850,000, which amount shall be available for personal services in the District of Columbia (not to exceed $5,000) and in the field and for all other objects of expenditure that are specified for projects hereinbefore included in this act under the caption "Bureau of Reclamation, Administrative provisions and limitations," without regard to the amounts of the limitations therein set forth.

The amendment was agreed to.

The next amendment was, under the subhead "General fund, construction," on page 87, line 6, after the name "Arizona-California", to strike out "$3,000,000" and insert "$3,500,000, together with the unexpended balance of the appropriation of $4,000,000 for this project contained in the Second Deficiency Appropriation Act, fiscal year 1939;", so as to read:

Parker Dam Power project, Arizona-California, $3,500,000, together with the unexpended balance of the appropriation of $4,000,000 for this project contained in the Second Deficiency Appropriation Act, fiscal year 1939.

The amendment was agreed to.

The next amendment was, on page 87, line 10, after the name "California", to strike out "$16,000,000" and insert "$23,600,000", so as to read:

Central Valley project, California, $23,600,000.

The amendment was agreed to.

The next amendment was, on page 87, after line 12, to insert:

San Luis Valley project, Colorado: For further investigations, exploratory and preparatory work, and commencement of construction in accordance with House Document No. 693, Seventy-sixth Congress, third session: *Provided,* That commencement of construction of the Closed Basin Drain feature shall be contingent on (a) a conclusive finding of justification for the drain on the basis of cost and the quantity and quality of water to be secured, and (b) adequate arrangements for maintenance of the drain, $150,000.

The amendment was agreed to.

The next amendment was, on page 88, line 13, after the word "construction", to strike out "$35,100,000" and insert "$43,350,000", so as to read:

Total, general fund construction, $43,350,000.

The amendment was agreed to.

The next amendment was, under the subhead "Water conservation and utility projects", on page 88, after line 15, to insert:

For the construction of water conservation and utilization projects and small reservoirs including not to exceed $140,000 for surveys, investigations, and administrative expenses in connection therewith (of which not to exceed $20,000 shall be available for personal services in the District of Columbia), all as authorized by the act of August 11, 1939 (53 Stat. 1418), to remain available until expended, $2,600,000.

NEED OF SMALL RESERVOIR PROGRAM

Mr. O'MAHONEY. Mr. President, this amendment deals, I believe, with one of the most important subjects included in the bill. Members of the Senate may feel that they have heard enough of the problem of the migratory farm family. Testimony has been presented to various committees of the Senate with respect to the gravity of the situation in which the farm families which have been driven out by the drought find themselves. We all know the conditions which exist in California, because these former farm families have now become migrants upon the face of the earth and I am confident that this body will want to leave nothing undone that may prove helpful.

The pending amendment, approved by the committee, is an attempt to prevent further dispersion of the farm population by providing for the conservation of water resources so as to keep on the lands families which have not yet been driven out. But it does not go far enough. The Bureau of Reclamation in the Department of the Interior was given

$5,000,000 for this purpose last year and asked a similar appropriation this year. No provision, however, was made in the first Budget report and this appropriation bill as it passed the House of Representatives carried no item for this work.

A week ago, however, I am happy to say, the Budget Bureau sent up a supplemental estimate for $2,600,000. I sought to persuade the committee to grant the full $5,000,000 believing that there are many items in this bill of much larger amounts and many items in other bills which are not nearly so important. The committee, however, saw fit not to increase the Budget estimate and I gave notice of my intention to ask the Senate for the larger amount, confident that this body would desire to do everything in its power to keep as many farm families as possible on the land.

I have here a report from the Farm Security Administration which indicates not only that at least 350,000 American farm families have lost their foothold on the land and have become migrant laborers wandering from State to State in search of occasional seasonal work, but that many other thousands of families are still attempting to maintain themselves on the land though faced with the danger of being driven away by lack of water. It is stated, for example, that in each of the Dakotas there are fully 20,000 families still trying to hold on; that in Montana, Colorado, Wyoming, and Nebraska there are other thousands of farm families in the same condition.

Most of the families which have migrated to California came from Oklahoma, Texas, Arkansas, and Missouri. They were driven out of what was called the Dust Bowl by the great drought of 1934 and 1936. I know of nothing more touching than the effort of people who have grown up upon the land, in agricultural communities, to struggle against the elements which seem to conspire to drive them off. I know of numerous areas in my own State which can be preserved and developed as economic farm units provided only we build small reservoirs and conserve the water resources. How much better it is to help such families to remain on the land than to try to provide relief for them after they have been driven out.

The increase which I am asking will not be sufficient to do all that should be done, but it will make a splendid start. It will enable the Bureau of Reclamation to take full advantage of laws which have already been enacted, allowing it to use the facilities of the Civilian Conservation Corps and the W. P. A. as well as the Farm Security Administration to provide for the permanent rehabilitation of thousands of families which represent the best citizenship in America.

One of the most satisfactory and encouraging facts about the Farm Security program has been the high degree of responsibility exhibited by the beneficiaries of the Farm Security loans as evidenced by the remarkable record of repayment which has been made by rehabilitated families.

DEPARTMENTS COOPERATING

The Interior Department and the Department of Agriculture are both anxious to cooperate, and when one considers the large proportion of young people who are affected, I am sure there will be little hesitation on the part of this Senate in granting what I ask.

Dr. Will L. Alexander, Administrator of the Farm Security Administration, recently reported to me of a study of 6,655 typical migrant families in California. Almost half of them had lived for 20 years or more in States from which they had come so that, obviously, the conditions which I am here trying to overcome are conditions which tear at the very roots of our society. But more appalling than that, to me at least, was the fact disclosed by this study that the average age of the heads of families was only 33 years and that only one-fifth of all the children of these families were 15 years of age, or older.

In some of the very States in which this problem exists millions of dollars are being taken out of the land in the development of natural resources. Even the oil lands on the public domain are frequently developed by large corporations which take the profits beyond the boundaries of the States. I am seeking to help the families who live in the States, the families who build up the communities, the families who produce the citizens of these States, and I know of no better way to do it than providing, as this amendment provides, for the conservation and development of water resources.

The amount of money carried in the committee recommendation is not sufficient to deal with the problem. The senior Senator from Utah [Mr. KING] appeared before the committee and urged larger appropriations. I do not suppose there is a Senator from the whole region west of the Mississippi, sometimes called the Great Plains area, sometimes referred to as the arid States, sometimes referred to as the Dust Bowl, who does not realize the importance of dealing adequately with this situation.

Mr. President, without taking more time of the Senate at this moment, I move to amend the committee amendment by increasing the amount from $2,600,000 to $5,000,000. The Farm Security Administration and the Bureau of Reclamation have testified to us that there are ample opportunities to spend this amount of money in an adequate and beneficial way, so as to keep the farmers on the land. I think there is no more important thing for Congress to do than to make it possible for farm families to remain where they are instead of joining the migratory movement, which is creating so much trouble throughout the West.

Mr. KING. Mr. President, this is important merely as a means of anchoring people upon their farms, in homes which they have built in some of the arid districts.

Mr. THOMAS of Utah. Mr. President, I do not wish to take up the time of the Senate, because I feel that every Senator present realizes how serious this question is. But as one of the Senators who has represented the Senate on a committee which for the last 3 or 4 years has been listening to a discussion of various problems, the Senate Civil Liberties Committee, I desire to state that that committee has gone into this subject. The testimony we have heard from the best authorities of the country confirms completely what the Senator from Wyoming has stated.

Furthermore, Mr. President, there are some sections of the country whose economic welfare depends entirely upon water conservation. My State happens to be a State of that type. There is the added consideration that the conservation of water is of tremendous importance to the welfare and conservation of human life.

Mr. President, I trust the Senate will agree to the amendment of the Senator from Wyoming.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, under the heading "Geological Survey", on page 90, line 5, after the name "District of Columbia", to strike out "$150,000" and insert "$175,000", so as to read:

Salaries: For the Director of the Geological Survey and other personal services in the District of Columbia, $175,100;

The amendment was agreed to.

The next amendment was, on page 95, line 6, after the word "photographs", in insert "or for the furnishing of topographic maps made from such photographs", so as to read:

During the fiscal year 1941, upon the request of the Secretary of the Interior, the Secretary of War or the Secretary of the Navy is authorized to furnish aerial photographs required for mapping projects, insofar as the furnishing of such photographs will be economical to the Federal Government and does not conflict with military or naval operations or the other parts of the regular training program of the Army, Navy, and Marine Corps flying services, and the Secretary of the Interior is authorized to reimburse the War or Navy Department for the cost of making the photographs, such cost to be confined to the actual cost of gasoline, oil, film, paper, chemicals, and the labor performed in developing the photographic negatives and the printing of copies of photographs, and the per diem expenses of the personnel authorized by law, together with such incidental expenses as care and

minor repairs to plane and transportation of personnel to and from projects, and the War Department or the Navy Department, on request of the Department of the Interior, is authorized to furnish copies to any State, county, or municipal agency cooperating with the Federal Government in the mapping project for which the photographs were taken. In the event that the Director of the Geological Survey deems it advantageous to the Government, the Geological Survey is authorized to contract with civilian aerial photographic concerns for the furnishing of such photographs or for the furnishing of topographic maps made from such photographs;

The amendment was agreed to.

The next amendment was, on page 95, line 14, after the word "Survey", to strike out "$3,586,910" and insert "$3,612,010", so as to read:

In all, salaries and expenses, United States Geological Survey, $3,612,010.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Mines—Salaries and general expenses", on page 97, line 5, after the words "District of", to strike out "Columbia, $656,000" and insert: "Columbia; and including not to exceed $20,000 for the necessary employees and other expenses connected with the establishment and maintenance of a mine-rescue station to serve the New York and New England area, as authorized by the act of March 3, 1915 (30 U. S. C., sec. 8), $676,000:", so as to read:

Operating mine-rescue cars and stations and investigation of mine accidents: For the investigation and improvement of mine-rescue and first-aid methods and appliances and the teaching of mine safety, rescue, and first-aid methods; investigations as to the causes of mine explosions, causes of falls of roof and coal, methods of mining, especially in relation to the safety of miners, the appliances best adapted to prevent accidents, the possible improvement of conditions under which mining operations are carried on, the use of explosives and electricity, the prevention of accidents, statistical studies and reports relating to mine accidents, and other inquiries and technologic investigations pertinent to the mining industry; the exchange in part payment for operation, maintenance, and repair of mine-rescue trucks; the construction of temporary structures and the repair, maintenance, and operation of mine-rescue cars and the Government-owned mine-rescue stations and appurtenances thereto; personal services, traveling expenses and subsistence, equipment, and supplies; travel and subsistence, and other incidental expenses of employees in attendance at meetings and conferences held for the purpose of promoting safety and health in the mining and allied industries; purchase not exceeding $6,000, exchange as part payment for, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles for official use in field work; purchase and exchange in part payment therefor of cooks' uniforms, goggles, gloves, rubber boots, aprons, and such other articles or equipment as may be necessary in connection with the purposes of this paragraph; including not to exceed $67,110 for personal services in the District of Columbia; and including not to exceed $20,000 for the necessary employees and other expenses connected with the establishment and maintenance of a mine-rescue station to serve the New York and New England area, as authorized by the act of March 3, 1915 (30 U. S. C., sec. 8), $676,000.

The amendment was agreed to.

The next amendment was, on page 97, line 24, after the name "District of Columbia", to strike out "$223,900" and insert "$263,900", so as to read:

Testing fuel: To conduct inquiries and scientific and technologic investigations concerning the mining, preparation, treatment, and use of mineral fuels, and for investigation of mineral fuels belonging to or for the use of the United States, with a view to their most efficient utilization; to recommend to various departments such changes in selection and use of fuel as may result in greater economy, and, upon request of the Director of the Bureau of the Budget, to investigate the fuel-burning equipment in use by or proposed for any of the departments, establishments, or institutions of the United States in the District of Columbia, $263,900, of which amount not to exceed $29,400 may be expended for personal services in the District of Columbia.

Mr. FRAZIER. Mr. President, I understand that the amendment at the bottom of page 97 provides for certain amounts mentioned in the report; that is, $30,000 for the continuation of investigation of subbituminous coal and lignite utilization, Golden, Colo., and $10,000 for experimental work in Pittsburgh, Pa.

I notice in the hearings before the Senate subcommittee, that on page 347, Mr. Fieldner, of the Bureau of Mines, makes the statement that one part of the investigation at Golden, Colo., he thinks, will be finished by the 1st of July of this year. Recently I talked with a representative of the Interior Department who was sent out there especially to investigate the tests and to help with them. He has just returned and said that he was doubtful whether this particular investigation would be completed by the 1st of July. What I am interested to know is whether or not it is the understanding of the members of the committee that if this particular experiment is not completed, the $30,000 will be continued for the investigation at Golden, Colo., as well as the amount provided for the plant at Pittsburgh?

Mr. ADAMS. Mr. President, on page 346 of the hearings the Senator will find the inquiry which I made of Mr. Fieldner. Director Henderson was also present. I inquired:

You have been conducting at Golden some experiments in reference to the development of the use of the subbituminous coal. Is that continuation included in the appropriations here?

The reply was:

Mr. FIELDNER. No, sir. There is no money appropriated for continuing that work next year. It will stop on June 30, unless an appropriation is made.

Then continuing:

Senator ADAMS. Have they completed their studies?
Mr. FIELDNER. No, sir; they are still in progress.
Senator ADAMS. Do you feel that they ought to be continued?
Mr. FIELDNER. I feel that a large part of the work should be continued, especially that which relates to the seeking of better methods for utilizing the subbituminous coals and lignites in domestic furnaces and small industrial plants, and also that a study should be made of the storing of these coals so that they will not fire spontaneously, and so that they will not slack and break down in size to a useless powder during transportation and storage. There are a number of problems which research might solve in making these coals more useful to the local people and extending the radius to which they could be shipped. This radius is relatively short at the present time.
Senator ADAMS. How much would it take to continue that part of the work?
Mr. FIELDNER. We would like to get about $30,000. * * *

The Senator from North Dakota is interested in the continuation of this general study of sub-bituminous coal and we in Colorado are also deeply interested in it because of the existence of tremendous bodies of sub-bituminous coals. If such coal can be made more useful, it will increase tremendously the value of those coal deposits. The committee added this $30,000 with the understanding that the investigation now being conducted would be continued for this general purpose.

Mr. FRAZIER. I thank the Senator from Colorado for that statement. I am very much interested in seeing the investigation carried through to completion, because North Dakota has a great deal of lignite coal, as do several other Western States, and if the test which is being conducted in Colorado should prove successful, it would benefit our State.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 97, line 24.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 99, line 21, before the words "of which", to strike out "$552,000" and insert "$567,000", so as to read:

Mining experiment stations: For the employment of personal services, purchase of laboratory gloves, goggles, rubber boots, and aprons, the purchase not to exceed $3,000, exchange as part payment for, maintenance and operation of motor-propelled passenger-carrying vehicles for official use in field work, and all other expenses in connection with the establishment, maintenance, and operation of mining experiment stations, as provided in the act authorizing additional mining experiment stations, approved March 3, 1915 (30 U. S. C. 8), $567,000, of which appropriation not to exceed $17,100 may be expended for personal services in the District of Columbia;

The amendment was agreed to.

The next amendment was, on page 101, line 1, before the words "of which", to strike out "$331,500" and insert "$336,920", so as to read:

Economics of mineral industries: For inquiries and investigations, and the dissemination of information concerning the economic problems of the mining, quarrying, metallurgical, and other mineral industries, with a view to assuring ample supplies and

efficient distribution of the mineral products of the mines and quarries, including studies and reports relating to uses, reserves, production, distribution, stocks, consumption, prices, and marketing of mineral commodities and primary products thereof; preparation of the reports of the mineral resources of the United States, including special statistical inquiries; and including personal services in the District of Columbia and elsewhere; purchase of furniture and equipment; stationery and supplies; typewriting, adding and computing machines, accessories and repairs; newspapers; traveling expenses; purchase, not exceeding $1,200, exchange as part payment for, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles for official use in field work; and for all other necessary expenses not included in the foregoing, $336,920, of which amount not to exceed $234,000 may be expended for personal services in the District of Columbia;

The amendment was agreed to.

The next amendment was, on page 104, at the end of line 23, to increase the total appropriation for the Bureau of Mines, from $2,815,460 to $2,895,880.

The amendment was agreed to.

The next amendment was, under the heading "National Park Service", on page 109, after line 19, to insert:

Kings Canyon National Park, Calif.: For administration, protection, maintenance, and improvement, including not exceeding $1,050 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles, $11,000.

The amendment was agreed to.

The next amendment was, on page 114, after line 4, to insert:

Dinosaur National Monument, Utah: For reliefing the dinosaur skeletons on the quarry wall, for protection of such skeletons from the elements, for personal services, general expenses, supplies, traveling expenses, and mechanical equipment in connection with such project, including not exceeding $1,400 for the purchase, maintenance, operation, and repair of a heavy-duty truck, $20,000.

The amendment was agreed to.

The next amendment was, on page 114, line 18, after the word "thereto", to strike out "$227,825" and insert "$234,325", so as to read:

National historical parks and monuments: For administration, protection, maintenance, and improvement, including not exceeding $5,925 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles, and not exceeding $50,000 for the purchase of lands and interests in lands, including expenses incidental thereto, $234,325.

Mr. MEAD. Mr. President, before action is taken on the committee amendment appearing on page 114, line 18, I move to amend the committee amendment by striking out "$234,325" and inserting in lieu thereof "$251,325."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York to the committee amendment.

Mr. HAYDEN. Mr. President, the question involved in the amendment is an appropriation for the maintenance of the W. K. Vanderbilt estate in Dutchess County, N. Y., an estate worth about $2,000,000, which has been made a gift to the Government. The committee had testimony from officials of the National Park Service to the effect that there was no question about the income being greater than the expenditure; but in order to be sure about that, I should like to ask the Senator if he would accept an amendment to this effect:

Provided, That the total sum expended in any fiscal year for maintenance of the Vanderbilt Historical Monument in Dutchess County, N. Y., shall not exceed the total sum of the admission fees collected at such monument during the previous fiscal year.

Mr. MEAD. I shall be glad to accept the amendment. That language will not in any way jeopardize the purpose of my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York, as modified, to the committee amendment.

The amendment as modified to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The PRESIDING OFFICER. The Clerk will state the next amendment of the committee.

The next amendment was, on page 114, after line 18, to insert:

Patrick Henry National Monument: For the acquisition of the estate of Patrick Henry in Charlotte County, Va., known as Red Hill, and including all expenses incidental to such acquisition, to be known as the Patrick Henry National Monument, in accordance with the provisions of the acts of August 15, 1935 (49 Stat. 652), and January 29, 1940 (Public, No. 408, 76th Cong.), $100,000.

The amendment was agreed to.

The next amendment was, on page 115, after line 2, to insert:

Andrew Johnson National Monument: For acquisition of the Andrew Johnson homestead and site located in Greeneville, Tenn., including certain furniture, furnishings, and equipment located therein, and expenses incidental to such acquisition, in accordance with the provisions of the act of August 29, 1935 (49 Stat. 958), $44,500.

The amendment was agreed to.

The next amendment was, on page 119, line 5, after the word "boundary", to strike out "$2,125,000" and insert "$2,000,000", so as to read:

Roads and trails, National Park Service: For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in the national parks, monuments, and other areas administered by the National Park Service, including the Boulder Dam National Recreational Area, and other areas authorized to be established as national parks and monuments, and national park and monument approach roads authorized by the act of January 31, 1931 (16 U. S. C. 8a and 8b), as amended, including the roads from Glacier Park Station through the Blackfeet Indian Reservation to various points in the boundary line of the Glacier National Park and the international boundary, $2,000,000, to be immediately available and to remain available until expended.

The amendment was agreed to.

The next amendment was, on page 121, line 25, after the word "employees", to strike out "$289,900" and insert "$329,900"; and on page 122, line 1, after the word "Monument", to insert "and $40,000 shall be available for the construction and equipment of a structure, at or near the Water Gate, West Potomac Park, to be used as a first-aid station, park police lodge, maintenance station, and comfort station", so as to read:

Salaries and expenses, National Capital parks: For administration, protection, maintenance, and improvement of the Mount Vernon Memorial Highway, Arlington Memorial Bridge, George Washington Memorial Parkway, monuments and memorials, Federal parks in the District of Columbia, and other Federal lands authorized by the act of May 29, 1930 (46 Stat. 482), including the pay and allowances in accordance with the provisions of the act of May 27, 1924, as amended, of the police force for the Mount Vernon Memorial Highway and the George Washington Memorial Parkway, and the operation, maintenance, repair, exchange, and storage of three automobiles, revolvers, ammunition, purchase, cleaning, and repair of uniforms for police, guards, and elevator conductors, and equipment, per diem employees at rates of pay approved by the Director not exceeding current rates for similar services in the District of Columbia, the hire of draft animals with or without drivers at local rates approved by the Director, stenographic reporting service, traveling expenses and carfare, and leather and rubber articles for the protection of public property and employees, $329,900, of which $15,000 shall be available for repairs in the Washington Monument and $40,000 shall be available for the construction and equipment of a structure, at or near the Water Gate, West Potomac Park, to be used as a first-aid station, park police lodge, maintenance station, and comfort station.

The amendment was agreed to.

The next amendment was, on page 122, line 16, before the words "to remain", to strike out "$283,740" and insert "$375,000"; so as to read:

Development of grounds, Thomas Jefferson Memorial, Washington, D. C.: For all necessary expenses in connection with the development and rearrangement of grounds surrounding the Thomas Jefferson Memorial in West Potomac Park, Washington, D. C., including relocation of sea wall, rearrangement of park roads, landscaping and planting; personal services in the District of Columbia; traveling expenses; per diem employees at rates of pay approved by the Secretary of the Interior; and maintenance and operation of one passenger-carrying vehicle; $375,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Biological Survey—Salaries and Expenses", on page 123, line

24, after the word "including", to strike out "$30,738" and insert "$45,738", and on page 124, line 4, after the word "structures", to strike out "$183,300" and insert "$198,300", so as to read:

Biological investigations: For biological investigations, including the relations, habits, geographic distribution, and migration of animals and plants, and the preparation of maps of the life zones, and including $45,738 for investigations of the relations of wild animal life to forests, under section 5 of the act approved May 22, 1928 (16 U. S. C. 581d), and for investigations of the wildlife resources of the Territory of Alaska, including the erection of necessary buildings and other structures, $198,300.

The amendment was agreed to.

The next amendment was, on page 127, after line 5, to insert:

Restoration of Lower Klamath Migratory Waterfowl Refuge: For the restoration and development of Klamath Lake Reservation (commonly known as the Lower Klamath Migratory Waterfowl Refuge) as a feeding, nesting, and breeding ground for migratory birds, including the construction of water-control works thereon and for necessary expenses incident thereto, $70,000.

The amendment was agreed to.

The next amendment was, on page 127, line 13, after the word "expenses", to increase the appropriation for salaries and expenses under the Bureau of Biological Survey, from $2,381,093 to $2,466,093.

The amendment was agreed to.

The next amendment was, on page 128, line 17, after the word "Survey", to strike out "$4,881,093" and insert "$4,966,093", so as to read:

Total, Bureau of Biological Survey, $4,966,093 and in addition thereto funds made available under the Migratory Bird Conservation Fund of which amounts not to exceed $709,940 may be expended for personal services in the District of Columbia, and not to exceed $76,600 shall be available for the purchase of motor-propelled passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia:

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Fisheries", on page 130, line 25, before the word "temporary", to strike out "$464,690" and insert "$473,090"; in the same line, after the word "exceed", to strike out "$10,000" and insert "$30,000"; and on page 131, line 5, after the word "aquarium", to strike out "$922,940, including not to exceed $75,000 to commence the establishment of stations in Arkansas and Mississippi on sites heretofore donated to the United States for such purpose, for the purchase of a fish cultural station in Oklahoma, and for the further development of the station at Lamar, Pa." and insert "$987,940, including not to exceed $120,000 to commence the establishment of a station in Arkansas, on a site heretofore donated to the United States for such purpose, the establishment of a station in Mississippi on a site heretofore or hereafter donated to the United States for such purpose, for the purchase of a fish-cultural station in Oklahoma, and for the further development of the stations at Lamar, Pa., and on Williams Creek, on the Fort Apache Indian Reservation in Arizona", so as to read:

Propagation of food fishes: For maintenance, repair, alteration, improvement, equipment, acquisition, and operation of fish-cultural stations, general propagation of food fishes and their distribution, including movements, maintenance, and repairs of cars and not to exceed $15,000 for purchase of trucks for fish distribution; maintenance, repair, and operation of motor-propelled passenger-carrying vehicles for official use in the field; purchase of equipment (including rubber boots, oilskins, and first-aid outfits) and apparatus; contingent expenses; pay of permanent employees not to exceed $473,090; temporary labor; not to exceed $30,000 for propagation and distribution of fresh-water mussels and the necessary expenses connected therewith; purchase, collection, and transportation of specimens, and other expenses incidental to the maintenance and operation of aquarium, $987,940, including not to exceed $120,000 to commence the establishment of a station in Arkansas, on a site heretofore donated to the United States for such purpose, the establishment of a station in Mississippi on a site heretofore or hereafter donated to the United States for such purpose, for the purchase of a fish-cultural station in Oklahoma, and for the further development of the stations at Lamar, Pa., and on Williams Creek, on the Fort Apache Indian Reservation in Arizona, including the construction of buildings, ponds, water supply, improvements to grounds, purchase of equipment, and all other necessary expenses.

The amendment was agreed to.

The next amendment was, on page 131, after line 21, to insert:

Diversion dam, Sandy River, Oreg.: For the construction, improvement, maintenance, and operation of a diversion dam and for bank protection and related works on the Sandy River, Oreg., for the conservation of fish in the Columbia River Basin, as authorized by the act of May 11, 1938, $30,000, including personal services not to exceed $3,000.

The amendment was agreed to.

The next amendment was, on page 132, line 10, after the numerals "1941", to insert a comma and "and the unobligated balance of the appropriation remaining under the limitation of $155,000 to establish or commence the establishment of stations authorized by the act approved May 21, 1930 (46 Stat. 371), contained in the Department of Commerce Appropriation Act, 1939, under the head 'Propagation of food fishes', which was continued available during the fiscal year 1940, is continued available during the fiscal year 1941", so as to read:

The unobligated balance of the appropriation remaining under the limitation of $155,000 to establish or commence the establishment of stations authorized by the act approved May 21, 1930 (46 Stat. 371), contained in the Department of Commerce Appropriation Act, 1940, under the head "Propagation of food fishes", is continued available during the fiscal year 1941, and the unobligated balance of the appropriation remaining under the limitation of $155,000 to establish or commence the establishment of stations authorized by the act approved May 21, 1930 (46 Stat. 371), contained in the Department of Commerce Appropriation Act, 1939, under the head "Propagation of food fishes", which was continued available during the fiscal year 1940, is continued available during the fiscal year 1941.

The amendment was agreed to.

The next amendment was, on page 134, line 8, after the word "purposes", to strike out "$368,835" and insert "$371,835", and in line 9, after the word "exceed", to strike out "$278,400" and insert "$280,400", so as to read:

Inquiry respecting food fishes: For inquiry into the cause of the decrease of food fishes in the waters of the United States, and for investigation and experiments in respect to the aquatic animals, plants, and waters, in the interests of fish culture and the fishery industries, maintenance, repair, improvement, equipment, and operation of biological stations, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles for official use in the field, preparation of reports, and not to exceed $500 for rent of suitable quarters in the District of Columbia for laboratory and storage purposes, $371,835, of which sum not to exceed $280,400 may be expended for personal services.

The amendment was agreed to.

The next amendment was, under the heading "Government in the Territories—Puerto Rican hurricane relief", on page 143, line 3, after the word "exceed", to strike out "$15,000" and insert "30,000", so as to read:

To enable the Division of Territories and Island Possessions to continue collection and administration of moneys due the United States on account of loans made under the joint resolutions approved December 21, 1928 (45 Stat. 1067), and January 22, 1930 (46 Stat. 57), and to make compositions and adjustments in any loan heretofore made, as authorized by Public Resolutions Nos. 59 (49 Stat. 926) and 60 (49 Stat. 928), Seventy-fourth Congress, approved August 27, 1935, not to exceed $30,000 of any unobligated balances of appropriations made by authority of those joint resolutions, including repayment of principal and payments of interest on such loans, is hereby made available for administrative expenses during the fiscal year 1941.

The amendment was agreed to.

The next amendment was, under the subhead "Equatorial and South Sea Islands", on page 143, after line 20, to insert:

Division of Territories and Island Possessions: For expenses of the Division of Territories and Island Possessions in the investigation and survey of natural resources of the land and sea areas of the Antarctic regions, including personal services in the District of Columbia and elsewhere without regard to the civil-service laws or the Classification Act of 1923, as amended, or by contract, if deemed necessary, without regard to the provisions of section 3709 of the Revised Statutes, rent, traveling expenses, purchase of necessary books, documents, newspapers and periodicals, stationery, hire of automobiles, purchase of equipment, supplies, and provisions, and all other necessary expenses, $250,000: *Provided*, That fuel, repairs, and emergency supplies to be paid for out of this appropriation may be contracted for in foreign ports.

The amendment was agreed to.

The next amendment was, under the heading "St. Elizabeths Hospital", on page 145, line 8, after the word "grounds",

to strike out "$1,240,285" and insert "$1,275,285", so as to read:

For support, clothing, and treatment in St. Elizabeths Hospital for the Insane of insane persons from the Army, Navy, Marine Corps, and Coast Guard, insane inmates of the National Home for Disabled Volunteer Soldiers, persons charged with or convicted of crimes against the United States who are insane, all persons who have become insane since their entry into the military and naval services of the United States, insane civilians in the quartermaster service of the Army, insane persons transferred from the Canal Zone who have been admitted to the hospital and who are indigent, American citizens legally adjudged insane in the Dominion of Canada whose legal residence in one of the States, Territories, or the District of Columbia it has been impossible to establish, insane beneficiaries of the United States Employees' Compensation Commission, insane beneficiaries of the United States Veterans' Administration, and insane Indian beneficiaries of the Bureau of Indian Affairs, including not exceeding $27,000 for the purchase, exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles for the use of the superintendent, purchasing agent, and general hospital business, and including not to exceed $185,000 for repairs and improvements to buildings and grounds, $1,275,285, including cooperation with organizations or individuals in scientific research into the nature, causes, prevention, and treatment of mental illness, and including maintenance and operation of necessary facilities for feeding employees and others (at not less than cost), and the proceeds therefrom shall reimburse the appropriation for the institution; and not exceeding $1,500 of this sum may be expended in the removal of patients to their friends; not exceeding $1,000 for expenses of attendance at meetings or conventions concerned with the work of psychiatry, medicine, and other scientific subjects of interest to St. Elizabeths Hospital, when specifically authorized by the Secretary of the Interior; not exceeding $1,500 in the purchase of such books, periodicals, and newspapers as may be required for the purposes of the hospital and for the medical library, and not exceeding $1,500 for the actual and necessary expenses incurred in the apprehension and return to the hospital of escaped patients.

Mr. O'MAHONEY. Mr. President, in view of the amendment which was adopted by vote of the Senate, on page 88, beginning in line 16, the limitation in line 18 should be changed. The amount should be changed to $280,000. I ask unanimous consent that that be done.

Mr. HAYDEN. Mr. President, that amount should be in proper proportion.

Mr. O'MAHONEY. I ask that the vote by which the committee amendment, on page 88, lines 16 to 23, inclusive, was agreed to be considered, and that the amount, in line 18, be changed to $280,000.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and the vote by which the committee amendment was agreed to is reconsidered.

The question now is on the amendment of the Senator from Wyoming to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment was, under the heading "Freedmen's Hospital", on page 148, line 1, before the word "for", to strike out "$353,840" and insert "$363,620"; in line 15, after the word "expenses", to strike out "$203,305" and insert "$208,305"; in line 16, after the name "Freedmen's Hospital", to strike out "$557,145" and insert "$571,925"; and in line 19, before the words "one-half shall", to strike out "$557,145" and insert "$571,925", so as to read:

For officers and employees and compensation for all other professional and other services that may be required and expressly approved by the Secretary of the Interior, $363,620; for subsistence, fuel and light, not exceeding $1,000 for expenses of attendance upon meetings of a technical nature, pertaining to hospital administration and medical advancement, when authorized by the Secretary of the Interior, clothing, to include white duck suits and white canvas shoes for the use of internes, and cotton or duck uniforms or aprons for cooks, maids, and attendants, and rubber surgical gloves, bedding, forage, medicine, medical and surgical supplies, surgical instruments, electric lights, repairs, replacement of X-ray apparatus, furniture; purchase, maintenance, and operation of passenger-carrying vehicles, including not exceeding $1,500 for the purchase of books, periodicals, and newspapers; and not to exceed $2,000 for the special instruction of pupil nurses, and other absolutely necessary expenses, $208,305; in all, for Freedmen's Hospital, $571,925, including reimbursement to the appropriation for Howard University of actual cost of heat and light furnished, of which amount of $571,925 one-half shall be chargeable to the District of Columbia and paid in like manner as other appropriations of the District of Columbia are paid.

The amendment was agreed to.

The next amendment was, on page 149, line 4, before the word "without", to insert "and as station wagons", and in the same line, after the word "such", to strike out "trucks" and insert "vehicles", so as to read:

SEC. 3. Appropriations herein made shall be available for the purchase, maintenance, operation, and repair of vehicles generally known as quarter-ton or half-ton pick-up trucks and as station wagons without such vehicles being considered as passenger-carrying vehicles and without the cost of purchase, maintenance, operation, and repair being included in the limitation in the various appropriation items for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. HAYDEN. Mr. President, there are a few amendments which, by direction of the committee, I should like to offer. The first amendment is on page 14, line 5, and is a matter stricken out on point of order in the House of Representatives, with reference to the Philippine High Commission.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 14, line 5, after the amount "$159,000.", it is proposed to strike out the period and to insert a comma and the following:

of which amount not exceeding $10,000 shall be available for expenditure, in the discretion of the High Commissioner, for maintenance of his household and such other purposes as he may deem proper: *Provided*, That the salary of the legal adviser and the financial expert shall not exceed the annual rate of $10,000 and $9,000 each, respectively: *Provided further*, That section 3709 of the Revised Statutes (41 U. S. C. 5) shall not apply to any purchase or service rendered under this appropriation when the aggregate amount involved does not exceed the sum of $100.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona on behalf of the committee.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, the next amendment I offer on behalf of the committee is on page 25, line 3, and relates to an authorization for the Indian Office to purchase additional lands.

The PRESIDING OFFICER. The amendment offered by the Senator from Arizona on behalf of the committee will be stated.

The LEGISLATIVE CLERK. On page 25, line 3, after the word *"Provided"*, it is proposed to insert the following:

That in addition to the amount herein appropriated, the Secretary of the Interior may also incur obligations and enter into contracts for the acquisition of the additional land, not exceeding a total of $325,000, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof, and appropriations hereafter made for the acquisition of land pursuant to the authorization contained in the act of June 18, 1934, shall be available for the purpose of discharging the obligation or obligations so created: *Provided further.*

On page 25, line 4, after the word "appropriated", it is proposed to insert "or of this contract authorization."

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. FRAZIER. Does the $325,000 include money for the purchase of land in the Turtle Mountain Indian Reservation?

Mr. HAYDEN. Mr. President, the Senator brought to our attention the fact that the Senate had passed such a bill, and the House had passed a bill in a little different form, but that the two bodies were practically agreed on the necessity for providing money for the purchase of additional land for the Turtle Mountain Indians. We thought the best way to bring about that action was to include this sum of money in the bill. The amount of the contractual authorization will make the total sum the same as last year, and very much less than it was the year before and in previous years. The money is designed to help take care of the situation which the Senator has in mind.

Mr. KING. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. KING. Are there any tribal funds out of which the proposed payment could come?

Mr. FRAZIER. There are no tribal funds.

Mr. KING. This is a gratuity, then, on the part of the Government?

Mr. FRAZIER. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona on behalf of the committee.

The amendment was agreed to.

Mr. HAYDEN. On behalf of the committee, I offer another amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 69, line 8, after "$400,000", it is proposed to insert the following:

and in addition thereto the Secretary of the Interior may incur obligations and enter into a contract or contracts not exceeding the total amount of $895,000, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof, and appropriations hereafter made for continuing construction of the project shall be available for the purpose of discharging the obligation or obligations so created.

Mr. HAYDEN. Mr. President, the purpose of this amendment is to complete the construction of a hospital for tubercular Indian patients at Tacoma, Wash. With this contractual authority the obligation will be satisfied. It is not a recurring item.

Mr. SCHWELLENBACH. Mr. President, I should like to speak very briefly with reference to this amendment. It so happens that in 1922 I became very familiar with the hazards involved in this particular hospital. Immediately after the war this hospital, which was known as Cushman Hospital, was used by the Veterans' Bureau for the purpose of taking care of general surgical and medical cases of veterans in our State. At that time I was very much interested and very active in veterans' affairs; and it happened that as one interested in veterans' affairs, I had a little authority and some opportunity to accomplish results. I succeeded in having the veterans taken out of that hospital on the ground that it was unsafe and was a fire hazard. Since it was not safe for veterans under the administration back in 1922 and 1923, it might be possible in this administration for me to raise my voice in an effort to see that the Indians are removed from the same fire hazard to which the veterans were subjected at that time. No improvements have been made in the hospital since 1923.

Mr. HAYDEN. Mr. President, as a matter of fact there was a Budget estimate of $500,000. On inquiry we found that the amount appropriated by the House was $400,000, with a contractual obligation which went out on a point of order. We made inquiry, and found that if we allowed $895,000 that amount would be sufficient to remodel the hospital, erect a new building, and do everything necessary to finish the job. On advice to that effect we are offering this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona on behalf of the committee.

The amendment was agreed to.

Mr. HAYDEN. On behalf of the committee I send to the desk another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 82, line 5, after "$200,000", it is proposed to insert the following:

Provided, That expenditures from this appropriation and from any other appropriation for the construction of the Modoc Unit shall be reimbursed from net revenues hereafter received from the lease of grazing and farming lands within the Tule Lake Division, notwithstanding the provisions of subsection I of section 4 of the act of December 5, 1924 (43 Stat. 703; 43 U. S. C. 373a).

Mr. HAYDEN. This is the legislative portion of the Budget estimate submitted, and should be adopted.

The amendment was agreed to.

Mr. HAYDEN. On behalf of the committee I offer another amendment, which I send to the desk and ask to have stated. This amendment is in connection with the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY]. It is a declaration of policy with respect to the opening of newly irrigated lands.

The PRESIDING OFFICER. The amendment offered by the Senator from Arizona, on behalf of the committee, will be stated.

The LEGISLATIVE CLERK. On page 89, after line 6, it is proposed to insert a new paragraph reading as follows:

It is hereby declared to be the policy of the Congress that, in the opening to entry of newly irrigated public lands, preference shall be given to families who have no other means of earning a livelihood, or who have been compelled to abandon, through no fault of their own, other farms in the United States, and with respect to whom it appears after careful study, in the case of each such family, that there is a probability that such family will be able to earn a livelihood on such irrigated lands.

The amendment was agreed to.

Mr. HAYDEN. On behalf of the committee I offer another amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Arizona, on behalf of the committee, will be stated.

The LEGISLATIVE CLERK. On page 104, after line 12, it is proposed to insert a new paragraph reading as follows:

Notwithstanding any other provisions of law, Royd R. Sayers, a commissioned officer on the active list, United States Public Health Service, is authorized to hold the office of Director of the Bureau of Mines in the Department of the Interior without loss of or prejudice to his status as a commissioned officer on the active list of the United States Public Health Service and, if appointed to such civil office, he shall receive in lieu of his pay and allowances as such commissioned officer the salary prescribed by law for such civil office.

Mr. HAYDEN. Mr. President, the purpose of this amendment is to do for Mr. Sayers what has been done in a number of instances with respect to Army officers. For example, in the case of Colonel Fleming, as head of the Wage and Hour Board, without authority of this kind his rating and rank in the Army would be disturbed; so we enacted a similar provision for Colonel Fleming.

Mr. Sayers is a commissioned officer of the Public Health Service. He has been associated with the Bureau of Mines for 16 years, by detail from the Public Health Service. He is now the Acting Commissioner. It is proposed to make it possible for him to be appointed head of the Bureau of Mines without losing his status in the Public Health Service.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona on behalf of the committee.

The amendment was agreed to.

Mr. HAYDEN. On behalf of the committee I offer another amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Arizona on behalf of the committee will be stated.

The LEGISLATIVE CLERK. On page 119, line 9, after "1941", it is proposed to insert a colon and the following:

Provided further, That in addition to the amount herein appropriated the Secretary of the Interior may also approve projects, incur obligations, and enter into contracts for additional work not exceeding a total of $3,000,000 and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof and appropriations hereafter made for the construction, reconstruction, and improvement of roads and trails shall be considered available for the purpose of discharging the obligation so created.

And on page 119, line 10, after the word "appropriation", it is proposed to insert "or contract authorization".

Mr. KING. Mr. President, I should like to have an explanation by the Senator of this amendment.

Mr. HAYDEN. Mr. President, this amendment is similar to the one which I shall presently offer with respect to the Blue Ridge and Natchez Trace Parkways.

Congress has authorized by law the expenditure of $5,000,000 during the next fiscal year for roads within the national

parks, and the expenditure of $8,000,000 during the next fiscal year on the Blue Ridge and Natchez Trace Highway. The amount of money carried in the bill must be supplemented by contractual authority. In the case of the Blue Ridge and Natchez Trace Highway, the House committee proposed to give the contractual authorization. It was so reported to the House, and went out on a point of order. It therefore must be restored in this manner. We propose to appropriate in each instance the amount now authorized by law.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona on behalf of the committee.

The amendment was agreed to.

Mr. HAYDEN. On behalf of the committee, I offer another amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Arizona on behalf of the committee will be stated.

The LEGISLATIVE CLERK. On page 120, line 3, after the word "purpose", it is proposed to insert the following:

Provided further, That the Secretary of the Interior shall make a detailed statement of expenditures from this appropriation to the Senate and House Committees on Appropriations at the beginning of the next regular session of Congress: *Provided further*, That in addition to the amount herein appropriated the Secretary of the Interior may also approve projects, incur obligations, and enter into contracts for additional work not exceeding a total of $6,000,000, of which $2,100,000 shall be for the Natchez Trace Parkway and shall be allotted and expended ratably between the States of Mississippi, Alabama, and Tennessee according to mileage of said Parkway in each respective State, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof and appropriations hereafter made for the construction and maintenance of the Blue Ridge and Natchez Trace Parkways shall be considered available for the purpose of discharging the obligation so created.

The amendment was agreed to.

Mr. HAYDEN. That concludes the amendments offered on behalf of the committee.

Mr. LA FOLLETTE. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 72, after line 5, it is proposed to insert the following:

The Secretary of the Interior is hereby authorized to withdraw immediately from the Treasury of the United States $105,000 of any funds on deposit to the credit of the Menominee Indians in Wisconsin, and to expend said sum, or as much thereof as may be necessary, for a per capita payment of $50 to each enrolled member of the Menominee Tribe: *Provided*, That such payment shall be in lieu of the payments authorized by the act of June 15, 1934 (48 Stat. 964), for the fair market stumpage value of timber cut on the Menominee Reservation during the fiscal years 1940 and 1941: *Provided further*, That the amounts expended for making such per capita payment shall be reimbursed to the tribal funds utilized therefor from sums that would otherwise be paid said Indians pursuant to the act of June 15, 1934, supra.

Mr. KING. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. KING. I assume that this amendment is offered in accordance with the desire of the members of the tribe.

Mr. LA FOLLETTE. Yes, Mr. President. I was about to make a brief statement on the subject. On several occasions in the past, but not with any degree of regularity, per capita payments have been made to the Menominee Indians out of their own tribal funds. Heretofore the moneys have been paid out of funds obtained from the timber resources and the operation of mills on the reservation. This year, because of the low price of timber, the income from the timber resources has not been sufficient to make the per capita payments.

The tribe has what is commonly called a 5-percent fund, which heretofore I have been reluctant ever to encroach upon, and I may say frankly to the Senator from Utah that I am reluctant to see it encroached upon at this time; but, after consultation with the duly authorized delegates of the tribe, their attorneys, and Mr. Zimmerman, in the Indian Office, we worked out this plan to appropriate the money from the 5-percent fund, and then to reimburse the 5-percent fund from future stumpage payments. It is anticipated that in 1941 the 5-percent fund will then be reimbursed and will then remain intact.

I presented this matter to the committee and they gave it very sympathetic consideration. Therefore I feel that the amendment is in order. There can be no question, I may say to the Senator from Utah and other Senators interested, as to the distressful conditions on the reservation at this time. About half the Indians are unemployed; they are not eligible for relief from any local subdivision or from the State; and this is the only way by which provision can be made for them.

Mr. KING. Mr. President, I assume from the Senator's statement that the Government will not ultimately be called upon to pay the amount?

Mr. LA FOLLETTE. The Government will not be called upon to make any payment from the Treasury other than the regularly authorized payments for stumpage which are provided for by law.

Mr. HAYDEN. Mr. President, this matter was brought to the attention of the committee, and I am authorized by the committee to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I offer another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 61, line 12, it is proposed to strike out "$72,100" and insert "$78,100", and on page 61, line 19, after the word "law", to insert the following:

Provided, That for the fiscal year 1939 and thereafter not to exceed $6,000 shall be available annually from the funds of the Menominee Indians for the payment of salaries and expenses of the chairman, secretary, and interpreters of the Menominee General Council and members of the Menominee Advisory Council and tribal delegates when engaged on business of the tribe at rates to be determined by the Menominee General Council and approved by the Commissioner of Indian Affairs."

Mr. LA FOLLETTE. Mr. President, the pending bill carries a general provision for "Expenses of tribal councils or committees thereof (tribal funds): For traveling and other expenses of members of tribal councils, business committees, or other tribal organizations when engaged on business of the tribes, including supplies and equipment, not to exceed $5 per diem in lieu of subsistence" for services rendered to various tribes.

The Menominee Tribe have found from their experience in connection with their very substantial business operations on the reservation incident to tribal affairs that they have not been able to obtain under this limitation men of the highest qualifications.

There are precedents for a provision of this nature in the case of other Indian tribes. The adoption of the amendment will not cause any expense to the Treasury itself, but the money will come out of tribal funds. The proposal is endorsed by the tribe and their council.

Mr. HAYDEN. Mr. President, from representations made to the committee by the Office of Indian Affairs, I am authorized to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

The amendment was agreed to.

Mr. DANAHER. Mr. President, under date of April 26 I noted my intention to move to suspend paragraph 4 of Rule XVI in order that I might be permitted to offer an amendment which I have submitted to the Senator from Arizona in charge of the bill, which amendment I now send to the desk. I ask that it may be stated in connection with my motion, and I move that paragraph 4 of Rule XVI be suspended.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 122, after line 16, it is proposed to insert the following:

NAVY AND MARINE MEMORIAL

For labor and materials, including the preparation of revised plans and specifications as may be necessary, not to exceed $5,000 for architectural fees and full satisfaction of all obligations in connection with the original contract between the Navy and Marine Memorial Association and the architect, and not to exceed $44,384 for the design, professional services, disbursements, materials, and in full satisfaction of all obligations in connection with the original contract between the Navy and Marine Memorial Association and the sculptor, and the remainder, or so much thereof as may be necessary, to be expended during the fiscal year 1941, for the completion of the Navy and Marine Memorial, authorized by act approved April 26, 1939, $100,000.

The PRESIDING OFFICER. The question is on the motion of the Senator from Connecticut [Mr. DANAHER] to suspend paragraph 4 of rule XVI in order that the amendment may be offered.

Mr. HAYDEN. Mr. President, I may say that I am willing to take this amendment to conference, but I wish to state very frankly to the Senator from Connecticut that I doubt if we will be able to get all the money he seeks to obtain.

Mr. DANAHER. Mr. President, may we first have the motion put? Then I should like to explain the amendment.

The PRESIDING OFFICER. The question is on the motion of the Senator from Connecticut [Mr. DANAHER] to suspend paragraph 4 of rule XVI in order that he may offer the amendment. [Putting the question.] Two-thirds having voted in the affirmative, paragraph 4, rule XVI, is suspended. The question recurs on the amendment offered by the Senator from Connecticut.

Mr. DANAHER. Mr. President, let me explain that in 1923 and 1924 the design of the memorial in question was widely approved, including approval by the National Commission of Fine Arts, and Congress allotted to the proposed memorial the site which it now occupies. It stands on the banks of the Potomac River near the Washington Airport just off the Mount Vernon Memorial Highway.

The inscription on the memorial reads: "To the brave souls and ready valor of those men of the United States who, in the Navy, the merchant marine, and other paths of activity upon the waters of the world, have given life or still offer it in the performance of heroic deeds."

I send to the desk and ask to have included in the RECORD as a part of my remarks an item from the New York Tribune of Sunday, November 6, 1938, descriptive of the situation as it then existed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article referred to is as follows:

[From the New York Herald Tribune of November 6, 1938]

STATUE STANDS AT THE POTOMAC 8 YEARS UNDONE—PARK SERVICE UNABLE TO GET $200,000 TO FINISH NAVAL MONUMENT GIVEN TO UNITED STATES BY A PRIVATE ASSOCIATION

WASHINGTON, November 5.—On the banks of the Potomac River, near the Washington Airport, just off the Mount Vernon Memorial Highway, stands the Naval Marine Monument today, as it has stood for the last 8 years—uncompleted, unveiled, and, to most passersby, unknown.

The monument is a memorial to "the brave souls and ready valor of those men of the United States who, in the Navy, the merchant marine, and other paths of activity upon the waters of the world, have given life or still offer it in the performance of heroic deeds." These words are written on a bronze tablet on the memorial, which is an all-aluminum, brownish ocean wave, just breaking. Over it are seven gracefully soaring sea gulls. It is the only aluminum monument in the Capital, and the sight of the gulls in suspended flight is very realistic; made so, it was said, because aluminum was used.

LACKS BASE AND LANDSCAPING

Inquiry as to the reason for the memorial's remaining unveiled and uncompleted for 8 years brought from the National Parks Service the terse response: "Lack of funds."

The memorial is complete except for the base and landscaping. According to the National Park Service, almost $200,000 more will be required to supply a green New Hampshire granite base resembling the sea and to complete the approach. Officials said that Congress would be asked again to appropriate money at the next session.

Already the monument has cost $334,000. This money was contributed by patriotic citizens from all parts of the country to a private association formed 20 years ago. The purpose of the association was to finance the cost of the memorial and present it to the Government. It has cost the Government $13,000 already. This was the cost of shipping the monument from Ohio.

ONLY UNVEILED MONUMENT

The monument is the only one in the capital that has not been unveiled. Several months ago a statue of Artemus Ward, Revolutionary War general and writer, was erected on Massachusetts Avenue near the American University. Last Thursday it was unveiled by Harry Woodring, Secretary of War. Critics point out that here was a memorial to one man that met with no delay in being unveiled, whereas the Naval Marine monument, in memory of all those who have perished at sea, stands neglected.

Many complaints about the memorial have reached the ears of Park Service officials, who frankly say it has been a severe headache, so much so that they have laid down a rule that hereafter organizations planning to erect memorials in Washington will have to show the Government that they have all the necessary money in hand before construction is permitted or even the site is chosen.

To motorists on the Mount Vernon Highway the monument appears complete; parking is not permitted near it, the nearest parking area being at the airport, several hundred yards away. There is no sidewalk, and, since the speed limit on the highway is 55 miles an hour, walking to the monument is hazardous in itself.

Shrubbery and trees and even some weeds hide the base of the memorial so that a car must be driven almost up to it before it is in full view. This site near the highway bridge was selected by the National Commission of Fine Arts.

A close examination reveals the rough concrete which constitutes the base. Some object because the base does not face the river or the city directly across the channel, but is pointed toward the bank of the river and Georgetown.

The landscaping is another point of attack by critics. Some say deliberate attempts have been made to screen and hide the monument. Nor does the monument itself escape criticism. As long ago as 1924, when the project was in the formative stage, Augustus Lukeman, of New York, then a member of the National Sculpture Society, condemned the design of sea gulls hovering over a wave as "premature, nonrepresentative, and dead wrong." Others, including prominent architects, called it "original and effective."

The monument is 35 feet tall. The pedestal from which the wave rises is 32 feet wide and 36 feet deep. The sculptor was Ernesto Begni Del Piatta, the architects were Corbett, Harrison & MacMurray, 130 West Forty-second Street, New York.

Among the Members of Congress interested in the memorial are Senator DAVID I. WALSH, Democrat, of Massachusetts, who introduced a resolution in the Senate last May asking for funds to complete it, and Representative SOL BLOOM, Democrat, of New York, who almost had it unveiled during the George Washington bicentennial celebration in 1932.

Mr. DANAHER. Mr. President, in a period of more than 10 years weeds have grown up around the incompleted memorial. It is one of the most beautiful things in the National Capital, but is today the only memorial undedicated and unveiled. Up to the present time more than $340,000 of subscriptions have been poured into the construction of this beautiful memorial. The subscriptions have come from hundreds upon hundreds of people, in every walk and rank of life throughout the country, including school children. From my own State there were several hundred contributors. The Governor of my State called to my attention the situation with reference to the memorial. In order that the RECORD may show how highly it is esteemed by people eminent in American life, I send to the desk a memorandum of abstracts of comments from Daniel Chester French, Gutzon Borglum, many of the leading newspapers of the country, and others, and ask that it be included in the RECORD as a part of my remarks at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

THE NAVY AND MARINE MEMORIAL—THREE HUNDRED YEARS OF NATIONAL LIFE HAVE SEEN A WONDROUS PERFORMANCE OF DUTY AND ENDLESS SACRIFICES GO UNACKNOWLEDGED AND UNTHANKED

It is an entirely original idea as far as I know, and a most happy one, smacking of the sea, and bringing home to one the dangers and the sacrifices of the service. It is to me very impressive, and I know that it has impressed many other people equally.—Daniel Chester French, Chairman, National Commission of Fine Arts; Honorary President, National Sculpture Society; Trustee, Metropolitan Museum of Art; etc.

The flight of the gulls is a splendid and direct note, suggesting the immensity of the sea and its tragic unrest. It is a beautiful symbol and will stir the imagination of the youth of America.—John Gregory, President of the National Sculpture Society.

After seeing the Navy and Marine Memorial I feel I must tell what an impression of spiritual gladness it has left with me. It has none of the funereal suggestions characterizing most memorials, none of the allegorical riddles in which partially draped men and women must be interpreted as this or that moral abstraction. Here for once is an inspiration that manifests through matter, emerges out of it with the triumphant freedom of the spirit.—P. Troubetzkoy.

It is one of the few beautiful, unique conceptions in sculpture in all America and it tells the story of the waves. The metal in which it is cast is especially fortunate, and the work itself is most excellent and studied to a point and with a perfection most sculpture work in Washington lacks.—Gutzon Borglum.

Newspapers all over the country have spoken in approbation of the plan thus to memorialize all and every citizen of the United States who has lost his life at sea in any naval or marine activity.—Literary Digest.

It cannot fail to make a powerful appeal to the imagination of the American people.—New York Times.

Its uniqueness will consist in the absence of any human figure, of any type of ship or of any sea implement. It will visualize the breaking wave, the hovering seagulls and the blue immensity. That is all. The conception is bold. * * * It will set forth unforgettably a single unforgettable idea.—New York Herald Tribune.

Not only this country but the entire seafaring world should take an interest in this memorial.—San Antonio Express.

As a symbol of the mystery of the sea its force and beauty may not be disputed.—Boston Herald.

It will stir the pulse of the American people to a fitting sense of gratitude, and stimulate seamen to further deeds of valor and self-sacrifice.—Toledo Times.

It is a great and noble tribute to great and noble Americans, who were nonetheless great or noble though they lived and perished anonymously.—New London Day.

I have seldom seen anything simpler and more impressive.—Amy Lowell.

I wish the movement every success not only in the material building of the monument, but especially in the realization of its romantic and spiritual expression.—Patrick Cardinal Hayes.

Beautiful, important, and most significant memorial.—Bishop Ernest M. Stires.

The importance of our national life on the sea cannot be overestimated and I feel that all Americans who realize this will want to join together in paying this tribute, not only to those men who have lost their lives at sea, but to those who are now serving and those who will serve our great maritime needs in the future.—Curtis D. Wilbur, Secretary of the Navy.

After 300 years of national life we are hardly pioneers in what concerns the development of a sea consciousness and conscience. This memorial is the first expression of America's awakening to a realization of the vitally important part the Navy and merchant marine always have played, and will continue to play, in the history of our national defense and welfare. * * * And it symbolizes the grandeur of the sea. It suggests to those who move "along the cool, sequester'd vale of life," and dwell in the safety and tranquillity of the commonplace, that there is another life, a life beautiful and wonderful and inspiring and inspiriting and dangerous.—Rear Admiral Bradley A. Fiske, United States Navy (retired).

THE NAVY AND MARINE MEMORIAL

(By Vachel Lindsay)

Where is the ruddy adventurer
Who went where ships could go?
Where is the rainbow soul that sailed
Wherever
Salt sprays
Blow?

Where is the fine marine we knew
Who loved
Every harbor
And sea?
Let us sing on the shore of our land.
He comes
Through the night
To you
To me.

The sailor that drowns with the drowning stars
Lives with the stars of the sky.
The broken marine goes down,
Grows dim,
Yet his proud wings flame on high.

Star souls that break in the breaking waves
Are reborn in the bay that clears.
Then look to the sky.
They are there on high
Outsailing the storms
And years,
My dears,
Outsailing the storms
And years.

Mr. DANAHER. Mr. President, this is by no means a matter which can be viewed, as the Senator from Arizona would imply, as one which is subject to being pared down in conference. I believe that it is the sort of thing that properly should have been included in the appropriation bill in the first place. It has had from the National Park Service consideration to an extent that approximately one-half of the necessary sum to complete it has been agreed upon, but there is also included the thought that there was a judgment obtained by Ernesto Begni Del Piatta, the sculptor, of some $88,000 in connection with his fees for services rendered in the preparation of the memorial. That sum has never been paid; the judgment is unrealized; but the sculptor has indicated a willingness to accept one-half that sum in full payment to him.

I send to the desk an article from the Washington Star of December 23, 1939, describing the situation that existed last year when, on April 23, 1939, the Congress authorized the completion of this memorial. But, Mr. President, Congress adjourned in August, and, because of the press of other business, the funds were never provided.

I ask that the article from the Washington Star be included in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

[From the Washington Star of December 23, 1939]

DEATH ENDS SCULPTOR'S FIGHT FOR NAVY MEMORIAL FUNDS

Fifteen years ago a young Italian-born sculptor was commissioned to erect a Navy and Marine Memorial in Washington as a symbol of America's sea power and the sacrifice of life by her sailors of the Navy and merchant marine.

Today, the sculptor, Ernesto Begni del Piatti, lies dead in New York, his long fight for funds to complete the memorial ended.

He died grieving, friends said, because Congress has failed to appropriate the money needed to finish the only national memorial to those who have made the Nation great upon the high seas.

BASE NEVER COMPLETED

The monument stands on Columbia Island in the Potomac River today in an unsatisfying state of partial completion. It is composed of a cresting sea wave, surmounted by seven seagulls in flight, cast in aluminum.

This is intended to rise above a series of low-curved steps of sea-green granite, suggesting a swelling sea. But these steps, forming the base of the memorial, never have been constructed and for 5 years the aluminum casting has stood atop a formless mass of rough concrete, surrounded by wild grass and scrubby bushes.

Mr. del Piatti must have felt this, his dream, was near fulfillment during the last regular session of Congress. A bill authorizing an appropriation of $100,000 to complete the monument was passed by the House on April 17. Three days later, it passed the Senate and 6 days later the President signed it. But Congress adjourned without appropriating the funds.

REDUCED HIS FEE

Some months ago it was disclosed that completion of the memorial was blocked by a Virginia firm which wanted to furnish the green stone to complete the memorial foundation.

Although he didn't approve the Virginia green stone, the sculptor was so anxious to complete the monument that he said he would raise no objection to its use. Subsequently, he also agreed to accept only half of his fee, donating the other half as a contribution to the memorial.

A large part of the money used to build the memorial was contributed by school children, teachers, thousands of sailors, and other Americans in all walks of life.

Mr. DANAHER. Mr. President, the sum necessary to complete the memorial is so small and the equities of the case are so large that the Government by no means wants to have the benefit of this or any other type of service rendered to the advantage of the whole Nation without adequately

and fairly and decently compensating the sculptor who is responsible for developing the idea and the construction of the memorial in its present beautiful form.

I think the case for this particular memorial is so complete and the circumstances so completely justifiable that the full sum of $100,000 should be appropriated. As a matter of fact, the House committee in charge of this particular bill has recommended $189,000, but I believe it will be found that, by economy and careful preparation of plans for the completion of the memorial under the direction of the National Park Service, $100,000 will be ample.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER].

The amendment was agreed to.

(On request of Mr. DANAHER, and by unanimous consent, the following was transposed from page 8650, of the daily RECORD of May 6, and ordered to be printed at this point:)

Mr. DANAHER. Mr. President, on Thursday, May 2, I proposed an amendment making provision for the completion of the Navy and Marine Memorial, and I am happy that the Senate approved. The result has met with satisfaction in many circles, and typical is an editorial appearing in the Sunday Star, Washington, on May 5. I ask unanimous consent that the editorial be printed in the RECORD as part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANAHER. And Mr. President, I further ask unanimous consent that when the permanent RECORD is compiled this editorial and these remarks be inserted at the end of my remarks appearing at page 5423 of the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial ordered to be printed in the RECORD on request of Mr. DANAHER is as follows:

[From the Washington Star of May 5, 1940]

NAVY MEMORIAL

Favorable action by the Senate on a $100,000 appropriation for completion of the Navy and Marine Memorial on Columbia Island comes as welcome news to thousands of Americans who for years have deplored the fact that this unique and beautiful monument, the only national memorial in honor of American heroes of the sea, still stands in a state of unsightly incompletion. It is to be hoped, of course, that the House, by following the Senate lead, will make funds available speedily for the work of building around the rought concrete pedestal of the memorial the proposed base which is so necessary to carry out the concept of the designer.

It is regrettable that the artist, Begni del Piatta, could not have lived to see the completion of his greatest work. His death, in New York last December, probably was hastened by disappointment and anxiety over the memorial. He had worked long and hard during recent years to bring about its completion, even going to the extent of waiving claim to a substantial part of his promised fee so that the money might be applied to the project. The contributions of hundreds of thousands of Americans in all walks of life have gone toward the Navy and Marine Memorial. School children in most of the States contributed pennies, and sailors in the Navy, Coast Guard, and merchant marine gave donations in memory of comrades lost at sea.

The memorial base, now lacking, is to be in the form of curving steps of green stone, so arranged as to suggest a swelling sea wave, rising to the foaming crest and soaring sea gulls of the memorial proper. Completion of this tribute to our gallant sea dead of war and peace has been far too long delayed. Prompt congressional action is greatly to be desired.

Mr. McCARRAN. Mr. President, on page 124 of the bill there appears an item under the caption, "Control of Predatory Animals and Injurious Rodents, * * * $675,000." In line 18, I move to strike out "$675,000" and insert "$1,000,000" in lieu thereof.

Mr. President, by way of explanation, I may say that there is an authorizing act of Congress providing for a program of $1,000,000 a year for this work, for a period of 10 years. The Department of the Interior, through the proper authority, requested $1,000,000 for carrying on this work, which is an all-important work on the open public domain, especially.

It may be remembered by the Senate that some years ago there was enacted what is known as the Taylor Grazing Act, which put all public domain in the control of the Interior Department; and all the stock raisers on the open public domain are quite heavily assessed for the use of that domain. This amount of money is essential to prevent the raids of predatory animals on stock raised on the open public domain.

The Department requested the sum of $1,000,000 for this purpose. The authorization act was passed some years ago; and I respectfully suggest that the sum of $1,000,000 be inserted in lieu of $675,000.

Mr. HAYDEN. Mr. President, I will say to the Senator from Nevada, as I said to the Senator from Connecticut, that I cannot make the point of order against his amendment, because it is authorized by law. I can take the matter to conference. I cannot guarantee the Senator that the conferees will agree to more than the Budget estimate. If I remember correctly, $750,000 was appropriated last year. The amount now carried in the bill is about $75,000 less than the amount of last year. The appropriation was not a million dollars last year.

Mr. McCARRAN. I understand, however, that the chairman of the subcommittee, in view of the law authorizing the appropriation, does not object to the amendment.

Mr. HAYDEN. I cannot object, because I cannot make the point of order; but I did not want the Senator to understand that if the amendment went to conference we might hope to secure the entire amount. We will do the best we can.

Mr. McCARRAN. I do not know who may be on the conference committee. I hope the author of the amendment may be on it.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Nevada is agreed to.

Mr. O'MAHONEY. Mr. President, on page 82, line 23, in the item for general investigations under the Bureau of Reclamation, I move that the figures "$300,000" be stricken out, and that "$900,000" be inserted. That is the amount of the appropriation last year.

Mr. HAYDEN. Mr. President, again I cannot make the point of order, because the appropriation is authorized by law. The amendment may go to conference.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The bill is still before the Senate and open to further amendment.

Mr. HAYDEN. I ask unanimous consent that the clerks may be authorized to correct the totals.

The PRESIDING OFFICER. Without objection, it is so ordered.

If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

EXEMPTION OF CERTAIN INDIANS FROM PROVISIONS OF ACT OF JUNE 18, 1934—MOTION TO RECONSIDER

Mr. O'MAHONEY. Mr. President, there is on the table a motion for the reconsideration of Senate bill 2103, introduced by the senior Senator from North Dakota [Mr. FRAZIER]. I made the motion on February 22, 1940. The Senator from North Dakota [Mr. FRAZIER], the junior Senator from South Dakota [Mr. GURNEY], the junior Senator from New Mexico [Mr. CHAVEZ], and other Senators have indicated a desire to have the matter brought up. I shall be very glad to know when it will be agreeable to the Senator from Kentucky to have the matter taken up for disposition.

Mr. BARKLEY. Mr. President, I realize that the motion to reconsider the vote by which the bill was passed has been pending for some time, and I can appreciate the desire to dispose of it. It is rather difficult at the moment to fix a time.

Mr. O'MAHONEY. Could it be taken up after the disposition of the bill of the Senator from Delaware [Mr. TOWNSEND]?

Mr. BARKLEY. It is entirely possible, because, of course, the motion is not precisely in the category of a bill, and it should be disposed of. Two or three other bills are scheduled

to follow the bill of the Senator from Delaware in the order in which they have been discussed; but I shall be glad to try to arrange with the Senator from Wyoming to take up the motion to reconsider early next week and dispose of it.

Mr. O'MAHONEY. Very well. I am sure it will not take much time.

CONTROL OF PNEUMONIA

Mr. PEPPER. Mr. President, last year 87,923 deaths occurred in the United States from various forms of pneumonia, and of these 1,231 occurred in the State of Florida.

It is fitting in times like these that we take steps to conserve all of our national resources to the maximum, and to make the Nation secure against its enemies. The enemy to which I should like to draw specific attention today is the disease pneumonia, appropriately referred to by the eminent physician Sir William Osler as "The captain of the men of death." More than a million of our people have been destroyed by the ravages of this disease during the last 10 years for which census figures are available. I am informed that influenza deaths may be considered pneumonia deaths in practically all instances. The total must be increased, therefore, to almost 1,400,000, which is approximately six times the size of our Regular Army today (237,000). In the year 1937 alone, 148,000 of our people died from pneumonia and influenza—almost four times as many as were killed in automobile accidents during that year (39,643).

The nightmare of the great pandemic of influenza in 1918 still lingers in the memories of all of us. During that year alone we suffered the loss of 479,000 persons who died of influenza and pneumonia; and this figure covers the deaths in only 78 percent of the population, then covered by the Census registration area. According to mortality statistics of the Census Bureau, the excess deaths in the toll of life taken by the pandemic of influenza of 1918–19 may be estimated as approximately 548,452.

Unfortunately, we have no assurance that we shall not be again visited by this great killer, especially of our young people. Medical authorities call attention to the fact that great, world-wide epidemics of influenza occur at periodic intervals. The concentration of millions of troops in countries at war and at peace may well again provide the necessary spark to set the world aflame with disease as well as with bombs. If this country should be visited in 1940 by an epidemic of influenza of the same severity as the one in 1918, we should stand to lose 780,000 of our people.

The authorities of the Research Division of the Public Health Service recently appeared before the Senate Appropriations Committee and testified that with the sum of only $130,000, $80,000 of which was supplied by the Federal Government and $50,000 by the State government, in the last 2 years they put into effect and operation in the State of Pennsylvania, a pneumonia-control program, which resulted in a reduction of 20 percent in the mortality rate growing out of 6,000 cases during that period, resulting in the saving of 1,200 lives. They further said that if they had reasonably adequate funds to carry on the control program in the entire country, they could be assured of a saving of at least 50,000 lives a year. They further testified that scientific research on the subject of pneumonia control had now proceeded to the point where they were sure it would be effective in bringing about this saving of human life.

I therefore ask unanimous consent to send to the desk, for introduction and appropriate reference, a bill to impose additional duties upon the United States Public Health Service in connection with investigation and control of pneumonia, influenza, and the common cold.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred.

The bill (S. 3914) to impose additional duties upon the United States Public Health Service in connection with investigation and control of pneumonia, influenza, and the common cold was read twice by its title and referred to the Committee on Education and Labor.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LEE in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the same committee, reported adversely the nomination of Frank K. Barnhart, to be postmaster at Linwood, Pa., in place of J. P. Connolly, deceased.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of several officers for promotion in the Marine Corps.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

THE JUDICIARY

The legislative clerk read the nomination of Arthur D. Fairbanks to be United States marshal for the district of Colorado.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROBERT J. HOLLY

Mr. McKELLAR. Mr. President, on April 30 the Senate confirmed the nomination of Robert J. Holly to be postmaster at Sanford, Fla. One of the Senators from that State has not endorsed him. I ask unanimous consent that the vote by which the nomination was confirmed be reconsidered, and that the nomination be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

RECESS TO MONDAY

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 23 minutes p. m.) the Senate took a recess until Monday, May 6, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 2 (legislative day of April 4), 1940

FEDERAL POWER COMMISSION

Clyde L. Seavey, of California, to be a member of the Federal Power Commission for the term expiring June 22, 1945. (Reappointment.)

FEDERAL TRADE COMMISSION

W. A. Ayres, of Kansas, to be a Federal Trade Commissioner for a term of 7 years from September 26, 1940. (Reappointment.)

INTERSTATE COMMERCE COMMISSION

John Monroe Johnson, of South Carolina, to be an Interstate Commerce Commissioner for a term expiring December 31, 1941, vice Marion M. Caskie.

COAST GUARD OF THE UNITED STATES

Machinist Richard E. Collier to be a chief machinist in the Coast Guard of the United States, to rank as such from May 1, 1940.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Capt. Samuel Waynne Smithers, Infantry, with rank from August 1, 1935.

TO ORDNANCE DEPARTMENT

Capt. Paul William Shumate, Cavalry, with rank from June 13, 1939, effective July 1, 1940.

First Lt. Edward Bodeau, Coast Artillery Corps, with rank from June 13, 1936, effective September 28, 1940.

First Lt. Floyd Allen Hansen, Field Artillery, with rank from August 1, 1935, effective September 24, 1940.

TO CHEMICAL WARFARE SERVICE

Capt. William Henry Shimonek, Infantry, with rank from June 13, 1939.

PROMOTIONS IN THE REGULAR ARMY

TO BE MAJORS

Capt. Henry Winston Holt, Field Artillery, from April 18, 1940.

Capt. John Magruder Bethel, Cavalry, from April 23, 1940.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 2 (legislative day of April 24), 1940

UNITED STATES MARSHAL

Arthur D. Fairbanks to be United States marshal for the district of Colorado.

POSTMASTERS

CALIFORNIA

Alfred A. True, Barstow.
Alma B. Pometta, Benicia.
Frederick Kneale Smith, Crestline.
George L. Clare, Guerneville.
Alfred E. Harwood, La Verne.
Flora E. Dahl, Mokelumne Hill.
Rose C. Tarwater, Murrieta.
Mary A. Roels, Point Reyes Station.
Harold E. Rous, Yucaipa.

COLORADO

Adelbert E. Humeston, Collbran.
Harry K. Balvin, Elizabeth.
James Fenolia, Louisville.
James M. Brown, Mancos.
John Oral Clement Lutener, Rico.

INDIANA

Bessie L. Gage, Ashley.
Nathan P. Lewis, Campbellsburg.
Merlyn R. Elliott, Dale.
Matthew Halbig, Haubstadt.
Eugene W. Felkner, Milford.
Ruth B. Flinn, Roann.

IOWA

George P. Rounds, Clermont.
Noah T. Nixon, Lorimor.
Daniel C. Norris, Prairie City.
Edward B. Wittrig, Wayland.
Bernice Green, Winfield.

NEW HAMPSHIRE

Paul A. Richard, Hudson.
William H. Pascoe, West Ossipee.

NEW MEXICO

Henry A. Harber, State College.

OHIO

Marvin L. Sollmann, Anna.
Orville T. Castor, Arlington.
Francis P. Frebault, Athens.
Walter J. Miller, Beach City.
Charles Wassman, Bellaire.
Robert Waugh, Brilliant.
Lee F. Beveridge, Butler.
Joseph W. Johnston, Coshocton.
Howard O. Ward, Cumberland.
Ora DeVere Blizzard, Frazeysburg.
Walter M. Dill, Fredericktown.
Thomas G. Smith, Glendale.
Mary J. Rosebraugh, Hebron.
George W. Blessing, Jeffersonville.
Blanche L. Geiger, Lakeview.
Earl R. Leach, Lima.
Herman C. Doellinger, Marysville.
Glen F. Carver, Mentor.
Roy C. Walker, Milan.
Ralph M. Connolly, Milford Center.
John W. Berentz, New Matamoras.
Fred C. Banister, New Richmond.
Clarence A. Goller, Ney.
May C. Eldridge, North Olmsted.
Luella Sommers, Ottawa.
Irvin H. Menter, Pemberville.
Milton C. Hickman, Perry.
David K. De Long, Perrysville.
Charles H. Mullen, Pomeroy.
Alfred W. Kalb, Port Clinton.
Lawrence J. Heiner, Rutland.
John Daniel O'Sullivan, Sharonville.
Clarence A. Flenniken, Smithfield.
Goldie N. Stroup, Spencer.
Robert A. Durbin, Stockport.
Glen C. Rine, Utica.
John H. Petitjean, Versailles.
Charles A. Conry, Wakeman.
George Geer, Wauseon.
Fred N. Ney, Weston.
Harry L. Hines, Williamsburg.
Jesse Ralph Short, Winchester.

OKLAHOMA

Vivienne C. Ford, Billings.
James R. Hankla, Geary.
Earl L. Smith, Locust Grove.
Robert H. Walton, Muldrow.
Blaine M. Skidmore, Vici.

OREGON

Blanche E. North, Bonneville.
Floyd B. Willert, Dayton.
Gaphart D. Ebner, Mount Angel.
Ruth N. Johnson, Sheridan.

VIRGINIA

Hattie C. Barrow, Dinwiddie.
Ross V. Martindale, Sweet Briar.

WYOMING

Ann D. Keenan, Pine Bluffs.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 2, 1940

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. RAYBURN.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father of all mankind, Thou art the peace that dwelleth in the nighttime and the brightness that cometh with the dawn. Beneath life's busy activities help us ever to see the good which Thou art working out among men. In all labor give us courage to stand without compromise, grace to be superior to praise or blame, ready to protest against wrong and injustice. O Thou who dost reveal an ideal of ethical perfection, prompt us to speak with profound sincerity and to aspire to a higher, holier life. As the enlargement of the heart means an increase of light, love, and truth, touch our spirits anew, awakening them to a full appreciation of the things eternal. Merciful Father, turn Thy power of cleansing into the haunts of misery and into this world of strife and hate. Crown us with the inspirations of a robust faith, with the spirit of sacrifice, and with the subjection of self. Hold our people throughout our land in self-restraint, striving in countless ways to succor the sons and daughters of peace. In the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 431. Joint resolution to extend to the 1940 New York World's Fair and the 1940 Golden Gate International Exposition the provisions according privileges under certain customs and other laws to the expositions of 1939.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 8913) entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1941, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TYDINGS, Mr. BYRNES, Mr. ADAMS, Mr. OVERTON, Mr. TRUMAN, Mr. HALE, and Mr. BRIDGES to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a very interesting compilation of facts about the Ways and Means Committee personnel since the First Congress. This compilation was prepared by Mr. Bryce N. Harlow, assistant librarian of the House, and contains historical facts which I know will be of interest to the Members of the House.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BLOOM, Mr. PAGÁN, and Mr. JOHN L. MCMILLAN asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. LEA. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to insert therein a memorial resolution adopted by the Interstate and Foreign Commerce Committee on account of the death of Hon. Carl E. Mapes and a similar resolution on account of the death of Hon. John A. Martin.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent that after the close of the legislative business today and any other special order that may have been entered I may address the House for 20 minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CHIPERFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

CIVIL AERONAUTICS AUTHORITY

Mr. CHIPERFIELD. Mr. Speaker, the Civil Aeronautics Authority regulates civil aeronautics. It should not be placed in the Department of Commerce. A study of independent agencies made for the President's Brownlow Committee on Reorganization came to this conclusion regarding the Department of Commerce:

> The Department of Commerce exists mainly to render service to American business. It may be doubted whether a regulatory or disciplinary function will be aggressively and impartially handled by such a service department.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE HATCH BILL AMENDMENTS

Mr. TREADWAY. Mr. Speaker, on yesterday afternoon the gentleman from New Mexico [Mr. DEMPSEY] announced that the Committee on the Judiciary had failed to report the so-called Hatch bill and that tomorrow he would place on the Speaker's table a petition to discharge the committee.

It will be found that my record shows that I have never signed a petition for the discharge of a committee. I do not believe in that sort of procedure. This, however, is an exceptional case, and while my name will not be found on such a discharge petition, I am heartily in favor of the matter coming before the House, and if it comes before the House, I will give it my most hearty approval. The Hatch Act, as amended, will greatly improve the standing of Federal and State employees as a means of removing the solicitation of contributions for political purposes. I hope the measure will reach the floor for adoption.

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject of the Verendrye plate and French claims in North America.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. VREELAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. VREELAND. Mr. Speaker, in defending his proposed reorganization of the Civil Aeronautics Authority the President states that for 5 months the Administrative Management Division of the Bureau of the Budget made a study of the Authority's operation. He indicates that his proposal is based on this study.

The Congress studied for over 5 years the problem of regulating civil aeronautics and of creating the administrative organization for that purpose. The matter of organization was one of the most carefully studied of all features of the act. And in the President's open letter to the National Aviation Forum of January 24, 1939, the President stated that the Civil Aeronautics Act set up "the effective machinery" for our aeronautical policy.

If in the face of this extensive study by the Congress and commendation by the President the Bureau of the Budget in 5 months has found that reorganization is desirable, Congress should know what its report to the President was. Section 18 of title 31 of the United States Code provides that the Bureau of the Budget, at the President's direction, may study the departments and establishments. This law also provides that the results of such study shall be embodied in a report to the President, "who may transmit to Congress such reports * * * with his recommendations on the matters covered thereby."

The President has transmitted to the Congress no report from the Bureau of the Budget in support of his reorganization plan.

A minor Government bureau after 5 months has determined that the Congress was wrong. The Congress spent 5 years in earnest study. Let the Congress see a copy of this Budget Bureau's report. [Applause.]

FEDERAL DEFICIT

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. TABER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to insert therein a table showing the approximate increases and decreases in expenditures this year as compared with last.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. TABER. Mr. Speaker, the total deficit for this fiscal year as we begin its eleventh month is $3,203,000,000. The increases in expenditures total $1,120,000,000; the decrease is $806,000,000, approximately.

It is apparent the way these increases are rolling up that we are going to be very close to a $4,000,000,000 deficit by the end of this fiscal year. This is a menace to the entire financial structure of the Government. We are increasing our expenditures for one type of operation after another much faster than we are decreasing them. We are increasing our expenditures for the Army, the Navy, agriculture, and relief faster than we are decreasing the expenditures for W. P. A. Unless we stop increasing appropriations we are going to destroy the credit of America.

[Here the gavel fell.]

CONFERENCE REPORT ON WHEELER-LEE BILL

Mr. WARREN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. WARREN]?

There was no objection.

Mr. WARREN. Mr. Speaker, according to the program sent out last week, on tomorrow the House will consider the conference report on the Wheeler-Lee bill. On behalf of the gentleman from New York [Mr. WADSWORTH], I ask unanimous consent that his proposed motion to recommit this conference report be printed at this point in the RECORD; and on behalf of the gentleman from Iowa [Mr. HARRINGTON], I ask unanimous consent that a letter written to him and to all Members of the House from all of the railway brotherhoods, four of which originally favored this measure, but all of which are now strongly in favor of its recommittal, also be inserted in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. WARREN]?

There was no objection.

Mr. RICH. Mr. Speaker, reserving the right to object, we have received these letters from the brotherhoods that are asking the membership to take care of 250,000 railroad employees; but what are you going to do about the 9,000,000 unemployed that we have in this country? They are the ones you want to take care of, and we will also take care of the 250,000. You should take care of those 9,000,000 people and not go around here and talk about 250,000. You on that side of the aisle have been working at this for 7 years, and you have not been able to accomplish anything. It seems to me that the Members on the majority side of the House ought to get busy now and try to put through some legislation that will take care of the 9,000,000 unemployed.

Mr. WARREN. Do I understand the gentleman is objecting to the request?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. WARREN]?

There was no objection.

The matter referred to follows:

MOTION TO RECOMMIT

Mr. WADSWORTH moves that the bill (S. 2009) to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, and for other purposes, together with the House amendment thereto, and the conference report thereon, be recommitted to the committee of conference, with the following instructions to the managers on the part of the House:

1. That the managers on the part of the House insist on the inclusion in the report of the committee of conference the provision adopted by the House, known as the Jones amendment, which reads as follows:

"It is hereby declared to be the policy of Congress that shippers of wheat, cotton, and all other farm commodities for export should have substantially the same advantage of reduced rates, as compared to shippers of such commodities not for export, that are in effect in the case of shipment of industrial products for export as compared with shipment of industrial products not for export, and the Interstate Commerce Commission is hereby directed to institute such investigations, to conduct such hearings, and to issue orders making such revisions of rates as may be necessary for the purpose of carrying out such policy."

2. That the managers on the part of the House insist on the inclusion in the report of the committee of conference the provision adopted by the House, known as the Wadsworth amendment, which reads as follows:

"In order that the public at large may enjoy the benefit and economy afforded by each type of transportation, the Commission shall permit each type of carrier or carriers to reduce rates so long as such rates maintain a compensatory return to the carrier or carriers after taking into consideration overhead and all other elements entering into the cost to the carrier or carriers for the service rendered."

3. That the managers on the part of the House insist on the inclusion in the report of the committee of conference the provisions adopted by the House relating to combinations and consolidations of carriers (secs. 8 and 22 of the House amendment) but modified so that the sentence in section 8 which contains the provision known as the Harrington amendment, read as follows:

"(f) As a prerequisite to its approval of any consolidation, merger, purchase, lease, operating contract, or acquisition of control, or any contract, agreement, or combination mentioned in this section, in respect to carriers by railroad subject to the provisions of part 1, and as a prerequisite to its approval of the substitution and use of another means of transportation for rail transportation proposed to be abandoned, the Commission shall require a fair and equitable arrangement to protect the interests of the railroad employees affected. In its order, or certificate, granting approval or authorization of any transaction referred to in this paragraph, the Commission shall include terms and conditions providing that such transaction will not result in employees of said carrier or carriers being in a worse position with respect to their employment.

"Notwithstanding any other provision of this act, an agreement pertaining to the protection of the interests of said employees may hereafter be entered into by any carrier or carriers by railroad and the duly authorized representative or representatives of its or their employees."

[Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors, Brotherhood of Railroad Trainmen, Switchmen's Union of North America]

WASHINGTON, D. C., *May 1, 1940.*

Hon. VINCENT HARRINGTON,
House of Representatives.

HONORED SIR: The undersigned chief executives of the Brotherhood of Locomotive Engineers, the Brotherhood of Locomotive Firemen and Enginemen, the Order of Railway Conductors, the Brotherhood of Railroad Trainmen, and the Switchmen's Union of North America, which organizations represent all of the railroad workers actually engaged in operating railroad transportation facilities, are disappointed to learn that the conference committee which considered S. 2009 has stricken out of the bill the consolidation section as amended by the House. This section provided protection to railway employees against unemployment. It prohibited the legalizing of consolidations or mergers which would increase fixed charges on funded debt unless the Commission should find it to be positively in the public interest to do so. This was a most important protection to the public and, indirectly, very helpful to railroad employees. The section contained also other provisions very helpful to the public and railway employees. In brief, there have been taken out of the bill the only provisions which were of direct benefit to the men actually engaged in operating railroad transportation equipment and facilities. Railway workers are, therefore, much concerned.

The five transportation labor organizations very earnestly urge your support of a motion to recommit the conference report, which motion, among other things, will contain a provision instructing the conferees to reinsert the consolidation section of S. 2009, as reported by the House committee, with an amendment to protect railway labor against unemployment, copy of which amendment is hereto attached.

During the last few years the number of railroad employees has been reduced by one-half, and naturally, therefore, railway workers are greatly alarmed by the menace of a still greater increase in unemployment. There is no doubt of the overwhelming sentiment in Congress for adequate labor protection in this bill.

The following is quoted from the statement by the Honorable ROBERT CROSSER, of Ohio, member of the conference committee which considered S. 2009, Appendix of the RECORD, page 2511:

"I do, however, express disappointment at the elimination of section 8 relating to consolidations, and so forth, which I felt was helpful to the general public interest and to the welfare of employees."

Expressing the sincere hope that you will support the motion to recommit the conference report, we are,

Very respectfully yours,

A. JOHNSTON,
Grand Chief Engineer, Brotherhood of Locomotive Engineers.
D. B. ROBERTSON,
President, Brotherhood of Locomotive Firemen and Enginemen.
J. A. PHILLIPS,
President, Order of Railway Conductors of America.
A. F. WHITNEY,
President, Brotherhood of Railroad Trainmen.
T. C. CASHEN,
President, Switchmen's Union of North America.

PROPOSED AMENDMENT TO CONSOLIDATION SECTION OF WHEELER-LEA TRANSPORTATION BILL S. 2009

(f) As a prerequisite to its approval of any consolidation, merger, purchase, lease, operating contract, or acquisition of control, or any contract, agreement, or combination, mentioned in this section, in respect to carriers by railroad subject to the provisions of part 1, and as a prerequisite to its approval of the substitution and use of another means of transportation for rail transportation proposed to be abandoned, the Commission shall require a fair and equitable arrangement to protect the interests of the railroad employees affected. In its order, or certificate, granting approval or authorization of any transaction referred to in this paragraph, the Commission shall include terms and conditions providing that such transaction will not result in employees of said carrier or carriers being in a worse position with respect to their employment.

Notwithstanding any other provision of this act, an agreement pertaining to the protection of the interests of said employees may hereafter be entered into by any carrier or carriers by railroad and the duly authorized representative or representatives of its or their employees.

EXTENSION OF REMARKS

Mr. SUTPHIN. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a telegram received from Robert W. Johnson, the head of an organization that employs some 35,000 people.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey [Mr. SUTPHIN]?

There was no objection.

The telegram referred to follows:

NEW BRUNSWICK, N. J., *April 22, 1940.*

The Honorable WILLIAM H. SUTPHIN,
House of Representatives, Washington, D. C.:

Wage-hour amendments aimed toward weakening the law should be defeated. We should now strengthen the wage-hour law. The time has arrived to consider the 6-hour day, the 30-hour week with a minimum wage of 55 cents. There are millions of unemployed in America and more millions who are underpaid. It is only through Federal and State wage and hour laws that we will solve this problem. One or two competitors in any given industry can lower the wage level for entire industry.

ROBERT W. JOHNSON.

Mr. SPRINGER and Mr. BENDER asked and were given permission to revise and extend their own remarks in the RECORD.

THE HATCH BILL

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

Mr. RICH. Mr. Speaker, yesterday the Judiciary Committee buried a bill by secret vote because the members were afraid to come out in the open. You very seldom hear of secret votes in the House, but it is getting pretty nearly time that we have secret votes in the House. If we had a secret vote, a lot of legislation that has been passed in the last few years would not be passed. On the other hand, if we are going to have things open and above board, then why does not the Judiciary Committee come out in the open and say that they are opposed to the legislation instead of trying to bury it?

Mr. Speaker, it is about time that the people of this country realize that the President has put over a hundred thousand employees on the pay roll of the Government in the last year when he said previously he was going to be for economy. They are going to send these employees all over the country electioneering for the New Deal. It is time we stop all this, and I say to you on the minority side of the House when we get a Republican Congress in here next January we will not do what they are doing on the other side of the House at the present time. I believe in being open and above board. The New Deal do not want the Hatch bill. No; they want politics in all Government jobs. They want to put more people on the Government pay roll so that we will have more people to play politics with. Is it not time to stop such tactics? Will the taxpayers stand for such action? We will see next November when the ballots are cast.

[Here the gavel fell.]

PROPOSED REORGANIZATION OF THE CIVIL AERONAUTICS AUTHORITY

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. BRADLEY]?

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, under the proposed reorganization of the Civil Aeronautics Authority, all the Authority's powers under the Civilian Pilot Training Act are to be transferred to the Administrator of Civil Aeronautics, and the Administrator's powers are to be transferred to the Department of Commerce. He is made completely subject to the Department of Commerce.

Under the Civilian Pilot Training Act, all the powers of safety regulation under the Civil Aeronautics Act are conferred upon the Authority. But the reorganization transfers them first to the Administrator and then to the Department of Commerce.

Thus the training and safety of thousands of our boys and girls is to be taken completely and utterly from the hands of the competent and able Civil Aeronautics Authority and put into the hands of the Department of Commerce, which so badly bungled safety regulation when it had jurisdiction over civil aeronautics 2 years ago.

This should bring protests from every mother and father in the land. Our boys and girls should be given the best and most careful training and safeguards.

We know all too well how inadequate the Department of Commerce was. We know full well how successful and competent the Authority is. Do not turn our youth over to the mercies of the Department. Let well enough alone. Let our youth remain under the guard and protection of the one agency which has most successfully brought safety and security in the air—the Civil Aeronautics Authority.

EXTENSION OF REMARKS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of taxation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include part of a bill to amend section 211 of the Criminal Code, and I also ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. THORKELSON]?

Mr. SABATH. Mr. Speaker, reserving the right to object, I did not understand the request. The gentleman speaks in such a low voice I could not hear his request.

Mr. THORKELSON. My first request is to extend my own remarks in the RECORD and include a part of a bill to amend section 211 of the Criminal Code. My second request is to proceed for 1 minute.

Mr. SABATH. Mr. Speaker, I reluctantly reserve the right to object on these grounds: On the 30th of last month the gentleman from Montana rose to ask unanimous consent to extend his remarks. I questioned him as to what it was about, and he said it was on the state of the Union, or something similar. The following day by chance I glanced over the CONGRESSIONAL RECORD and beheld there four different extensions of his remarks, covering nearly 10 pages of the CONGRESSIONAL RECORD, and costing the taxpayers some $425. I believe the gentleman has abused and is abusing the privileges of the House. I do not object to his putting in all the trash that is sent to him, most of which is not founded on fact—and certainly those libelous charges are not based on fact—but I do object to his placing in the RECORD under one leave to extend four different extensions, covering nearly 10 pages of the CONGRESSIONAL RECORD, all on one day.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

The SPEAKER pro tempore. The Chair calls for the regular order. Is there objection?

Mr. SABATH. I object, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana to proceed for 1 minute?

There was no objection.

[Mr. THORKELSON addressed the House. His remarks appear in the Appendix of the RECORD.]

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

Mr. SABATH. At this point I have no objection.

The SPEAKER pro tempore. The remarks will not be extended at this point in the RECORD. The Chair objects to that.

Is there objection to the request of the gentleman to revise and extend his remarks?

There was no objection.

Mr. MAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein an address delivered by Hon. J. JOSEPH SMITH, a member of the House Committee on Military Affairs, at the New England council meeting last evening in Washington, on the subject of New England's place in national defense.

Mr. RICH. Reserving the right to object, Mr. Speaker, I wish to say in connection with placing this speech or any other in the RECORD that no one can put in the RECORD more than two and a half pages without it being returned to him by the Public Printer, unless an estimate is obtained from the Public Printer. In regard to the extensions of the gentleman from Montana [Mr. THORKELSON], and to give this information to the gentleman from Illinois [Mr. SABATH], may I say that the gentleman from Montana could not exceed that limit. His extensions would not be placed in the RECORD, because the Public Printer will not print matter in excess of the limit unless the Member gets a special notice from the Public Printer, so the gentleman from Montana did not do anything that the rules do not provide for.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix of the RECORD.]

CALL OF THE HOUSE

Mrs. NORTON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 92]

Coffee, Wash.	Green	Nelson	Taylor
Culkin	Jarman	Patrick	Thomas, N. J.
Cummings	Jarrett	Rogers, Okla.	Ward
Darrow	Kirwan	Routzohn	West
Ditter	McLaughlin	Schulte	Whelchel
Duncan	Merritt	Shafer, Mich.	White, Ohio
Gilchrist	Mitchell	Smith, Va.	Wolfenden, Pa.
Goodwin	Myers	Starnes, Ala.	

The SPEAKER pro tempore. Three hundred and ninety-nine Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

THE LATE BENJAMIN RYAN TILLMAN

Mr. HARE. Mr. Speaker, I ask unanimous consent to speak for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HARE. Mr. Speaker, at Columbia, S. C., on yesterday a monument was unveiled to commemorate the life, character, and public services of the Honorable Benjamin Ryan Tillman, the most colorful political figure and the most outstanding statesman that South Carolina has produced since the War between the States.

The Honorable JAMES F. BYRNES, the junior Senator from the State, delivered the principal address. I ask unanimous consent to extend my remarks and to include therein the address of Senator BYRNES.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

DEFINITION OF AMERICAN FISHERY

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8475) to define "American fishery," which I send to the Clerk's desk.

The Clerk read the bill, as follows:

Be it enacted, etc., That wherever, in the statutes of the United States or in the rulings, regulations, or interpretations of the various administrative bureaus and agencies of the United States there appears or may appear the term "American fishery" it is hereby and shall hereafter be construed to include only—

1. The taking, handling, or processing of fish, fishery products, fishery byproducts, shellfish, crustacea, seaweeds, and all other aquatic forms of animal and vegetable life and the products and byproducts thereof for commercial disposition—

(a) by or on vessels built in the United States and documented under the laws of the United States which are wholly manned by citizens of the United States or by residents of the United States, or by both; and

(b) by or on undocumented vessels of less than 5 net tons built in the United States wholly owned by citizens of the United States within the meaning of the laws respecting the documentation of vessels, or by residents or by both, which are wholly manned by citizens of the United States or by residents of the United States or by both.

2. The handling or processing of such fish, fishery products, fishery byproducts, shellfish, crustacea, seaweeds, and all other aquatic forms of animal and vegetable life and the products and byproducts thereof, so taken, handled, or processed by or in shore plants, shore stations, or factories located within the boundaries of the United States, its Territories, and its possessions, and wholly owned by citizens of the United States or by residents of the United States or by both, all of the officers and employees of such shore plants, shore stations, or factories being citizens of the United States or residents of the United States or both.

3. The transportation by water of such fish, fishery products, fishery byproducts, shellfish, crustacea, seaweeds, and all other aquatic forms of animal and vegetable life and the products and byproducts thereof, so taken, handled, or processed—

(a) on vessels documented under the laws of the United States which are wholly manned by citizens of the United States or by residents of the United States or by both; and

(b) on undocumented vessels of less than 5 net tons wholly owned by citizens of the United States within the meaning of the laws respecting the documentation of vessels, or by residents of the United States, or by both, which are wholly manned by citizens of the United States or by residents of the United States or by both.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That wherever, in the statutes of the United States or in the rulings, regulations, or interpretations of various administrative bureaus and agencies of the United States there appears or may appear the term "products of American fisheries" said term shall not include fresh or frozen fish fillets, fresh or frozen fish steaks, or fresh or frozen slices of fish substantially free of bone (including any of the foregoing divided into sections), produced in a foreign country or its territorial waters, in whole or in part with the use of the labor of persons who are not residents of the United States.

"SEC. 2. This act shall take effect on the day following the date of enactment hereof."

Amend the title.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I appreciate fully the importance of this legislation, and personally I am in favor of it; but I think the gentleman from Virginia should give the House an explanation of the measure.

Mr. BLAND. There has been considerable complaint and discussion recently of a decision of the Treasury Department whereby certain persons—General Sea Foods, I believe it was—entered into an arrangement whereby a shore station was to be located on what is known as the treaty coast of Newfoundland, and that the fish caught by foreigners, processed by foreigners, and shipped into this country should come in free and in competition with our fisheries. The bill, as we have amended it, does not interfere with any fishing operations anywhere else. We have so limited and defined the term "American fishery" that the proposed arrangement shall be held in abeyance or shall not be permitted to go ahead

and the fish to come in free pending an inquiry that is going to be made by a subcommittee of the Committee on Fisheries on the subject of American fishery in an attempt to define "American fishery," which the Treasury Department states is very desirable.

Mr. MARTIN of Massachusetts. Does the bill have the full support of your committee?

Mr. BLAND. It does.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. McCORMACK. This does not disturb at all any part of the situation that existed prior to the Newfoundland situation arising?

Mr. BLAND. That is the purpose.

Mr. McCORMACK. It is confined solely to the Newfoundland situation?

Mr. BLAND. That is true.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Will this amendment in any way, directly or indirectly, interfere with the Hull so-called reciprocal trade agreements?

Mr. BLAND. I do not think it has anything to do with that.

Mr. SCHAFER of Wisconsin. And their free-trade policies?

Mr. BLAND. I do not believe it has anything to do with that; at least, it allows no products to come in under this treaty that are not the product of American labor—that is, caught by Americans and processed by Americans.

Mr. SCHAFER of Wisconsin. That is good, sound, Republican, protective-tariff doctrine, and I propose to support the gentleman's amendment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill to limit the interpretation of the term 'products of American fisheries.'"

EXTENSION OF REMARKS

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an address delivered by Ray C. Kirkpatrick, of the Public Works Administration, on April 10, 1940.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a letter from the Governor of Nebraska.

The SPEAKER pro tempore. Is there objection?

There was no objection.

AMENDMENTS TO THE FAIR LABOR STANDARDS ACT OF 1938

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5435) to amend the Fair Labor Standards Act of 1938.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5435, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Chairman, I move to strike out the last word. With half the world in the agony of war, and many pressing questions of importance before the Congress, we have taken 5 days to decide whether or not the American worker is worth 30 cents an hour for his labor. We have listened to the sad story of farm cooperatives, men almost weeping over the fact that instead of 5 cents, they are obliged to pay 7 cents for a certain amount of work, I think it was picking beans. We have had a somersault overnight on excluding 200,000 workers from the benefits of the bill, not to speak of putting child labor into the act, and all this in the name of helping the farmers, defining the word "agriculture." I wonder if the members believe that the farmers are going to be so easily fooled. I notice that the real friends of the farmers are not besieging the Labor Committee to have amendments put into this bill. The farmers are not interested in this bill. They are satisfied with the existing provisions of the law, and I have yet to find one single letter from a dirt farmer in this country complaining of anything in connection with the law.

Mr. MAY. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTON. I am sorry, I have only 5 minutes and I cannot yield. The people who are trying to wreck this law are the big farm organizations of this country, not the farmers. Let me say to the people of New England who walked through the tellers yesterday and helped the gentleman from California [Mr. BUCK] take 200,000 more workers from under the provisions of the law, that the next move that is going to be made is to take the textile workers from under the provisions of this law. I wonder how you will feel about that. Then it will continue until the entire law will be wrecked if it is not wrecked before this bill is finished. If the people of this country do not make themselves felt, as I think they will, they are due for a sad awakening.

Now, I say to you, Mr. Chairman, that my only interest in this legislation, from the beginning, has been the American worker, and I have taken no part in any conference and made no deal with anybody about anything, although there have been many deals made on the floor of this House and many votes swapped in the last few days. I am not doing anything of that sort. I am working to protect the workers of this country, to give them 30 cents an hour, a miserable 30 cents an hour for their labor. That is the only interest I have in this law; that is the only interest that the Members of Congress should have in it. I cannot, I do not want to believe that the Members of this Congress are going to say to the people of the United States, "The Government pays me $10,000 a year for my work in the Congress, but I think 30 cents an hour is too much for you." I do not believe that the Members of this Congress mean to go before the country in this campaign with a story of that kind; and may I say this to you, if this bill prevails, if this substitute is adopted with the Buck amendment in it, it is going to wreck the law, and it is not going any further toward its enactment this session. I also say to you, you may load it with amendments as you please today—that is your business—but if you do, I will vote against it and will make a motion to recommit it. I have heard that the motion to recommit is going to be voted down. All right. If that is true, we will meet that issue also when it comes; but the point I make is that I shall have nothing whatsoever to do with a bill that is going to be loaded down with amendments so as to deprive the workers of this country of a miserable 30 cents an hour for their labor. [Applause.]

Mr. BUCK. Mr. Chairman, I move to strike out the last four words.

The CHAIRMAN. Is there an amendment to be offered to section 3?

Mr. BARTON of New York. Mr. Chairman, I rise in opposition to the pro forma amendment. I have the strong conviction that a large majority of the Members of the House want to protect and improve this act, and are sincerely anxious that we should make a start at this session of Congress toward removing those inequalities and hardships which were certainly not contemplated when the act was adopted.

I would like to take just a minute to comment on the amendment offered yesterday by the gentleman from California [Mr. BUCK], and adopted by the committee. I venture to suggest a course we could follow today which would make it possible for us to keep all that is good in that amendment and not hurt the act, and so to come through with a committee amendment that the House could approve, another body accept, and the President sign.

May I read briefly the colloquy that took place yesterday between the gentleman from California [Mr. BUCK] and myself. The gentleman's amendment, as you know, writes into the Fair Labor Standards Act the same definition of agricultural labor which the Congress had already written into the Social Security Act. The colloquy follows:

Mr. BARTON of New York. I agree with the gentleman that it would be very desirable if we could have the same definition of agriculture in all our legislation and not have to redefine it every time we pass another act, but would it be acceptable to the gentleman if his amendment could be applied to the committee amendment at a point where it could provide for exemption from the hours only and not from the wages?

Mr. BUCK. I am advised by the Parliamentarian that the proper place to offer my amendment is where I am offering it.

Mr. BARTON of New York. But would it be acceptable to the gentleman, if it were possible to do it, to have the definition apply only to the matter of hours and not of wages?

Mr. BUCK. Would the committee accept the amendment in that event?

Members may recall that at that point in the proceedings there was a great deal of confusion on the floor and the question asked by the gentleman from California [Mr. BUCK] was not heard by the chairman of the Labor Committee, or at least was not answered.

I gathered the impression from the tone and manner in which the gentleman asked the question that if the committee had been willing at that time to say that it would accept his amendment as liberalizing the hours provision, but not applying at all to wages, it would have been acceptable to him and to many others who support his definition of agriculture, and that we might now be all in agreement.

Mr. Chairman, there are very many of us who, in our anxiety to preserve this act and to have it work, are willing to be not only reasonable, but generous in voting exemptions to the hours provision of the act, but we are not willing to start at this session or any other session to break down either the 30-cent floor under wages or to lower the bars set up against child labor. Either the floor of 30 cents is right and the prohibition against child labor is right, and if so they should be maintained and jealously guarded, or they are wrong, and in that case the whole law ought to be repealed; but we ought not attempt to break down that floor or those bars by successive amendments.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BARTON of New York. May I make just one more statement and then I will yield.

I rose at this time to give notice that when we reach pages 15 and 16 of the committee amendment, it is proposed by the gentleman from California [Mr. WELCH], ranking minority member on the committee, to offer an amendment which will make it clear that the so-called Buck amendment exempts all agricultural workers as to hours, but as to wages exempts only those workers who are defined in the first three sections of the Buck amendment. When we reach page 16 I shall offer an amendment to reemphasize the purpose of Congress that the prohibition in respect to child labor is not in any way to be weakened by the adoption of this new definition of agriculture.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. BARTON of New York. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I thoroughly agree with what the gentleman says about minimum wages, but what troubles the people in our section is this: That where a man gets twice the minimum wage, under the reduced hours they must pay time and a half for overtime above 42 hours a week. What does the gentleman say about that?

Mr. BARTON of New York. I have tried to make it clear that the effect of the proposed Welch amendment to the so-called Buck amendment would be to exempt all classes of agricultural labor from the hours provision of the act.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BARTON of New York. I yield.

Mr. BATES of Massachusetts. By your suggested amendment you meet the difficulty that the gentleman raises on the floor where somebody pays the prevailing rate of wage. Under this suggestion of yours the wage schedule will not apply, but the hours schedule will apply?

Mr. BARTON of New York. That will be the purpose of the amendment submitted by the gentleman from California [Mr. WELCH].

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BARTON of New York. I yield.

Mr. CASEY of Massachusetts. I have an amendment to ask for the exemption for hours only, and I am going to offer that amendment to section 6, on page 16. I see no reason why the Buck amendment, if it sincerely wishes to maintain the wage minimum of 30 cents an hour, cannot accept an amendment as far as it pertains to hours alone.

Mr. BARTON of New York. May I make a suggestion to the gentleman in the interest of conserving time and making real progress today? Would he be willing to confer with the gentleman from California [Mr. WELCH], inasmuch as they are both seeking the same objective, and decide which amendment is better and where it should be submitted?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JONES of Texas. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, when the so-called Buck amendment was under consideration in the committee, I was called out on account of the fact that we had pending before the Committee on Agriculture a very controversial credit question. I, therefore, did not have an opportunity to hear the discussion on the amendment. I say this in explanation of the fact that on yesterday I did not feel qualified to give my viewpoint to my good friend, the chairman of the Committee on Labor. I have a very high regard for the chairman of this committee. She has had a very difficult time. I do not believe any chairman of a committee in this Congress has developed more rapidly than she in the art of handling of legislation on this floor.

This morning I very carefully went over this amendment in the light of the definition of agriculture in the existing Labor Act and also in the light of the definition of agriculture in the dictionary. I may say without discussing the merits generally or the purpose of the amendment that it is well drafted. There is no question about the time that has been put on the drafting of that amendment. It seems to me that it does not broaden the present definition except perhaps in one part of section 4. It makes specific the provisions in reference to agriculture. I feel sorry for the man who administers an act of this kind. He has a very difficult task and should have all the help he can. It seems to me that while if the Buck amendment remains in the bill it might need some slight change, at any rate it would relieve the Administrator of a good deal of the burden of conflicting opinions.

He is going to have a great deal of difficulty construing language and applying it. It is going to take a while to work this thing out; but the committee in the present act exempts agriculture in all its branches, as I understand it. I believe that definition is just about as broad as the Buck amendment. True, it is couched in general language. I believe that if that general definition is left they are going to have a good many lawsuits and disputes and finally wind up with practically the same exemptions that are in the Buck amendment, unless it be that part of section 4.

Webster's International Dictionary in defining agriculture states, after enumerating tillage, husbandry, and various things:

In a broader sense, the science and art of the production of plants and animals useful to man, including to a variable extent the preparation of these products for man's use and their disposal by marketing or otherwise.

Funk & Wagnalls' Practical Standard Dictionary, after dealing with cultivation of the soil, and so forth, states that agriculture is—

At once the science, the art, and the process of supplying human wants by raising the products of the soil and by the associated industries.

It seems to me—and I am just giving my personal opinion because I was put in the embarrassing attitude of being asked to answer a question on an amendment that I had not studied thoroughly—it seems to me that those very general definitions of agriculture and what agriculture includes, and the present exemption in the Fair Labor Standards Act, that a specific definition of what agriculture includes might be helpful to the Administrator. It seems to me that the only place that there is a possibility of the yardstick—and that is about all it is—changing the existing act is in the last part of section 4 having to do with fruits and vegetables. I am not very familiar with the method of the marketing of fruits and vegetables.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Texas. I yield.

Mrs. NORTON. May I say to the gentleman that we have had an expression from the Agriculture Department, and also from the Wage and Hour Division of the Department of Labor, to the effect that the Buck amendment would take 200,000 industrial workers from under the coverage of the act, and that is the ground on which I based my argument.

Mr. JONES of Texas. I dislike to disagree with the gentlewoman from New Jersey. That may be true in the way they would construe the language, but I feel there will be many contentions, disputes, and lawsuits as to how broad the general definition is, and that after they are cleared away the general exemption may finally be found to be broader than the Buck amendment. At any rate the Buck amendment would be very definite and clear and would thus avoid the irritations that come from disputes about what language means in a general definition. If, of course, all interested parties would accept the construction the gentlewoman mentions it might mean the exemption of 200,000 from the coverage of the act, but we cannot be too sure that that would not be the case anyway under the general exemption in view of the very wide definition the authorities give the word "agriculture." Some that I looked up said it covered the marketing and all associated industries.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Texas. I yield.

Mrs. NORTON. In view of all this conflict of opinion, does not the gentleman believe it would be very much better to introduce a bill having nothing to do with the act we are now discussing, a separate bill defining just what agriculture means, and let that bill be carefully studied by the gentleman's committee? I have the greatest respect for the chairman of the Committee on Agriculture. I feel that he knows more about agriculture than probably any other Member in this House. I would like to see that definition discussed and would like to hear debate on it, but I do not think it belongs in this bill. I think it should stand on its own feet.

Mr. JONES of Texas. I return in a mutual way the respect for the chairman of the Committee on Labor. The trouble is that agriculture is already defined in the existing act.

I supported the act, as the chairman knows.

Mrs. NORTON. Yes.

Mr. JONES of Texas. The principal difficulty I found in my country was that people did not know just what construction would be placed on the language, and they were honestly bothered about it. They are still going to be bothered about how much is exempted under the general definition in the original act which the chairman handled. It seems to me that in view of the fact it is in there and is going to be the ground of dispute, it is almost essential at the present time to have a construction either in terms of the act or by the Administrator.

Mrs. NORTON. May I say to the gentleman that so far as I have been able to learn the Administrator has had no difficulty about the meaning of the word "agriculture." The difficulty he has had is to know where farming ends and where processing begins. That is the real difficulty.

Mr. JONES of Texas. I can understand that. It is a question that has bothered me some, but I believe that the yardstick method would relieve the Administrator of a good deal of difficulty and trouble. At the same time those who are affected by the act would also know, and it is right that they should.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. CRAWFORD]?

There was no objection.

Mr. BARTON of New York. Will the gentleman yield?

Mr. JONES of Texas. I yield to the gentleman from New York.

Mr. BARTON of New York. I think the gentleman from Texas understands from the statement that I made that the committee has no objection to the Buck amendment, insofar as it relates to exemptions from hours. The amendment which the gentleman from California will propose provides for exemptions as to both hours and wages in respect to all those workers covered in the first three sections of the Buck amendment; but as to the fourth section of the Buck amendment which reads as follows:

> In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market—

And so forth. The committee objects to allowing those operations to be carried on at less than the 30 cents an hour minimum wage. May I direct the gentleman's attention to one sentence taken from the report of the Ways and Means Committee on the Social Security Act amendments of 1938 because, as the gentleman knows, the language of the Buck amendment is taken from the Social Security Act. That report says:

> The expression, "as an incident to ordinary farming operation," is in general intended to cover that service of a character described in the paragraphs which are ordinarily performed by the employees of a farmer or by employees of a farmers' cooperative organization or group as a prerequisite to the marketing in its unmanufactured state of any agricultural or horticultural commodity.

And so forth. The point which the chairman of the Labor Committee makes, and this is reinforced by statisticians of the Labor Department, is that in cooperative plants of this sort there are employed a total of about 195,000 workers who are doing industrial work just as definitely as though they were manufacturing shoes, shovels, or any other form of industrial product. We do not propose to vote to lower the 30-cent floor in respect to those 195,000 workers any more than we want to cut down any other industrial worker.

Mr. JONES of Texas. Does the gentleman intend to limit his amendment to that particular phase of the Buck amendment, or does he mean to have his amendment cover all of the amendment? The reason I make that statement is this: I do not believe this broadens the general definition in the existing act. This makes it definite and might save a lot of difficulty in reference to construction.

Mr. BARTON of New York. I think we are all in favor of making it definite.

Mr. JONES of Texas. I am not familiar with the activity the gentleman refers to, therefore I would not feel qualified to pass on whether that is covered, but if it is covered in this act I wonder if it is not covered in the general definition of agriculture which is in the existing Labor Act?

Mr. BARTON of New York. I think the amendment of the gentleman from California will be a vast improvement in definiteness, if we may understand what part is covered.

Mr. JONES of Texas. I hope in trying to limit this particular phase the gentleman does not limit the whole definition of agriculture.

Mr. BARTON of New York. No; that is not the idea.

Mr. JONES of Texas. I wish that agriculture had income enough to pay the high wages that are enjoyed by a great many others, but wages must be paid out of receipts and

these things cannot be changed overnight. In view of the fact that the average per capita income in the country is less than half what it is in the city, I hope the gentleman will go along with us in trying to get a better price for agricultural commodities, then maybe we can bring the wage scale up more rapidly.

Mr. ROBERTSON. Will the gentleman yield?

Mr. JONES of Texas. I yield to the gentleman from Virginia.

Mr. ROBERTSON. The gentleman will recall that in the original wage-hour bill the first processing of fresh fruits and vegetables in their raw or natural state was exempted within the area of production.

Mr. JONES of Texas. Yes.

Mr. ROBERTSON. That was defined as 10 miles. That was entirely too limited and gave us a lot of trouble. The committee brought out a bill last May that exempted that processing within normal limits, but the bill was not passed. Now they put in this bill exempting that again if immediately off the farm and the gentleman from Indiana said yesterday that meant they could get together and take it off the farm.

Mr. JONES of Texas. I think we are all familiar with the variations in the construction of this act by the administrator in connection with plants of the same type. The administrator of this act has a lot of difficulty. I think he has made some mistakes like all administrators have, but I am hoping that in the long run we will get the best interpretation of the law that is possible.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes. The gentleman is, I consider, an authority on agriculture.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. ROBERTSON. Does the gentleman want a change made, now or prospective, while this war goes on, whereby the producers of fruits and vegetables will be in a better financial position to pay a wage from now on than they were in the past, when the committee said they ought not to be put under it?

Mr. JONES of Texas. I do not regard this as a war measure. This is a long-range measure, and it should be fashioned to fit normal long-range conditions.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. JONES of Texas. I yield to the gentleman from Missouri.

Mr. WOOD. The Buck amendment in subsection (3) exempts the operation or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying and storing water for farming purposes. The gentleman knows there are many great systems of irrigation in many parts of the country. Some of these systems are operated by cooperatives, or the farmers may form a cooperative in order to get water from a corporation. The Buck amendment exempts all people working in the operation or maintenance of these ditches, canals, reservoirs, or waterways, and that includes mechanics of all types.

Mr. JONES of Texas. I hope the gentleman will not take up my time with a general discussion. Let me ask the gentleman this question. Is not most of this work done and paid for by the farmers in their district organizations?

Mr. WOOD. It does not necessarily mean that at all.

Mr. JONES of Texas. I think that is true.

Mr. WOOD. They are engaged in the maintenance and operation of these ditches.

Mr. JONES of Texas. I believe the gentleman will find that practically every exemption in the Buck amendment is embodied in the existing labor definition of agriculture, if you follow what the dictionary says is the meaning of that term. The point I was trying to make is that it seems to me that the Buck amendment, by being definite and having a definite yardstick, would be helpful to the Administrator in avoiding some complications and some disputes, and that if we exempt some that should not be exempted that situation can later be corrected. Laws have to be corrected from year to year to fit conditions. I know that if I were administering this act I would rather have a specific yardstick laid down wherever possible than have the burden of interpreting a very general and flexible term that might be the subject of dispute and irritation for a long period of time, and finally wind up with more exemptions, possibly, than would prevail with a yardstick.

Mr. WOOD. If the gentleman will yield a little further, I wish to call his attention to another definition in the Buck amendment:

> The term "farm" includes stock, dairy, poultry, fruit, fur-bearing animals, and truck farms, plantations, ranches, nurseries, ranges—

And a very interesting exemption is greenhouses.

Mr. JONES of Texas. I decline to yield further, Mr. Chairman.

There is a difference between agriculture and farming. This bill exempts agriculture, and that makes an entirely different story. The gentleman knows we have agricultural colleges, and we do not call them farming colleges. Agriculture, according to Webster, means a good deal more than the simple tillage of the soil.

Mr. WOOD. Greenhouses are not agriculture, and the gentleman knows it.

Mr. JONES of Texas. I am not interested in greenhouses.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. JONES of Texas. Yes.

Mr. MURDOCK of Arizona. I have an increasing respect for the gentleman now occupying the floor. He not only has a judicial mind but a great heart for the farmers of America. I know of no better friend of the American farmer than the chairman of the House Committee on Agriculture.

I agree with the gentleman that it is highly desirable to get more definite and uniform definitions, thus minimizing future litigation under this law. Let us try to make this language clearer and leave less to administrative discretion.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to have the attention of the gentlewoman from New Jersey. She has scolded New England because some Members passed through the aisle yesterday in favor of the Buck amendment. I do not blame her for scolding. From her point of view I think we probably deserved it, although I shall vote that way again until the matter is made clearer to me.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. I am sorry the gentleman thought it was a scolding. I have a very high regard for the gentleman from Massachusetts. I was merely stating my position. Perhaps I stated it in very strong language, but I wanted the House to know how I feel about this whole performance, because it is a performance that I consider beneath the dignity of the House of Representatives, and has been going on for 5 days.

Mr. GIFFORD. I still think it ought to be called a scolding. I think she had a right to do it. She has done wonderful work for the Wage and Hour Act. Having gone through the aisle, of course I took her remarks as applicable to myself.

I am greatly puzzled, as nearly all of you are. One of the most affecting things I have ever seen with respect to farming was brought to my attention in her State of New Jersey, where they were harvesting tomatoes. A man and his wife were out in their field working hard and in great anxiety to harvest their already overripe tomatoes. Three young men were leaning over the fence watching them. I left my car and asked, "Why don't you help those people harvest those tomatoes?" "Well, they can't pay but a dollar a day. We won't work for a dollar a day."

I said, "Can't they pay more than that?" "No. The cannery can pay only a small price for the tomatoes, because they are so plentiful." I said, "You would not work for a dollar a day? Don't you have to work?" "Well, there is a W. P. A. job coming on here next week and we are to get a job."

That is the exact conversation that occurred. The question that occurs to me is, Shall the consumers of the Nation be deprived of tomatoes because they are so cheap? Can we blame the canners for not taking them if they are forced to pay wages that make it unprofitable? Such a situation is on my conscience just as much as the belief that a 30-cent-hour wage should be enforced. Shall a cannery, no matter how large the cannery, say, "Tomatoes are so cheap now, and we have to pay 30 cents an hour; therefore, we will not take the tomatoes"? The farmer is injured, the person who is willing to work is injured, and the consumer is injured. I do not know what to do about the situation.

Mr. MURDOCK of Arizona. Mr. Chairman——

Mr. GIFFORD. Will the gentleman help me out?

Mr. MURDOCK of Arizona. I sought time, not to interrupt.

Mr. GIFFORD. I am free to say that I seem to be in like position with the gentleman from North Dakota in exposition of his plight on yesterday.

I do not want to jeopardize the textile Wage and Hour Act. Oh, no; and I do not want to jeopardize other industries. We thought we exempted the farmer, and I shall continue to insist on his exemption. I know the farmers' troubles. I want to help him, even though a few may escape the penalties of the act.

Mr. McKEOUGH. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. McKEOUGH. In the light of the gentleman's admission that he does not know "where he is at," and inasmuch as that seems to be pretty much the prevailing attitude with many others——

Mr. GIFFORD. Many others? Most others.

Mr. McKEOUGH. I agree with the gentleman. I wonder if the gentleman will join with me in voting to recommit the bill so we may get a better measure.

Mr. GIFFORD. It may be wise to let people await relief, hoping we can learn how to alleviate them gradually. They used to tell me that to cut off a dog's tail a little bit each day makes it easier for him. Put it off year after year and it may make it easier, as they learn to endure the pain.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. CRAWFORD. If we have been shadow-boxing here for 5 days on this bill, is it not good, concrete evidence that there is something wrong out in the country with its administration, because people are suffering, as the gentleman has pointed out, and perhaps it would be just as well for the Congress to remove some of that suffering as it would be for the Congress to recommit the bill.

Mr. GIFFORD. I want to answer that by saying that we are learning every day that governments are not superior to natural economic laws. We are trying to overturn such laws, but with small success, except as to the squandering of other people's money.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MAY. The whole trouble we are in is due to our own conduct in delegating the powers of the Congress to executives in the bureaus to make laws and to establish rules and regulations, and then put their own construction upon them.

Mr. GIFFORD. You are a good legislator. I generally agree with you. [Laughter and applause.]

Mr. RAMSPECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAMSPECK: Beginning on line 4, page 14, after the word "manufacturers", insert the following: "Strike out clauses 1 and 2 of subsection (b) of section 7 of the act and substitute in lieu thereof the following:

"'(1) In pursuance of an agreement guaranteeing continuous employment for 26 consecutive weeks, which agreement shall provide that no employee employed thereunder shall work more than 1,040 hours in said period: *Provided, however,* That such agreement shall operate uniformly as to commencement and end of such 26-week period for all employees employed thereunder: *Provided further,* That such agreement must be on file in the applicable regional office of the Wage and Hour Division and approved by the Administrator before it shall become operative.

"'(2) On an annual basis in pursuance of an agreement guaranteeing continuous employment for 52 consecutive weeks, which agreement provides that no employee employed thereunder shall work more than 2,080 hours in said period: *Provided, however,* That such agreement shall operate uniformly as to commencement and end of such 52-week period for all employees employed thereunder: *Provided further,* That such agreement must be on file in the applicable regional office of the Wage and Hour Division and approved by the Administrator before it shall become operative.'"

Mr. RAMSPECK. Mr. Chairman, if those who have a copy of the present law before you will turn to section 7, you will find that the conferees in drafting the present law undertook to encourage annual employment by permitting a variant from the limitation of hours on a weekly basis where there was annual employment and an agreement by the employees with their employer so that the hours might vary from week to week, but should not exceed a total of 1,000 hours in 6 months, or 2,000 in a year.

On yesterday the committee adopted an amendment raising the hours to 1,040 and 2,080, which was the amendment of the gentleman from Indiana [Mr. LUDLOW]. What I am now seeking to do by this amendment is to provide a change in this language so that these agreements shall be approved by the Administrator instead of having to be made by a union certified by the National Labor Relations Board.

My information is that so far, during the operation of this act, only about five agreements of this kind have been entered into. I find that most of the dissatisfaction with this law arises out of the inflexibility of the hour limitations, which is on a weekly basis. I believe we ought to do everything we can to encourage annual employment and stabilize employment, and to that end that we could well afford flexibility in the weekly hours, provided we make the total limitation such that it does not exceed an average of 40 hours per week. That is what my amendment does. If anybody has any questions to ask, I would be glad to answer them.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. CRAWFORD. Take the section with the gentleman's amendment which refers to the 26 consecutive weeks. To what operations would that apply?

Mr. RAMSPECK. It would apply to any operation, industrial or commercial, where they had an agreement for continuous employment over a 26-week period. The only limitation is that it must not exceed a total of 1,040 hours during the 26 weeks, and that the agreement must be approved by the Administrator.

Mr. CRAWFORD. In other words, that is not put in specifically for agriculture?

Mr. RAMSPECK. Oh, no; it has nothing to do with agriculture at all.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. HOUSTON. That would not necessarily mean they would have to have a contract for 26 weeks, would it?

Mr. RAMSPECK. No; it would not necessarily mean a contract, but an agreement as to hours and working conditions made by the employee with the employer, subject to the approval of the Administrator before it becomes effective. There is nothing compulsory about it; it is voluntary on the part of the employer and the employee.

Mr. HOUSTON. That would be on a monthly wage basis?

Mr. RAMSPECK. Yes.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. LUDLOW. The proposed amendment would not in any way impair the operation of the amendment which I introduced yesterday?

Mr. RAMSPECK. Not at all.

Mr. LUDLOW. Would not its effect be to broaden it, so as to put in all classes of labor, in addition to those approached through the avenue of collective bargaining?

Mr. RAMSPECK. That is correct. It takes in all classes of workers who may want voluntarily to make an agreement with the employer. It is safeguarded by the approval of the Administrator.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. HARE. The proposed amendment would not interfere in any way with the provisions relating to agriculture?

Mr. RAMSPECK. Not at all.

Mr. PEARSON. Does the amendment in any way affect subsection C of section 7? I believe that is the agricultural section?

Mr. RAMSPECK. It does not. It affects subsection B. It does not affect subsection C.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. CASEY of Massachusetts. Does the gentleman's amendment intend to help industries that give steady employment for 26 weeks in the year?

Mr. RAMSPECK. Yes; that is the idea. It is to enable them to vary the weekly hours, and still require an average of not more than 40 hours a week.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. CASEY of Massachusetts. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended for 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CASEY of Massachusetts. Mr. Chairman, I think the gentleman's amendment is a step in the right direction, but I have in mind an industry that before the wage and hour law was enacted worked its employees 48 hours a week. I am talking now about wholesale establishments that deal with retail grocers, hospitals, hotels, and those different engagements that are outside of the provisions of the act. They operated on a 6-percent margin. The average earnings of their employees, working 48 hours a week for 52 weeks in the year, amounted to $1,875 a year. They are not helped particularly by the gentleman's amendment, even though they go further than the people the gentleman is trying to help go. In other words, I do not see how the hours cannot be increased to 48 hours a week, provided they pay a certain minimum, and I don't care what that is, so long as it amounts to over $100 a month.

Mr. RAMSPECK. I think that ought to be taken care of in a separate amendment. All I am trying to do here is to give some flexibility to a purely voluntary arrangement between the employers and the employees, which is safeguarded by the approval of the Administrator.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. VORYS of Ohio. What I do not understand is this: If you set forth in the law what the requirements are, and the agreement must be on file, then why does the Administrator have to approve? We have had so much trouble here by having the Administrator put strained constructions on different matters. Just listening to the gentleman's amendment, it sounds to me as though, since there is no reason for the Administrator approving it, it should be construed as giving him the power to pass on other features of the agreement that have nothing to do with these exemptions.

Mr. RAMSPECK. The gentleman may be right about that, but my idea in putting it in was that I did not want anybody to feel, since I was taking this out from under the labor unions, that I was just throwing it open where the workers could be exploited. I wanted to leave a check on it in the hands of a responsible Government official. In other words, it would have to be approved under the present law by the National Labor Relations Board. I am providing that it shall be approved by the Administrator of the wage and hour law.

Mr. VORYS of Ohio. What is to be approved about it?

Mr. RAMSPECK. Well, the terms of the agreement and whether or not he wants to permit it to operate.

Mr. VORYS of Ohio. Are there any other terms except that they must have this minimum that you provide; and if there are any other terms, what are they?

Mr. RAMSPECK. I think the Administrator might want to put in a particular agreement, for instance, a minimum number of hours per week, so that an employer could not have an agreement to work them for 60 hours a week for a few weeks and not any at all during the rest of the time.

Mr. VORYS of Ohio. I think the gentleman will find many of us are in sympathy with what he says shall be the agreement, but entirely out of sympathy with the idea of giving the Administrator discretion to write up his idea of what these agreements should be.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. BATES of Massachusetts. The gentleman has been for a long period of time interested in wage and hour legislation.

Mr. RAMSPECK. That is true.

Mr. BATES of Massachusetts. I have also been interested in that respect in regard to putting a floor under wages. When we supported the wage and hour bill in committee and on the floor of this House we had primarily in mind the minimum wage standards throughout the country. We never had in mind anything in relation to those in the higher brackets of earning. Now, if this situation is going to jeopardize the enforcement of that feature of the law which we are more interested in than any other, the maintenance of that floor level for wages, then we ought to be willing to concede some of these suggestions made on the floor of the House during the last 5 days. Otherwise we will receive an insufficient appropriation.

Mr. RAMSPECK. I did not yield for the gentleman to make a speech. I am trying to give information on this amendment. This amendment does not affect wages at all. It deals only with the hours, and it is limited so that it cannot total more than an average of 40 hours per week.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. RAMSPECK].

The question was taken; and on a division (demanded by Mr. CRAWFORD), there were ayes 75 and noes 12.

So the amendment was agreed to.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Chairman, I ask unanimous consent to proceed out of order for 1 minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. RAYBURN. Mr. Chairman, after conferring with the minority leader, with the conferees on the so-called transportation bill, with the gentleman from North Carolina [Mr. WARREN], and the gentleman from New York [Mr. WADSWORTH], it has been decided, not knowing what the deliberations of the day will bring with reference to this bill, after 6 days, that in all probability it will be more convenient for all Members of the House if the conference report on the transportation bill were not called up tomorrow. I think it is satisfactory to all of the gentlemen concerned that it be called up on Thursday next.

I make the announcement now that it will be called up on that date.

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from North Carolina.

Mr. WARREN. Mr. Chairman, I have gone over the situation very carefully with the majority leader, and I appreciate what he is confronted with, with reference to the program, and the fact that so many, including several of the conferees,

must be away from here on Friday; that the gentleman from New York [Mr. WADSWORTH] must be away from here on Monday and Tuesday. I think the statement of the majority leader is very fair and ought to be satisfactory to everyone who is interested, pro and con, in this legislation.

It is my understanding that, regardless of what we may be engaged upon next Thursday, this conference report will have precedence.

Mr. HARRINGTON. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. HARRINGTON. Is there any agreement as to the amount of debate that will be had at the time the transportation bill is considered?

Mr. RAYBURN. With reference to the statement just made by the gentleman from North Carolina [Mr. WARREN], if I am in the chair on next Thursday I will recognize the gentleman from California [Mr. LEA] to call up this conference report the first thing. If I am not in the chair, I will request the Speaker of the House to recognize him at that time. I may say that as far as the conferees on the part of the House are concerned, they are perfectly willing to extend the debate for 1 hour and have 2 hours of debate, one-half the time to be controlled by the gentleman from California [Mr. LEA] and one-half by the gentleman from New York [Mr. WADSWORTH].

Mr. WARREN. That is just as fair as it could possibly be.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. HARE. Can the gentleman give us any idea as to when we may be able to complete the present bill? [Laughter.]

[Here the gavel fell.]

AMENDMENTS TO FAIR LABOR STANDARDS ACT

The CHAIRMAN. The gentleman from Michigan [Mr. LESINSKI], a member of the committee, is recognized to offer an amendment, which the Clerk will report.

The Clerk read as follows:

Page 11, after line 7, add the following:

"Amend section 7 of Public, 718, by adding the following subsection:

"'(e) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of that specified in such subsection without paying the compensation for overtime employment prescribed therein if such employee is so employed in the construction, reconstruction, maintenance, or repairs of any public roads, streets, bridges, or tunnels, and if such employee receives compensation for employment in excess of 56 hours in any workweek or 160 hours in any workmonth at a rate not less than one and one-half times the regular rate at which he is employed.'"

Mr. LESINSKI. Mr. Chairman, I have a telegram in my hand from the State highway commissioner of Michigan, Murray D. Van Wagoner. He is also president of the American Road Builders' Association, which has asked me to introduce this amendment.

The highway-construction industry employed directly, in the peak month of the 1938 fiscal year, approximately 176,000 persons. In the month having the most unfavorable working conditions, 55,000 persons were employed.

The highway contractors of the United States are in favor of wage and hour legislation; we seek no exemption; our wages and hours have been regulated since 1932, and we feel that such regulation has been beneficial.

The Fair Labor Standards Act of 1938, as now written, places an undue burden upon us, however, because our industry is affected very greatly by weather conditions. When there is placed upon us a restriction to the effect that we cannot work more than 42 hours in 1 week, we are prohibited from making up any time lost in a previous week because of unfavorable working conditions. Our industry, more than any other, is affected by weather conditions, because even the building industry can work on rainy days, or the day after a rain, but we cannot work even when the ground is wet or frozen.

The American Road Builders' Association, representing, as it does, a cross section of the road-building industry of the Nation, does not believe that it is the intention of the Members of Congress to prohibit employees, who must depend largely on weather conditions, from making up time lost due to unfavorable conditions, when it has been the proven practice of agencies of the United States Government and all its political subdivisions to allow this procedure in their contracts.

Should the wage-hour law be continued in the future to apply in its rigid manner to employees whose working time is dependent on weather conditions, it has been estimated that the average wage of employees of this kind will be dependent on approximately 26 to 28 hours of employment per week, and will make employment in this industry very undesirable. It will further mean that the cost of this type of construction, financed in whole or in part by the Federal Government, will necessarily rise materially.

It is our urgent request that the Members of Congress approve amendatory legislation to the wage-hour law permitting employees working on the construction of streets, roads, bridges, tunnels, and sewers to earn a monthly wage comparable to the wages earned by employees working in an industry under a roof, and not affected by weather conditions. This practice has been endorsed and approved by the United States Public Roads Administration in the past.

The road builders claim they are not allowed to work more than 42 hours a week. If the law can be amended so that if they lost so many hours 1 week they could make up a certain amount of the lost time the next week, not to exceed 56 hours, or make it up in the following month not to exceed 160 hours, it would be very helpful. After that limit time and one-half would be paid.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: Page 11, line 6, after "Sec. 3", insert "(a)", and on page 14, after line 4, insert the following:

"(b) Section 7 of such act is amended by adding at the end thereof the following:

"'(e) No employer shall be deemed to have violated subsection (a) by employing, during any period of 26 consecutive weeks, any employee for a workweek in excess of that specified in such subsection without paying the compensation for overtime prescribed therein if—

"'(1) such employee has been employed by such employer during the whole of the month immediately preceding the beginning of such 26-week period on a guaranteed weekly, monthly, or yearly salary basis; and

"'(2) such employee is employed during the whole of such 26-week period on a guaranteed weekly, monthly, or yearly salary basis; and

"'(3) if such employee receives compensation for employment in excess of 1,040 hours during such 26 weeks at the rate of one and one-half times the regular rate at which he is employed.'"

Mr. RAMSPECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RAMSPECK. Is this amendment in order, in view of the amendment which I offered and which was adopted by the Committee a few moments ago?

The CHAIRMAN. The Chair will state that this amendment follows the amendment that was adopted.

Mr. RAMSPECK. It amends the same section of the original act, as I understand it, and I reserve a point of order against the amendment.

The CHAIRMAN. The Chair will state that this amendment appears to be in the nature of a new subsection as an amendment to what has been adopted.

Mr. RAMSPECK. As I understand the content of the amendment, it undertakes to amend section 7 (b) of the wage-hour law.

Mr. HOFFMAN. But it adds a new subsection.

Mr. RAMSPECK. And it deals with the same subject matter my amendment dealt with.

The CHAIRMAN. The Chair will state that this amendment adds a new subsection (e). The last subsection in the bill is (d).

The gentleman from Michigan is recognized for 5 minutes.

Mr. HOFFMAN. Mr. Chairman, the purpose of this amendment is along the same line as the amendment which was just adopted, the one offered by the gentleman from Georgia [Mr. RAMSPECK].

My amendment does not affect either the wages or hours of those who receive pay on an hourly basis; it applies only to salaried employees. It is the same amendment proposed and adopted the other day when the Barden substitute was before the House.

The purpose of the amendment is to permit the averaging of hours over a 26-week period by those who are regular employees. If adopted, the amendment will enable the employee who loses time this week to make up that time next week. It will prevent the employer being forced, where his business is seasonal, discarding the salary plan and putting his employees on an hourly basis.

It does not permit the employer to hire a man for a week and then fire him and take advantage of him that way. It applies only to the regular employees. It enables the employer and the employee to enter into an agreement for 26 weeks so that the total number of hours worked over the whole period will not exceed 1,040 hours. If the total number of hours worked over the 26-week period exceeds 1,040 hours, the employee will be paid at the rate of time and a half for such overtime.

I do not know whether the gentleman from Georgia [Mr. RAMSPECK] has any objection to this amendment or that the committee has any objection, because, as was said, it does not affect the hourly rate. It does not permit the overworking of the employee. It maintains the total amount of compensation and is for the benefit of both employee and employer and tends to promote harmony among those to whom it applies.

Mr. RAMSPECK. Will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Georgia.

Mr. RAMSPECK. As I understood the reading of the gentleman's amendment, it undertakes to do the same thing that my amendment does, with the possible exception that the gentleman has something in his amendment about the time beyond 1,040 hours or 2,080 hours.

Mr. HOFFMAN. Yes; I think this amendment is more liberal than the one of the gentleman from Georgia. I require the employer to pay time and a half if employees work more than the 1,040 hours in the 26 weeks' period.

Mr. RAMSPECK. Of course, they would be required under my amendment to pay that also. The gentleman has no safeguard in his amendment, as I understand it, requiring approval by anybody?

Mr. HOFFMAN. No. This applies principally to the so-called white-collar workers, and if the employees and employer enter into an agreement and get along I do not think they ought to have to come to Washington or go anywhere else, even to the State, or to have a State official or a Federal official approve it. If the two agree and they are getting along, that should settle it. After all, the wages have to be paid out of the money which the employer makes, and if the two can get along they ought to be left alone, without interference from some Federal administrator or from some Federal agency. I can see no reason why the Federal Government should continually insert itself into the relationship which exists between an employer and an employee. We have had altogether too much of that, not only in the administration of the N. L. R. B. but in the administration of the Wage and Hour Act itself. Official Washington is taking it upon itself to dictate business policies without assuming any of the responsibility or the losses when its policies go wrong.

Mr. RAMSPECK. What protection would an employee have, if the employees entered into an agreement with an employer for a 6-month period, and, say, during the first 3 months the employer worked him 60 hours a week, then let him go?

Mr. HOFFMAN. The employer cannot do that unless he pays time and a half for overtime. If it is over the 26-week period, they have to pay him. If for a shorter period, he would be paid for the extra hours at the rate fixed by law. The gentleman certainly would not ask that they have an agreement whereby the employee might work 1 week and lay off 25 weeks and still be paid for the full 26 weeks, would he? I cannot see how the amendment does any harm; and to enable an employee to make up for lost time and to enable the employer to give him the extra hours, so that the lost time can be made up over the 26-week period without penalizing the employer by time and a half for the excessive number of hours worked during 1 week, I ask that the amendment be adopted.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The question was taken; and the Chair being in doubt the Committee divided; and there were—ayes 37, noes 39.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mrs. NORTON and Mr. HOFFMAN to act as tellers.

The Committee again divided, and the tellers reported there were—ayes 67, noes 69.

So the amendment was rejected.

Mr. COFFEE of Nebraska. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COFFEE of Nebraska: On page 12, line 11, strike out lines 11 and 12, and at page 14, after the period in line 4, and before the Ramspeck amendment, insert:

"In the case of an employer engaged in the grading, loading, slaughtering, or dressing of livestock, or preparing products therefrom at the packing plant, or in handling or transportation in connection with or incidental to such operations, the provisions of subsection (a) shall not apply to any employee, during a period or periods of not more than 14 workweeks in the aggregate in any calendar year selected from time to time as to each employee by the employer, in any establishment where the employer is engaged in any of said operations."

Mr. COFFEE of Nebraska. Mr. Chairman, the amendment I have just offered is of vital interest to every livestock and farm organization in this country and to every farmer and livestock producer in this Nation.

My amendment seeks to accomplish two things. First, it will make specific the exemption which Congress provided in the original law but which has in effect been nullified by the erroneous interpretation by the Wage and Hour Administrator.

Section 7C of the Fair Labor Standards Act provides that the limitation of hours shall not apply—

In the case of an employer engaged in handling, slaughtering, or dressing livestock during a period or periods of not more than 14 weeks in the aggregate in any calendar year to his employees in any place of employment where he is so engaged.

The Wage and Hour Administrator has interpreted this to apply only to the employees on the killing floor in a packing plant. No employer could maintain friendly labor relations with his employees if he were to pay one group of employees in the packing plant time and a half and deny the time and a half to others working in the same establishment. This amendment would place all employees in the packing plant in the same category in reference to working 14 weeks during the year beyond the regular workweek without the payment of overtime penalties. Congress has recognized the necessity for these 14 tolerance weeks because of the highly perishable nature of meat products and because of the wide and irregular fluctuation of livestock receipts in the terminal markets.

The packing industry pays a wage scale ranging from 60 cents to $1.27 an hour. A skilled laborer in the higher brackets on time and a half could make as much money in 3 hours as a farmer is now receiving for a hundred-pound hog.

There is no question but what the farmer and livestock shipper will bear this extra burden through lower prices for their livestock unless these tolerance weeks are provided to take care of the heavy seasonal runs to the terminal markets.

The other purpose this amendment will accomplish is to protect the packing-house workers themselves from the provision in the Norton bill which provides for a 60-hour workweek before the employees can collect the time and a half, and 14 weeks' tolerance is granted in addition to the 60-hour workweek. No one connected with the livestock or meat industry is asking for a 60-hour workweek. All that has been asked is for 14 weeks' tolerance beyond the regular workweek for all the employees in the packing plant. The average workweek now is only 40½ hours per week.

There are a great many short weeks and approximately 14 long weeks in the year to take care of the seasonal runs of livestock. I represent a district that supplies the livestock to these terminal markets, as do a great many of the Members on this floor. There can be no logical objection to this amendment. It is necessary to protect the farmers and livestock shippers, as well as the employees engaged in the packing industry. We do not need to shed any tears about the packer because he can take care of himself. If he cannot pass that extra cost on to the consumer, he of necessity will take it off the producers through lower prices paid for the cattle, lambs, and hogs purchased. Any argument that might be made that this amendment is too broad is entirely erroneous because the exemptions are restricted entirely to those engaged in the operations at the packing plant.

Mr. HARRINGTON. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield to the gentleman from Iowa.

Mr. HARRINGTON. I happen to represent one of the large packing centers of the country. I want to commend the gentleman for offering the amendment. As I see it, the amendment protects not only the packing-house worker but the livestock shipper.

Mr. COFFEE of Nebraska. The gentleman is correct. [Applause.]

[Here the gavel fell.]

Mr. FERGUSON. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this is the first time I have talked on this bill. I am not one of those who believe the farmers are crying for immediate revision of the wage and hour bill. I think very few farmers have much contact with the wage-hour bill. I do want you to give this amendment your serious consideration. We all admit that we do not want to take anybody from under the protection of the 30-cent minimum wage that we can keep under its protection. Minimum wages are not involved in this amendment. This amendment simply allows a 14-week tolerance on the 40-hour week.

Let me paint a little picture of the marketing of livestock. The livestock centers have no control whatever over the number of cattle, sheep, or hogs that will arrive on any one day. The number varies from no cattle to 25,000 or 30,000 cattle in one market, with the same facilities to take care of the killing of those cattle. The packers' answer to the rigid enforcement of a 40-hour week, and time and a half for overtime to the employees that get from 60 cents to $1.25 an hour will be a 40-hour week, and to maintain that 40-hour week they will limit their purchases to what they can process with a 40-hour week. What happens to the excess cattle and hogs that come into that market under those circumstances? They are left in the pens until such time as the 40-hour week will allow the packer to purchase them. Who pays the cost of feeding these animals in the yards? If you have ever shipped any cattle or hogs or sheep to market you know that the man who owns that shipment of livestock pays the cost, and he pays that cost at a tremendous price. Hay worth 15 cents a bale in the country is worth 75 cents or a dollar a bale when you pay your stockyards cost. Corn that you feed at home for 30 or 40 or 50 cents a bushel becomes worth a dollar a bushel when you buy it in the stockyards.

Mr. COFFEE of Nebraska. What about shrinkage?

Mr. FERGUSON. You cannot legislate the packers into paying time and a half for overtime, because they can simply purchase the amount of livestock they can process in that 40-hour-week period.

Mr. KLEBERG. Mention shrinkage in the cost.

Mr. FERGUSON. Of course, you cannot possibly hold the weight on any animal with feed in a stockyard. In addition to the cost of the feed, the shrink costs the producer more than the cost of the feed.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. As I understand, with the exception of this 14-workweek period the packer will pay time-and-a-half for overtime?

Mr. FERGUSON. The gentleman is correct. This 14 weeks is for this purpose. All the rest of the year the packers must pay time-and-one-half for overtime. We have times of drought. A man is out of feed. His grass is gone, his water is gone, and he has only one way to liquidate his livestock, and that is to send it into these central terminal markets. He cannot determine his marketing. The weather in many instances determines it.

Then there is this feature, and 14 weeks will take care of it. Feeding operations are seasonal and culminate in peaks. The grass season is over in July and August and September, a 3 month's peak, and maybe 2 or 3 weeks during the fall season and 2 or 3 weeks after the winter season is over, as it is now, you will have this seasonal influx of cattle. If we remove this restriction and allow them 14 weeks of tolerance, that is all—the time and a half for overtime if they exceed 40 hours any other time except 14 weeks a year will go into effect—it will give them 14 weeks to fit into the weeks that the farmers and the cattlemen and the hog raisers and sheep raisers have to market their products. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from Nebraska [Mr. COFFEE] has only two objections, as I see it; in other respects, it is more restrictive than the language of the committee bill. In the first place, it exempts not only the employees engaged in the slaughtering or handling of livestock, but also the office employees and all employees of the employer who may be engaged in that business, because it exempts the employer if he is engaged in the grading, loading, slaughtering, or dressing of livestock or preparing its products, and so forth.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. COFFEE of Nebraska. The language is "or preparing products therefrom at the packing plant." So the amendment is restricted to those employees at the packing plant.

Mr. RAMSPECK. But that relates to the employer and not the employee. If the employer is engaged in the business, then all of his employees are exempted. The gentleman may not have intended that, but that is the way it reads.

Mr. COFFEE of Nebraska. The gentleman, I am sure, is incorrect on that, because this applies to the operations at the packing plant.

Mr. RAMSPECK. I have consulted with the legislative counsel, who is sitting right by my side, and he agrees with my interpretation of it. You are exempting the employer and all of his employees; and may I point out another thing to the gentleman: He is permitting the employer here to select a separate 14-week period as to each employee, which apparently is almost impossible of administration. I wish the gentleman would revise his amendment so as to take care of that situation.

Mr. COFFEE of Nebraska. This amendment has been drawn up by counsel who is thoroughly familiar with the subject. It has the approval of all the livestock associations and the farm organizations and a great deal of work has gone into it, and I am sure that the gentleman will find it carries out the plain intent that has been indicated here and is restricted to the operations at the packing plants and the employees at the packing plants; and, further, it is necessary to have some flexibility as to the selection of employees. For instance, the employees on the hog-killing floor during a seasonal peak run of hogs might not be needed when the seasonal run for cattle is on. So, as a consequence, there must be 14 weeks as to each group of employees or the employees on each floor.

Mr. RAMSPECK. The gentleman may be right about that. Of course, I know the gentleman knows more about this situation than I do, but there cannot be any mistake about the fact that you are exempting all of the employees or permitting the exemption of them, because the gentleman's amendment states, "In the case of an employer engaged," and so forth.

Mr. FERGUSON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. FERGUSON. Can the gentleman suggest an amendment that will exempt all clerical employees from the provisions of the 14-week proposition?

Mr RAMSPECK. It could be written in there; yes.

Mr. COFFEE of Nebraska. The gentleman is correct that it permits all of the employees at that plant to be exempt for 14 workweeks over and above the regular workweek.

Mr. RAMSPECK. Why should we exempt the office employees and the people not connected with the slaughtering, and so forth?

Mr. COFFEE of Nebraska. If the gentleman will permit, I will state that the situation is the same in the entire packing industry. As the cattle come in one door of the packing house, the whole industry is synchronized, and you cannot dam up one particular department and expect the others to function. All of them will probably be subject to overtime during the same period that others are working overtime in the plant. That is, those on the hog-killing floor at one time and those on the lamb-killing floor and those on the cattle-killing floor.

Mr. RAMSPECK. I am not talking about those employees. I am talking about your office force, and your watchmen, and your guards, and all the employees of that sort that have nothing to do with the seasonal operations to which the gentleman is addressing his amendment. Why exempt all of them from hours for a period of 14 weeks when they are not affected by the seasonal flow of hogs and cattle?

Mr. COFFEE of Nebraska. The gentleman is in error, because they are affected because some of this help must be required when they are working overtime in other departments, because the work is entirely synchronized, and no employee is going to be hurt because this applies to 14 weeks only during an entire year with respect to any employee.

Mr. RAMSPECK. I think the trouble the gentleman complains about could be very well taken care of under the amendment we adopted a while ago of permitting these agreements over a period of 26 weeks and 52 weeks.

Mr. COFFEE of Nebraska. I will say to the gentleman that the one thing that makes this necessary is the interpretation that the Wage and Hour Administration has given to the exemption that was provided in the original act. Had the Administrator given the interpretation which Congress gave, I would not be asking for any amendment whatever. All we are asking is just exactly what Congress intended to grant in the original act.

Mr. RAMSPECK. I am in sympathy with the gentleman's idea of getting an exemption for the seasonal swing of these products for all the employees who are needed to meet that seasonal peak, and I would go along with him on that.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I do not see how you can separate the classifications of employees, because you have a seasonal increase of work in the case of the people who write the checks to pay the farmers for their livestock, and all along the line you have an increased demand.

Mr. RAMSPECK. I may say to the gentleman from South Dakota that here we are exempting the employer. Take, for instance, the Swift Packing Co. They have an office in New York not connected with the slaughtering plant, wherever that may be located. This amendment will exempt all of the employees in the New York office during this seasonal period.

Mr. CASE of South Dakota. I do not get that from the wording of the gentleman's amendment.

Mr. COFFEE of Nebraska. Oh, the gentleman is in error, because this applies to the operatives of the packing plants.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last words. Two objections were raised by the acting chairman of the committee, the gentleman from Georgia [Mr. RAMSPECK], in connection with the Coffee amendment. In the first place, he objected to the fact that it would apply to employees other than those actually engaged in the packing operations, in the killing and handling of animals. Obviously, if you have a seasonal run, occasioned by a drought or some other emergency, so that the livestock goes to market, the work has to be handled all along the line. The front office has its increase of work in proportion. The rancher who has come in with his stock should not be required to wait for his check until the office force can catch up after the heavy run is over. The 14 tolerance weeks should be applicable throughout the plant.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield for a correction?

Mr. CASE of South Dakota. Yes.

Mr. RAMSPECK. The legislative counsel advises me that he is mistaken and overlooked the last clause in the amendment, respecting—

Any establishment where the employer is engaged in any of said operations.

If that is the understanding, that it does not exempt people away from the packing plants, I have no objection, and I would like to have the gentleman from Nebraska, the author of the amendment, concur in that statement.

Mr. COFFEE of Nebraska. That is correct.

Mr. CASE of South Dakota. I am very glad to have the gentlemen clear up that point. That was the second of the objections raised by the gentleman from Georgia which I had in mind to answer when I asked for the floor. It was for that purpose that I borrowed this copy of the amendment from its author, so as to read the language showing that it is restricted to the establishment where the employer is engaged in any of said operations.

In view of that fact and the statement of the gentleman from Georgia, if there is no further objection, that is all I have to say.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. Yes.

Mr. MURDOCK of Arizona. Now that we have that matter cleared up to the understanding of all, does the gentleman feel that the provisions of this exemption will be of greater benefit to the packing concern or to the livestock people who have products to sell to that packing concern, or will it be of equal benefit to both?

Mr. CASE of South Dakota. It is of primary benefit to the livestock grower. You are not injuring labor nor affecting his employer, the packer, because he can refuse to buy the livestock when he reaches the number of animal units that he can handle within the limitation of hours that he has; and the kick-back of the law without this provision comes to the man who has his livestock in the yards waiting for them to be purchased or processed.

Mr. MURDOCK of Arizona. It is because this will benefit livestock growers, without any real harm to labor, that I support the amendment.

Mr. FERGUSON. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. Yes.

Mr. FERGUSON. The truth of the matter is that the whole process, from the time of putting these carcasses on the cars, taking them there, and having them killed and distributed is usually less than a week, so that the process involves the whole plant in this seasonal marketing of livestock.

Mr. CASE of South Dakota. The gentleman is correct. I yield back the remainder of my time.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

The question is on the amendment offered by the gentleman from Nebraska [Mr. COFFEE].

The amendment was agreed to.

Mrs. NORTON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN (Mr. BOEHNE). The gentlewoman from New Jersey makes the point of order that a quorum is not present. The Chair will count. [After counting.] One hundred and twenty-six Members are present, a quorum.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: On page 11, line 13, strike out paragraph 1 and insert in lieu thereof the following: "(1) Making cheese or butter or other dairy products."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the purpose of this amendment is to clarify the language on page 11 in paragraph 1 of section 3. The paragraph reads:

Making of dairy products (except ice-cream mix, ice cream, malted milk, and processed cheese), including among other things the cooling, pasteurizing, printing, or packaging thereof.

My amendment proposes the adoption of the language of the present law, which reads, in paragraph 10, section 13, as follows:

Making cheese or butter or other dairy products,

And eliminating the controversial language as to ice cream and other dairy products.

This amendment is approved by all the dairy organizations, cooperatives, and farm organizations. I just want to give you an idea how some of our small creameries operate.

In Minnesota we have several hundred small farm creameries engaged in the processing of dairy products. Eighty-two percent of those small creameries manufacture ice cream. An employee engaged in the manufacture of ice cream may be working on making ice cream for 1 or 2 hours of the day and the rest of the time he may be engaged in the making of butter. He is exempt in the making of butter, under the provisions of the Norton amendment, but he is not exempt when he is engaged in making ice cream. There is no reason in the world why a penalty should be injected into his operation when he is engaged in the full and complete diversified operation of these small creameries.

A large percentage of the small creameries of the country engaged in the manufacture of butter, also manufacture ice cream for local distribution principally.

The exemptions provided under section 13 of the law exempt creameries engaged in the manufacture of cheese, butter, and other dairy products. All I am attempting to do by my amendment is to place the same language in section 3 of the bill with reference to hours. Under the bill these men will have the 14 workweeks' exemption. They will also come under the 60 hours' exemption, which provides for time and a half for overtime above the 60 hours, as provided in the Norton bill. But this clarifies the situation with the operation of small creameries.

There may be some who have objection because of the large operators in some of the metropolitan cities, but with reference to the large manufacturers of ice cream and other dairy products in large areas, they are heavily unionized. They operate under agreements with their union organization, through collective bargaining, and they receive salaries far in excess of what is paid in the small country creameries. So my amendment has nothing to do with the large outfits in the city, and I am dealing principally with the cooperatives and small organizations engaged in the diversified production of dairy products.

[Here the gavel fell.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. FISH. What is the gentleman's definition of a small creamery? Where does the gentleman make a distinction between the small creamery and a large ice-cream plant, and what is the number if there is any limitation on the number of employees involved?

Mr. AUGUST H. ANDRESEN. The Administrator has held that if a creamery employs seven or more people it loses its exemption under the present interpretation of area of production. That definition is wrong. I may say to the gentleman that in my district I have perhaps 100 small creameries operating in villages which employ 7 or more people.

Mr. FISH. If it is not seven or less, what is the number at which the distinction should be drawn?

Mr. AUGUST H. ANDRESEN. In the definition of a small creamery?

Mr. FISH. Yes.

Mr. AUGUST H. ANDRESEN. I cannot give the gentleman a definition offhand because my time is so limited, but I will give it to him later.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Miss SUMNER of Illinois. If the amendment offered by the gentleman is adopted, could it be assumed that Congress intended this amendment to include products made out of buttermilk and intended for use as poultry or hog food?

Mr. AUGUST H. ANDRESEN. If it is a dairy product I believe that possibly the product of which the gentlewoman speaks would come within the amendment. But let me say in conclusion that all this amendment does is to clarify the intent of Congress, the intent we had when the original act was passed. This makes it clear and there can be no misunderstanding about it.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. HARE. Will not the Buck amendment include the gentleman's proposition?

Mr. AUGUST H. ANDRESEN. I am afraid not. The Buck amendment may be a limitation upon the activities of agriculture. That is the trouble with trying to define things. We are dealing exclusively with the dairy industry. It may be found that some are commercial and some are not commercial. The Buck amendment eliminates the commercial agencies.

[Here the gavel fell.]

Mr. HAWKS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have an amendment at the desk which, of course, will be withdrawn if the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is adopted. I think the main purpose of the amendment—and certainly it is the objective of my amendment—is to protect the little fellow first, and, secondly, to protect the American farmer.

There is only one place that the penalty of wages and the penalty of hours can be applied insofar as the small creamery and cheese factories are concerned, and that is the American farmer. In my district and, in fact, all over my State most of the cheese factories operate on a basis of payment for so many hundred pounds of milk received in that particular factory. This, of course, takes into consideration a wage scale that the cheese maker or the butter maker can live on. It is also based upon the going price for milk—that is, the price for that day or that month—and any increase in the additional cost of processing cheese, butter, or any other dairy product necessarily must come out of the hide of the producer of the milk, the farmer.

The Wage and Hour Act, as applied throughout the country and without the exemption in this amendment offered by the gentleman from Minnesota, penalizes small business to the point where it is driven out of existence. It creates further monopoly in this country, driving the business to those who can afford to pay any kind of wage scale, can afford to set up the necessary books and machinery to take care of the elaborate system of bookkeeping that is necessary. If we continue the Wage and Hour Act as we have it

on the books today, every one of these little crossroads creameries and cheese factories will be put out of business, and the entire industry will go to the larger cities and further enlarge monopolistic trend in business.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HAWKS. I yield.

Mr. SCHAFER of Wisconsin. Will not that be particularly so if we continue to apply the minimum wage and maximum hours to these little creameries, and continue the sell-out agreements which our New Deal brethren call trade agreements, under which they bring in dairy products from foreign countries where people work long hours for small pay? In these foreign countries there is no floor under wages or ceiling over hours, and the people work for far less than the minimum wage and for much longer hours than the maximum hours under the Fair Labor Standards Act.

Mr. HAWKS. The gentleman is certainly right. No one who studies the situation can fail to realize that the reciprocal-trade agreements as they stand on the books today certainly have a very definite tie-up with this whole picture.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HAWKS. I yield.

Mr. GROSS. I merely want to make the observation that this amendment will be of far more worth to the farmers in the sticks than the conservation checks they are not getting.

Mr. HAWKS. There is no question about that. The point I want to make in regard to this particular amendment is that the person who is eventually going to pay for all this is the producer of milk, the fellow on the farm, because he is absolutely the last source from which they can draw.

[Here the gavel fell.]

Mr. VORYS of Ohio. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I believe the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] made it clear, but some of the Members apparently did not understand that this amendment is in the precise words of the present wage and hour law. It will not exempt a single person that is not now exempt and it will not put in anyone who is now exempted. For some reason or other one section of the Norton bill takes away some of the exemptions in the dairy industry under the present law.

Mr. Chairman, may I make one more observation. The dairy industry needs to be exempted as to hours because a cow does not know anything about the wages-and-hours law. When the cow produces milk it is in the interest of the public health that it be taken care of in a hurry, and when the milk comes into the creamery in large quantities, it is imperative that it be taken care of in a hurry. All the people who work there understand that, and this is the reason why certain provisions were included in the law when it was passed and it is the reason why we should once more put into the wage-hour law the exemption that you now have for the making of dairy products in the words of the present law.

Mr. FISH. Will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from New York.

Mr. FISH. This amendment is also one of the most important amendments because it affects one of the greatest industries in America, the dairy industry, which employs a great many people who make a precarious living and they are entitled to this. It is also in the present law.

Mr. VORYS of Ohio. Yes. The dairy industry is No. 1 in volume so far as the agricultural products of this country are concerned.

Mr. KEEFE. Will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Does the gentleman mean to say this exemption is exactly the same as in the present law? I do not think the gentleman intended to say that, because if he will read the exemption contained in section 13, the gentleman will observe that it refers to those plants which are located within the area of production.

Mr. VORYS of Ohio. If the gentleman will read the very last clause in section 10, he will find it is separated from the rest, as follows:

Or in making cheese or butter or other dairy products—

And those are precisely the words in the present law, separated by an "or" from all the rest. Those are also the words of the Andresen amendment.

Mr. KEEFE. I wanted to be sure about that.

Mr. BUCKLER of Minnesota. Will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from Minnesota.

Mr. BUCKLER of Minnesota. I want to congratulate the gentleman, and also the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], for offering this amendment. I think it is one of the best amendments that has been offered up to now. I know the creameries up in my State are very much interested. They do not want to pay overtime when a farmer comes in late in the evening with a can of milk and the employees have to stay a half-hour longer to take care of it. I hope the Committee will agree to the amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. ANDRESEN].

The amendment was agreed to.

Mr. LUDLOW. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Page 14, line 4, following paragraph 16, insert the following:
"17. Wholesale handling or selling of fresh fruits and vegetables in their raw or natural state."

Change the wording immediately following paragraph 16 in the bill as it now stands to read as follows: "and if such employee engaged in any of the operations specified in paragraphs (1) to (16), inclusive, receives compensation for employment in excess of 60 hours in any workweek at a rate of not less than one and one-half times the regular rate at which he is employed, and if such employee engaged in any of the operations specified in paragraph (17) receives compensation for employment in excess of 48 hours in any workweek at a rate not less than one and one-half the regular rate at which he is employed."

Mrs. NORTON. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. Mr. Chairman we have gone along for 5 days on this bill. It is now 3 o'clock. I would like to know if the House is willing to decide when it is going to finish amending this substitute and vote on the bill? I have had many inquiries from a lot of Members who tell me they want to do various things and they would like to know this. As I said before it is perfectly all right with me to stay here until 12 o'clock tonight if you want to stay, but it would seem a rather ridiculous performance. Can we agree on 5 o'clock? I put that in the form of a motion that debate on this amendment and all other amendments, and all amendments on the desk, be voted on by 5 o'clock.

The CHAIRMAN. The gentlewoman from New Jersey [Mrs. NORTON] moves that all debate on this amendment and all amendments to the substitute close at 5 o'clock.

Mr. BLAND. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BLAND. The point of order is the same as the one I made yesterday.

The CHAIRMAN. The gentleman from Virginia [Mr. BLAND] makes the point of order that the motion is out of order because, as the Chair understands it, of the agreement that was made when the first reading of the substitute was dispensed with. The Chair sustains the point of order.

Mrs. NORTON. Mr. Chairman, I move that all debate on this section close in 5 minutes.

Mr. TABER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Would that close debate on all amendments to this section? My understanding is that it would not.

The CHAIRMAN. That will close debate on all amendments that are offered to the pending section, which is section 3.

Mr. TABER. Not as the motion was made.

Mrs. NORTON. May I say to the gentleman that was intended.

The CHAIRMAN. Does the gentlewoman from New Jersey move that all debate upon the pending section and all amendments thereto close in 5 minutes?

Mrs. NORTON. I do, Mr. Chairman.

Mr. KEEFE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. Did I correctly understand the Chairman to say that the motion includes section 3 and all amendments thereto?

The CHAIRMAN. That is correct.

Mr. KEEFE. The proposal is to limit debate to 5 minutes, now?

The CHAIRMAN. That is the motion.

Mr. SCHAFER of Wisconsin. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SCHAFER of Wisconsin. Did the gentleman from Indiana [Mr. LUDLOW], who has the floor, yield for the purpose of offering a motion? I did not hear him yield.

The CHAIRMAN. The Chair understood the gentleman to yield to the gentlewoman from New Jersey.

The question is on the motion of the gentlewoman from New Jersey.

The motion was rejected.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on section 3 and all amendments thereto close in 15 minutes.

Mr. SCHAFER of Wisconsin. I object, and call for the regular order, Mr. Chairman.

The CHAIRMAN. Objection is heard.

The gentleman from Indiana is recognized for 5 minutes.

Mr. LUDLOW. Mr. Chairman, this amendment is a very simple proposition. Those who are engaged in the wholesale handling of fresh fruits and fresh vegetables in their raw or natural state do not object to the wages prescribed in the Fair Labor Standards Act. They are entirely willing to pay the prescribed wages or higher wages than those prescribed, but they would like to have hours that would enable them to operate, in view of the peculiar conditions which obtain in their activity. This amendment would simply have the effect of giving them a 48-hour week, and that would make the Fair Labor Standards Act workable in respect of the handling of fresh fruits or vegetables in their raw or native state. It would strengthen the Wage and Hour Act by making it adaptable to the special conditions existing in the fresh-fruit and vegetable industry.

Marketing of fresh fruits and fresh vegetables in their natural state is of basic importance to the growers of these perishable food commodities. A very large volume—in some large markets more than 50 percent—is sold on consignment. That is to say, the grower retains the title to the goods and sells them through his own commission or broker agent. In these transactions the cost of marketing is immediately and directly paid by the producer.

Wholesale handling and selling of these perishables necessarily coincides with harvesting and the movement of the commodities to market. The commodities have to be handled as they arrive in the market. With motortrucks handling an ever-increasing volume of shipments, these hours of arrival on the market are uncertain. They come in at all hours and the shipments must be taken care of.

Wholesaling of these commodities always has been a rather long-hours activity. The operations do not lend themselves to arbitrary restrictions on hours. Wages paid have been based on the long hours and, generally speaking, they are well above the average.

It is common knowledge that wholesale distributors of these important commodities have been operating on very narrow margins since 1932, when the effects of the general depression caught up with the fruit and vegetable industry.

The amendment here proposed recognizes these facts, and, if approved by the House, would permit a 48-hour straight-time workweek for wholesale handling and selling of fresh fruits and fresh vegetables in their raw and natural state. This 48-hour limitation will require a substantial reduction of hours in many markets. The proposed amendment does not relieve the wholesale distributor from the necessity of paying the minimum wage.

Many of these wholesale markets are unionized and have collective bargaining, and this amendment would not disturb such situations.

It should be kept in mind that while the greatest volume of fruit and vegetables are moved into consumption in their fresh and natural state, the canned and processed commodities are in constant and keen competition with the fresh products. Canning and processing have been given a 60-hour straight-time workweek under the provisions of section 3 of the Norton bill, with no concessions whatever for the wholesale marketing of the fresh products, on which the producer depends for his major cash returns. The amendment here proposed would extend to the wholesale handling of the fresh commodities not a 60-hour workweek, but a 48-hour workweek. That, I submit, is a reasonable concession, and one fully justified by the character of the operations and by the direct effects of marketing costs on the producers' prices.

Mrs. NORTON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and eighteen Members are present, a quorum.

The gentleman from Indiana will proceed.

Mr. LUDLOW. Mr. Chairman, I will say in conclusion that I believe this amendment is entirely reasonable and that it would add to the workability of the Wage and Hour Act. I hope the House will adopt the amendment. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. LUDLOW].

The question was taken; and on a division (demanded by Mr. LUDLOW) there were—ayes 20, noes 43.

Mr. LUDLOW. Mr. Chairman, I object to the vote on the ground that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and nine Members are present, a quorum.

So the amendment was rejected.

Mr. KEEFE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEEFE: On page 12, line 2, after "vegetables", insert a period and strike out the remainder of the line and all of lines 3 and 4.

Mr. KEEFE. Mr. Chairman, both the chairman of the Labor Committee and the gentleman from Georgia [Mr. RAMSPECK] have repeatedly stated on the floor of the House that this committee substitute to the Norton bill proposes to give to the canning industry engaged in the first processing of agricultural products a 60-hour workweek and a 14-week exemption from both the wage and hour provisions of the law. Am I correct in that statement?

Mr. RAMSPECK. That is correct; yes.

Mr. KEEFE. I so understood both Members of the committee to state. I have previously directed the attention of the gentleman from Georgia to the fact that if you read subsection (5) of section 3 you will observe what appears to be an attempt on the part of the committee to carry out that purpose. However, I call the attention of the Committee to the fact that subsection (5) contains the words—

But not when those operations are performed at a terminal establishment.

If you turn to the definition of terminal establishment, you will see that a canning factory is very definitely a terminal establishment because of the method of operation in many instances. Let me point out what I have in mind. The definition of terminal establishment, I may say, is found at the bottom of page 13, beginning with line 20. If you will

read subsection (2) in that definition you will see that it describes a terminal establishment as one which receives the major portion of its goods from other establishments at which such goods have been previously concentrated or prepared, and distributes its goods to wholesalers, retailers, consumers, or manufacturers.

Take a pea-canning factory, for instance, wherever it may be located. They maintain what are known as viner stations, which are located out in the country away from the canning plant. The farmer cuts his peas by a mowing machine, throws them onto a hay rack, and they are hauled to that viner station where they are run through the viner. Then the shelled peas are taken by truck to the canning factory where they are canned. After they are put in the can the factory puts them in the warehouse at the factory and sells them to the wholesalers. There is a situation where you intended to exempt that operation, but under the very clear wording of the law the operation involving the separation of the peas at the viner stations is very clearly a major operation, that is, previously preparing them before they get to the canning factory, and it would make of that canning factory a terminal establishment.

Now, all that my amendment seeks to do is to strike out the words "but not when those operations are performed at a terminal establishment," and thus enable the Congress to do what the committee has already stated it wants to do and has intended to do in the writing of this legislation.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. AUGUST H. ANDRESEN. It is my understanding that the Labor Committee adopted a motion last year in the consideration of this bill to strike out all of the phraseology with reference to terminal establishments, and I would like to ask the gentleman from Georgia if that is not substantially correct.

Mr. RAMSPECK. Yes; the committee did at one time strike out the words "terminal establishment."

Mr. LANDIS. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. LANDIS. Would there be any objection to crossing out the two words on page 12, line 2, "or dried." That would fit the amendment we were going to put in.

Mr. KEEFE. So far as I am concerned, I would have no objection to a further amendment striking out the words "or dried," if the situation would be taken care of as to the canning industry, because it relates wholly to fresh fruits and vegetables.

Mr. LANDIS. That is what we intended.

Mr. KEEFE. I may say that this is a very important amendment to every Member of Congress who has any sort of canning factory in his district which is canning fresh fruits and vegetables, because you may find that your factories under this law, if it is enacted, will be terminal establishments and will not be receiving any exemption.

[Here the gavel fell.]

Mr. ANDERSON of Missouri. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and seventeen Members are present, a quorum.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to amend the amendment which has been submitted, by striking out the words "or dried."

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was agreed to.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on this section and the two remaining amendments thereto close in 10 minutes.

Mr. GROSS. I object, Mr. Chairman.

Mr. RAMSPECK. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, in view of the action just taken on page 12 by eliminating the language "but not when those operations are performed at a terminal establishment," I ask unanimous consent that the same language in paragraph 6, in paragraph 9, in paragraph 10, and in paragraph 12 be eliminated from the amendment.

Mr. RAMSPECK. I object, Mr. Chairman.

Is the gentleman referring to the subsection under section 3?

Mr. AUGUST H. ANDRESEN. That is right; section 3 and beginning on page 12 and particularly paragraphs 6, 9, 10, and 12.

Mr. McCORMACK. Reserving the right to object, Mr. Chairman, I would like to ask the gentleman what the purpose of the amendment already adopted is or what is the effect of it.

Mr. AUGUST H. ANDRESEN. The effect of it is to carry out the intention, as I understand it, and as stated by the gentleman from Georgia, to carry out the action of the Labor Committee in adopting a similar amendment last year which leaves the bill clear and understandable. The amendment offered by the gentleman from Wisconsin [Mr. KEEFE] was approved by a large majority and there was no objection from the members of the committee.

Mr. BARTON of New York. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. BARTON of New York. This refers only to the hours and not at all to the wages.

Mr. AUGUST H. ANDRESEN. This refers only to the hours and gives the time and a half for overtime above the 60-hour workweek as provided in the Norton bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]?

Mr. McCORMACK. I am compelled to object, Mr. Chairman.

Mr. ENGEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ENGEL: On page 12, line 24, after the word "peas", insert the word "potatoes."

Mr. ENGEL. Mr. Chairman, may I have the attention of the gentlewoman from New Jersey?

Mrs. NORTON. Mr. Chairman, we accept that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. REED of New York. Mr. Chairman, I have an amendment on the desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New York [Mr. REED].

The Clerk read as follows:

Page 12, line 4, after the semicolon, insert "nor when such products consist wholly or in chief volume of perishable or seasonal fruits or vegetables, including dried fruits, or in handling or transportation in connection with or incidental to such operation, the provisions of subsection A, during a period or periods of not more than 16 workweeks in the aggregate, or in any calendar year, shall not apply to his employees in any place of employment where he is engaged."

Mr. REED of New York. Mr. Chairman, I wish to play fair with those who have amendments to offer, and give them some time which I shall try not to use. It is not my purpose to go over the situation I covered here the other day. I remind the Members of the House that I wish to support this bill and would like to perfect it. We have a situation in our section of the country which is quite common throughout the country in the fruit-growing districts. We have a series of fruits that mature at different times. We have our small processing plants. They just cannot process all these varieties of fruit at one time, because they do not mature at one time. They extend from June until late in the fall. Many of the products which they process are composed of fruits, some that come along at a seasonal time, but they are carried on to a time where other fruits come in; then they are mixed and made into salads and other mixed products. We need more than 14 weeks in order to accomplish this. Two extra weeks are not very much to

ask, and with that in the law we will furnish more employment to the people, and if we can have the major part of the volume composed of fresh seasonal fruit, there is no harm done. On the other hand, it will prevent closing down many of these processing plants that cannot operate, and enjoy the exemption unless the amendment is adopted. This does not affect the large plants in Pittsburgh or Chicago. It is to take care of small processing plants.

We cannot afford to bear down on these little processing concerns. They are the markets for the farmers' products. These small processing plants are the only outlet for the fruit growers' perishable products. We are facing serious competition from other countries right now, some very serious new competition which is coming in from Chile, one of the garden spots of the world. Foreign fruits are invading our market. In enacting legislation we must protect the markets of our farmers as well as protect our employees. Nothing prevents these other plants from operating throughout the year, but our small processing plants, if you restrict them to 14 weeks, will have to close down, to their injury; to the injury of the farmers; to the injury of the employees. This amendment was once adopted by the committee, and if it is adopted now it will greatly strengthen this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The CHAIRMAN. Is there any other amendment to section 3?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Page 12, lines 7, 8, 14, 15, 16, 18, 19, and 24, and on page 13, lines 1 and 2, strike out the following language as appearing in paragraphs 6, 9, 10, and 12: "but not when those operations are performed at a terminal establishment", and insert a semicolon in each place instead of a comma.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I wish to offer a perfecting amendment to section 3, on page 13, line 22.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Page 13, line 22, strike out "(1)" and the following language: "is located either in the urban area where the products are to be consumed or at transportation centers for the purpose of servicing consumer markets", and strike out "(2)" and insert "(1)."

Page 14, line 3, strike out "(3)" and insert "(2)."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

The CHAIRMAN. Is there any other amendment to section 3? The Chair hears none.

Is there any amendment to be offered to section 4? The Chair hears none.

Is there any amendment to be offered to section 5?

Mr. WELCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WELCH: Page 15, in line 14, insert the following:

"(b) Section 13 (a) of such act is amended by striking out clause 6 and inserting in lieu thereof the following:

"'(b) Any employee employed in any of the operations described in paragraphs 1 to 3, inclusive, of the definition of agriculture or'; and strike out lines 13 to 24, inclusive, and lines 1 to 4, inclusive, on page 16 and insert in lieu thereof the following:

"'(c) Section 13 (a) of such act is further amended by striking out section 10.'"

Mr. ROBERTSON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ROBERTSON. On yesterday the House adopted an amendment to the committee amendment, known as the Buck amendment, which related to both hours and wages for agricultural labor. As I caught the amendment offered by the gentleman from California [Mr. WELCH], he is striking out about half of the Buck amendment, which has already been adopted by the House.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk again reported the amendment offered by Mr. WELCH.

The CHAIRMAN (Mr. PARSONS). The Chair is ready to rule. The so-called Buck amendment is not being amended by the amendment offered by the gentleman from California. The amendment offered by the gentleman from California begins in line 14 and proposes an amendment to the original act itself, and in no way interferes with the Buck amendment that was adopted on yesterday.

The Chair overrules the point of order.

Mr. BLAND. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BLAND. My point of order is that this amendment is to strike out, and that we have a right to perfect the amendment as it is before that amendment is considered.

The CHAIRMAN. The amendment proposes to strike out and insert.

Mr. BLAND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLAND. What opportunity is given to perfect the original amendment where there is an amendment to the part stricken out?

The CHAIRMAN. The Chair will state that if this amendment is adopted and the amendment as proposed conflicts with an amendment which the gentleman or any other Member has in mind, of course, they have a remedy by voting down the amendment. Then such perfecting amendment may be proposed as the gentleman sees fit to offer.

The gentleman from California is recognized for 5 minutes.

Mr. WELCH. Mr. Chairman, section 13 A–6 of the present law exempts from both wages and hours persons employed in agriculture. Generally speaking, these employees are the same as those covered by paragraphs 1 to 3, inclusive, of the Buck amendment. Unless some amendment is made to section 13 a——, this section, in conjunction with the Buck amendment, will exempt from both wages and hours not only the farmer and his employees but also persons employed in the multitude of processing operations described in paragraph 4 of the Buck amendment. The purpose of the amendment which I offer is to make persons employed in these processing operations, except the ginning of cotton, which is described in paragraph 3 of the Buck amendment, subject to the wage provisions of the act.

The second part of this amendment strikes from the provisions of the wage and hour law the wage and hour exemptions presently accorded agricultural processing operations carried on within the area of production. In section 3 of the committee amendment, all these operations are given extremely liberal treatment with respect to hours, but there is no reason why they should be exempt from wages.

This amendment maintains the wage provision in the Fair Labor Standards Act. It has been stated repeatedly by nearly every Member who has spoken on this bill that they are in favor of maintaining the meager 30-cents-an-hour, $12-a-week provision in the act. The amendment just offered simply assures the continuance of 30 cents an hour as provided for in the law.

The amendment offered by me also protects the child-labor provisions in the wage and hour law. The amendment also removes from the act what is known as the area of production.

Stripped of all legislative verbiage, the question for this body to determine, in considering amendments to the wage and hour law, is 30 cents an hour, $12 a week, too high for a woman who toils and sweats in a processing plant—is 30 cents an hour too much to pay a laborer who works only a few weeks a year in a fruit-packing shed? Those who voted for the Buck amendment yesterday gave their approval to this policy.

The supporters of the Buck amendment went still further. They struck a vital blow at child labor. In this, the prohibition against child labor does not extend to agricultural operation as those operations are defined in the Fair Labor Standards Act. When you broaden the definition of agriculture to include drying, packing, and other processing operations you thereby exempt from the child-labor provisions of the law children who would be engaged in such work.

My colleagues, you have had fair warning, the responsibility is yours.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. WELCH. I yield.

Mr. WHITTINGTON. If I understand the gentleman's amendment, it would strike out subsection 6 of section 13 (a) and insert in lieu thereof sections 1, 2, and 3 of the Buck amendment.

Mr. WELCH. Yes.

Mr. WHITTINGTON. Did I understand the gentleman to say that his amendment eliminated from the Buck amendment the ginning of cotton?

Mr. WELCH. No.

Mr. WHITTINGTON. I happen to be familiar with the ginning of cotton. It is an operation in connection with farming; and with all deference and in all fairness, the gentleman from New York stated that the first three sections of the Buck amendment were included.

[Here the gavel fell.]

Mr. BLAND. Mr. Chairman, I ask for recognition on the amendment.

The CHAIRMAN. The gentleman from Virginia is recognized for 5 minutes.

Mr. BLAND. Mr. Chairman, the only thing to do, if we want to consider the ginning of cotton, the canneries, and the other problems, is to vote down this amendment. I know my friend is always fair, but I fear that in this particular instance he is denying to men on the floor, who have a right to have their amendments heard, an opportunity to be heard.

It has been said that this is a waste of time. I have never seen a bill come before the House that involved more intricacies and more different operations than the pending bill. I consider that the time has been well spent and that the Members have been exercising their ancient rights to discuss a bill, to discuss amendments, and to propose amendments they think should go into the bill itself. This is parliamentary legislation, this is democracy as I have always been taught it. [Applause.]

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. RAMSPECK. I wish to point out to my friend from Virginia that he is mistaken about ginning cotton. Paragraph 3 of the Buck amendments exempts the ginning of cotton. It will not be affected by the Welch amendment.

Mr. BLAND. But in striking out sections 15 to 24, on page 16 down to line 4, I am denied an opportunity to amend or to offer an amendment at this stage dealing with cannery operations. To that I object.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. WHITTINGTON. In response to the inquiry of the gentleman from Georgia, is it not fair to say that the gentleman from California just admitted a few moments ago that he changed the Buck amendment and excluded the ginning of cotton which is embraced in the present law?

Mr. RAMSPECK. If the gentleman will yield, that comes within the purview of paragraph 3 of the Buck amendment. This amendment does not affect the specific exemption for the ginning of cotton.

Mr. BLAND. Mr. Chairman, I cannot yield further.

I asked the Chairman what was the parliamentary situation and I was advised that in order to have an opportunity to offer my amendment it would be necessary to vote down the Welch amendment. I say that is a denial of a right to a Member on the floor to be heard, or to this House to hear honest amendments that are being offered to this bill to perfect it so that it may be workable; and I speak as one who voted for the conference report when this bill was before the House, believing that we would be given an opportunity sooner or later to correct imperfections. Now, however, that imperfections arise and we know they exist we are denied an opportunity to have them considered.

Mr. Chairman, I ask that the amendment be rejected. [Applause.]

[Here the gavel fell.]

Mr. WHITTINGTON and Mr. AUGUST H. ANDRESEN rose.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTINGTON] for 5 minutes.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: In section 3, after the word "poultry" insert "or in connection with the ginning of cotton."

Mr. SCHAFER of Wisconsin. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SCHAFER of Wisconsin. This is an amendment in the third degree, and is not in order at the present time.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman withhold his point of order so that I may make my statement?

Mr. SCHAFER of Wisconsin. Mr. Chairman, I reserve my point of order.

Mr. WHITTINGTON. Mr. Chairman, the pending amendment of the gentleman from California [Mr. WELCH] strikes out that portion of the committee bill with respect to the elimination of area of production and undertakes to amend the original law with respect to the definition of "agriculture" which is paragraph (6) of 13 (a) as I recall it, by striking out the words "employed in agriculture," or substantially those words, and inserting in lieu thereof the first three sections of the so-called Buck amendment. The third of those sections I read:

(3) In connection with the production or harvesting of maple sirup or maple sugar or any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the raising or harvesting of mushrooms, or in connection with the hatching of poultry, or in connection with the ginning of cotton—

And so forth. Now, he has left out the words "or in connection with the ginning of cotton."

Mr. BARTON of New York. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from New York.

Mr. BARTON of New York. I think the gentleman misunderstood the answer of the gentleman from California. Those words are not omitted from his amendment.

Mr. WHITTINGTON. I asked him distinctly and he said they were. The purpose of my amendment is to restore the ginning of cotton to his amendment.

Mr. BARTON of New York. I think the gentleman misunderstood your question.

Mr. WHITTINGTON. Then, I will be glad to have the gentleman answer the question. I asked him the question very distinctly, and I want to get it clear. I asked him if the words "ginning of cotton" were omitted from section 3 of the Buck amendment proposed by the gentleman from California [Mr. WELCH].

Mr. WELCH. They are included in the Buck amendment.

Mr. WHITTINGTON. Are they included in the gentleman's amendment?

Mr. WELCH. Yes.

Mr. RAMSPECK. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Georgia.

Mr. RAMSPECK. I would like to correct the gentleman's impression. The gentleman from California is not offering the language of the Buck amendment. He has no such

language in his amendment at all. He simply limits the exemption granted to agriculture in 13 (a) 6 to the first three sections of the Buck amendment.

Mr. WHITTINGTON. That is what I understood.

Mr. RAMSPECK. Which now provides for an exemption to the ginning of cotton.

Mr. WHITTINGTON. I understand that such is his intention now, but when I asked him if his amendment embraced the first three sections of the Buck amendment he said it did except it eliminated the words "the ginning of cotton." The gentleman now says that the words "ginning of cotton" are in there. I would like to have the amendment reported.

The CHAIRMAN. Does the gentleman wish the Welch amendment reported?

Mr. WHITTINGTON. Section 3 of the Welch amendment.

The CHAIRMAN. Without objection, the Clerk will again report the Welch amendment.

There was no objection.

The Clerk again read the Welch amendment.

Mr. WHITTINGTON. Mr. Chairman, I think we understand each other now.

Mr. WELCH. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from California.

Mr. WELCH. I regret very much that my amendment was misunderstood.

Mr. WHITTINGTON. I am sorry, and now I understand what the gentleman had in mind.

Mr. WELCH. My amendment was evidently misunderstood.

Mr. WHITTINGTON. I think I understand now what the gentleman had in mind. In the committee bill, in line 16, page 15, after it strikes out clause 10, which is the area-of-production clause, and it also inserts "employed in the ginning of cotton," and I agree it is entirely proper to strike that out here in view of the fact the Buck amendment has been brought forward, and if it is retained.

Mr. WELCH. May I say it excludes the ginning of cotton.

Mr. WHITTINGTON. That is entirely satisfactory.

Mr. WADSWORTH. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from New York.

Mr. WADSWORTH. My question is not a hostile one, but I would like to have the gentleman tell me why the ginning of cotton should be exempt and the packing of a few apples should not be exempt?

Mr. WHITTINGTON. I am more familiar with the ginning of cotton than I am with the packing of apples. I may say that very often in the cotton fields the cotton is ginned and the labor that grows the cotton and harvests the cotton is also used to gin the cotton.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, in view of the statement of the gentleman from California withdrawing his former answer, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mrs. NORTON. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California.

Mr. Chairman, I wish to say that if there has been one amendment offered here today which has merit it is this amendment. If this amendment does not prevail and is not adopted, what I told you this morning is certainly going to happen. We have loaded this bill down with many amendments. One or two of them perhaps have strengthened the bill, but the others have certainly not done so. I sincerely hope that if you want to retrieve some of the mistakes you have made in this House you will vote for the amendment offered by one of the finest and one of the best advocates and supporters of labor in this Congress, the gentleman from California, my very dear friend, DICK WELCH. [Applause.]

Mr. VOORHIS of California rose.

Mr. VOORHIS of California. I simply want to ask a question to see if I can clarify the present situation with regard to this amendment.

If the amendment of the gentleman from California [Mr. WELCH] is adopted, we will still have accomplished the purpose that many Members are interested in—to eliminate the area-of-production problem. Is that correct?

Mrs. NORTON. Yes; that is true.

Mr. VOORHIS of California. We will have granted an exemption from the hours provision to the entire list of establishments and operations related to agriculture which are included in the amendment of the gentleman from California [Mr. BUCK].

Mrs. NORTON. The gentleman is right.

Mr. VOORHIS of California. And we will have included a very carefully drawn definition of agriculture. However, we will not have taken out of the wage-hour law the provision for a 30-cent minimum wage to workers in processing establishments.

Mrs. NORTON. No. The gentleman knows I would not support the amendment if we did that.

Mr. VOORHIS of California. I just want to make it plain that if this amendment is adopted it will leave the 30-cent minimum wage in the act as far as workers in processing establishments are concerned.

Mrs. NORTON. The gentleman is entirely correct.

Mr. WELCH. I may say to the gentleman from California that if my amendment is adopted the child-labor law is saved; otherwise it is lost in the Buck amendment.

Mr. VOORHIS of California. The child-labor provisions and the 30-cent minimum wage.

Mrs. NORTON. That is exactly right.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I subscribe to everything the distinguished gentlewoman from New Jersey has said about my good friend the gentleman from California, DICK WELCH. He is one of the finest men we have here, and I have served with him for a good many years. However, there should be no misunderstanding about his amendment, because the amendment definitely takes away from agriculture the exemptions in section 13 (a) (10). It takes them all away and entirely eliminates subsection (10), which deals with agricultural employees engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products. That exemption is lost under provisions 6 and 7 of the law if his amendment is adopted.

If you want to take away from agriculture some exemptions that they have under existing law, then you should vote for the amendment offered by the gentleman from California.

I am not so sure that we did a wise thing when we adopted the Buck amendment, because the Buck amendment seeks to describe all branches of agriculture. I am afraid that we have overlooked some of the definitions that we might have included in the various occupations in agriculture. We should go slowly on this matter because I believe the Members of the House do not want to take away from agriculture any of the rights they have been given under existing law.

It is true that in subsection (10) we have the area-of-production provisions as defined by the Administrator. We want to get rid of that. An amendment will be offered to get rid of it. I believe that due to the confusion in the Wage and Hour Division in carrying out the intention of Congress in making a definition of it we will get rid of it when the amendment is offered this afternoon, and we will retain for agriculture the exemptions given to them in the original law, according to the intent of Congress.

I feel that the amendment offered by the gentleman from California should be voted down in the best interests of legislation in an effort to draft a workable bill that will be

satisfactory in part, at least, to the important branches of our complicated economic structure.

It is our business to legislate here today and to take our time in doing so, rather than to take snap judgment on something that may have far-reaching consequences on our whole economic structure in this country. I therefore hope that this amendment will be voted down until it is given further study, and then it can be brought in as a separate bill from the Committee on Labor for consideration here by the Congress. [Applause.]

[Here the gavel fell.]

Mr. BARDEN of North Carolina. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, members of this Committee, be not deceived about this amendment. It wipes out every exemption in the law for agriculture in the way of an operation except cotton ginning, and I wonder if cotton ginning was not left in there for some votes. Why should cotton ginning be exempt, but not the shed where the man takes one load of cotton to get it ginned and another load of vegetables to get them sorted and packed in a crate? What is the difference? Let us not be absurd about this thing. Then we say we are wiping out the term "area of production."

Let me tell you something. Somebody is going to have to answer to the man who this very afternoon is out plowing with a mule and working. Yes; child labor is going on down there in those fields, little hands are handling the vegetables, little children are picking the strawberries. They, too, would like some relief. Their fathers and mothers love them just as much as the city folks love theirs. You cannot shut your eyes to this condition or turn a deaf ear to their case and be justified. In the name of God is there one man here who will vote to fix the price when the Extension Bureau of the Department of Agriculture and all the agricultural men have reported it would cost $6 to produce a crate of strawberries under the 30-cents-an-hour minimum? Is there anyone here who will go down there or rise on this floor and argue to raise the cost of food? Oh, no; it is mashed down, mashed down, mashed down.

Now, let me tell you something. Be not deceived. The words of some may rattle well in the galleries here, but not only has the individual Member, but the Democratic Party and the Republican Party have got to go and talk to those farmers, and the time is not far off.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. BARDEN of North Carolina. Yes; I will yield.

Mrs. NORTON. The gentleman knows that the cat is out of the bag on the Buck amendment. Is not that true?

Mr. BARDEN of North Carolina. I do not know where the cat came from, but there is one running around here [laughter], and I am not sure it is not a black one.

Now, it is all right and proper to legislate here, but let us not to try to play ping-pong with the agricultural rights of this country. Why, the idea of putting in a sweeping amendment like this. The gentleman said he was born on a farm. Maybe so, but I fear the gentleman has moved uptown. [Laughter.] I know he has a very kindly face [laughter], a very kindly face, and he looks just as wise as if he had been down in a potato field yesterday, but the gentleman does not stop to think that the farmer carries those potatoes to market and he gets what is left after they are graded and packed. Why, the gentleman has heard me talk agriculture and potatoes so much that he calls me "Potato," as a nickname, and that is a very respectable crop down in my section; yet the gentleman pays 20 cents for one baked up here that my folks down there sell for 50 cents a barrel, and little children pick those potatoes. Let us do something for these people.

Be not deceived, this amendment simply rips every single exemption that you have been talking about giving to agriculture, and now you have gone right up to his platform.

Somebody propose some legislation here to fix a price on agricultural products and I will go with you. Let somebody get up here and say to me that he is willing to pay what it costs the farmer to produce agricultural products plus 10 percent and I am just about desperate enough to go with him. [Applause.] My God, we cannot keep mashing them down. There are 32,000,000 of those good agricultural people and I come from the heart of them. I cannot talk the big city language and I have no prejudice. I go there every time I can to see the sights. I love the folks, but why should we talk about one group against the other and attempt to stir up feeling one against the other when, my God, if we are to have any prosperity or any happiness in this country it must come through the cooperation of these two groups and of all the people. We cannot divide up.

I am calling on you as earnestly as I know how to vote down the amendment. It goes right on up to the platform and the only thing it leaves in is the ginning of cotton and the boll weevil is going to take care of that, it looks like to me. [Laughter and applause.]

[Here the gavel fell.]

Mr. BUCK. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BUCK. Mr. Chairman, personally, I have the same high regard for my colleague from San Francisco [Mr. WELCH] that was expressed by the chairman of the Labor Committee, but the purpose of the Welch amendment is to emasculate the Buck amendment which was adopted yesterday. It has no other purpose whatsoever.

In the first place, I do not know how anyone from California could get up here and offer an amendment of this kind and eliminate subdivision 4 of the amendment, which specifically covers the producers of perishable agricultural products, fresh fruits, and vegetables. I realize that on Twin Peaks they do not raise many fruits and vegetables, but, nevertheless, there are great processing operations carried on in connection with the marketing and processing of these commodities in San Francisco. Anybody who wants to vote for this amendment is going to have to go back to his farm community, if his constituents raise any perishable products whatever, and tell them that he deliberately voted to destroy the exemptions that are already in this act for the benefit of the producers of perishable products.

Mrs. NORTON rose.

Mr. BUCK. I do not yield. The elimination of subdivision 10 of section 13 (a) of the Fair Labor Standards Act, as the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] pointed out, does not merely eliminate the question of the area of production, but it eliminates all of the exemptions that are at present in the act, for the benefit of those processing, drying, canning, and so forth, plants which might have been located within the area of production.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I do not yield. Bad as the definition of the area of production was, bad as the rulings under it have been, it is not proper, wise, or courageous for Congress to try to sit here this afternoon and take away the existing exemptions.

I want to say something now about the child-labor proposition. On June 5, 1939, the chairman of the Committee on Labor came into the House of Representatives and moved to suspend the rules and pass a bill, not the bill reported here today, but one which had some additional committee amendments attached to it and among those committee amendments was the following, under which the gentlewoman from New Jersey exempted:

> Any employee employed in cleaning, packing, grading, or preparing, but not canning and processing, fresh fruits and vegetables in their raw and natural state, when such operations are performed in the generally recognized production area or section where such commodities are produced normally, or are usually prepared for market.

That was a revision of the definition of agriculture. It added to the exemption of child labor as well. I do not know how many people would be covered by that definition, whether there were 200,000 or 400,000 or 50,000 or 60,000. Nevertheless every one of those people engaged in that occupation

could have been children, and child labor could have been employed at any time under that definition. Why, it is as flat as a soggy pancake for the chairman of this committee or anybody else to come in here and talk about extending the exemption of child labor under my amendment when she brought in a bill of that kind a year ago.

Mr. Chairman, the amendment I offered and which was adopted yesterday was one that was well thought out, well drawn, considered by the legislative counsel, considered by the counsel for the Bureau of Internal Revenue, considered by others who have to administer this act, and I refresh your memory by calling your attention to what the chairman of the Committee on Agriculture, the gentleman from Texas [Mr. JONES], told you this morning and what yesterday I said myself in different words, that here we are about to set up some kind of a standard for which the Administrator of the Wage and Hour Division ought to thank us, by which he can be guided. If he has to go on and make his rulings indiscriminately guided by his own thoughts only, and by the simple phrase "agriculture," which is not definite, in the act at the present time, then not only the Wage and Hour Division but the United States Government will be confronted with lawsuit after lawsuit until this matter finally is threshed out through the courts. Why is it not better for us to settle this matter once and for all by setting up this chart?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BEAM. Mr. Chairman, an unusual development has taken place in the discussion of this amendment. Not only does the Welch amendment try to rectify some of the injustices which have been done by the adoption of the Buck amendment, but it also tends to clarify greatly some of the incongruities existing in the present law, and which will be greatly enhanced if the Buck amendment is permanently written into the law. I particularly address myself to the remarks of the gentleman from California [Mr. BUCK] who just concluded, when he stated that last year the chairman of the Committee on Labor came before the Rules Committee and asked for a rule to bring this legislation before the floor of the House.

The chairman of the Committee on Labor stated that on two different occasions she appeared before the Committee on Rules and asked for a rule to consider this legislation but at each particular time it was denied by the Rules Committee and she was compelled to resort to the only parliamentary procedure which the rules of the House afford, and that was to have a petition signed by 218 Members of the House, to bring this proposed legislation to the floor of the House for discussion. Not only once was this action required but it was also necessary to have a petition signed a second time in order to give the membership of the House an opportunity to vote on the proposed measure.

My friends, what is this powerful influence that has always opposed the wage and hour law, and which even now is attempting to so emasculate and impair its effectiveness as to decree to economic servitude a million and a half of the wage earners of the United States?

We are advised that if the Buck amendment becomes permanent law, an additional 200,000 workers in the preserving and canning plants throughout the Nation will be exempted from the protecting provisions of the law.

I ask you, is 30 cents an hour, or $12.60 a week, too high a wage for an American worker to receive for his or her services?

By your votes you are going to answer this question, in the affirmative or in the negative.

In a short time the great Republican Party is going to assemble at Philadelphia for their national convention, and I want to say here and now that I was greatly impressed the other day when the gentleman from Indiana, in upholding the wage scale, stated in his discourse that the Republican Party has always been a party of the full dinner pail, and has always fought for the rights of labor. In view of your action here today what a dilemma will confront you when the resolution committee of your party presents to our colleague the gentleman from Massachusetts, JOE MARTIN, the permanent chairman of the Republican convention, a resolution upholding the rights of the laboring man to a fair wage and a high standard of living when today, by your action, you say to the laboring masses of America that 30 cents an hour is too high a price to pay—that $12.60 is too large a weekly remuneration to the toilers of our Nation.

Let me tell my good friends of the Democratic Party who, under the protective cloak of agriculture, are trying to crucify labor today, that since 1933, $6,000,000,000 have been appropriated to further the agricultural interests of the Nation. Do you think these appropriations and enabling legislative acts could have been passed by this body without the aid and assistance of we Members fro mthe industrial areas of the country? We supported your A. A. A. program, your cotton legislation, your crop-insurance measures, your crop loans, your flood-control bills, the Tennessee Valley Authority, and other remedial measures, all in the name of agriculture. Do you propose now, by your votes, to repay that assistance by destroying the only protection from exploitation the laboring man has today?

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BEAM. No; not now. Every operation of the farm is exempted under existing law. It is excluded. That is the organic and basic law. Members of the House, if the Buck amendment is not modified or changed, then the only honest and fair thing to do is to recommit this bill. Let me say to you gentlemen who represent Ohio, Wisconsin, New York, Pennsylvania, Indiana, and Illinois, do you want to subject your employers who maintain a high standard of wages to the unfair competition of States who will again engage in child labor and pay an unfair and unlivable wage to their employees?

The amendment of the gentleman from California [Mr. WELCH] is to safeguard the protection of the child-labor law and to maintain a fair standard of American living.

I tell you, Members of the House, that unless we maintain the standard of at least 30 cents an hour, your relief bills will become greatly enlarged and increased, and you will again be confronted with greater problems, infinitely more difficult of solution.

I appeal to you in the cause of labor and decency to adopt the Welch amendment. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think there is some confusion about what this proposed amendment does. If you will turn to page 15 of the bill, you will find that line 15 undertakes to amend section 13 (a) of the act by first striking out clause 10 and inserting in lieu thereof an exemption.

Mr. BEAM. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. BEAM. The gentleman said he misunderstood my meaning. I said to vote for the Welch amendment.

Mr. RAMSPECK. Then there is an exemption for telephone and switchboard operators, and for employees engaged in the cleaning, packing, grading, or preparing fresh fruits and vegetables; for employees employed in handling, tying, drying, stripping, and grading tobacco. Those are exemptions from both wages and hours. The Welch amendment will strike out those exemptions.

The reason the ginning of cotton is not affected is because it is in the Buck amendment and will be taken care of there.

The Buck amendment has four parts. The effect of the Welch amendment is to eliminate from the exemptions from both wages and hours the language contained in subsection 4 of the Buck amendment, so as to apply the wage and hour law to those operations. It is true that many of those operations are given the 60-hour week under other language in this bill. So that the real effect of the Welch amendment, of course, is to put back under the wage section of the law the operations described in section 4 of the Buck amendment.

I think that is a fair statement of the issue.

Mr. BARTON of New York. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. BARTON of New York. May I draw the gentleman's attention to the colloquy that took place yesterday between the gentleman from California [Mr. BUCK] and the gentleman from Kentucky [Mr. MAY]? Mr. MAY said:

I would like to inquire of the gentleman with respect particularly to the fruit industry, as to whether or not the wages that were paid prior to any of the labor legislation on the average was a good deal higher than the wages that will be paid under the wage and hour provision?

To which Mr. BUCK answered:

They not only were then, but they are now.

Now, if the wages are already higher than the wages which the wage and hour law fixes, then certainly we are inflicting no hardship on the fruit and vegetable industry if we ask that they pay wages lower than the wages they are already paying?

Mr. RAMSPECK. That is true.

Mr. BUCK. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. BUCK. I call the attention of the Committee, particularly the gentleman from New York, to another part of the remarks I made yesterday when I stated that in the depression years of 1930, 1931, and 1932 the wages of pickers and probably packagers of fresh fruits and vegetables fell as low as 15 cents an hour. These are perishable commodities and you cannot afford to pay workers any more than you can relatively get when the goods go into the consumption centers. At that particular time there was a great outcry over this 15 cents an hour, and a committee from the American Federation of Labor was appointed to look into the situation. They came back and reported to the A. F. of L. that under existing circumstances and the prices at distribution centers it was not possible to pay workers more than 15 cents an hour without throwing everybody out of employment. For that reason it is impossible to fix a definite standard of 30 cents an hour at any one time. This is a long-range amendment.

Mr. Chairman, I ask unanimous consent that the gentleman from Georgia may have 3 additional minutes to cover the point I have asked him.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RAMSPECK. Does the gentleman from California agree that the issue has been fairly stated by the present speaker, that the issue is whether or not you are going to restore wages or the wage provisions of the act to the operations described in subsection (4) of the gentleman's amendment of yesterday?

Mr. BUCK. I wish the gentleman from Georgia would expatiate a little on the comparison made to the portion of the Welch amendment which deals with the repeal of subsection 10 in its entirety so that those processing plants which are now exempt, if they are within an area of production, are not to be exempt hereafter.

Mr. RAMSPECK. The bill, of course, contains that provision. The Welch amendment does not add anything to the bill, because we have intended all along to repeal clause 10 of section 13 (a) so as to get rid of the area of production; and I believe 90 percent of the Members want to do that.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mrs. NORTON. From the answer the gentleman from California gave to the gentleman from Georgia it is plainly evident that the only thing under consideration is whether we want to take the 30 cents an hour from these workers.

Mr. RAMSPECK. I think that fairly states the issue. It is a question whether or not you want to apply the 30-cents-an-hour provision to the operations described in subsection 4 of the Buck amendment; and if you will look in Monday's RECORD on page 5214 you will find a copy of the Buck amendment and can tell exactly what you are voting on.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. SCHAFER of Wisconsin. If the Welch amendment nullifies a part of the Buck amendment, as we have been told it does, then should it be adopted we would have two conflicting provisions in the bill. How is one to determine which will control? We are told on the one hand that the Buck amendment forces a person to do a thing and on the other that the Welch amendment forbids its being done.

Mr. RAMSPECK. There is no conflict at all, because the Welch amendment is to section 13 (a) 6 which exempts from both wages and hours everything contained in the definition of agriculture. This exemption is limited by the words of the amendment itself to clauses 1, 2, and 3 of the definition of agriculture placed in the bill by the gentleman from California [Mr. BUCK]. There is no conflict. It is simply a limitation of the exemption which would have been granted under the Buck definition of agriculture.

Mr. SCHAFER of Wisconsin. Does the Buck amendment provide that you can do something, and the Welch amendment provide that you shall not do it?

Mr. RAMSPECK. No. The Buck amendment does not exempt anybody, without subsection 6 of section 13 (a) the Buck amendment is simply a definition. It does not exempt anybody from anything without clause 6 of section 13 (a). The gentleman from California [Mr. WELCH] is undertaking to limit the exemption contained in clause 6 of section 13 (a) to the first three paragraphs of the Buck definition.

Mr. LANDIS. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. LANDIS. Then the amendment does not affect the packing or handling and the crating and the picking on the farm?

Mr. RAMSPECK. It does not affect anything that is done by a farmer on a farm or in the incidental operations on the farm, the definite operations of farming.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mrs. NORTON) there were—ayes 45, noes 103.

So the amendment was rejected.

Mr. RAYBURN. Mr. Chairman——

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. RAYBURN. Mr. Chairman, I am wondering if it would not be possible to agree to some limitation of debate on this bill. It seems that we are going uphill and right down again on various amendments. I am wondering if most of us have not had about enough of this discussion and if we could not agree that after a certain time all debate on this matter should be closed.

Mr. Chairman, I ask unanimous consent that all debate on the Norton amendment and all amendments thereto close at 5:30.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate on the Norton amendment and all amendments thereto close at 5:30.

Mr. BLAND. Mr. Chairman, reserving the right to object, we had an apple out of that bag 1 or 2 days ago. The time was fixed, and important amendments were placed before the House. The time was consumed, and when we reached those vital amendments which crucified the bill there was no time left to discuss the amendments. Mr. Chairman, I object.

Mrs. NORTON. Mr. Chairman, I move that the Committee do now rise.

Mr. SCHAFER of Wisconsin. Mr. Chairman, on that motion I ask for a division.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin and Mrs. NORTON), there were—ayes 52, noes 97.

So the motion was rejected.

Mr. BLAND. Mr. Chairman, I am not trying to delay things. I wonder if we cannot determine the number of

amendments on the Clerk's desk and allow the usual 10 minutes, 5 for and against each amendment, then vote on them? I presume the amendments are all there.

Mrs. NORTON. Mr. Chairman, I try to be fair. Does not the gentleman know that there have been as much as 2 hours consumed on a single amendment? Does the gentleman think that is fair? We have been on this bill for 5 days, a bill that is now, with the amendments adopted, a disgrace to America, and when it is voted on, if it is voted on, and adopted, it will be buried. So why waste all this time? It is loaded down now with amendments to such an extent that certainly the chairman of the Labor Committee would repudiate it, and I intend to repudiate it. With all the amendments that have been loaded on the bill today it will die of its own weight. I intend to repudiate this bill, if adopted as amended. I will vote against it in Committee, and if it is adopted, shall then attempt to have it recommitted in the House.

Mr. BLAND. With all due deference to the gentlewoman from New Jersey [Mrs. NORTON], other Members have equal rights upon this floor. If the unanimous-consent request is made, and is satisfactory to the Members of the House, it is satisfactory with me.

Mr. RAYBURN. Mr. Chairman, I renew the request that I made a moment ago that all debate on the Norton amendment to the bill and all amendments thereto close at 5:30.

The CHAIRMAN. The gentleman from Texas [Mr. RAYBURN] asks unanimous consent that all debate on this amendment and all amendments to the substitute close at 5:30. Is there objection?

Mr. GEYER of California. Mr. Chairman, I object.

Mr. BLAND. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BLAND: On page 15, line 21, after the word "or", strike out all of clause 12 and insert in lieu thereof the following:

"12. Any employee employed in the canning, packing, grading or preparing fresh fruits and fresh vegetables in their raw or natural state, or any employee employed in the canning, processing, freezing, or preserving of any products consisting wholly or in chief volume of perishable or seasonal fruits or vegetables, including dried fruits, or in handling or transportation in connection with or incidental to such operations, to the extent employee is so engaged."

Mr. BLAND. Mr. Chairman, this amendment changes the amendment that has been offered by the committee to this extent: It leaves in section 12 "any employee employed in the canning, packing, grading, or preparing fresh fruits and vegetables in their raw or natural state" but omits "when such operations are performed immediately off the farm."

There is no intelligible interpretation of what that language means. Then it adds "any employee employed in the canning, processing, freezing, or preserving of any product consisting wholly or in chief volume of perishable or seasonal fruits," and so forth. I shall not read the rest of it because it is identical with the amendment that I offered yesterday except as modified to conform with the context.

Mr. Chairman, we talk about paying less than 30 cents an hour. I am talking about the labor on the farm. I am speaking for the farmer and the cannery laborer so that they may live. I would much rather pay less than 30 cents an hour on some of the farms that cannot survive unless they pay less than that sum for cannery operations immediately connected with the farm, such as I have in my district. Deny to the laborer what may be paid and you deny to the farmer the right to grow that product. You have increased your unemployment, both as to the farmer and as to the laborer.

The gentleman from Georgia said he is deeply interested in the farmer and he cites cases in his district. There is a vast difference between a farm near a center like Atlanta and a farm in my district, far removed from the industrial centers, where there is cost of transportation, where there is waste, and all of those things. I desire to subscribe to the philosophy of the gentleman from Georgia, but I say to him, in the words of Portia:

If to do were as easy as to know what were good to do, chapels had been churches and poor men's cottages princes' palaces.

Mr. Chairman, we are dealing with a concrete situation. These farmers cannot exist unless they have these operations there. Move your area of production 10 miles and you know what that does in my district? About half of it in many cases would be in the Atlantic Ocean and the other in rivers that intersect my district. These problems ought to be dealt with in a practical way, and these people allowed to survive. If you make the expense too high, you destroy both the farmer and the laborer. Take your unit of production. You ought to base costs on the unit of production. We have unskilled labor. We have labor that part of the time is working in the canning factory, and even with the small cost that we pay, the unit of production—the can—is costing just as much or more than it does where they have skilled labor. We cannot bring in skilled labor where these canneries are operating—that is, way out in the country. They operate a very short time. They are seasonal. We use in the cannery the people who work on the farms. They work there a few days and they work on the farm a few days, and they are able thereby to make a living that they could not make otherwise. I ask justice to them. [Applause.]

[Here the gavel fell.]

Mr. ELLIS. Mr. Chairman, I rise in support of the amendment.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield to me to submit a unanimous-consent request?

Mr. ELLIS. I yield.

Mr. RAMSPECK. Mr. Chairman, how many amendments to section 5 are still to be offered?

The CHAIRMAN. There seem to be about seven amendments.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. ELLIS. Mr. Chairman, the country I represent is a mountain-plains territory. In my district are nearly 100 canning factories. Certainly I would never take this floor in behalf of an amendment that would prevent my people who work in those canning factories from getting more money for their labor, but the situation is not that. Today only 60 percent of those canneries are planning to operate during this coming summer. Only 60 percent of them have signed contracts with the farmers. I would not state to you that the 40 percent remaining are not working because of the wage and hour bill, for some of them no doubt are failing for other reasons to operate, but I do know that most of them are failing to operate for that reason. The reason is that when you can tomatoes for only a few weeks, and when you can beans for only a few weeks in the year, and that is about all they can do in that high land, you must operate with unskilled labor.

Mr. FRIES. Mr. Chairman, will the gentleman yield for a question?

Mr. ELLIS. Briefly, yes.

Mr. FRIES. Does the gentleman from Arkansas realize that the canning industry in his State pays 17 cents an hour today, while our canning industry in the State of Illinois pays 41 cents an hour?

Mr. ELLIS. I would not take issue with my friend on that except to say that I believe he is wrong.

Mr. FRIES. Those are facts established by the Women's Bureau of the Department of Labor.

Mr. ELLIS. The fact remains that the canning factories are not operating, and when they do not operate, my people cannot grow the crops they are accustomed to grow. Then those who have been working in the factories cannot get anything at all, they are cut clear out, and therefore it is a total loss to us.

This amendment would simply provide that if these canneries operating in that section, in order to be still exempt from the Wage and Hour Act, desire to can dry beans part of the time, say for a few weeks in between the bean season

and the tomato season, they can do it, and they can qualify under the wage and hour law and pay the wages and operate under the hours as provided by the act for that short term without being required to come under the act the rest of the time. That is just about all the amendment provides for, and I believe it should be adopted. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. Does the gentleman from Georgia desire recognition on the amendment?

Mr. RAMSPECK. I would just like to be recognized for about 2 minutes to ask the gentleman from Virginia [Mr. BLAND] if the language of this amendment is the language the gentleman from Virginia [Mr. ROBERTSON] showed me a day or so ago?

Mr. BLAND. I do not believe so. I do not believe that I have ever shown this to the gentleman from Virginia [Mr. ROBERTSON]. This is the same amendment I offered yesterday, with only such changes as adapt it to the context.

Mr. RAMSPECK. What does it do other than eliminate this language, "immediately off the farm"?

Mr. BLAND. It eliminates that and also removes the wage and hour provisions as to those cannery operations.

Mr. RAMSPECK. Does the gentleman mean it takes them out from under the wage provisions also?

Mr. BLAND. It does.

Mr. RAMSPECK. Then, Mr. Chairman, of course, I must oppose the amendment, because it is contrary to the policy of the bill the committee has reported. I hope the Committee will vote it down, because it undertakes to eliminate the wage provisions in these operations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BLAND].

The question was taken; and on a division (demanded by Mr. RAMSPECK) there were—ayes 52, noes 40.

So the amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 15, beginning with clause (10), in line 17, strike out the remainder of the subsection down to and including line 4, on page 16, and insert the following:

"(10) to any individual employed and engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for markets, or in making cheese or butter or other dairy products."

Mr. RAMSPECK. Mr. Chairman, I make the point of order that the gentleman is undertaking to strike out of the bill language which the gentleman from Virginia has just written into it.

Mr. WHITTINGTON. I strike out additional language, too. I have not offered any amendment at all to the amendment of the gentleman from Virginia.

Mr. RAMSPECK. The gentleman from Virginia substituted new language for lines 21, 22, 23, and 24, and the first line on page 16.

Mr. WHITTINGTON. I would say with respect to this that a motion to strike out is in order at any time, and perfecting amendments are considered before the amendment to strike out.

Mr. BLAND. My amendment was directed, and I think so specifies, to subparagraph (12).

The CHAIRMAN. The gentleman makes the point of order that the proposed amendment of the gentleman from Mississippi seeks to strike out the amendment that was just adopted.

Mr. WHITTINGTON. Mr. Chairman, I answered that by saying that I propose to strike out the language of the bill, and that point of order is not well taken.

The CHAIRMAN. According to the amendment as written, the Chair thinks it proposes to strike out language that was adopted a few minutes ago.

Mr. WHITTINGTON. Mr. Chairman, in connection with the statement just made, will the Chair permit the reading of the amendment of the gentleman from Virginia [Mr. BLAND] for the information of the House?

The Clerk again read the Bland amendment.

Mr. WHITTINGTON. Mr. Chairman, as I understand the gentleman's amendment, it is an amendment to the pending committee amendment, and one that perfects the committee amendment. My motion is to strike out the entire section and insert a new provision in lieu thereof.

The CHAIRMAN. That is correct, but that will strike out the amendment.

Mr. WHITTINGTON. I am not arguing that, but this is perfecting the original amendment, and therefore I say the point of order is not well taken.

The CHAIRMAN. The gentleman is correct, and the Chair overrules the point of order.

The gentleman from Mississippi is recognized for 4 minutes.

Mr. WHITTINGTON. Mr. Chairman, on yesterday when this bill was brought to the attention of the House and before we went into Committee of the Whole, the chairman of the committee made a statement of her purpose to offer an amendment to the section under consideration. During the colloquy that ensued I asked if it would not be generally satisfactory to leave the existing law as it is and to strike from the provisions of existing law the controversial language, "area of production."

The amendment that I now propose strikes from this bill the language that is intended by the committee amendment to be inserted in lieu of clause 10 of the exemptions in 13 (a) of the original act and to restore the language of the original act which would include the provisions of the gentleman from Virginia and other broader provisions, but at all events it leaves the law just as it is, with the words "area of production" stricken out.

Now let me remind you that the existing law, section 13 (a), clause 10, reads "to any individual employed within the area of production (as defined by the Administrator)."

That is the language stricken out if my amendment is adopted, and it does not amend the existing law with respect to "handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products."

In other words, Mr. Chairman, in the interest of passing the bill as reported by the committee and eliminating controversial matter, it does strike me that there will be more nearly a meeting of all minds if we agree to leave exemptions under the law just as they are and remove from the law the thing that has been causing irritation and dissatisfaction, to wit, the removal of the language "within the area of production."

Let me call attention to the fact that that language has been removed from the bill as thus far adopted under section 3, by adopting the amendment of the committee and my amendment, if agreed to, will eliminate the controversy and will eliminate the necessity of continued amendment and leave the existing law, without either limiting or expanding the exemptions, and eliminate the controversial language and the thing that has caused the trouble, to wit "within the area of production," and I trust my amendment may be adopted.

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. Time has been fixed according to the number of amendments pending, and no time was reserved for the gentleman from Virginia.

Mr. BLAND. Then, Mr. Chairman, I ask unanimous consent to proceed for 2 minutes.

The CHAIRMAN. Such a unanimous consent cannot be granted where a limitation of time has been made.

The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 19, noes 52.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. The gentleman from Virginia [Mr. ROBERTSON] offers an amendment which the Clerk will report.

The Clerk read as follows:

On page 15 strike out subsection (12) of Section 5 (b) which reads as follows: "or (12) any employee employed in the cleaning, packing, grading, or preparing fresh fruits and fresh vegetables in their raw or natural state when such operations are performed immediately off the farm", and substitute therefor the following: "or (12) any employee employed in the handling, cleaning, preparing, grading, packing, packaging, or storing of fresh fruits or vegetables in their raw or natural state when such operations are performed prior to their delivery to a terminal market prepared for distribution for consumption."

Mr. RAMSPECK. Mr. Chairman, I make the point of order that the gentleman from Virginia [Mr. BLAND] has already offered an amendment to take that language out of the bill.

Mr. ROBERTSON. I just wanted to have it appear that I offered the amendment anyway. I realize that the amendment is already covered, but not in the same way.

The CHAIRMAN. Does the gentleman from Georgia insist upon the point of order?

Mr. ROBERTSON. Mr. Chairman, I withdraw the amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GROSS] offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 15, line 15, after the word "or", strike out the period and add the following: "manufacturing of cigars when the work is done by hand and wages are calculated on a piece-work basis."

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GROSS] is recognized for 4 minutes.

Mr. GROSS. Mr. Chairman, it so happens that in my district the cigar business has been for many, many years one of the basic industries. Good or bad times in that district have depended upon the cigar business. It has paid more money in internal revenue taxes than any other one thing that we have. The work has always been on a piece-time basis, and the people work hours to satisfy themselves. They were paid for what they earned. The facts are that when a hundred young people went to learn the cigar business, about 90 percent of them were not fast enough to comply with the law. Ten percent of 80 percent, with a little effort can comply with the law. The balance cannot. Consequently a vast number of cigar makers are not able to make a living. It is true they cannot earn $2.50 a day. No young people are learning this trade. It is going out, due to competition and machine work. These people are getting old. They cannot do anything else and they only ask to be permitted to do the work they have always been doing.

They do not want to be on relief. If it is just a dollar and a half or two dollars a day that they can earn, it is either that or nothing. Hundreds of them have not anything to do. This exemption would grant that these people might continue to work as long as they can, and the thing will automatically go out. I cite an instance of eight men whose average age is 68 years. They had a little factory, and they earned less than a dollar a day, but when the law went into effect they had to quit, and went on relief. Well, those old men want to work on in that little shanty that they were working in, at their chosen profession. They want to be making their own living. It is a case of letting them work, or enforcing the law, and I do not believe that we can justify a law that will prevent a man from working to earn what he can. I earnestly hope that you will vote for this amendment. It means so much to the people who cannot do anything else.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 33, noes 51.

So the amendment was rejected.

The CHAIRMAN. The gentleman from Iowa [Mr. GWYNNE] has an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GWYNNE: Page 15, line 14, insert the following new paragraph:

"Section 13 (a) of such act is further amended by striking out clause (8) and inserting in lieu thereof the following:

"'(8) any employee employed in connection with the publication of any newspaper with a circulation of less than 5,000; or.'"

Mr. GWYNNE. Mr. Chairman, this is the same amendment that was adopted by the House last Tuesday. It has the endorsement of the National Editorial Association, which is an organization comprising some 16,000 weekly, semiweekly, and daily newspapers throughout the country.

Under the present law, as you will remember, the exemption extends to weeklies and semiweeklies having a circulation of less than 3,000. The purpose of this amendment is to include dailies which are published under substantially the same conditions as weeklies and semiweeklies, and to extend the exemption from 3,000 to 5,000.

The number of people that will be included under this amendment is small, of course. Most of the papers are now exempt. The purpose of the amendment is not to extend the exemption of the Wage and Hour Act. The purpose of it is to act justly by all people who are publishing newspapers under substantially the same conditions.

I trust this amendment will be adopted.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield.

Mr. H. CARL ANDERSEN. Is it not a fact that under the present act in connection with these particular newspapers with circulation from 3,000 to 5,000, unemployment is created, rather than employment? To substantiate this statement may I read from a telegram received from the Marshall Daily Messenger supporting your proposed amendment?

MARSHALL, MINN., *April 30, 1940.*

Hon. H. CARL ANDERSEN,
Member of Congress,
House Office Building, Washington, D. C.:

Respectfully and sincerely urge that you support wage-hour amendment exempting all newspapers of 5,000 or less circulation. Forty-two-hour law is real hardship on papers in smaller communities. Creates unemployment instead of more employment due necessity cutting overhead and even jeopardizes existence as daily paper. With approximate hundred dollars monthly social-security payments and the hour law you can appreciate weight of burden in community this size. Thank you for your support.

MARSHALL DAILY MESSENGER.

Mr. GWYNNE. Yes, sir. There is no objection to the wage scale. These people are all receiving more than 30 cents an hour.

Mr. TALLE. Will the gentleman yield?

Mr. GWYNNE. I yield.

Mr. TALLE. I want to reassert my support of the gentleman's amendment. There is no objection to the wage rate. But the hours provision of the law limits the operations of the small dailies and weeklies. Enactment of this amendment will increase employment.

Mr. GWYNNE. That is correct.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield.

Mr. JENSEN. This is a very good amendment, and I hope it will be adopted.

Mr. GWYNNE. I thank the gentleman.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield.

Mr. DONDERO. It is the penalty caused by the hours scale that brings trouble for these little newspapers?

Mr. GWYNNE. That is right.

Mr. DONDERO. And not the 30 cents an hour?

Mr. GWYNNE. That is true. They all receive more than 30 cents an hour.

Mr. DONDERO. But if they have to pay time and a half or double time they cannot meet it?

Mr. GWYNNE. The gentleman is correct.

Mr. DONDERO. And unemployment results from that condition?

Mr. GWYNNE. That is right.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GWYNNE].

The amendment was agreed to.

The CHAIRMAN. The gentleman from Kansas [Mr. CARLSON] is recognized.

Mr. CARLSON. Mr. Chairman, in view of the adoption of the Gwynne amendment, I ask that my amendment be withdrawn.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

Mr. BLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 16, line 4, after the word "tobacco", strike out the period, insert a semicolon, and add the following: "or (14) any employee employed in the cutting of timber for manufacture into lumber, or the manufacture, preparing for market, or marketing, or lumber (including handling or transportation in connection with or incidental to such operations) during any calendar year if his employer at no time during such calendar year employed in connection with or incidental to all such operations in the aggregate more than 15 employees."

Mr. BLAND. Mr. Chairman, I shall take very little time on this amendment.

Here is the situation: We have small lumber mills which employ men who work on the farm and men who work in the canneries—part-time operators. When they cannot work on the farm they work in the mill and saw some of the lumber. Ninety percent of that lumber will be purely intrastate—sold in the county, but if 1 percent of the lumber cut is used to make staves and those staves are made into barrels and those barrels are used in interstate commerce, the regulation is that the entire operation is subject to the law. The result of it is that these small mills are closing down just by reason of that regulation, and yet they are doing from 90 to 99 percent an intrastate business.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. COX. A very large percentage of these small mills are operated by farmers themselves, in the sawing of trees on their own land?

Mr. BLAND. That is right. The same labor that works on the farm is used in these mills. What it does is increase labor and, believe me, what we need in this country is an increase of employment rather than a stoppage of employment.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. WHITTINGTON. Is this not substantially the same amendment that was approved by the House in the Barden bill?

Mr. BLAND. Yes; this is the same amendment that was approved in the Barden bill.

I ask for a vote on the amendment, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BLAND].

The question was taken; and on a division (demanded by Mr. RAMSPECK) there were ayes 45 and noes 53.

So the amendment was rejected.

Mr. ROBERTSON. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Virginia rise?

Mr. ROBERTSON. Mr. Chairman, I ask unanimous consent to amend the Bland amendment that was adopted by adding, after the word "preparing", where it first appears in that amendment, the words "or storing."

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the Bland amendment be amended by adding, after the word "preparing", where it first appears, the words "or storing."

Mr. ROBERTSON. I suggest this amendment for the reason that 50 percent of the apples produced in this country, over 100,000,000 bushels average, are in storage on the 1st of December and stay in storage until they are gradually poured into the market, and they stay in storage at the expense of the farmer. Forty-two million bushels of potatoes for seed alone are in storage at the expense of the farmer until they come out in the spring and summer for seed.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. BUCK. Mr. Chairman, reserving the right to object, this was merely an inadvertent omission, was it not?

Mr. ROBERTSON. I understand so. It was in my amendment, but I could not get to it because of the Bland amendment.

Mr. RAMSPECK. Will the gentleman answer this question, Are those apples stored by the farmer? Do they still belong to the farmer?

Mr. ROBERTSON. For the most part. Sometimes they are stored by those who bought them from the farmer, but for the most part they are stored by the farmer, because he does not sell them except out of storage.

Mr. GEYER of California. I would like to ask the gentleman from Virginia if this takes more people out from under the Fair Labor Standards Act? If it does, I object.

Mr. ROBERTSON. I expect it takes some out.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia? (After a pause.) The Chair hears none and it is so ordered.

Mr. KITCHENS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Arkansas.

The Clerk read as follows:

Amendment offered by Mr. KITCHENS: On page 16——

Mr. GEYER of California (interrupting the reading). Mr. Chairman, I objected to the unanimous consent request.

The CHAIRMAN. The Chair put the inquiry at least twice and there was no objection raised.

Mr. GEYER of California. I very clearly objected.

The CHAIRMAN. The gentleman did not address the Chair properly if the gentleman did object.

The Clerk will report the amendment offered by the gentleman from Arkansas.

The Clerk read as follows:

Amendment offered by Mr. KITCHENS: On page 16, line 4, strike out the period, insert a semicolon, and add the following:
"14. Or any employee while employed in connection with preventing, controlling, or suppressing forest, brush, or grass fires."

Mr. KITCHENS. Mr. Chairman, this is an amendment to section 13 (a) of the Fair Labor Standards Act.

There is a standard wage for fighting fires, and this wage is above the minimum wage under the Fair Labor Standards Act.

According to an opinion of the Wage and Hour Division, employment in the fighting of forest fires by an employer who is also engaged in commerce or the production of goods for commerce is subject to the limitations of the wage and hour law. It has been indicated recently that the Wage and Hour Division may reconsider and hold that such employment is too remote from commerce to be included in the coverage of the act. But even if the Wage and Hour Division regards such employment as not being under the act, there still remains a serious problem. According to interpretative bulletins and numerous opinions issued by the Division, the law does not permit a split workweek. If an employee is engaged in the production of goods for commerce in any part or hour of a workweek, all of his employment during that workweek is subject to the limitations of the act. So if an employee is called from his production employment to fight a forest fire and his total working hours on both occupations during the week is in excess of 42, he is entitled to overtime compensation according to the formula established by the Wage and Hour Division. Although a standard wage rate has been fixed for forest-fire fighting, which in some cases amounts only to one-half or even less of the regular rate of pay—but is still above the minimum wage requirement—according to this formula adopted by the Administrator, if an employee has already worked a full week at his regular employment and is called upon to work extra time at the end of the week in

forest-fire fighting, he would be entitled to one and one-half times his regular production rate of pay. This frequently may amount to more than a dollar an hour. This premium wage for emergency forest-fire fighting should be eliminated. Experience has demonstrated that high wages for fighting forest fires encourages the deliberate setting of forest fires by some individuals who do not realize that a few days' pay may cost an entire community its source of livelihood.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The amendment was rejected.

Mr. WELCH. Mr. Chairman, I move that the Committee do now rise.

Mrs. NORTON. Mr. Chairman, will the gentleman from California withhold his motion for a moment?

Mr. WELCH. I withhold it, Mr. Chairman.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mrs. NORTON. Mr. Chairman, for 5 days we have been considering this bill. It seems to me we are reaching a point with amendments, as far as the Committee on Labor is concerned, where it no longer makes any difference what further amendments are adopted.

I have just been called up by the Department of Labor to be told that, under the Bland amendment, over 1,000,000 more people would be exempted from the wage and hour provisions of the act. This, coupled with 200,000 exempted under the Buck amendment, leaves us practically no bill at all. Now, if any self-respecting Member of Congress can vote for such a bill, it is all right with me. I suggest, Mr. Chairman, that if the Members have any further amendments to offer, that we remain here until they have been acted upon. The committee will not oppose any further amendments.

Mr. RAYBURN. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

Mr. RAYBURN. Mr. Chairman, may I inquire how much time is left for debate on this section and all amendments thereto?

The CHAIRMAN. There are 7 minutes left on this section, and the Chair may say that there are seven or eight amendments to the other sections of the bill.

Mr. RAYBURN. Mr. Chairman, I wonder if we cannot reach an agreement. It appears that we will go quite far into the evening if we try to complete this bill tonight. Would it be agreeable to the Members to agree to meet at 11 o'clock tomorrow morning, when we go back into the House, and could we also agree that on the Norton substitute, the Norton bill, and all amendments thereto all debate close at 1 o'clock tomorrow?

Mr. TABER. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. TABER. I expect an amendment to be offered to the bill, which I feel is very important, and I wish to oppose it. I do not want to get into a situation where someone in favor of the amendment might have 5 minutes and the opposition be frozen out as a result of what might happen as we get to the consideration of that section. It would seem to me that a motion to close debate made fairly after the amendments are offered and a reasonable time given to discuss them would accomplish better results. I do not think we should proceed more than 10 minutes on an amendment. If we followed that rule, I believe it would be a little fairer, and we would get through just as quick.

Mr. RAYBURN. I find, after 6 days with this bill, that unless there are agreements it just goes on interminably so far as each section of the bill is concerned. This is the end of the sixth day of debate on this bill.

Mr. TABER. Mr. Chairman, suppose we had an agreement that there should be no more than 10 minutes' debate on any amendment offered to the Norton bill?

Mr. RAYBURN. Well, if 100 amendments were offered, that would run into some time. Of course, it is a long time between now and 11 o'clock tomorrow.

Mr. COX. Would the gentleman consider making the request that debate on all amendments close within 1 hour?

Mr. RAYBURN. I will do that; however, I made the request for 2 hours, and it seems to me that probably will not be agreed to.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I wonder if the gentleman could not guarantee the gentleman from New York [Mr. TABER] 5 minutes on the amendment to which he is opposed?

Mr. RAYBURN. I do not know what the amendment is that will be offered and which he wishes to oppose.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Connecticut.

Mr. MILLER. There are Members, and I happen to be one of them, who have sat here through this 6 days of debate without taking a moment. I have an amendment pending on the desk. Would the gentleman give preference to amendments that are now pending on the desk and which have been lying there 3 days?

Mr. RAYBURN. That would be in the discretion of the chairman of the committee. I could not bind him on that.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. May I make the suggestion for the consideration of the House that with reference to the pending amendments it be agreed that there shall be 10 minutes on each amendment and that the total time shall expire at 1 o'clock tomorrow?

Mr. RAYBURN. That is agreeable to me.

Mr. HEALEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HEALEY. How many amendments are pending on the desk right now?

The CHAIRMAN. There are 14 amendments pending to section 5 and the remaining sections of the bill.

Mr. HEALEY. That is the aggregate of all the amendments to the rest of the bill?

The CHAIRMAN. There are 15 now. One has come in since.

Mr. CASE of South Dakota. Mr. Chairman, 10 minutes to each amendment would only take 2 hours and 30 minutes.

Mr. SCHAFER of Wisconsin. Mr. Chairman, add an additional 10 minutes. I have another amendment to offer.

Mr. CASE of South Dakota. Mr. Chairman, if we proceeded for 15 minutes this evening, it would be possible to conclude in 2 hours and 15 minutes tomorrow.

Mr. WHITTINGTON. Would it be agreeable to the gentleman from Texas and the gentleman from California who moved that the Committee rise to dispose of the pending section? We have agreed to limit debate on that section. There are 7 minutes remaining. You cannot get rid of amendments any quicker than that.

Mr. RAYBURN. That is agreeable with me.

Mrs. NORTON. Mr. Chairman, I had an amendment pending on the desk. I wish to withdraw that amendment in favor of any gentleman who wants to take the time, as I have decided I shall take no further part in the debate on this bill.

The CHAIRMAN. The Chair may say that there are only two more amendments pending to this section and 7 minutes left so far as section 5 is concerned.

Mr. RAYBURN. Mr. Chairman, I withdraw my request for the present.

Mr. WELCH. Mr. Chairman, I renew my motion that the Committee do now rise.

The question was taken; and the Chair being in doubt the Committee divided; and there were—ayes, 81, noes 82.

So the motion was rejected.

Mr. MARTIN of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Iowa: On page 15, after line 14, insert before the period and quotation mark a new clause, as follows:

"(2) Any individual employed by a corporation or association, the activities of such corporation being located outside of the corporate limits of any incorporated city or town, when not less than two-thirds of the capital investment of said corporation is in real and personal property used by it in its agricultural pursuits, when two-thirds of its employees are voting stockholders in said corporation, when no individual stockholder in such corporation may own or vote more than one share of voting stock owned by him at any stockholders' meeting, and when each holder of voting stock shares equally in the profits of the corporation after satisfaction of prior obligations; or."

Mr. MARTIN of Iowa. Mr. Chairman, this is the same amendment I offered last Tuesday and about which I entered explanatory remarks in the RECORD last Friday at page 5155, and on Tuesday at page 5265. There is no need of burdening the Committee at this time with a repetition of those arguments, except to say that the wage-hour law does not fit the standard of award or compensation of this particular group and those other groups like it which have been forced to comply with the wage-hour law by a ruling of the Wage and Hour Division.

The group in my district comprises about 1,500 farmers and processors who want to be exempted for the processing of their products. They operate their own processing plants and their own tract of land of some 26,000 acres. They take care of their own aged, their own sick, and their own needy. The measure or standard of compensation and hours set out in the wage-hour law just does not fairly fit their situation. I am submitting the amendment again in the hope that you will be fair with this particular group. I understand there are about 8 or 10 similar groups throughout the United States.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Nebraska.

Mr. STEFAN. Several Members would like to have a little further explanation as to just who these people are. Will the gentleman explain a little further?

Mr. MARTIN of Iowa. I shall be pleased to explain in the limited time I have.

These people in my district form a society that was organized more than two centuries ago in Germany. They moved to New York State in 1842 and on to Iowa in 1854. They have been farming and processing their products on their own land. They take care of their own aged, their needy, their sick and disabled, and they are trying to get along on a basis that is hard to measure in terms of the wage and hour law. You will notice from a reading of the amendment that it is strictly limited so that it will not be easy for other groups to so organize for the purpose of circumventing the wage and hour law. I have purposely worded the amendment to avoid that.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. What was the vote on the amendment when it was previously considered?

Mr. MARTIN of Iowa. The amendment was adopted last Tuesday by a vote of 66 to 5, as I recall.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. MARTIN].

The amendment was agreed to.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 15, lines 13 and 14, before the words "at a guaranteed monthly salary of $200 or more;", insert at a guaranteed yearly salary of $1,500, or."

MINIMUM YEARLY WAGE EXEMPTION

Mr. CASE of South Dakota. Mr. Chairman, it is not particularly necessary to take any time to explain this amendment other than to make a simple statement. The original Norton bill, as well as the Norton substitute, provide for the exemption under section 13 (a) of any employee employed—

At a guaranteed monthly salary of $200 or more.

My amendment does not disturb that, does not strike it out, but simply inserts ahead of it the words:

At a guaranteed yearly salary of $1,500 or—

And then the $200 monthly alternative follows.

The matter of increasing security by the establishment of an annual wage is a subject which everyone who has given any study at all to the labor problem understands. This amendment seeks to encourage employers in providing that security for a great many workers who get close to a yearly salary of $1,500 by granting an exemption from the act where that minimum yearly wage is guaranteed on the same basis as is proposed for the $200 monthly guaranteed salary in the Norton bills. Yearly job security is distinctly a step forward in social progress. I offer the amendment that the House may go on record on that particular point. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Page 15, lines 17 and 18, strike out "(10) any employee employed in the ginning of cotton" and insert "(10) to any individual employed in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the purpose of this amendment is to leave the language of the existing law as it is, with the "area of production as defined by the Administrator" stricken out of the law. It is the same amendment as was offered by my colleague, the gentleman from Mississippi [Mr. WHITTINGTON], but his amendment unintentionally struck out the amendment of the gentleman from Virginia [Mr. BLAND]. This amendment is absolutely necessary if we are going to clear up the confusion that exists in the Administrator's office over the definition of area of production. My amendment eliminates the area of production and definitely fixes the exemption provided in existing law according to the original intent of the House, and it should be adopted unanimously. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The amendment was agreed to.

Mr. HARRINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRINGTON: On page 15, lines 13 and 14, strike out "or any employee employed at a guaranteed monthly salary of $200 or more; or" and insert in lieu thereof the following: "or any employee employed at a guaranteed monthly salary in excess of that required by section 6 of this act who does not work more than 175 hours per month; or."

Mr. HARRINGTON. Mr. Chairman, I believe it is sufficient to say that this amendment is the same one that was adopted when we were considering the Barden bill the other day. The effect of this amendment is to substitute for an exemption based on a minimum guaranteed monthly salary an exemption based upon maximum monthly hours, which, as I understand, is what the members of the committee I talked with were in favor of. It is applicable only to employees who receive compensation in excess of the maximum hourly rate fixed in the act and who are paid monthly on a guaranteed salary basis. In effect it would permit the averaging of the working hours of such employees over a monthly period instead of only a weekly period as now permitted under the act. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. HARRINGTON].

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Is this amendment worded so that it would destroy the amendment previously adopted?

The CHAIRMAN. The Chair would say that that is a matter of construction, and there might be quite a difference of opinion about it.

Mr. CASE of South Dakota. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. For the purpose of getting a ruling from the Chair, may I ask whether a point of order would lie against the amendment?

The CHAIRMAN. Not at this time. The time has passed for a point of order to be made against the amendment.

The question was taken; and on a division (demanded by Mr. HOBBS) there were—ayes 11, noes 29.

So the amendment was rejected.

Mr. MOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOTT: Page 16, after the word "tobacco", in line 4, insert the following: "(14) or any employee while employed in connection with preventing, controlling, or suppressing forest fires."

Mr. RAMSPECK. Mr. Chairman, I make the point of order against the amendment that a similar amendment has already been passed upon by the Committee.

Mr. MOTT. Mr. Chairman, the amendment that was voted on a few moments ago in the Committee exempted from the operations of this bill those engaged in the prevention or controlling of forest fires or brush fires or grass fires. The amendment that I now offer confines the exemption to those employed in the prevention or the control of forest fires alone. The reason for this amendment is the same, of course, as it was for the other one, and that is that under the present act the owners of timber and the State and the Federal Governments are required to pay so much for forest-fire fighting that we cannot even afford to put out the fires in the States where these forests exist.

The CHAIRMAN. The Chair is ready to rule.

The gentleman's amendment eliminates several of the features that were embodied in the amendment offered by the gentleman from Arkansas, and the Chair therefore overrules the point of order.

The question is on the amendment offered by the gentleman from Oregon.

The amendment was agreed to.

Mr. MAGNUSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MAGNUSON. Has permission been granted for all Members to extend their remarks in the RECORD on this bill?

The CHAIRMAN. No such general permission has been granted.

Mr. MAGNUSON. Mr. Chairman, I am wondering if it would not simplify the matter if I should ask, and I do now ask, unanimous consent that all Members be permitted to extend their remarks in the RECORD on this amendment.

The CHAIRMAN. The Chair will state to the gentleman from Washington that such a request should be made in the House.

Mr. MAGNUSON. Mr. Chairman, I wonder if it would not simplify matters at this point if I should state now that I shall make this request after the Committee rises.

The CHAIRMAN. That is a matter for the gentleman to consider when the Committee goes back into the House.

Are there any other amendments to section 5? [After a pause.] If not, we pass to section 6.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. BRADLEY of Pennsylvania moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I think it is quite apparent now to the Committee that no one here knows just what this legislation contains at the present moment. When we go back into the House the parliamentary situation will be such that we will be unable to secure a separate vote upon the amendments to the Norton amendment. This means that we will have to vote yea or nay upon a piece of legislation that hardly a single Member of this body knows anything about. I confess that I do not, and I do not think there is anyone here who would be able to vote intelligently upon this bill if it were reported back to the House. There are many provisions of this bill which make it impossible for a great many of us to vote for it. We were anxious to cooperate and to vote for legislation that might offer certain corrective measures with regard to a more efficient administration of the Wage and Hour Act and probably adjust certain matters, but the bill we have now is something that those of us who have any regard for the humanitarian purposes of the original Wage and Hour Act cannot in conscience support, and I think it would be fitting for this bill to be taken again by the committee, reconsidered, and then have the committee offer legislation to the House with a rule that everyone would understand and everyone could accept some responsibility for, with regard to whether they would vote yea or nay. I hope the House will pass this motion at this time. [Applause.]

Mr. LAMBERTSON. Mr. Chairman, I rise in opposition to this amendment. I am one of the few who in the 6 days have said nothing at all until the present time. I do not expect to influence any votes or anything of that kind, but I do want to say a word. This is an unusual spectacle. We are in a bad way about this bill. It is a very serious thing. We came here to amend the wage-hour bill and make the law specific as to what it was intended to be. Labor standards since 1914 have been increased by 100 percent throughout the land, while the farm prices are not quite equal to the average of that 5-year period before the war. The unusual spectacle is that the whole committee is against the legislation.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. No; I cannot yield. The gentleman has talked a hundred times, and I have not talked at all before this. The committee was forced to bring this in by the Committee on Rules. The whole committee is against this legislation, and yet it was intended to correct what the Labor Administrator fastened on this country by interpretation. The men from San Francisco or the men from the heart of New York City and other places are running the Labor Committee and are running this bill, and it is a shame that the agricultural interests of the country have not what the law intended them to have and will not have unless we pass some kind of a bill like this.

This is the situation—and this is the first time I have ever seen this setting. The committee has encouraged the loading of the bill for 6 days. The committee has created the confusion. Members have honestly tried to arrive at something and give agriculture what the Administrator misinterpreted. I said when the act was passed the promoters intended to comprehend all labor regardless of State line or kind, while the first section of the act says labor engaged in interstate commerce. As the gentleman from Virginia says, if there is even one slat or lath in interstate commerce, according to the Administrator, that puts the whole lumber industry in—that is the bureaucrat interpretation. The farmers were to be exempted. We were given a very poor break. It is not becoming of organized labor that has doubled its own situation since the parity period of 5 years, when agriculture is not back there again, to say that they are going to extend this "humanitarian" thing, and we will make everybody raise their wages, jack them up. That is the difference between the New Deal and the progressiveness of Theodore Roosevelt. I spoke of that before. He was bent, and so were the old real progressives, in tearing down special privilege solely. The farmers did not ask for Government aid but they were against monopoly.

This thing creates monopoly. This will help snuff out the little fellows in industry in all the rural sections. That is the tendency of this committee, and its actions are to widen hours and wages. It has a tendency to crush out all little business in the interest of big business, that are above the act, in these big cities of San Francisco and New York. If there is any one thing that we could honestly do to help this country, it would be to dehydrate the labor standards of New York City. They are trying to thrust them on the rest of the country. We are not going to get anywhere I fear. But I do plead, let us take this thing, what is left of it, and hope that in the Senate or in conference we can get something, for nothing has come here from the committee except confusion. The Rules Committee had to force it out here, and then it went into the hands of wolves. They say it is loaded up. They loaded it up—they and their friends. Shame on you. That is what I have to say. [Applause.]

The CHAIRMAN. The question is on the motion of the gentleman from Pennsylvania [Mr. BRADLEY].

The question was taken; and on a division (demanded by Mr. BRADLEY of Pennsylvania) there were ayes 53 and noes 113.

So the motion was rejected.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on section 6 and all amendments thereto do now close.

Mr. DIRKSEN. I object, Mr. Chairman.

Mr. RAMSPECK. Mr. Chairman, I move that all debate on section 6 and all amendments thereto do now close. I understand there are no amendments pending to section 6.

The CHAIRMAN. There are no further pending amendments to section 5. There are several amendments pending to section 6.

Mr. BLAND. Mr. Chairman, I make a point of order against the motion.

Mr. MARTIN of Massachusetts. Mr. Chairman, I understand that we have not acted on a single amendment to this section.

The CHAIRMAN. The gentleman is correct. All debate on section 6 so far has been upon the motion by the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. TABER. Mr. Chairman, a point of order. The motion is not in order until debate has been had on this section.

The CHAIRMAN. The point of order is sustained.

The gentleman from Illinois [Mr. DIRKSEN] is recognized to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 16, line 9, strike out the period and insert a comma and the following: "or (4) any employee employed during any calendar year in connection with or incidental to the wholesale distribution of goods by an employer, more than 50 percent of whose dollar sales volume during the preceding calendar year consisted of sales to retailers of agricultural food products."

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield for a motion?

Mr. DIRKSEN. I yield.

Mr. CASE of South Dakota. We have now completed section 5, and before we start on section 6 I move that the Committee do now rise.

The CHAIRMAN. Does the gentleman from Illinois yield for that purpose?

Mr. DIRKSEN. I yield if it does not take me off the floor. May I be apprised of the status of the preferential motion just made?

The CHAIRMAN. The gentleman from Illinois yielded to the gentleman from South Dakota to make a motion.

Mr. DIRKSEN. Contingent on the fact that it does not take me off the floor.

The CHAIRMAN. It does. If the motion carries, it certainly takes the gentleman off the floor. [Laughter.]

Mr. DIRKSEN. Perhaps I should continue with this amendment.

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes.

Mr. DIRKSEN. Mr. Chairman, seldom does the House evince such generosity as has been manifested this afternoon. There have been adopted already 17 amendments: One each by Mr. BUCK, of California; by Mr. LUDLOW, of Indiana; by Mr. BARTON of New York; by Mr. KEEFE, of Wisconsin; by Mr. REED of New York; by Mr. ENGEL, of Michigan; by Mr. H. CARL ANDERSEN, of Minnesota; by Mr. RAMSPECK, of Georgia; by Mr. COFFEE of Nebraska; by Mr. BLAND, of Virginia; by Mr. GWYNNE, of Iowa; by Mr. CARLSON, of Kansas; by Mr. MARTIN of Iowa; by Mr. CASE of South Dakota; by Mr. AUGUST H. ANDRESEN, of Minnesota; and by Mr. MOTT, of Oregon.

Let me say here now that I do not pretend or presume to know what the implications of all these amendments are, but in this burst of generosity I see no reason why the House should not add amendment No. 18 to this bill. It was offered in the course of the deliberations on the Barden substitute and carried with virtually no opposition. It is designed to cover the small wholesale grocers. Everyone knows that retailers are now exempted under the provisions of this act, and, perforce, they can get no service except from the small wholesale grocers under the decentralized system of distribution that has grown up in the country.

This amendment is designed only to relieve such wholesale grocers from the provisions of section 7 of the basic act with respect to maximum hours. It in no wise affects the pay schedule.

So I submit that this amendment should be adopted to conform to the action taken on the Barden substitute, and also to make this measure more workable if and when it is ultimately adopted.

I repose it within your good graces. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all amendments on the Clerk's desk be considered as read and adopted and printed in the RECORD at this point.

Mr. CASE of South Dakota. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The gentleman from Arkansas [Mr. KITCHENS] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KITCHENS: On page 16, line 9, after the word "Act", insert a semicolon and the following: "or for foremen having the right to hire or fire, or recommend hiring and firing, the service, maintenance, and other workers not engaged strictly in the production of goods for commerce."

Mr. KITCHENS. Mr. Chairman, this amendment is designed to provide a limited exemption from the maximum-hours provisions of the act, but not from the minimum-wage provisions. To give production employees opportunity to get a full week's work every week, which almost uniformly they want to have, it is necessary that certain other employees be available a few extra hours each week. Maintenance and service workers must keep the plant in operating condition.

In its present form, as interpreted by the Administrator, the wage and hour law is applied to many employees not engaged in the production of goods for commerce. It is generally neither necessary nor desirable to exempt such employees from the minimum-wage provisions. Most of such workers are already paid substantially more than the minimum wage. But the application of the maximum-hours provision has seriously curtailed the earning power, not only of these workers but of the production employees, who cannot work a full 42-hour week unless repair and maintenance workers and others of that general character are permitted to work a longer week.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The amendment was rejected.

Mrs. NORTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. RAYBURN] having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5435) to amend the Fair Labor Standards Act of 1938, had come to no resolution thereon.

AMENDMENTS TO THE HATCH ACT

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mrs. NORTON. Mr. Speaker, the Members seem to be in doubt as to the hour of meeting tomorrow.

The SPEAKER pro tempore. No hour of meeting has been agreed to except as provided by the rules, 12 o'clock.

The gentleman from New Mexico is recognized for 1 minute.

Mr. DEMPSEY. Mr. Speaker, great confusion exists with reference to the vote of the Judiciary Committee on yesterday. The report in the newspapers states there were 14 votes to table the Hatch amendments, and 10 against tabling. Since that time the members of the committee have largely made it known how they voted, as I understand was their privilege. Some 14 have declared to the press, and to me, that they voted not to table. I know the members of the Judiciary Committee. They are men of great ability and integrity. Certainly, I would not question any of them, but I wonder if an honest mistake was probably not made by the tellers, and if it would not be in order to have a recapitulation of the vote? [Applause.]

[Here the gavel fell.]

RIVER AND HARBOR BILL—CONFERENCE REPORT

Mr. MANSFIELD submitted a conference report and statement on the bill (H. R. 6264), an act to authorize the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

HOUR OF MEETING TOMORROW

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER pro tempore. Is there objection?

Mr. FISH. Mr. Speaker, reserving the right to object, we have sat here until 6 o'clock this evening. Had that request been made at 5 o'clock I would not have objected. The Rules Committee has an important meeting tomorrow. Under the circumstances, Mr. Speaker, I must object.

AMENDMENTS TO FAIR LABOR STANDARDS ACT

Mr. TARVER. Mr. Speaker, I ask unanimous consent that the amendments that have not been acted upon, pending at the Clerk's desk, to the bill H. R. 5435, to amend the Fair Labor Standards Act of 1938, be printed in the RECORD for the information of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The following amendments are pending to the bill H. R. 5435, to amend the Fair Labor Standards Act of 1938:

Amendment proposed by Mr. BARTON of New York to the Committee amendment: Page 16, line 5, after "Sec. 6." insert "(a)", and after line 9, insert the following:

"(b) Section 13 (c) of such act is amended by striking out 'employed in agriculture' and inserting in lieu thereof 'employed in any of the operations described in paragraphs (1) and (2) of the definition of agriculture.'"

Amendment offered by Mr. CASEY of Massachusetts: Page 16, line 9, after the word "Act" change the period to a semicolon and insert: "or (4) any employee who is employed by or in any bona fide wholesale establishment."

Amendment offered by Mr. MILLER: Page 16, line 9, after end of line 9, insert "employees of all banks and trust companies."

Amendment offered by Mr. REES of Kansas: Page 16, line 9, section 6, strike out the period, insert a semicolon, and add the following: "or (4) any employee employed in any incorporated bank or trust company whose capital stock does not exceed $100,000."

Amendment offered by Mr. BARTON of New York: Page 18, after line 23, insert a new section as follows:

"Section 15 of the act is amended by adding a new paragraph immediately after paragraph (b) to read and to be lettered as follows:

"'(c) No employer, agent, contractor, or subcontractor (as such terms are defined by the Administrator, or his authorized representative), directly or indirectly, shall cause any goods to be produced by home workers in Puerto Rico or the Virgin Islands subject to the provisions of section 6, unless he shall hold a certificate issued by the Administrator, or his authorized representative. The Administrator, or his authorized representative, shall have power to make such regulations or orders, including regulations or orders providing for the issuance and revocation of such certificates, and for standards restricting the number of such agents, contractors, or subcontractors, as are necessary or appropriate to safeguard to home workers in Puerto Rico or the Virgin Islands the minimum rates of pay provided by section 6. Such regulations or orders may require the posting of a compliance bond with the Administrator in an amount of not more than $2,500. This subsection shall take effect upon the expiration of 60 days from the date of its enactment.'"

An amendment offered by Mr. ANDERSON of Missouri: Page 20, after line 6, following the period, insert the following new section:

"In order to protect the standards prescribed by this act, 5 days, or 40 hours within any one 5-day week, shall constitute the workweek for all officers and employees of the Federal Government and the District of Columbia (including the officers and employees of every corporation created by authority of an act of Congress which is controlled or owned by the United States Government, whether or not such officers and employees are paid from funds appropriated by Congress), except the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, and employees of the Senate and House of Representatives of the United States.

"Any officer or employee whose workweek is defined in the preceding paragraph shall be permitted to work in excess of 5 days or 40 hours in any one 5-day workweek upon certification in writing to the Bureau of the Budget by the head of the department, independent establishment, or other agency in which such officer or employee serves that the public interest, or an emergency, requires such additional service and that no suitable substitute is available. In any such case, the officer or employee shall, at the election of the head of such department, establishment, or agency either be paid for such additional service at the rate of one and one-half times the hourly rate of pay received by such officer or employee, whether paid on a per annum, per diem, hourly, piece-work, or any other basis, or be allowed compensatory leave of absence without loss of pay, equal to one and one-half times the period during which such additional service was performed: *Provided*, That in all cases in which such additional service is elected to be compensated by payment of funds, such compensation shall be made on or before the second regular date of salary payment following the performance of such additional service: *Provided further*, That in all cases in which such additional service is elected to be compensated by the allowance of compensatory leave of absence without loss of pay, such leave shall be added to the amount of annual leave to which the officer or employee is otherwise entitled and shall be subject to all of the rules and regulations now or hereafter pertaining to the grant of annual leave, except that employees in the Postal Service who have heretofore been entitled to compensatory leave of absence for service performed on Saturdays, Sundays, and holidays, and who so elect, shall continue to receive such compensatory leave of absence, subject to the terms of this section, on 1 day within 5 working days next succeeding the day on which such excess service is performed or compensatory leave granted, when granted for work performed on the preceding Saturday, Sunday, or holiday: *And provided further*, That the provisions of this section shall not apply to overtime services performed by Federal employees at the expense of private interests according to law.

"Nothing in this section shall be construed to increase the number of hours of work in any day or week heretofore required of any officer or employee.

"All acts and parts of acts applicable to the personnel affected by this section which are in conflict with the provisions herein contained are hereby repealed."

Amendment offered by Mr. SUMNERS of Texas: On page 21, line 2, after the word "government", insert the following: "or to commodities manufactured in any State penal or correctional institution for use by any other State or political subdivision thereof; to parts for the repair of farm machinery; or to agricultural commodities."

Amendment offered by Mr. NORRELL: On page 21, line 2, after the period, insert the following: "Nothing herein shall apply to cotton and cottonseed grown or raised by convicts or prisoners."

EXTENSION OF REMARKS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks regarding the Townsend plan.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CURTIS. Mr. Speaker, I have introduced a bill which if made a law would simplify the financing of pump irrigation on farms in the drought area. Due to prolonged drought, farmers over a wide territory are becoming more and more water-conservation minded. Much of the good land in the drought areas will never be within reach of irrigation districts. In many places pump irrigation is both feasible and efficient.

At the present time irrigation wells and pumps are financed by private sources and by the Farm Security Administration. This means by the note and mortgage method. It is cumbersome and expensive to administer. There are some losses. The present method does not extend the payments over a long enough period to enable the farmer to carry the burden together with his other obligations.

But perhaps the greatest criticism of the present method of financing pump irrigation is that such a small percentage of the farmers can qualify. If their land is already mortgaged they cannot give a real-estate mortgage. If they mortgage their personal property the notes fall due too quick, the interest is high, and their hands are tied, and it will probably shut off all avenues for available credit for their general farming operations.

The plan I propose would call for an amendment to the Federal Water Facilities Act, and would also call for an enabling act by the State legislatures in the States where this plan was undertaken. The owner of a farm desiring to secure a pump and well would make his application in the usual manner. If the Water Facilities Board and the proper State authorities approve his farm for such a plan of irrigation, money would be advanced by the Federal Government to pay for the well and pump. The cost would be repaid by the farmer in 20 annual installments without interest. The Bureau of Reclamation has financed irrigation projects over a period of 40 years, but a pump-irrigating system would not last that long, and I believe 20 years is about correct.

The Water Facilities Board would then certify the cost of the well and pump to the county clerk and the county treasurer, or any other taxing authorities in the county wherein the farm was located. The local taxing authorities, and in my State it would be the county clerk and the county treasurer, would then levy a tax or a special approvement assessment against the particular farm involved for the annual payments above referred to. There would be no note or mortgage to ever be foreclosed. The asset of the pump irrigating system would follow the land, and likewise the liability for the payment of the irrigation system would also follow the land. The Federal Government would be secured by the first tax lien for the repayment of the full amount. In no case should the loan for the pump irrigation system exceed the assessed value of the land before the irrigating system was installed. The security of the Federal Government would be guilt-edge, at the same time the farmer would be able to give a first lien regardless of other existing indebtedness.

I believe that this plan would be in accord with sound public policy. At the present time our law sanctions special improvement taxes for such items as sidewalks, paving, sewer systems, drainage, and irrigation. In the case of all of these special improvement taxes come ahead of any real-estate mortgage on the property involved. Many of these special improvements are not wealth producing, but pump irrigation is a means of increasing wealth. It would be up to the Water Facilities Board and the State department of irrigation to prevent the undertaking of unsound and unwise individual projects.

EXTENSION OF REMARKS

Mr. O'BRIEN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein a speech by the gentleman from New York, the Honorable JAMES W. WADSWORTH, made over the Columbia Broadcasting System last night.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. O'BRIEN]?

There was no objection.

THE CIVIL AERONAUTICS AUTHORITY

Mr. VORYS of Ohio. I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio [Mr. VORYS]?

There was no objection.

Mr. VORYS of Ohio. Mr. Speaker, the President wants to put the Civil Aeronautics Authority back under the Department of Commerce.

Here is what the Senate Committee on Commerce, after investigation of the old Bureau of Air Commerce, concluded:

> * * * good men were dismissed from the Bureau for political reasons. * * *
>
> * * * personnel and financial control is outside the Bureau and in the hands of administrative assistants to the Secretary of Commerce, thereby embarrassing the Director (of the Bureau).
>
> The Bureau does not prepare its annual estimate efficiently for presentation before congressional committees.
>
> The charge is made * * * that the efficiency of the Bureau of Air Commerce had been seriously impaired by politics. This charge is confirmed. * * *

Are these the objects the President has in mind in his reorganization scheme: To dismiss good men from the C. A. A. for political reasons; to embarrass the C. A. A. by taking from it personnel and financial control; to take budgetary powers from the C. A. A.; to put politics back into the supervision of aviation?

AMENDMENTS TO THE FAIR LABOR STANDARDS ACT OF 1938

Mrs. NORTON. Mr. Speaker, I have been asked by several members of the committee, who are in great confusion about the amendments that have been adopted today, to have those amendments printed in the RECORD so that they may be able to understand what they are doing when they vote on the bill.

The SPEAKER pro tempore. All of the amendments that have been offered will appear in the RECORD tomorrow morning.

Mr. CASE of South Dakota. Would it be possible to have the Norton substitute printed in the RECORD with the amendments that have been adopted in their proper place, so that we may see the nature of the bill as it is now?

Mrs. NORTON. Mr. Speaker, that is exactly what I intended. I hope this may be done, so that the Members will know what they are voting on, and I make that unanimous-consent request.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The committee amendment as amended in the Committee of the Whole House on the state of the Union is as follows:

[Omit matter in brackets and insert matter printed in italics.]

Sec. 1. Section 3 (f) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"'Agriculture' includes farming in all its branches and includes all services performed—

"(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

"(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

"(3) In connection with the production or harvesting of maple sirup or maple sugar or any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the raising or harvesting of mushrooms, or in connection with the hatching of poultry, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying and storing water for farming purposes.

"(4) In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any prepared agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

"As used in this subsection, the term 'farm' includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards."

That section 5 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following:

"(e) No industry committee appointed under subsection (a) of this section shall have any power to recommend the minimum rate or rates of wages to be paid under section 6 to any employees in Puerto Rico or in the Virgin Islands. Notwithstanding any other provision of this act, the Administrator may appoint a special industry committee to recommend the minimum rate or rates of wages to be paid under section 6 to all employees in Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands, engaged in commerce or in the production of goods for commerce, or the Administrator may appoint separate industry committees to recommend the minimum rate or rates of wages to be paid under section 6 to employees therein engaged in commerce or in the production of goods for commerce in particular industries. An industry committee appointed under this subsection shall be composed of residents of such island or islands where the employees with respect to whom such committee was appointed are employed and residents of the United States outside of Puerto Rico and the Virgin Islands. In determining the minimum rate or rates of wages to be paid, and in determining classifications, such industry committees and the Administrator shall be subject to the provisions of section 8 and no such committee shall recommend, nor shall the Administrator approve, a minimum wage rate which will give any industry in Puerto Rico or in the Virgin Islands a competitive advantage over any industry in the United States outside of Puerto Rico and the Virgin Islands."

(b) No wage orders issued by the Administrator prior to the enactment of this Act pursuant to section 8 of the Fair Labor Standards Act of 1938 shall after such enactment be applicable with respect to any employees engaged in commerce or in the production of goods for commerce in Puerto Rico or the Virgin Islands.

SEC. 2. (a) Section 6 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following:

"(c) The provisions of paragraphs (1), (2), and (3) of subsection (a) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands engaged in commerce or in the production of goods for commerce only for so long as and insofar as such employee is covered by a wage order issued by the Administrator pursuant to the recommendations of a special industry committee appointed pursuant to section 5 (e)."

(b) Section 6 (a) of such Act is amended by adding at the end thereof the following:

"(5) If such employee is a home worker in Puerto Rico or the Virgin Islands, not less than the minimum piece rate prescribed by regulation or order; or, if no such minimum piece rate is in effect, any piece rate adopted by such employer which shall yield, to the proportion or class of employees prescribed by regulation or order, not less than the applicable minimum hourly wage rate. Such minimum piece rates or employer piece rates shall be commensurate with, and shall be paid in lieu of, the minimum hourly wage rate applicable under the provisions of this section. The Administrator, or his authorized representative, shall have power to make such regulations or orders as are necessary or appropriate to carry out any of the provisions of this paragraph, including the power without limiting the generality of the foregoing, to define any operation or occupation which is performed by such home-work employees in Puerto Rico or the Virgin Islands; to establish minimum piece rates for any operation or occupation so defined; to prescribe the method and procedure for ascertaining and promulgating minimum piece rates and to prescribe standards for employer piece rates, the proportion or class of employees who shall receive not less than the minimum hourly wage rate; and to define the term 'home worker'."

Sec. 3. Section 7 (b) of the Fair Labor Standards Act of 1938 is amended in paragraph (2) by striking out the words "two thousand" and substituting the words "two thousand and eighty."

SEC. 3. Section 7 (c) of the Fair Labor Standards Act of 1938 is amended to read as follows:

"(c) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of that specified in such subsection without paying the compensation for overtime employment prescribed therein if such employee is so employed in connection with the—

[(1) making of dairy products (except ice-cream mix, ice cream, malted milk, and processed cheese), including, among other things, the cooling, pasteurizing, printing, or packing thereof;] *(1) making cheese or butter or other dairy products;*

"(2) compressing or storing of cotton;

"(3) processing of sugar beets, sugar-beet molasses, sugarcane, or maple sap into sugar, molasses, or sirup, but not the refining of sugar;

"(4) extracting (but not fermenting or refining) oils, juices, or sirups from domestic fruits, vegetables, nuts, or seeds;

"(5) preparing, cleaning, grading, packing, drying, refrigerating, freezing, preserving, peeling, shelling, storing, or canning fresh [or dried] fruits and vegetables[, but not when those operations are performed at a terminal establishment;] *nor when such products consist wholly or in chief volume of perishable or seasonal fruits or vegetables, including dried fruits, or in handling or transportation in connection with or incidental to such operations, the provisions of subsection (a), during a period or periods of not more than sixteen workweeks in the aggregate in any calendar year, shall not apply to his employees in any place of employment where he is engaged;*

"(6) preparing, cleaning, grading, packing, roasting, crushing, shelling, or storing nuts, shelled or unshelled[, but not when those operations are performed at a terminal establishment];

"(7) preparing, curing, grading, or bagging raw grease wool, mohair, or rabbit fur;

[(8) handling, grading, loading, slaughtering, or dressing livestock;]

"(9) handling, storing, grading, slaughtering, refrigerating, picking, dressing, or packing poultry[, but not when those operations are performed at a terminal establishment];

"(10) handling, storing, grading, candling, freezing, drying, or packing of eggs[, but not when those operations are performed at a terminal establishment];

"(11) hatching, handling, or boxing chicks, poults, ducklings, goslings, or wild fowl;

"(12) handling, grading, cleaning, polishing, hand-picking, hulling, delinting, fumigating, drying, packing, or storing of whole seeds, beans, peas, *potatoes*, or grains [but not when those operations are performed at a terminal establishment]:

"(13) handling, drying, baling, grinding, decorticating, or packing hops, fiber crops, or forage crops;

"(14) preparing honey;

"(15) handling, grading, or packing nursery or horticultural stock; or

"(16) the felling of trees, logging, or operations incidental to the felling of trees or logging performed prior to, and including, delivery of the logs to a mill for sawing, making pulp, or other processing;

and if such employee receives compensation for employment in excess of sixty hours in any workweek at a rate not less than one and one-half times the regular rate at which he is employed. In the case of an employer engaged in any of the operations specified in paragraphs (1) to (16), inclusive, of this subsection, the provisions of subsection (a), during a period or periods of not more than fourteen workweeks in the aggregate in any calendar year, shall not apply to his employees in any place of employment where he is so engaged. As used in this subsection, the term 'terminal establishment' means an establishment which [(1) is located either in the urban area where the products are to be consumed or at transportation centers for the purpose of servicing consumer markets, (2)] *(1)* receives the major portion of its goods from other establishments at which such goods have been previously concentrated or prepared, and [(3)] *(2)* distributes its goods to wholesalers, retailers, consumers, or manufacturers. *In the case of an employer engaged in the grading, loading, slaughtering, or dressing of livestock, or preparing products therefrom at the packing plant, or in handling or transportation in connection with or incidental to such operations, the provisions of subsection (a) shall not apply to any employee, during a period or periods of not more than fourteen workweeks in the aggregate in any calendar year selected from time to time as to each employee by the employer, in any establishment where the employer is engaged in any of said operations."*

Strike out clauses (1) and (2) of Subsection (b) of Section 7 of the Act and substitute in lieu thereof the following:

"(1) In pursuance of an agreement guaranteeing continuous employment for 26 consecutive weeks, which agreement shall provide that no employee employed thereunder shall work more than 1040 hours in said period: Provided, however, that such agreement shall operate uniformly as to commencement and end of such 26-week period for all employees employed thereunder: Provided further, that such agreement must be on file in the applicable regional office of the Wage and Hour Division and approved by the Administrator before it shall become operative.

"(2) On an annual basis in pursuance of an agreement guaranteeing continuous employment for 52 consecutive weeks which agreement provides that no employee employed thereunder shall work more than 2080 hours in said period: Provided, however, that such agreement shall operate uniformly as to commencement and end of such 52-week period for all employees employed thereunder; Provided further, that such agreement must be on file in the applicable regional office of the Wage and Hour Division and approved by the Administrator before it shall become operative."

SEC. 4. (a) The heading of section 11 of the Fair Labor Standards Act of 1938 is amended by inserting at the end thereof the following: "; rules and regulations".

(b) Section 11 of such act is amended by adding at the end thereof the following:

"(d) The Administrator shall have power to make, issue, amend, and rescind such regulations and orders as are necessary or appropriate to carry out any of the provisions of this act. Without limiting the generality of the foregoing, such regulations and orders may define terms used in this act, make special provision with respect to, including the restriction of, and the piece rates to be paid for, homework subject to this act to the extent necessary to safeguard the minimum standards provided in this act or in any regulation or order issued pursuant thereto, and make special provision for voluntary constant wage plans consistent with the purposes of section 7. The regulations and orders of the Administrator shall be published in the Federal Register and shall be effective upon publication or at such later date as the Administrator shall direct.

"(e) No provision of this act imposing any liability or disability shall apply to any act done or omitted in good faith in conformity with any regulation or order of the Administrator, notwithstanding that such regulation or order may, after such act or omission, be amended or rescinded or be determined by judicial authority to be invalid for any reason."

SEC. 5. (a) Section 13 (a) of the Fair Labor Standards Act of 1938 is amended by striking out all of clause (1) and inserting in lieu thereof the following: "(1) any employee employed in a bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesman, or any employee employed *at a guaranteed yearly salary of $1,500 or* at a guaranteed monthly salary of $200 or more; or (2) *any individual employed by a corporation or association, the activities of such corporation being located outside the corporate limits of any incorporated city or town, when not less than two-thirds of the capital investment of said corporation is in real and personal property used by it in its agricultural pursuits, when two-thirds of its employees are voting stockholders in said corporation, when no individual stockholder in such corporation may own or vote more than one share of voting stock owned by him at any stockholders' meeting and when each holder of voting stock shares equally in the profits of the corporation after satisfaction of prior obligation; or*".

Section 13 (a) of such act is further amended by striking out clause (8) and inserting in lieu thereof the following:

(8) any employee employed in connection with the publication of any newspaper with a circulation of less than 5,000; or

(b) Section 13 (a) of such Act is further amended by striking out clause (10) and inserting in lieu thereof the following: [("(10) any employee employed in the ginning of cotton] *or (10) to any individual employed in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or, in making cheese or butter or other dairy products;* or (11) any switchboard operator, during any calendar year, employed in a public telephone exchange which at all times during the preceding calendar year had less than five hundred stations; or [(12) any employee employed in the cleaning, packing, grading, or preparing fresh fruits and fresh vegetables in their raw or natural state when such operations are performed immediately off the farm; or] *(12) any employee employed in the cleaning, packing, grading or preparing or storing fresh fruits and fresh vegetables in their raw or natural state; or any employee employed in the canning, processing, freezing, or preserving of any product consisting wholly or in chief volume of perishable or seasonal fruits or vegetables, including dried fruits, or in handling or transportation in connection with or incidental to such operations to the extent any employee is so engaged* (13) any employee employed in handling, tying, drying, stripping, grading, redrying, fermenting, stemming, or packing, when those operations are performed prior to storage, and storing leaf tobacco; *or (14). Any employee while employed in connection with preventing, controlling, or suppressing forest fires.*"

SEC. 6. Section 13 (b) of the Fair Labor Standards Act of 1938 is amended by inserting before the period at the end thereof the following: "; or (3) any employee of an employer subject to the provisions of part I of the Railway Labor Act *; or (4) any employee employed during any calendar year in connection with or incidental to the wholesale distribution of goods by an employer, more than 50 percent of whose dollar sales volume during the preceding calendar year consisted of sales to retailers of agricultural food products.*"

SEC. 7. (a) The heading of section 14 of the Fair Labor Standards Act of 1938 is amended by inserting at the end thereof the following: "; Home work in rural areas."

(b) Section 14 of such act is amended (1) by inserting "(a)" after "SEC. 14."; (2) by striking out "learners, of apprentices, and of messengers employed exclusively in delivering letters and messages," and inserting in lieu thereof "learners and of apprentices,"; and (3) by adding at the end thereof a new sentence as follows: "The Administrator may by regulation or order provide for the employment of telegraph messengers engaged primarily in the delivery of letters and messages at such wages (but not less than 25 cents per hour) lower than the minimum wage applicable under section 6 as will prevent curtailment of opportunities for such employment with a public telegraph carrier."

(c) Section 14 of such Act is further amended by adding at the end thereof the following:

"(b) The Administrator shall promulgate regulations permitting the employment, in rural areas, of employees in the home at such wages lower than the minimum wage applicable under section 6, and containing such provisions governing the piece rate to be paid, the time of day during which such work shall be performed, and such other provisions, as the Administrator may prescribe. No such regulation shall be promulgated with respect to any employees (1) if in the opinion of the Administrator the application of section 6 to such employees does not have the effect of curtailing the opportunities of such employees for employment; (2) if the promulgation of such regulation would in the opinion of the Administrator have the effect of curtailing employment in the factories or industrial establishments, if any, in which similar work is performed; or (3) if the promulgation of such regulation would in the opinion of the Administrator give the employer or employers of such employees a substantial competitive advantage."

SEC. 8. Section 15 (a) (1) of the Fair Labor Standards Act of 1938 is amended by striking out the first semicolon therein and inserting in lieu thereof a comma and the following: "or issued to carry out any provision of section 6 or section 7, except that no provision of this Act shall impose any liability upon any person for violating any of the provisions of this section if such person, in a proceeding brought to impose such liability, establishes by a preponderance of the evidence that at the time he acquired a property interest in the goods transported, offered for transportation, shipped, delivered, or sold, or sold with knowledge that shipment or delivery or sale thereof in commerce was intended, he had no knowledge or reason to believe that such goods were produced in violation of any of the provisions of section 6 or section 7, or in violation of any regulation or order of the Administrator issued under section 14, or issued to carry out any provision of section 6 or section 7; and".

SEC. 9. Section 15 (a) (2) of the Fair Labor Standards Act of 1938 is hereby amended to read as follows:

"(2) to violate any of the provisions of section 6 or section 7, or any of the provisions of any regulation or order of the Administrator issued under section 14, or any of the provisions contained, pursuant to section 8 (f), in any order of the Administrator issued under section 8, or any of the provisions of any regulation or order of the Administrator issued to carry out any provision of section 6 or section 7;".

SEC. 10. The first sentence of section 16 (b) of the Fair Labor Standards Act of 1938 is amended to read as follows: "Any employer who violates any provision of section 6 or section 7, or any provision prescribing minimum wages or minimum piece rates contained in any regulation or order of the Administrator issued under section 14, or any provision prescribing minimum piece rates contained in any regulation or order of the Administrator issued under section 11 (d), shall be liable to the employee or employees affected in the amount of their unpaid minimum compensation, or their unpaid minimum overtime compensation, as the case may be, and in an additional equal amount as liquidated damages."

SEC. 11. Section 17 (including the heading thereof) of the Fair Labor Standards Act of 1938 is hereby amended to read as follows:

"INJUNCTION PROCEEDINGS

"SEC. 17. The district courts of the United States, including the District Court of the United States for the District of Columbia, and the United States courts of the Territories and possessions, shall have jurisdiction, for cause shown, and subject to the provisions of section 17 (relating to notice to opposite party) of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, as amended (U. S. C., 1934 edition, title 28, sec. 381), to restrain violations of section 15. Any such action may be brought in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found. No costs shall be assessed against the Administrator in any proceeding under this act."

SEC. 12. The Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following:

"PROHIBITION AGAINST INTERSTATE TRANSPORTATION OF CONVICT-MADE GOODS

"SEC. 20. In order to protect the minimum wage and maximum hours standards prescribed in sections 6 and 7, it shall be unlawful for any person knowingly to transport or cause to be transported, in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting any goods, wares, and merchandise manufactured, produced, or mined wholly or in part by convicts or prisoners (except convicts or prisoners on parole or probation), or in any penal or reformatory institution, from one State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof, or from any foreign country, into any State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof. Nothing herein shall apply to commodities manufactured in Federal penal and correctional institutions for use by the Federal Government. Any person who violates the provisions of this section shall be subject to the penalties provided by section 16 (a). The provisions of this section shall not be deemed to repeal or supersede any other act relating to the transportation or sale of goods made by convicts or prisoners."

EXTENSION OF REMARKS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a letter that I received this afternoon from the Secretary of Labor.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey [Mrs. NORTON]?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD concerning the motion-picture industry.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. COSTELLO]?

There was no objection.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include

therein an answer from the Nonsectarian League to the various defamatory statements that have been inserted in the CONGRESSIONAL RECORD by the gentleman from Montana [Mr. THORKELSON]. I have asked the Public Printer for an estimate and I am informed it will cost about $225 above the allowable amount.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

Mr. SCHAFER of Wisconsin. Mr. Speaker, what league is this?

Mr. SABATH. The Nonsectarian Anti-Nazi League to Champion Human Rights, Inc.

Mr. SCHAFER of Wisconsin. I am opposed to spending $200 of the taxpayers' money for the dissemination of the propaganda of this league, and I object.

Mr. SCHIFFLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article by Governor Vanderbilt, of Rhode Island.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia [Mr. SCHIFFLER]?

There was no objection.

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article from the Daily Times of Mamaroneck, N. Y.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. GAMBLE]?

There was no objection.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain letters which I have received.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

There was no objection.

Mr. GRANT of Alabama. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address by Millard W. Rice, national legislative representative of the Veterans of Foreign Wars.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama [Mr. GRANT]?

There was no objection.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Birmingham News.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama [Mr. SPARKMAN]?

There was no objection.

Mr. SPARKMAN. Mr. Speaker, I further ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by a Member of this House over radio station KADA.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. MYERS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein an editorial appearing in the Philadelphia Evening Bulletin of May 1 regarding the broken promises and pledges of Pennsylvania's Governor, and in another extension to include an editorial appearing in the Evening Bulletin of Tuesday, April 23.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in connection with the so-called Gwynne amendment adopted today and include therein a letter received from the Marshall News-Messenger.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, may I say to my friend the gentleman from Wisconsin [Mr. SCHAFER] that although I do not know the nature of the material the gentleman from Illinois [Mr. SABATH] desires to place in the RECORD, I can assure the gentleman from Wisconsin that I have personal knowledge of the league. It is a very substantial organization and is not one that is engaged in propaganda. The gentleman and I may not agree with everything that is inserted in the RECORD, but I can assure him that this organization, which I have addressed on several occasions, is not an organization for propaganda purposes.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Does the gentleman believe that this material should be placed in the RECORD in order to balance and keep the RECORD straight?

Mr. McCORMACK. I am not going to pass on that. I am particularly addressing myself to removing from the gentleman's mind—and I know that the gentleman is fair—any thought that this league is organized for propaganda purposes. It is a fine organization of Americans, and I can assure the gentleman that it is not engaged in propaganda.

Mr. SCHAFER of Wisconsin. Do I understand from the gentleman from Illinois that it is necessary to place this matter in the RECORD to answer something that has appeared in the RECORD in order to balance and keep the RECORD straight?

Mr. SABATH. The aim is to answer some of the many defamatory statements that have been placed in the RECORD by the gentleman from Montana [Mr. THORKELSON].

Mr. SCHAFER of Wisconsin. In view of that fact, and in view of the statement of the gentleman from Illinois and the statement of the gentleman from Massachusetts, I withdraw my objection, Mr. Speaker.

Mr. SABATH. I renew my request, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I did not at first contemplate asking unanimous consent that the statement of the Non-Sectarian Anti-Nazi League to Champion Human Rights, Inc., be printed. As will be noted, the statement of the league is dated April 22, 1940, and I received it a few days later and withheld asking unanimous consent for its insertion in the RECORD, feeling that the insertions of the gentleman from Montana [Mr. THORKELSON] should be ignored and not dignified by an answer. However, when my attention was called to his extensions in the RECORD on April 30, to which I alluded earlier today, I came to the conclusion that it was only fair that his continuous unwarranted and unjustified attacks on patriotic American citizens should not longer go unchallenged.

Personally, I am sorry for the gentleman from Montana for permitting himself to be made a tool on the part of designing men, some of whom have been on trial charged with subversive activities but who, by all that is right, should have been charged with outright treason. It goes against the grain to see well-meaning American citizens used by designing men who make a fat living preying on the credulity of old men and women, and who, notwithstanding that they have been indicted and convicted, still pursue their vicious propaganda. I repeat that I have particularly in mind such individuals as this man Pelley, leader of the Silver Shirts, and similar un-American propagandists, who for years, in conjunction with such men as Steele, Fritz Kuhn, and others of their ilk, and some directly or indirectly connected with the so-called Christian Front leadership now on trial in New York, have been trying to inflame the American people not only against the Jews, but also against the Catholics and the colored people of this country. I know that if any

of these latter groups had been guilty of as much as 50 percent of their own activity and propaganda these very men would be demanding that they be tried for treason to the Nation.

Mr. Speaker, I hope that, in the interest of justice and fair play, that all those who have read the Pelley, Mayne, and similar stuff will feel they owe it to themselves to read the statement of the Non-Sectarian Anti-Nazi League to Champion Human Rights, Inc., believing that if they do they will not contribute to or longer be deceived by these designing propagandists.

This organization which has been so viciously attacked in extension of remarks in the RECORD by the gentleman from Montana is composed of many of the most upright and outstanding Americans, as a list of its membership discloses beyond successful contradiction.

Mr. Speaker, the document that I desire to submit for the records of the House reads as follows:

NON-SECTARIAN ANTI-NAZI LEAGUE
TO CHAMPION HUMAN RIGHTS, INC.,
New York, April 22, 1940.

THE NON-SECTARIAN ANTI-NAZI LEAGUE TO CHAMPION HUMAN RIGHTS ANSWERS CONGRESSMAN J. THORKELSON OF MONTANA

This is in reply to the attack on the Non-Secretarian Anti-Nazi League to Champion Human Rights, which Mr. THORKELSON inserted in the Appendix of the CONGRESSIONAL RECORD, page 2013.

On March 4, 1940, Mr. THORKELSON addressed a meeting of the Christian Mobilizers at Ebling's Casino, One hundred and fifty-sixth Street and St. Ann's Avenue, Bronx, N. Y. At that meeting he expressed enthusiasm for and praised the Christian Mobilizers and their activities. He also promised to return and address their meetings again.

On March 26, 1940, at a meeting of the Christian Mobilizers, held at the Kiev Tavern, 316 East Fifty-fourth Street, New York City, "threats against the Non-Secretarian Anti-Nazi League to Champion Human Rights, and all those connected with it, were flying thick and fast. There was a bitter hatred against the league and physical violence was being threatened against the league and its investigators. M swore that he will not rest until he sees them under the sod."

On April 10, 1940, Mr. THORKELSON inserted his attack on the league in the CONGRESSIONAL RECORD, demanding that Congress do something about it. It may be a mere chronological coincidence that following the threats of the mobilizers, Mr. THORKELSON launched his attack on the league. We have no proof that "Joe McNazi," who arranged Mr. THORKELSON's coming to New York, induced him to make this attack, nor that "that sterling 200-percent American patriot" Pelley wrote the speech. We are willing to assume that it is a product of Mr. THORKELSON's own brain and that the arguments and misstatements are the products of his own ignorance of the facts. We will, therefore, attempt to correct the misstatements point by point.

The introductory remarks, which take up 2¾ columns of the CONGRESSIONAL RECORD, we will pass over lightly.

The statements that "the Government of a democracy is oligarchical, nonrepresentative, and ruled by force," and that "there are three democracies in Europe, namely Russia, Germany, and Italy, each under the leadership of a dictator," are literary and political gems that cannot be found in any political textbook. They must be his very own.

The real attack on the Non-Sectarian Anti-Nazi League to Champion Human Rights begins with a quotation from an editorial of the Washington Post (April 8, 1940). He quotes:

"Undercover political organizations have no place in a democracy * * * when any faction resorts to secret devices and intrigue it takes an unfair advantage of the system under which it is permitted to operate."

Then he states:

I agree with this statement, for no individual or group has any right to operate its own intelligence service, bureau of propaganda investigation, nor to engage in any other similar activities which are the duty of the State or the Federal Government. With this in mind, I shall ask the author of the editorial in the Post to express his opinion on the two letters which I shall quote in part:

"NON-SECTARIAN ANTI-NAZI LEAGUE TO
CHAMPION HUMAN RIGHTS, INC.,
"New York City, September 1939.

"Now that war is being waged against Hitler, the fight against Nazi-ism must go on with even greater energy and determination.

"Recently Nazi-inspired incitements to racial hatred in our country have become so serious that our league is now leading the fight against the so-called Christian Front and others. We must be constantly on guard against the great danger that may soon confront the American people by a unified front of all those who directly oppose democratic government and rule their own people through barbaric dictatorships.

"In order to be fully efficient, our bureau of propaganda investigation has been increased fivefold to expose Nazi lies and ties. Hundreds of thousands of our leaflets, What is the Coughlin-inspired Christian Front? are distributed weekly at Coughlin-inspired and other street mass meetings. Our legal committee is constantly in action against their organized thuggery and violence. That our work is successful is best proved from the lips of the enemy, as, for example, when Fritz Kuhn testified before the Dies committee that 'the Non-Sectarian Anti-Nazi League is persecuting me.'

"Prof. JAMES H. SHELTON,
"Chairman, Board of Directors.
"SIMON M. GOLDSMITH,
"Treasurer."

"Why all this venom against the Christian Front and against Father Coughlin? Surely Father Coughlin is a Christian and his only offense is to denounce those who are Communists or engaged in communistic activities."

It is straining our credulity to the breaking point to believe that he asks these questions seriously, but we will answer them.

Yes, Congressman, Father Coughlin is a Christian and thousands of patriotic Americans of his own faith oppose him even more vehemently than the league, and certainly not on account of his denunciation of Communists.

Since you are completely innocent of any knowledge concerning this matter, may we submit a list of names, all of them Catholics, members of the Catholic Committee for Human Rights, publisher of the Voice, none of them members of the league, all of them enemies of communism, and of Communists, and all of them bitter opponents of Father Coughlin.

COMMITTEE OF CATHOLICS FOR HUMAN RIGHTS

Most Rev. Robert E. Lucey, bishop of Amarillo, Tex.
George F. Addes, international secretary-treasurer, United Automobile Workers of America (C. I. O.).
Sister M. Aquin, O. P., Grand Rapids, Mich.
Mrs. Edward C. Bailey, New York.
Margaret Culkin Banning, author.
George Bartholomew, University of California.
Ade de Bethune, artist, Newport, R. I.
Rev. John P. Boland, chairman, New York State Labor Relations Board.
John Brophy, national director, C. I. O.
Rev. Vincent Brown, Long Beach, N. Y.
Malcolm Bryan, Atlanta, Ga.
Philip Burnham, editor, the Commonweal.
Rev. Bernard E. Burns, Chicago, Ill.
Dr. James J. Burns, Nazareth College, Kalamazoo, Mich.
John J. Burns, New York.
Barry Byrne, architect, New York.
Dr. Eugene H. Byrne, Columbia University.
Col. P. H. Callahan, Louisville, Ky.
William Callahan, managing editor, the Catholic Worker.
William M. Canning, instructor in history, College of the City of New York.
Eben James Carey, M. D., dean of the Medical School, Marquette University.
Graham Carey, artist, Newport, R. I.
Rev. Martin Carrabine, S. J., moderator, Chicago Inter-Student Catholic Action.
Gerard L. Carroll, attorney, New York.
John Carson, Department of the Interior, Washington, D. C.
Sister Cecilia, O. S. B., Chicago, Ill.
Jean Charlot, artist, New York.
Albert H. Coddington, editor, Liturgy and Sociology.
Dorothy T. Coddington, editor, Liturgy and Sociology.
John B. Collins, editor, the Pittsburgh Catholic.
Myles Connolly, author, Hollywood.
John W. Considine, Jr., producer, Hollywood.
Sister Consuela, O. Carm., New Orleans, La.
George Corey, author, San Francisco, Calif.
John C. Cort, associate editor, the Labor Leader.
Bing Crosby, Hollywood, Calif.
Dorothy Day, editor, the Catholic Worker.
Bryan Degnan, author, Pittsford, Vt.
Edmund Thomas Delaney, attorney, New York.
Baroness Catherine de Hueck, New York.
August Derleth, author, Sauk City, Wis.
Richard Deverall, editor, the Christian Front.
Dr. Charles J. Donahue, Fordham University.
Daniel W. Donahue, attorney, Boston.
George Donahue, editor, the Labor Leader.
Rev. Vincent C. Donovan, O. P., Catholic Thought Association, New York.
Hector Dowd, New York.
Gerald P. Doyle, editor, the Michaelman, Winooski Park, Vt.
Louis T. Achille, Howard University, Washington, D. C.
Katherine Burton, author, Bronxville, N. Y.
Irene Harand, former editor of Austrian journal Justice.
Mr. George Bingham, New York, N. Y.
Dr. John Burke, Buffalo, N. Y.
Mr. James M. Byrne, New York, N. Y.
Rev. Father Edward Conway, Regis College, Denver, Colo.
Mr. M. A. Cronin, South Boston, Mass.
Mrs. Edgar J. Driscoll, West Roxbury, Mass.
Stephen McK. Dubrul, Detroit, Mich.
Bernard Duck, Toledo, Ohio.
David C. Dunne, editor, the St. Louis Catholic.

Dr. Arthur G. Falls, president, Cook County Physicians' Association, Chicago, Ill.
Emilia B. Feibes, M. D., New York.
Rev. Gregory Feige, New Jersey.
Joseph F. Finnegan, attorney, New York.
Rev. George Ford, New York.
John Ford, producer, Hollywood, Calif.
Rev. Dr. Paul Hanley Furfey, Catholic University, Washington, D. C.
Donald A. Gallagher, associate editor, the St. Louis Catholic.
William Gauchat, Cleveland, Ohio.
Very Rev. L. E. Gosselin, S. S. E., president, St. Michael's College, Vermont.
William Hard, journalist, Washington, D. C.
Rev. John M. Hayes, Chicago, Ill.
Rev. Carl P. Hensler, Catholic Radical Alliance, Pittsburgh, Pa.
William H. Hines, instructor in English, Fordham University.
John Hinkel, journalist, New York.
Rev. Dr. Anselm Keefe, dean, St. Norbert College, Wisconsin.
Edward K. Kennedy, attorney, New York.
Reginald Kennedy, executive secretary, National Conference of Christians and Jews.
Julie Kernan, editor, New York.
Donald Langlois, Burlington, Vt.
Norman Langlois, Burlington, Vt.
Emmet Lavery, playwright, New York.
Hon. John M. Lewis, municipal court, New York.
William Lissner, journalist, New York.
Grace Lonergan, Boston, Mass.
John Longo, Jersey City, N. J.
Rev. Daniel Lord, S. J., editor, The Queen's Work.
T. Hubert MacCauley, Newark, N. J.
Miss Jean McLaren, artist, New York.
Frank McLaughlin, Philadelphia, Pa.
Sister Mary Madeleva, St. Mary's College, Indiana.
Rev. Joseph Malloy, C. S. P., New York.
Dr. William E. Manz, Grover Cleveland High School, New York.
Edward Marciniak, president, Chicago Inter-Student Catholic Action.
Harold G. King, Straubenmuller Textile High School, New York, N. Y.
Rev. T. Lawrason Riggs, New Haven, Conn.
Joseph O'Meara, Jr., Cincinnati, Ohio.
Donald Powell, Washington, D. C.
Hon. Anthony J. DiSilvestro, Philadelphia, Pa.
Dr. Francis E. Pronczak, M. D., health commissioner, Buffalo, N. Y.
Miss Mary L. Guyton, Boston, Mass.
Rev. Francis J. Halpin, Chicago, Ill.
Mr. Andrew J. Kelly, Chattanooga, Tenn.
Miss Angeline H. Lograsso, Ph. D., Bryn Mawr, Pa.
Hon. Harry S. McDevitt, Philadelphia, Pa.
Rev. R. A. McGowan, N. C. W. C., Washington, D. C.
Dr. Walter John Marx, Catholic University of America, editor, Social Problems.
Theodore Maynard, author, Maryland.
Julia T. Metcalf, St. Thomas More Library, Los Angeles, Calif.
Rev. Raymond Miller, C. SS. R., Immaculate Conception Seminary, Oconomowoc, Wis.
Rev. Dr. Charles C. Miltner, C. S. C., Notre Dame University, Indiana.
Edward J. Moloney, New York.
Rev. Joseph N. Moody, Cathedral College, New York.
And many others.
John D. Moore, attorney, New York.
Rev. M. Moran, Marymount College, Kans.
Noel Moulton, New York.
Edward O'H. Mullowney, attorney, Boston, Mass.
Philip Murray, steel workers organizing committee, Pittsburgh, Pa.
Mrs. A. S. Musante, San Francisco, Calif.
Francis J. O'Malley, University of Notre Dame, Indiana.
Sara B. O'Neill, Calvert Library, Chicago.
Rev. Henry J. Palmer, New York.
Rev. Wilfred Parsons, S. J., dean, Georgetown University.
Mrs. Charles B. Perkins, Boston, Mass.
Dr. Robert Pollock, Fordham University.
Martin Quigley, publisher, New York.
Rev. Thomas F. Reilly, C. S. S. R., New York.
Rev. H. A. Reinhold, chaplain, Apostolate of the Sea, Seattle, Wash.
Rev. Thomas J. Roshetko, Brunswick, Ga.
Right Rev. John A. Ryan, Catholic University, Washington, D. C.
Sylvester Ryan, chief assistant district attorney, Bronx, N. Y.
Angelo Sala, M. D., New York City Cancer Institute.
Paul Schweitzer, De Witt Clinton High School, New York.
Elias J. Seaman, Butte, Mont.
Edward T. Shedlock, president, Amalgamated Utility Workers.
Edward Skillin, Jr., editor, The Commonweal.
Daniel Sullivan, instructor in philosophy, Fordham University.
Harry Sylvester, author, New York.
Brother Theodore, Cathedral High School, Los Angeles, Calif.
Rev. J. J. Tompkins, Nova Scotia, Canada.
Gene Tunney, New York.
James N. Vaughan, attorney, professor of political science, Fordham.
Hon. Robert F. Wagner, Jr., New York.
Dr. Daniel Walsh, professor of philosophy, Manhattanville, College of the Sacred Heart, New York.
Paul Weber, journalist, Detroit, Mich.
Dr. William G. Welk, College of St. Thomas, Minnesota.
Helen C. White, University of Wisconsin.
Rev. J. E. McIntyre, C. M., St. Vincent's Sanatarium, Wellston Station, St. Louis, Mo.
Mr. John W. McShane, New Orleans, La.
Miss Mary F. O'Dwyer, Dorchester, Mass.
Miss Katherine Peek, Rosemont College, Rosemont, Pa.
Msgr. Robert J. Sherry, Cincinnati, Ohio.
Sister Mary Innocents, St. Mary Academy, Narvod, Ill.
Rev. James H. McConnell, Fredericksburg, Va.
James E. Murray, United States Senator from Montana.
Rev. Dr. Maurice Sheehy, Catholic University, Washington, D. C.
John H. Brady, C. L. U. (chartered life underwriter), New York City.
Dr. Emmanuel Chapman, Fordham University, New York.
Mary O'Shea, Philadelphia, Pa.
James B. Carey, C. I. O., New York City.
Rev. Vincent J. Flynn, College of St. Thomas, St. Paul, Minn.
Sister M. Gerlanda, Alvernia High School, Chicago, Ill.

Are you really, ignorant of the statements which high church dignitaries have issued against Father Coughlin? And don't you know that the Coughlin creature, the so-called Christian Front, has been denounced by leading Christians of all denominations, all of them opponents of communism? Haven't you heard of the Government case now in the process of trial in the courts of New York against the national leader of the Christian Front and some of his coleaders?

Really, Mr. Congressman, even you must have heard something about it and know the correct answer to your own question of why we oppose the so-called Christian Front and its creator.

He then quotes from a second league letter our purposes:

"To champion human rights.

"To foster the principles of justice and liberty.

"To foster the principles of American democracy for the United States.

"To combat religious and racial discrimination and oppression."

And adds:

"Whose rights are to be championed? I do not believe human rights are in jeopardy in the United States.

"Justice and liberty are guaranteed in the Constitution, to all people who subscribe to that document.

"Whose religion and what race is subject to discrimination and oppression? Why does not the League state to whom it refers?"

"Who but the Communists seek to foster the principles of democracy in the Republic of the United States?"

If these statements represent the sum total of his knowledge of what is happening in the United States, we will gladly enlighten him on some of the facts of life.

Ever since Hitler came to power in Germany the United States, as well as most other countries, has been flooded with Nazi agents and Nazi spies. The avowed purpose of these Nazi agents is to organize Nazi cells of spies and saboteurs in all important industries, especially in our navy yards, munition factories, and aviation fields. They are attempting to induce the Germans in the United States, by terror or threat of violence to their relatives in Germany, to join the Nazi-organized groups in the United States and serve the interests of Nazi Germany as against the interests of America; to win over by bribes or continued financial support native crackpots or traitors who would, for love or money, or both, betray their country; to influence public opinion in the United States in favor of Nazi Germany and against its opponents; and to spread the Nazi doctrines of antidemocracy and anti-Semitism in the United States.

These are facts and not theories, Mr. THORKELSON. You will find them in the reports of the spy trials in which our Government officially indicted the leaders of Nazi Germany as doing all that we mentioned above. You will find them in the confessions of former Nazi spies and agents in the United States. You will find them in the exposures of the escaped Nazi agents, the Spanknoebles, the Greibls, and their cohorts whom the Nazi Government snatched from under the noses of our Government agents; and what such a combination of Nazi spies and native traitors can accomplish was demonstrated in the cases of Austria, Czechoslovakia, Poland, and now in Norway.

Do you know all these facts, Mr. Congressman? Or are you so busy addressing the "native" Fascist groups that you have no time to catch up with your reading?

Perhaps you are not aware of the fact that our "native" Fascist groups, masquerading under patriotic or Christian names, are Nazi-inspired or Nazi-contrived. Permit us to bring to your attention excerpts from reports of their meetings:

Ebling's Casino, Bronx, N. Y., January 1939: McW.: "In 1940, by God, we are going to have a Christian running for President, or General Moseley and Father Coughlin will have something to say about it."

American Patriots meeting, Iroquois Hotel, New York, May 12, 1939: Spoken by McW.: "We must hate. We must get the people aroused. We must get the youth aroused."

Mobilizer meeting, October 30, 1939: Speaker B. blames all the evils of mankind on the Jews. McW. pointed out that at a meeting with General Moseley the latter suggested that the Jews be placed in detention camps. In connection with the K. K. K., he said, "It

might be a good idea for us Mobilizers to take bedsheets and parade, carrying a shotgun under the sheets."

Mobilizer meeting, October 16, 1939: McW.: Among other things, he stated that Jew Harold Ickes, acting on behalf of the "murderous traitor" Roosevelt, had deprived them of free speech in Washington. He compared President Roosevelt as in the same class with Judas, Benedict Arnold, etc. A man called Happer or Harter cited the method whereby coyotes were exterminated in the West lands, comparing coyotes with the Jews, stating that poisoned beef was left out at night and picked up by the coyotes, but that, of course, some dogs found the poison—innocent victims, as it were—and the inference was that if similar methods were used on the Jews there might be some innocent Christians that snapped the bait.

Mobilizer meeting, Ebling's Casino, October 23, 1939: McW. paid high tribute to Hitler, lauding him as the "emancipator of mankind," and saying that "we need Hitler over here to clean things up."

Mobilizer meeting, October 23, 1939: Speaker C.'s speech was in behalf of a nationalist group to defend this country against the Jews. He also attacked the Catholic clergy for their selling out to the Jews, likewise the Protestant clergy. According to B., Hitler is a wonderful man and a savior of mankind. Likewise feels like McWilliams who said that we need Hitler over here now and in the future to clean things up.

Joint mobilizer-bund meeting, Ebling's Casino, November 18, 1939: Platforms decorated with American and mobilizer flags. Program began with singing of Horst Wessel song. Movies were shown. Emperor Hirohito, of Japan, applauded; the Chinese hissed. Donald S., a guest speaker, said that three great men had brought liberty to their peoples: Washington, Lincoln, and Hitler. Only Congressman he admired was THORKELSON. Concluded by prophesying a Europe under German hegemony.

Mobilizer meeting, November 20, 1939: H. C. asserted that Hitler was the "greatest man in history."

Bund meeting, November 27, 1939: Speakers included Henry C. McW., of the Christian Mobilizers, and Joe himself. Joe asserted that he was ready to punch anyone in the nose who said there was such a thing as one good Jew. McW. called President Roosevelt a traitor, and then added: "What do we do to traitors?" Offered several suggestions, he added himself: "I could kill him, shoot him; hanging is too good for him."

Bund meeting, Ebling's Casino, November 30, 1939: Mobilizer guards acting as ushers. Kunze paid high praise to "our associates, the Mobilizers."

Mobilizer meeting, New Ridgewood Hall, March 28, 1940: McW. announced that he was forming "extermination squads" to exterminate the Jews when the "day" arrives.

Christian Front meeting, Prospect Hall, March 29, 1940: Speaker C. stated that the grass died around the houses in Flatbush because of the Jews living there; that Jews maintain incubators and build up their population to carry on their work; that apartment houses become vermin-ridden when Jews move in; that he is thankful Untermyer died; and that he believes that the British steamships in our harbor should be loaded down with Jews forcibly, driven out of the harbor, and Hitler informed of date of departure, so he can sink them with his submarines.

Christian Mobilizer meeting, New Ridgewood Hall, Brooklyn, N. Y., April 4, 1940: Speaker McW. picked on someone who wanted to ask a question by saying, "You're lucky that I'm in a good mood tonight. Otherwise my crew would have knocked hell out of you and kicked you into the gutter where you belong." He then described his "crew," calling them tough I. R. A. and bund men.

Mobilizer meeting, New Ridgewood Hall, April 4, 1940: McW. announced that he was forming squads composed of the toughest elements he could find to hold meetings in Jewish districts and cause fights. Also announced that America in a few years could expect a Hitler here to be successful.

Christian Front meeting, Prospect Hall, April 5, 1940: Speaker C. lauded Hitler. Announced that the movie, Abe Lincoln in Illinois, was full of Jewish influence.

Mobilizer meeting, Eblings Casino, April 10, 1940: McW.'s lieutenant stated that "we (the Mobilizers) would not fight for the United States."

(We have the full names of all the speakers mentioned here by initials only.)

And they do not stop at words. Last summer there were a number of riots and stabbings in the streets of New York, and for the coming summer a plan was announced at a meeting held at Kiev Tavern on March 26, 1940, where Joe "McNazi" stated that it was decided that:

"Continued and greatly increased anti-Jewish agitation is to be carried on in an effort to start some sort of fight that may be developed into a conflict of major proportions. The Jews must be the ones to start this fight. The above-mentioned groups, the K. K. K., Silver Shirts, and the German-American Bund can be relied upon to join this fight on the side of the Mobilizers. If the actual fight does not start before May 1, at which time street meetings are to be again held, then roving groups are to be 'planted' at each meeting. These groups are to do the 'starting' by kicking and shoving down any Jew present. If the Jew protest, his arrest is to be ordered for disturbing the peace. 'It won't be long then before something happens.'" (This last by McWilliams.)

Well, Mr. Congressman, do you still ask: "Whose rights are to be championed? Whose religion and what race is subject to discrimination and oppression?"

Our founding fathers, in establishing this Republic, have placed two cornerstones in its foundation:

First, the Declaration of Independence, "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness."

Second, the Bill of Rights.

It is these rights we champion. Universal human rights, which are also American rights. Are you, Mr. THORKELSON, in favor of them? Do you believe in the sentiments expressed in the Declaration of Independence? Haven't you sworn to uphold and defend the American Constitution, including our Bill of Rights?

He then proceeds by giving a list of our directors, and adds: "This list of names, which was longer last year, contains the names of many of our professors and educators who spend their time educating people in communism instead of in the fundamental principles of this Government."

This statement is entirely false.

It so happens that the Non-Sectarian Anti-Nazi League to Champion Human Rights is anti-Communist. In previous years and as late as March 31, 1940, at a conference of 300 delegates, representing 150 organizations affiliated with the Non-Sectarian Anti-Nazi League, the following resolutions were unanimously adopted:

Resolution 1

Whereas the Union of Soviet Socialist Republics since the advent of Hitlerism as a menace continued to trade with Nazi Germany to the amount of many millions of dollars annually; and

Whereas since September 1939 the Soviet Union officially joined the Nazi Government in plundering independent neighboring states, placed itself and all its resources openly on the side of Nazi Germany, and is giving its full moral, economic, and indirect military aid to Hitler's war of conquest and Hitler's crusade against the remaining democracies of the world, including the United States; and

Whereas all members of the Communist parties in all countries, including the United States, have openly endorsed this fusion of interests between the United Soviet Socialist Republics and the Nazis, have abandoned their opposition to nazi-ism and Hitlerism, and are attacking and vilifying the democracies, just as the Nazis do: Be it

Resolved, That this conference of organizations affiliated with the Nonsectarian Anti-Nazi League to Champion Human Rights condemns the Communists as blood brothers of the Nazis, sees no difference between the two except in the color of their shirts, and pledges itself to continue its fight for democracy and human rights against all enemies, irrespective of the difference in color or name.

Resolution 2

Whereas for the past few years groups of superpatriots masquerading under such high-sounding names as Christian Front, Christian Mobilizers, American Patriots, and others are spreading violent Nazi propaganda, including the hatred of our democratic form of government and the spread of Hitler's racial theories; and

Whereas those subversive groups claim that they are fighting to protect the United States against communism, but definite proof conclusively shows that these groups are aided and abetted, and in some instances partially or wholly financed, by the Nazi propaganda department in Germany and by its agents in the United States; and

Whereas the Nazis and the Communists, both in Europe and in the United States, are working conjointly against all forms of democracy and for autocratic totalitarianism: Be it

Resolved, That we, as delegates to this conference of the organizations council of the Non-Sectarian Anti-Nazi League, condemn these subversive groups, praise this league for the splendid work heretofore accomplished, and recommend that the Non-Sectarian Anti-Nazi League continue to investigate and expose these subversive groups as enemies, malefactors, and attempted destroyers of these United States.

In view of this clear-cut anti-Communist stand accepted and proclaimed by the organizations comprising the Non-Sectarian Anti-Nazi League to Champion Human Rights, will you, Mr. THORKELSON, still assert that "the league is a Communist organization and that the league is fighting the patriotic American citizens who are opposed to the Communists and therefore to the Non-Sectarian Anti-Nazi League"?

Incidentally, isn't it rather late in the day to continue using anticommunism as a cloak for nazi-ism and fascism?

Hitler rode to power in Germany on the claim that he saved Germany from the dangers of communism. He claimed the indulgence and the active support of other governments and countries (and received it to a large extent) on the theory that nazi-ism is the antithesis to and the bulwark against communism. Following his example, every Nazi and Fascist group, every soap-box orator, of every one of the 57 varieties of colored shirts tried to save the world from communism. Every crime, every mean and dirty trick, every cruel and criminal act of the Nazis and their followers was excused on the theory that it helped combat communism.

Now Hitler and his Nazis have united with Stalin and his Communists to form a common blood brotherhood in a joint effort to conquer and subdue the world. The Communists whom Hitler called the bloody scum of the world, the pest, and the greatest danger to civilization, whose very presence is contaminating, the same Communists are now embraced by the Nazis as their best friends and full partners in the crusade against the democracies and the rest of the world.

Nazis and Communists have stopped their sham feud among themselves; they have become one and indivisible.

Some time ago there was issued an open letter from a Communist to Father Coughlin concerning their "commu-nazi" combination. That letter reads:

"DEAR COMRADE FATHER: Now that our leaders, Hitler and Stalin, have 'kissed and made up,' I see no reason why we in the United States should maintain our separate organizations to fight American democracy, you in the name of fascism and we in the name of communism. Why not form a united front, following the example of our illustrious leaders, Hitler and Stalin?

"I know that there still are some minor points of difference between your ideas of fascism and ours of communism. The question of our attitude toward the Jews, the question of private property, the question of class dictatorship, and of religious persecution separate our movements, but they are only minor points of policy. In reality we are fully in accord even as to these few points.

"You know, Father, that only the uninformed link Judaism with bolshevism. You and I, as practical, educated men, know the true facts. In Czarist Russia the Jews were not permitted to be workers, artisans, professionals, or farmers. They were crowded into a few small towns and were forced to be small traders or middlemen.

"When we Bolsheviks came into power we divided the population into several classes in accordance with their importance to the state (talk about a classless society). The workers and peasants came first, the soldiers next, Government officials next, professionals next, etc. And do you know what we did with the majority of the Jews, Father? We declared they were declassed, their property confiscated, and they were allowed to die of starvation or to subsist on the pittance which they received from the Jews outside of Russia. For a time we even refused to recognize their young children as full-fledged Soviet citizens.

"It is really a grim joke to speak of Jewish bolshevism or to assume that the Bolsheviks treated the majority of their Jews less cruelly than the Nazis did. We Bolsheviks have as little love for the racial brothers of Jesus Christ as you have. We have even repudiated Him, His apostles, and His creed, for they were all of Jewish origin. You, on the other hand, profess reverence for and belief in the Saviour, who was a Jew, the Jewish Carpenter of Nazareth, yet you persecute unto death His brothers and sisters, which does seem very queer, if you'll permit me to say so. It was well enough to keep up that pretense as long as the Fascists and Bolsheviks were fighting each other, but now, since Hitler and Stalin signed a peace treaty, we may as well tell our followers the truth, even if it means disillusioning them regarding our policy toward the Jews.

"The same holds true as to the question of private property. Although we in Russia have abolished private property and the Fascists in Germany and in Italy have not, in all three countries everything belongs to the state. The private capitalist in Germany has as much voice in determining his production, sales price, worker's staff, or what to do with his profits, if any, as the foreman in a Soviet factory. The Soviet State owns everything in Russia and the Hitler government owns everything, for it owns everybody in Germany. The same condition exists in Italy.

"As to class dictatorship, I hope that you as an intelligent person (and I trust that you are intelligent in spite of your articles I read and your speeches I heard) will not raise this question.

"What rights have the workers in Russia? They are chained to their jobs—just as the workers in Germany are to theirs; they have just as little voice in determining their wages and their working conditions. In Russia it is a capital offense for a worker to strike. To be sure, the Russian workers enjoy vacations, which they never did under the Czar, but so do the German workers through their 'strength through joy' organizations.

"There is only one political party in Russia—the Communist Party—and it rules supreme in the name of the working class; and there is only one political party in Germany—the Nazi Party—and it rules supreme in the name of the German people. Even the names of the ruling parties are alike, for the official name of Hitler's Nazi Party is 'Nazional Sozialistische Arbeiter Partei.'

"Then as to the question of religion: The Bolsheviks have expropriated (taken away) the enormous properties and fabulous riches of the Russian church. So has Hitler, only he did it and still does it gradually, while the Russians have done it all at once. The Soviets discourage religious beliefs and interfere with the churches. So does Hitler. You are surely aware that through the Hitler youth the Nazis seek to steal the children away from the religion of their parents. They close secular schools, censor church sermons, and have even prohibited the sale of the Bible in book stores. The Bolsheviks have imprisoned and killed many clerics as enemies of the Soviet state just as Hitler imprisoned and killed clerics of all religious denominations as enemies of the Nazi state. The Bolsheviks discourage but do not prohibit limited exercise of religious beliefs, and so do Hitler and his Nazis. And after a score of years of godless propaganda there are still millions of religious worshippers in Russia, just as there are in Germany. Even the attempt of the Nazis to establish a Nazi-controlled church is but an aping of the new 'living church' in Russia which the Bolsheviks established some years ago.

"And as to individual liberties, freedom of speech, of the press, of assemblage, etc., I defy anyone to find the difference between Germany and Russia.

"So you see, dear Father Coughlin, there is really nothing to differentiate fascism from communism except the color of their shirts, and that is not enough to keep our movements apart. Fascism and communism are both opposed to freedom, democracy, and the right of the individual citizen. So why not form a united front between the Fascists, whom you represent, and the Communists in the United States, whom we represent? I feel sure that Stalin would permit Earl Browder to sign such a treaty with you and you would have no trouble at all to get Hitler's permission. Why should he object? He never yet honored his signature to any treaty or any promise he ever made.

"We may call your combined forces 'red' fascism or 'black brown' bolshevism—it really doesn't matter. C. F. may remain our insignia, for it may mean Christian Front, Communist Front, or Common Front, and I have already devised a new salute, which consists of three parts or movements:

"1. The Communist raised arm and clenched fist, followed by

"2. Stretching out the arm and opening the fist into a Nazi salute, followed by

"3. A Bronx cheer.

"Come, come, dear Father Coughlin. I know you attacked the Bolsheviks bitterly and preached fascism as the only defense against us, but it should not be hard for you to eat your words and grasp our hands as those of brothers and coworkers in a common cause. Surely your attacks on bolshevism were not more caustic than Herr Hitler's and he has not hesitated to conclude an agreement of mutual friendship with Stalin, throwing the Anti-Comintern Pact overboard.

"After all, dear Father, we have really no choice in this matter. The cardinal principle on which both bolshevism and fascism are based is: Follow the leader, the Fuehrer or the Duce. It is not for us to think or consider where they lead us, or what they let us in for. Thinking or deliberating on the part of the individual citizen is a trait of the decaying democracies. We of the 'vigorous' Fascist and Communist states have but one duty—not to think, not to discuss, not even to justify, but blindly to obey the leader, wherever he leads us. And since Hitler and Stalin decreed a united front, we must obey them.

"So let us consolidate the Daily Worker with Social Justice, and under joint auspices let us march together toward the conquest of these United States for the glory of our leaders—Stalin and Hitler, or Hitler and Stalin, if you prefer it that way.

"Amen.

"Obediently yours,

"COMMUNAZI."

In view of all this, isn't it rather silly, at this late date, to use anticommunism as a justification for nazi-ism or fascism? Why, there is no longer any difference between them. One can't be for nazi-ism unless one is also for communism, and one can't honestly be against communism unless also against nazi-ism and fascism. There is no longer a question of nazi-ism versus communism, but a bitter fight by the communazis against democracy, and in our country against our democratic institutions and our Government.

So why not drop the mask of anti-Communist, Mr. THORKELSON, and show your true colors? Are you for communazi-ism or for our American democracy? You can't serve God and the devil simultaneously.

You say: "It is important for the Government to ask the Nonsectarian Anti-Nazi League to Champion Human Rights to lay its cards on the table for it is the most subversive group of all."

Here, Mr. Congressman, without waiting for the Government's request, are our cards:

We print literature, every piece of which is obtainable for the asking, including:

1. The Bill of Rights, and a list of groups who are seeking to destroy it. (Any subversiveness in that?)

2. A pamphlet containing the pictures and the criminal records of some of the leaders of the so-called Christian Mobilizers. (This is the same organization whom you addressed and praised so much in New York on March 4, 1940, in Ebling's Casino.)

3. An expose of the un-American activities of many of the so-called Christian groups.

4. An expose of the Nazi propaganda that is smuggled into the United States and documentary proof of the connection of some of our "patriots" with foreign propagandists.

5. Exposure of connections between the Italian Fascist, Nazi Bund, native traitors, Canadian and English Fascists, and their interlocking directorate.

6. Pamphlets concerning visits to Nazi Germany and what one can expect to find there.

7. A monthly bulletin exposing current Nazi and Nazi-inspired activities in the United States.

As to our "subversiveness" have you ever heard of any subversive group turning over its information and results of its activities to the proper Government authorities? We are doing it. Are the Nazi, "patriotic," or Communist organizations acting in a similar way?

These are our cards and we are anxious for the public to see them. In fact we are spending our last pennies to place them on public view. Will your friends, the Fascists, do the same? We doubt it and we will therefore save them the trouble of uncovering at least one of their cards.

You, Mr. THORKELSON, claim that we accuse American groups of being Fascist. One of these groups is the Christian Mobilizers, with whose program you seem to agree inasmuch as you spoke at their meeting on March 4, 1940, and praised their activities, as we pointed out in the beginning of this letter.

Here then is a card marked, "History of the Christian Mobilizers." We quote:

"Toward the end of May 1939, Joe, Thomas, George, Phil, and Z——r full names are in the affidavit) met in a little beer garden on Amsterdam Avenue. Joe told us that it was high time that a strong militant fascistic organization be formed for the purpose of putting the aryans on top and the Jews on the bottom. It would have to be a 'leadership' organization where one is to give orders and everyone else is to take orders. He stated that this organization was to endeavor to get a large following, have able speakers, and to form a corps of guardsmen similar to the storm troopers in Germany. Joe stated that the Christian Front was composed of a bunch of pussyfooters, the German-American Bund was out of luck because of its German tie-up and would never get anywhere, and that all other organizations had no specific plan and poor leaders. It was then and there decided to form a new organization which shall be known as the Christian Mobilizers. Joe said that each of us present at this beer garden would be the head of a department. He also said that this organization ought to start in the Bronx because there was a very large Jewish population there and also because there was a large Catholic population to cope with the Jews. He said it would be easy to play up alleged injustices by Jews, and we could make these more apparent in the Bronx.

"In August 1939, Joe and a few of us visited Camp Siegfried; it was a German day, and Kuhn and Joe addressed the crowd and received a great ovation.

"At the next meeting it was announced from the platform that strong, husky men were wanted to serve as guards. About 150 volunteered. A member of the bund was appointed as their drill master * * *."

This, Mr. THORKELSON, is from a sworn affidavit now in the hands of the Federal authorities. We have the names of the guards, too. This is the American patriotic organization which "is so anxious to get rid of the Non-Sectarian Anti-Nazi League and who, probably, induced you to attack the league on the pages of the CONGRESSIONAL RECORD."

What do you say about putting "more cards on the table?"

Now let us take up your other question about where we get our money and what we do with it.

We are a non-profit-making corporation, and our books are audited every 3 months by a certified public accountant. Our books are kept (not destroyed), and our money is received in $1, $2, $3, $5, and $10 contributions from organizations and individuals who still believe in democracy and in the necessity of defending it against "native" and imported Nazis.

We trust that even you will not accuse us of being supported by the Nazis, and no one but an imbecile could suspect, after reading our resolutions, that we would receive support from the Communists. At any rate, we issue official receipts for every dollar we receive and have copies of same ready for any investigation. Can you say so much for your Nazi friends?

But let us proceed with THORKELSON's attack. He says:

"The people should bear in mind that all information in the Nation's press appears from one angle alone, namely, the angle of the internationalists. It is not an American angle, it does not express American opinion but expresses, instead, an unassimilable alien philosophy." And later in the same paragraph you say: "The present war is not a war of the people but is, instead, a strife in which the people will be sacrificed in order to establish a super world government over which the internationalists can reign unmolested and free."

Now, the Nazis apply the term "internationalists" to Jews, but you, Mr. THORKELSON, are not a Nazi, or are you? Whom do you mean by this term? We assume that you mean the Jews.

Now, the Jews can be termed internationalists because of their religion and because of their racial group. Jews in the United States, England, France, Germany, Spain, Africa, South America, Canada, etc., are all Jews, and all have the same religion. But have you ever heard of the Catholics, Mr. THORKELSON? The American English, Spanish, Italian, etc., Catholics all have the same religion. And how about the Protestants? Haven't the American, British, German, etc., Protestants the same religion? If their religion stamps the Jews as internationalists, how about the Catholics and Protestants?

Or, if it is their racial group, how about the Germans? We have Germans in the United States, Canada, Mexico, Central and South American republics, Africa, European countries, and, wherever they are, they are Germans. Aren't the Germans true internationalists?

Why repeat the Nazi appellation of internationalists to Jews and not to any other religious or racial group? And if you don't mean the Jews, whom or what do you mean by the term "internationalists"; or do you mean anything at all?

In justice to you—we wish to be just even to our enemies and opponents—and out of respect for your intelligence, we are ready, with your permission, to assume that you are not the author of the article in the CONGRESSIONAL RECORD, for it contains so many gross and foolish mistakes that you could not possibly make them.

As a Congressman, you could not ask what right the Non-Sectarian Anti-Nazi League has to assist the Government agencies. You surely know, or ought to, that it is not only the privilege but the duty of every citizen to help the Government in apprehending public enemies and traitors to the safety of the Nation. No matter how little you may know about economics, you could not have said that the fight of the Non-Sectarian Anti-Nazi League against the spread of nazi-ism in the United States is retarding our economic recovery. You could not have made the mistake of quoting from our literature that there are between 700 and 1,000 subversive Nazi-inspired organizations spreading racial hatred in the United States, and then ask us where we get the money to support these 700 to 1,000 organizations. Who would suspect that the Non-Sectarian Anti-Nazi League is supporting 1,000 Nazi organizations in the United States?

We are therefore ready to assume, again with your permission, that some stupid fellow wrote that article and wish to absolve you for the foolish statements made by that fool. But even if this be the case, you should have asked for the privilege of reading the speech before it was inserted under your name in the CONGRESSIONAL RECORD, for on page 2014 of the Appendix of the CONGRESSIONAL RECORD, lines 24 and 25, you are made to say, "who but the Communists desire to foster the principles of democracy in the Republic of the United States?"

You are anticommunistic, that is certain. You consider the Communists in the United States enemies of our Government and traitors to our country. You state that ours is a democratic Republic. That means, if it means anything, that democracy and republicanism are the keystone of the United States. You say that you are against anything the Communists are for but when you assert that the Communists are the only ones who desire to foster the principles of democracy in the Republic of the United States, you imply that you are an enemy of democracy.

Now, as a private citizen, you have as much right to be a rabid anti-Democrat as Hitler, Stalin, or Mussolini, but, as a Congressman, you have taken an oath to defend this Republic and our democratic form of government. If you are against them, what are you doing in the Congress of the United States? If you are for them, what is this nonsense about only Communists fostering the principles of democracy in the American Republic?

In closing, permit us to remind you that in recent years, in Austria, Czechoslovakia, Poland, and now in Norway, Nazi agents and native traitors have betrayed and sold their countries into the hands of Hitler. In all these countries the Nazis have induced, bribed, or by other means influenced native crackpots, megalomaniacs, or downright traitors to becloud the issues with such phrases as "Aryanism," "patriotism," "communism," "racism," "internationalists," etc. These served as an anaesthetic for the unthinking multitudes.

The same trick is now being tried by the Nazi agents and their hirelings in our country, the United States.

We who observe these termites and recognize their tactics, pledge ourselves to continue exposing their treacherous activities, irrespective of whether they wear red, brown, black, silver, white, or dirty shirts, and regardless of whether they spew their poison from soap boxes in Columbus Circle or from the exalted seats of legislatures.

NON-SECTARIAN ANTI-NAZI LEAGUE
TO CHAMPION HUMAN RIGHTS.

Mr. SABATH. I feel that it is but fair that this organization should have the right to answer the unjustified and unwarranted attacks made by the gentleman from Montana, and also for the further reason that he is said to have caused to be printed for certain other subversive organizations reprints of these attacks which are being mailed out by them, as I understand, under his frank, at a tremendous cost to the Government. It is the first time in my many years of service that I have made a unanimous-consent request that would cost the Government any additional sum of money which in this case will amount to approximately $225. However, in checking up on the extensions and remarks of the gentleman from Montana, I find that they have been printed at a cost of some $10,000 to the Government, a sum many times greater by far than that indulged in for extension of remarks by any other Member of the House in the present Congress.

ORDER OF BUSINESS

Mr. MAGNUSON. Mr. Speaker, may I inquire of the Chair if it is the intention of the House to take up any legislative matters during the remainder of this week other than the bill now pending before the House?

The SPEAKER pro tempore. If we complete the consideration of the pending bill in a reasonable time tomorrow, there are two resolutions reported by the Committee on Rules, one with reference to the New York Fair and the other with reference to the San Francisco Fair, that Members from those localities and others interested say must be passed and in effect before the 11th of May. It is the intention of the Chair, if the bill we have been considering today and which we will further consider tomorrow is completed within a reasonable time, to recognize members of the Rules Committee to call up those rules.

Mr. MAGNUSON. May I ask further, Mr. Speaker, if it is also intended to call up the conference report on the Wheeler-Lea bill?

The SPEAKER pro tempore. It was announced in the House today, definitely, that that conference report would not come up until Thursday next.

Mr. MAGNUSON. Other than these two, the Chair is not cognizant of any other matters that will be considered tomorrow?

The SPEAKER pro tempore. Not at the moment. Of course, we are working from hour to hour now.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. WOLFENDEN of Pennsylvania, indefinitely, on account of illness.

To Mr. HARE, for the remainder of the week, on account of important business.

PERMISSION TO ADDRESS THE HOUSE

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix of the RECORD.]

ENROLLED JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker pro tempore:

H. J. Res. 431. Joint resolution to extend to the 1940 New York World's Fair and the 1940 Golden Gate International Exposition the provisions according privileges under certain customs and other laws to the expositions of 1939.

The SPEAKER pro tempore announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 252. Joint resolution to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 14 minutes p. m.) the House adjourned until tomorrow, Friday, May 3, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Friday, May 3, 1940, at 10 a. m., in room 328, House Office Building, to consider various bills.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of a subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, May 7, 1940, for the consideration of House Joint Resolution 457, entitled "For the Transfer of the Marketing Laws Survey to the Department of Commerce."

There will be a meeting of the Committee on Interstate and Foreign Commerce on Monday, May 13, 1940, at 10 a. m.

Business to be considered: To begin hearings on S. 280 and H. R. 145—motion pictures. All statements favoring the bill will be heard first. All statements opposing the bill will follow:

COMMITTEE ON PATENTS

There will be a meeting of the Committee on Patents on Thursday, May 9, 1940, at 10:30 a. m., for the consideration of H. R. 8441, H. R. 8442, and H. R. 8444, all of which relate to amendments to the patent laws.

There will be a meeting of the Committee on Patents on Thursday, May 16, 1940, at 10:30 a. m., for the consideration of H. R. 9384, H. R. 9386, and H. R. 9388, all of which relate to amendments to the patent laws.

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will meet on Saturday, May 4, 1940, at 10 a. m., in room 128, House Office Building, for the consideration of H. R. 9093.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1587. A letter from the Secretary of Agriculture, transmitting in accordance with section 9 of the Soil Conservation and Domestic Allotment Act, as amended, a report for the fiscal year ending June 30, 1938, of the operations under sections 7 to 14, inclusive, of this act; to the Committee on Agriculture.

1588. A letter from the Attorney General, transmitting a draft of a proposed bill to amend section 355 of the Revised Statutes to authorize the Attorney General to approve the title to low-value lands and interests in lands acquired by or on behalf of the United States subject to infirmities; to the Committee on the Judiciary.

1589. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill for the relief of Dr. Lawrence T. Post, G. F. Allen, and D. Buddrus; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COSTELLO: Committee on Military Affairs. H. R. 7254. A bill authorizing the temporary detail of J. L. Savage, an employee of the United States, to service under the Government of the State of New South Wales, Australia; without amendment (Rept. No. 2062). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELSTON: Committee on Military Affairs. H. R. 7611. A bill to provide for the rank and title of lieutenant general of the Regular Army; with amendment (Rept. No. 2064). Referred to the Committee of the Whole House on the state of the Union.

Mr. MANSFIELD: Committee of conference on the disagreeing votes of the two Houses. H. R. 6264. A bill authorizing the construction, repair, and preservation of certain works on rivers and harbors, and for other purposes (Rept. No. 2065). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HARNESS: Committee on Military Affairs. S. 3095. An act for the relief of Harry Huston; without amendment (Rept. No. 2063). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LUDLOW:

H. R. 9631 (by request). A bill to authorize the appropriation of $200,000 for the purpose of constructing a national airport and aviation school at Indianapolis, Marion County, Ind., for training Negro citizens to become aviators in the United States Aviation Corps, and as aviators in the United States Army and the Government's subsidies; to the Committee on Military Affairs.

By Mr. PAGÁN:

H. R. 9632. A bill concerning the act of May 5, 1939, passed by the Legislature of Puerto Rico, relating to bonds; to the Committee on Insular Affairs.

By Mr. RANDOLPH:

H. R. 9633. A bill to enlarge and extend the power and jurisdiction of the Board of Education over degree-conferring institutions operating within the District of Columbia; to the Committee on the District of Columbia.

By Mr. SPARKMAN:

H. R. 9634. A bill to amend the Tennessee Valley Authority Act, as amended, by striking therefrom subsection (k) of

section 4 and substituting therefor a new subsection (k); to the Committee on Military Affairs.

By Mr. TENEROWICZ:

H. R. 9635. A bill authorizing the organization of a full regiment of colored combat troops as a part of the National Guard of the State of Michigan; to the Committee on Military Affairs.

By Mr. VINSON of Georgia:

H. R. 9636. A bill authorizing the conveyance to the Commonwealth of Virginia of a portion of the naval reservation known as Naval Proving Ground, Dahlgren, Va.; to the Committee on Naval Affairs.

By Mr. CURTIS:

H. R. 9637. A bill to provide for financing wells and pumping systems for farms and for a method of repayment; to the Committee on Agriculture.

By Mr. GAVAGAN:

H. R. 9638. A bill authorizing and adopting the improvement of East River, N. Y.; to the Committee on Rivers and Harbors.

By Mr. MAAS:

H. R. 9639. A bill to amend certain sections of the Naval Reserve Act, 1938, as amended; to the Committee on Naval Affairs.

By Mr. WHITTINGTON:

H. R. 9640. A bill authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes; to the Committee on Flood Control.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 9641. A bill to correct the naval record of John B. Dolan; to the Committee on Naval Affairs.

By Mrs. BOLTON:

H. R. 9642. A bill for the relief of Caroline Janes; to the Committee on Claims.

By Mr. DEMPSEY:

H. R. 9643. A bill for the relief of Herman C. Hawkins and others; to the Committee on Claims.

By Mr. GARRETT:

H. R. 9644. A bill for the relief of Roy Kendrick; to the Committee on Claims.

By Mr. HULL:

H. R. 9645. A bill for the relief of Mrs. William Butak, Dorothy Clyde, Mrs. Albert Westcott, Mrs. Albert Meyer, Florence Johnson, Marie Grill, Mrs. Leo Maloney, Marian McDonald, Mrs. Edward Beier, Mrs. E. L. Bly, Mrs. Lucien Miller, Lois Kehnl, Reka Berg, Mrs. Ollis Klicker, Wilma Vogler, and Mary Chisholm; to the Committee on Claims.

By Mr. KLEBERG:

H. R. 9646. A bill for the relief of Farmers Rural Telephone Association; to the Committee on Claims.

By Mr. MAGNUSON:

H. R. 9647. A bill to enable Sadao Tanaka to remain permanently in the United States; to the Committee on Immigration and Naturalization.

By Mr. MONRONEY:

H. R. 9648. A bill granting a pension to Maud Carrico; to the Committee on Pensions.

H. R. 9649. A bill granting a pension to Annie Joyce; to the Committee on Pensions.

H. R. 9650. A bill for the relief of Maynard Goss; to the Committee on Claims.

By Mrs. O'DAY:

H. R. 9651. A bill for the relief of Meier Langermann, his wife Friederike, and son Joseph; to the Committee on Immigration and Naturalization.

By Mr. SABATH:

H. R. 9652. A bill for the relief of Kresimir Matijevic; to the Committee on Immigration and Naturalization.

By Mr. SIMPSON:

H. R. 9653. A bill granting a pension to Jacob G. Simmons; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7839. By Mr. CHIPERFIELD: Petition of the Illinois Association of County Superintendents of Highways of District No. 4, urging immediate consideration and passage of the Hatch bill; to the Committee on the Judiciary.

7840. By Mr. ELSTON: Petition of various citizens of Cincinnati, Ohio, petitioning consideration of their resolution with reference to the Federal chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

7841. By Mr. FLAHERTY: Petition of the Animal Rescue League of Boston, Mass.; opposing the use of animals in the testing of high explosives; to the Committee on Military Affairs.

7842. By Mr. JARRETT: Petition of the American Legion Auxiliary, East Brady, Pa.; to the Committee on World War Veterans' Legislation.

7843. By Mr. MARTIN J. KENNEDY: Petition of the Railway Labor Executives' Association, Chicago, Ill., opposing House bill 7133; to the Committee on Labor.

7844. Also, petition of the Textile Workers Union of America, New York City, opposing any and all amendments, including the Smith and Norton amendments, to the National Labor Relations Act; to the Committee on Labor.

7845. Also, petition of the United Electrical, Radio, and Machine Workers of America, district No. 4, Newark, N. J., expressing opposition to the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7846. By Mr. KEOGH: Petition of the New York State Farm Bureau Federation, Ithaca, N. Y., favoring section 32 of the agricultural appropriation bill; to the Committee on Agriculture.

7847. Also, petition of the New York State Waterways Association, Inc., Albany, N. Y., concerning the conference report on Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

7848. Also, petition of the Merca Traffic Service Bureau, New York City, favoring the amending of section 10 (a) of the transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

7849. Also, petition of the American Short Line Railroad Association, Washington, D. C., favoring the adoption of the conference report on Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

7850. Also, petition of the Seatrain Lines, Inc., New York City, concerning the Wheeler-Lea transportation conference report on Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

7851. Also, petition of the Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors, Brotherhood of Railway Trainmen, and Switchmen's Union of North America, favoring recommiting transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

7852. By Mr. LYNCH: Petition of the Merca Traffic Service Bureau, New York, N. Y., urging on behalf of 1,200 shippers that section 10 (a) of the transportation bill be amended to retain the present 3-year limitation period for recovery of overcharges in lieu of the 2-year period proposed in the bill; to the Committee on Interstate and Foreign Commerce.

7853. By Mr. PFEIFER: Petition of the New York State Waterways Association, Inc., Albany, N. Y., opposing enactment of Senate bill 2009, to amend the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

7854. Also, petition of the Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors, Brotherhood of Railway Trainmen, and Switchmen's Union of North America, Washington, D. C., urging recommitment of the conference report on Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

7855. Also, petition of the Merca Travel Service Bureau, New York City, urging the amending of section 10 (a) of

Senate bill 2009, the Transportation Act of 1940; to the Committee on Interstate and Foreign Commerce.

7856. By Mr. RANKIN: Petition of the Legislature of Mississippi; to the Committee on Interstate and Foreign Commerce.

7857. Also, petition of the Legislature of Mississippi; to the Committee on Appropriations.

7858. Also, petition of the Legislature of Mississippi; to the Committee on Appropriations.

7859. Also, petition of the Legislature of Mississippi; to the Committee on Roads.

7860. By the SPEAKER: Petition of the District of Columbia Chapter, National Lawyers Guild, Washington, D. C., petitioning consideration of their resolution with reference to the Fair Labor Standards Act of 1938; to the Committee on Labor.

7861. Also, petition of the Farmer Labor Central Committee (Curtiss Olson), Roseau, Minn., petitioning consideration of their resolution with reference to the La Follette-Wheeler-Bankhead bill concerning agriculture; to the Committee on Agriculture.

7862. Also, petition of the Long Beach Junior Chamber of Commerce, Long Beach, Calif., petitioning consideration of their resolution with reference to the reorganization measures affecting the Civil Aeronautics Authority; to the Select Committee on Government Organization.

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 3, 1940

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. RAYBURN.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Increase our faith, O God, and forgive wherein we have faltered and failed; in much thought of the world, we have missed the passion of Jesus. Let us be less troubled about the ways of others and more alive in the higher realms of thought, feeling, and tolerance; less disturbed about the ebb and flow of the changing scenes of life. Take away the persistent shadow of self and fill us with godly consideration for the honesty and high motives of our fellow men. We pray that we may walk together in our own land of the living, for Thou hast dealt bountifully with us. If we hallow our blessings, reverence our fair name, esteem our influence and power, we shall experience a spiritual enrichment. We most humbly pray for all churches in their devoted endeavors to promote cooperation and good will throughout the broad earth. Oh, hasten the hour in which all faiths shall blaze a pathway of brotherhood in unchartered lands and the divine plan shall arise to replace the broken strings in the harp of the world. Through Christ, our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8745. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 8438) entitled "An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon; and appoints Mr. BYRNES, Mr. GLASS, Mr. THOMAS of Oklahoma, Mr. OVERTON, Mr. WALSH, Mr. HALE, and Mr. LODGE to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8319) entitled "An act making appropriations for the Departments of State, Commerce, and Justice, and for the judiciary, for the fiscal year ending June 30, 1941, and for other purposes."

The message also announced that the Senate having proceeded to reconsider the bill (H. R. 289) entitled "An act for the relief of officers and soldiers of the Volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899," returned by the President of the United States to the House of Representatives, in which it originated, with his objections, and passed by the House on a reconsideration of the same, it was—

Resolved, That the said bill pass, two-thirds of the Senators present having voted in the affirmative.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

An April 26, 1940:

H. R. 3406. An act for forest protection against the white-pine blister rust, and for other purposes.

On April 30, 1940:

H. R. 7406. An act granting the consent of Congress to the General State Authority, Commonwealth of Pennsylvania, and/or the Pennsylvania Bridge and Tunnel Commission, either singly or jointly, to construct, maintain, and operate a toll bridge across the Susquehanna River at or near the city of Middletown, Pa.;

H. R. 7407. An act granting the consent of Congress to the General State Authority, Commonwealth of Pennsylvania and/or the Pennsylvania Bridge and Tunnel Commission, either singly or jointly, to construct, maintain, and operate a toll bridge across the Susquehanna River at or near the city of Millersburg, Pa.;

H. R. 7655. An act to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.;

H. R. 7660. An act to amend section 35B of the United States Criminal Code to prohibit purchase or receipt in pledge of clothing and other supplies issued to veterans maintained in Veterans' Administration facilities;

H. R. 7663. An act providing for sick leave for substitute postal employees;

H. R. 7814. An act for the relief of Gerald Henry Simpson;

H. R. 8320. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River near Jefferson Barracks, Mo.;

H. R. 8397. An act to extend the times for commencing and completing the construction of a bridge or bridges across the St. Louis River at or near the city of Duluth, Minn., and the city of Superior, Wis., and to amend the act of August 7, 1939, and for other purposes;

H. R. 8398. An act amending acts extending the franking privilege to widows of ex-Presidents of the United States;

H. R. 8467. An act authorizing the Superior Oil Co., a California corporation, to construct, maintain, and operate a free highway bridge or causeway and approaches thereto, across the old channel of the Wabash River from Cut-Off Island, Posey County, Ind., to White County, Ill.;

H. R. 8471. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River, at or near Wyalusing between Terry and Wyalusing Townships, in the county of Bradford, and in the Commonwealth of Pennsylvania;

H. R. 8495. An act to extend the times for commencing and completing the construction of a bridge or bridges across the

Mississippi River at or near the cities of Dubuque, Iowa, and East Dubuque, Ill., and to amend the act of July 18, 1939, and for other purposes;

H. R. 8508. An act to amend the Subsistence Expense Act of 1926, as amended by the act of June 30, 1932 (ch. 314, sec. 209, 47 Stat. 405);

H. R. 8530. An act for the relief of Esther Cottingham Grab;

H. R. 8583. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Little Falls, Minn.;

H. R. 8650. An act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Great Pee Dee River, at or near Cashua Ferry, S. C.;

H. R. 8772. An act to amend the act of August 23, 1912 (37 Stat. 414; U. S. C., title 31, sec. 679);

H. R. 9047. An act to provide for the transfer of United States prisoners in certain cases; and

H. J. Res. 275. Joint resolution to authorize the President to present the Distinguished Flying Cross to Frank W. Seifert and Lt. V. Hine, deceased.

On May 1, 1940:

H. R. 7246. An act for the relief of Madeline Vera Buchholz; and

H. R. 8500. An act authorizing the Secretary of War to execute an easement deed to the State of New Mexico for the use and occupation of lands and water areas at Conchas Dam and Reservoir project, New Mexico.

On May 3, 1940:

H. J. Res. 437. Joint resolution authorizing the President of the United States of America to proclaim I Am An American Day for the recognition, observance, and commemoration of American citizenship.

DEPARTMENTS OF STATE, COMMERCE, AND JUSTICE, AND THE JUDICIARY, APPROPRIATION BILL, 1941

Mr. McANDREWS submitted a conference report and statement on the bill (H. R. 8319) making appropriations for the Departments of State, Commerce, and Justice, and for the judiciary, for the fiscal year ending June 30, 1941, and for other purposes.

DEPARTMENT OF INTERIOR APPROPRIATION BILL, 1941

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8745) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado? (After a pause.) The Chair hears none and appoints the following conferees: Messers. TAYLOR, JOHNSON of Oklahoma, SCRUGHAM, FITZPATRICK, LEAVY, SHEPPARD, RICH, CARTER, and WHITE of Ohio.

PERMISSION TO ADDRESS THE HOUSE

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NICHOLS. Mr. Speaker, about 8 years ago a great American started a campaign for President of the United States. One of the principal promises held out by him was that if he were elected he would see that there was passed legislation for the relief of the "forgotten man." Great strides have been made in this direction. Billions of dollars of Government funds have been expended in an effort to rehabilitate masses of the American people. Oklahoma has benefited rather well from this program.

However, now we see the wheels of industry being speeded up by reason of increased orders for war supplies from Europe and Asia. The northern and eastern sections of the United States are enjoying, by reason of this, a major degree of recovery. None of this industrial activity is penetrating the State of Oklahoma. We in Oklahoma are still suffering from drought—five of which we have had in as many consecutive years. The fact that we have largely lost our foreign cotton market; the fact that warehouses in the United States, we are told, are still full of cotton by reason of general marketing conditions. The things which we produce in Oklahoma have enjoyed no increase in price. Livestock, corn, cotton, and wheat still are produced at a loss by the farmer. We buy finished products, however, upon a market price set for more prosperous sections of the United States. We in Oklahoma are still suffering at the hands of the railroads, who have thrown around us such a high freight-rate barrier that we can neither ship goods out nor in to Oklahoma without paying discriminatory high freight. Oklahoma is rapidly becoming the "forgotten State"; and while many of you represent districts and States who no longer need large appropriations from W. P. A. to give aid and assistance to your constituents, we in Oklahoma are as greatly in need of this assistance as we were in 1933.

Despite the fact that the present cotton program is giving some benefit and some aid and assistance to the cotton-producing States east of the Mississippi River, we in Oklahoma are suffering from the quota system, because the cotton that we are permitted to raise this year is gaged upon the 5-year average of cotton that was produced on a particular farm over the last 5-year period. Since each of these periods have been drought years in Oklahoma and have materially reduced the amount of cotton produced in Oklahoma, you can readily see that when we are permitted to plant cotton acreage based purely upon the average of the last 5-year yield the amount of cotton that we are permitted to raise is each year being reduced by the very program that in its inception was presumed to help us.

I have pending in the Congress three amendments to the present agricultural bill which would, in part, relieve this situation. But because of the fact that so many of the cotton-producing States are enjoying benefits by reason of this program, it seems well-nigh impossible to get favorable consideration for these amendments, since they would largely be of benefit only to portions of Texas, Arkansas, and Oklahoma. Unless something is done Oklahoma is surely the "forgotten State."

It has been proposed that W. P. A. appropriations will be reduced for the next fiscal year. I want to serve notice on this House that unless there is at least an appropriation asked of a billion and one-half dollars that I shall offer amendments to the appropriation bill increasing the appropriation to at least this sum.

Oklahoma's quota was in April reduced by approximately 10,000 people, over the vigorous protest of the Oklahoma delegation. We have been able now to get an agreement from those in authority in W. P. A. that there will be no further reductions in May. Oklahoma has a real case to make in this direction. We think that we should not have been cut in our quota at all, despite the fact that the money is running low. It is my contention that this money should not be pro rated equally over the United States upon the basis of population and area, but should be pro rated upon the basis of actual need, and there is no State in the United States that can show greater need for W. P. A. money and assistance than can Oklahoma. And, applying this rule, Oklahoma should not be cut in April.

It is being proposed that the new appropriation, which would normally become available on July 1, be made available on June 1. We are advised if this is done it will not be necessary to make further reductions in W. P. A. quota for June. I shall certainly support this proposition, and I shall also offer an amendment, if someone else does not do so, providing that these funds shall be spent over an 8-month period rather than a 12-month period, which will give States like Oklahoma an opportunity to employ at least a majority of those people who are so much in need of W. P. A. assistance.

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. DEMPSEY. Mr. Speaker, I take this time to advise the membership of the House that there is on the Speaker's desk today discharge petition No. 32, discharging the Committee on the Judiciary from further consideration of the amendments to the so-called Hatch bill, Senate 3046.

I think history will eventually record that this is not an ordinary petition, but rather a roll of honor, showing to the people of this Nation those of the Congress who are for clean politics, those who object to voting appropriations in order that a portion of the funds voted may be used for partisan political purposes and to build and maintain machines of political bosses. I sincerely trust that the membership will speedily sign petition No. 32. [Applause.]

EXTENSION OF REMARKS

Mr. HENNINGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech I made before the accident and health underwriters of St. Louis on April 23.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article by Linn A. E. Gale, secretary of the Make Europe Pay the War Debts Committee, entitled "Make Europe Pay the War Debts."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent that at the close of the legislative program of today and following any previous special orders, I may be permitted to address the House for 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an article on the subject of boy scouts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. VORYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS of Ohio. Mr. Speaker, if the President thinks that the shift of Monroe Johnson, Assistant Secretary of Commerce all during the malodorous days of political aviation control, to the Interstate Commerce Commission, and the proposed shift of C. A. A. Chairman Hinckley to the Department of Commerce will silence the storm of indignation that is going over this country against the shift of the C. A. A. to the Department of Commerce, he is sadly mistaken. I predict that this shift of men will prove a boomerang, because it exhibits to the Congress the juggling of personalities and politics in aviation supervision that is exactly the thing that we are not going to stand for. I predict that this entire move to get away from the fight on Reorganization Plan No. IV by shifting around some men is going to fail to prevent repudiation of the plan by this House.

Congress created the Civil Aeronautics Authority and made it independent.

The proposed reorganization would gag the Authority. It could then report to the Congress and the President only through the Secretary of Commerce, so the reorganization plan provides.

This censorship would silence the Authority whenever it disagrees with the Secretary of Commerce.

Congress needs independent reports on civil aeronautics. Do not gag the Civil Aeronautics Authority.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two subjects, and with one to include a list of expenditures of the Federal Government, and with the other the wildlife resources in the State of Washington.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a quotation from S. 3876.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CITIZENSHIP

Mr. THILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. THILL. Mr. Speaker, there are few gifts as valuable as citizenship; it is a gift that is priceless. For who can measure the worth of our freedom, of our liberties of speech, religion, and the press? Who can establish the cost of the suffering and hardships borne by our founding fathers in their battles and starvation at Valley Forge, in days and nights of labor and intellectual toil? Most of us who have received this gift without doing a thing to obtain it are only too likely to forget the meaning and value of our heritage.

Each year 2,000,000 young men and women in the United States reach the voting age of 21 years. Each year thousands of foreigners receive instruction and become full-fledged citizens. It is for them in particular that Congress passed a law authorizing the President to proclaim the third Sunday in May of each year as Citizenship Day. It is altogether fitting that they should be impressed with their grave responsibilities in our self-governing Republic. On their shoulders particularly rests the burden to protect the Constitution, to preserve our liberties, and to elect the proper persons to govern our country.

I know of no finer expression of the political faith of America than is contained in the American's Creed written by my good friend the Honorable William Tyler Page:

THE AMERICAN'S CREED

I believe in the United States of America as a government of the people, by the people, for the people; whose just powers are derived from the consent of the governed; a democracy in a republic; a sovereign nation of many sovereign States; a perfect Union, one and inseparable; established upon those principles of freedom, equality, justice, and humanity for which American patriots sacrificed their lives and fortunes.

I therefore believe it is my duty to my country to love it, to support its Constitution, to obey its laws, to respect its flag, and to defend it against all enemies.

EXTENSION OF REMARKS

Mr. HARTLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include two brief letters from the Newark Police Department in respect to the Patrolmen's Benevolent Association of the Newark police.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CASEY of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

THE INTER-AMERICAN BANK

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ESTABLISHING THE INTER-AMERICAN BANK

Mr. CRAWFORD. Mr. Speaker, in connection with the inter-American bank, the draft of convention proposed April 17, 1940, is the primary document whereby the political instrumentality will come into being. The charter and by-laws are annexed to the convention.

The last paragraph of the convention which when signed would appear to obligate the United States as a Government to grant the charter for the bank is as follows:

In witness whereof the undersigned plenipotentiaries, having deposited their full powers found to be in due and proper form, sign this convention on behalf of their respective governments, and affix thereto their seals on the dates appearing opposite their signatures.

The signing of the convention officially commits the United States to the scheme subject to the granting of a charter by Congress with or without special legislation.

It would appear that the convention could be ratified as a treaty by the Senate, in which case, such ratification would operate as approval of the charter and bylaws which are a part of the convention.

Let us further observe articles V and VI of the convention which are as follows:

Article V. The present convention shall be ratified and effectuated by the high contracting parties in conformity with their respective constitutional methods. The Pan American Union shall transmit authentic certified copies of the original of the convention to the high contracting parties for the purpose of ratification. The instruments of ratification shall also be deposited in the archives of the Pan American Union, which shall notify the signatory governments of such deposit. Such notification shall be considered as an exchange of ratifications.

Article VI. The present convention shall come into effect as between such ratifying high contracting parties if and when ratifications of this convention shall have been deposited with the Pan American Union by at least 5 of the high contracting parties which have agreed to subscribe for at least a total of 145 shares of stock of the bank. Each deposit of ratification shall be accompanied by the designation of a person to serve on the organizing committee of the bank, which committee shall meet forthwith after the convention shall have come into effect as provided herein and proceed with all arrangements necessary for prompt organization of the bank.

It is well for us to bear in mind the language "in conformity with their respective constitutional methods." Of course, if the Administration desired to be very liberal in the matter of procedure, and if it wants to give the House and the Senate full opportunity to debate and really look into this whole far-reaching and highly important undertaking, it could permit bills to be introduced in both House and Senate, be referred to the House and Senate Banking and Currency Committees, proceed with full hearings, and thus give the American people some real information on this inter-American bank program. Let us hope that constitutional method will be followed.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein three editorials.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert certain tables showing imports and exports.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BURCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an address by Hon. A. H. Hopkins at the annual meeting of the Franklin County National Farm Loan Association.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. TENEROWICZ. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CALL OF THE HOUSE

Mrs. NORTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentlewoman from New Jersey makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 93]

Bradley, Mich.	Gilchrist	Mitchell	Smith, Va.
Buckler, Minn.	Green	Murdock, Utah	Starnes, Ala.
Burgin	Halleck	Murray	Steagall
Byrne, N. Y.	Harness	Nelson	Sweeney
Claypool	Holmes	O'Leary	Thomas, N. J.
Connery	Hunter	Osmers	Ward
Crowe	Jarman	Patrick	Whelchel
Crowther	Jarrett	Risk	White, Idaho
Culkin	Kirwan	Rogers, Okla.	White, Ohio
Cummings	Knutson	Routzohn	Winter
Darrow	McLaughlin	Schulte	Woodrum, Va.
Fish	Magnuson	Shafer, Mich.	Zimmerman
Gehrmann	Merritt	Smith, Ohio	

The SPEAKER pro tempore. Three hundred and seventy-nine Members have answered to their names. A quorum is present.

Without objection, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. MAAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

TURTLE MOUNTAIN INDIAN AGENCY

Mr. BURDICK. Mr. Speaker, I present a conference report and statement on the bill (S. 1036) to authorize the purchase of certain lands adjacent to the Turtle Mountain Indian Agency in the State of North Dakota for printing in the RECORD.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an editorial with a quotation from another editorial.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

By unanimous consent Mr. LEA was granted permission to extend his own remarks in the RECORD.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a statement from the American Committee for the Protection of Foreign-born.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CIVIL AERONAUTICS AUTHORITY

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I want to address the House in connection with the Civil Aeronautics Authority. The largest airplane works in the world are in my district. I want to differ with the President when he states that the proposed reorganization of the Civil Aeronautics Authority which is based on a 5 months' study by a division of the Bureau of the Budget is a good thing. Congress created the Authority after more than 5 years of study. I believe the record of 850,000,000 passengers flown 1 mile without accident is a recommendation in itself. I say let us keep that which we have created. It has worked better than any agency of

government set up in the last 8 years, or just as good. Let us not permit a hasty 5 months' study by a division of a bureau to destroy our studies of more than 5 years. [Applause.]

[Here the gavel fell.]

ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, I realize that the program for next week cannot, of course, be very definite at this time, but many Members would like to know particularly what is going to happen on Monday and Tuesday.

The SPEAKER pro tempore. And Wednesday and Thursday and Friday? [Laughter.]

Mr. MARTIN of Massachusetts. Yes. I accept the correction.

The SPEAKER pro tempore. Of course, Monday is unanimous-consent day, and suspensions will be in order if the Speaker desires to recognize anybody for suspensions. I have not heard that he intends to do that. If the Consent Calendar does not require too much time, we will call up the conference report on the river and harbor bill. If we do not reach the so-called San Francisco and New York World's Fairs resolutions today, they will be taken up on Tuesday. On Wednesday the conference report on the Department of Agriculture appropriation bill will be called. On Thursday, whether or not we finish consideration of the conference report on the Department of Agriculture appropriation bill, the conference report on the transportation bill will be taken up. If the Department of Agriculture appropriation bill conference report is not completed on Wednesday it will go over and will be completed on Friday.

Mr. MARTIN of Massachusetts. That is a definite program; and, of course, there is the possibility that the order concerning the Civil Aeronautics Authority may be reached on Wednesday?

The SPEAKER pro tempore. Well, I certainly hope not on Wednesday.

Mr. MARTIN of Massachusetts. That is a privileged matter, of course.

The SPEAKER pro tempore. Yes; but why not on Tuesday, if it is going to be taken up? We may dispose of the other two matters, but the Department of Agriculture appropriation bill conference report is so important, and a great many Members have primaries on Tuesday, and they cannot be here on that day. So, it being very desirous to get rid of the Department of Agriculture conference report next week, if any Member desires to call up the so-called veto resolution on the President's order with reference to the Civil Aeronautics Authority, I think Tuesday would be a more propitious day. [Laughter.]

AMENDMENTS TO THE FAIR LABOR STANDARDS ACT OF 1938

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5435) to amend the Fair Labor Standards Act of 1938.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, H. R. 5435, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The gentleman from Massachusetts [Mr. CASEY] offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CASEY of Massachusetts: Page 16, line 9, after the word "act", strike out the period, insert a semicolon and the following: "or (4) any employee who is employed in any bona fide wholesale establishment."

Mr. CASEY of Massachusetts. Mr. Chairman, this amendment has been on the desk since last Monday. It has to do with page 16 of the bill and provides an exemption from the hourly provision of the Wage and Hour Act.

Mr. Chairman, I am a stanch advocate of wage and hour legislation. I have voted for it and spoken for it every time it has been before this House. I hope, therefore, that the Members will lend ear to this amendment and give it due consideration. The wage-hour law has for its purpose the raising of the standards of living for those who toil. It seeks to prevent unconscionable exploitation of workers either in the form of low wages or long hours, and I stand firm for that principle. I rise on this floor today, however, to speak for a business that has never dreamed of doing either of these things. I speak in behalf of the so-called wholesale amendment, which many of you have heard about.

The wholesalers of this country number 177,000. They employ 1,300,000 people. They give stable employment for 52 weeks in the year. They give sick leave with pay, they give 2 weeks' vacation with pay, and they pay an average wage to these 1,300,000 employees—mark you this, an average wage of $1,875 per year. So they are not here seeking to be exempted from the pittance of 30 cents an hour. That average wage of $1,875 per year is paid to employees who work 48 hours per week.

What do these employees do? They are not engaged in speed-up production that keeps them constantly and continuously active; they are engaged in servicing other organizations—retailers, hospitals, Government institutions, railroads, steamship lines—all of whom are exempt from the provisions of this act. They must, therefore, be on hand ready to fill orders for these exempt institutions. They operate on a 48-hour week. They pay $36 per week to their employees. They operate on a 6-percent-profit basis. This business has no place in the wage-hour bill. It should not have been included. The result of their inclusion has been to work a great hardship against them.

Mr. CARLSON. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. I yield.

Mr. CARLSON. Did not the House yesterday, in adopting the amendment offered by the gentleman from Illinois [Mr. DIRKSEN], take care of the wholesalers?

Mr. CASEY of Massachusetts. The Dirksen amendment goes only part of the way. The amendment I am presenting now involves a great principle. In this country certain lines of business have grown up to become American institutions. They do not exploit anybody; they pay a decent American wage and do not work their employees unconscionable hours. I am speaking in behalf of this type of business, a type of business which the Government should not, and I do not believe ever intended to, interfere with. What happens to this business that employs men 48 hours a week, paying not 30 cents an hour but 75 cents an hour, a business operating on a 6-percent-profit basis, is this: The Government says to them, in effect: "All right, you employ these men 40 hours at 75 cents an hour, but for the extra 8 hours which you work them you must pay $1.50 an hour rather than 75 cents."

This will not help the low-paid workers which the wage and hour law seeks to help; it will not prevent unconscionable hours; it will not create new employment. But I will tell you what it will do; it will open the way for him who seeks to "chisel" and take advantage of every technicality. It opens the way for new men to come into this industry and take the place of well-established businesses. It opens the way for them to come into the industry, and instead of paying the decent wage of 75 cents an hour, to pay only the 30 cents minimum.

I hope this deserving amendment is adopted. [Applause.]

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I find myself opposed to the gentleman's amendment, which, he stated, has been on the desk since Monday. So much so I think it would have been better had the amendment remained on the desk and never been called up. This amendment would exempt from the hours provision all employees of all wholesalers. It is estimated there are 1,183,000 workers, including 800,000 in addition to those exempted by amendments already adopted.

Where are you going? Where will you end? I have tried to analyze a few of the amendments.

The Buck amendment exempts from both wages and hours 195,000 industrial employees and a vast number of additional workers employed by cooperatives.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Just one moment, please.

Mr. BUCK. Will not the gentleman yield for a question only?

Mr. COCHRAN. That is my statement, and I will not amend it.

In addition, the Buck amendment lifts child-labor restrictions as to all workers included within its provisions. That is my definition of the Buck amendment. I let it stand without reservation.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Not right now; I want to go on with this.

Amending section 7 (c) of the Fair Labor Standards Act extends hours exemption of 7 (c) to approximately 50,000 workers employed in the making of ice cream, malted milk, and processing cheese. This exemption is overlapped by the amendment to section 13 (a) (10) of the act. It also extends exemption for 16 weeks to approximately 148,000 workers in packing, canning, and other similar operations when performed upon products consisting wholly or in chief volume of perishable or seasonable fruits or vegetables, including dried fruits, or in handling or transportation in connection with or incidental to such operations. This is overlapped by the new amendment entitled "section 13 (a) (12)."

This amendment also extends exemption to 152,000 workers employed in the big integrated meat-packing plants in manufacturing soap, glue, grease, fertilizer, oil, oleo, and sausages.

We come now to the amendment to section 13 (a), the Case amendment. This amendment permits exemption from the hours provision of 1,750,000 employees now earning $1,500 or more per annum. This means that any employee working as much as 100 hours per week and earning only the minimum of 30 cents per hour, including truck drivers, will be deprived of all overtime compensation. This exemption to some extent overlaps the wholesale-grocery exemption offered by the gentleman from Illinois [Mr. DIRKSEN]. You have a second clause in this amendment which exempts the Amama Society in Iowa.

The amendment which exempts newspapers—section 13 (a) (8)—of less than 5,000 circulation, covering 20,000 workers, from wages and hours.

Amendment 13 (a) (10): By striking out the area-of-production qualification and the Andresen amendment you exempt from wages and hours approximately 714,000 workers engaged in the occupations enumerated in section 13 (a) (10).

As to section 13 (a) (12): This amendment would exempt from wages and hours 148,000 workers employed in processing any product consisting of only or in chief volume of perishable or seasonal fruits or vegetables, including dried fruits, or in handling or transportation in connection with or incidental to such operations.

Amending section 13 (b) by adding a new subsection (4): This exempts from hours the employees of any wholesaler who sells more than 50-percent dollar volume to retailers of agricultural food products. Examples of such retailers are grocery stores, general stores, many drug stores, and candy stores.

Amendment offered by the gentleman from Connecticut [Mr. MILLER] to exempt from the hours provisions employees of all banks and trust companies would deprive of overtime compensation 221,000 workers who notoriously work long hours.

If there are any more that you want to exempt, would it not be better if you had the nerve to get up here and do what you are trying to do; that is, vote to repeal the act entirely or limit its provisions to such an extent it would be worthless? That is exactly what you are attempting to do when you load down this bill, as you have, with these destructive amendments.

I thought the original objective in enacting this legislation was to help the workers by guaranteeing them a minimum wage and maximum hours. I further held the opinion if this was done then the employer would be required to hire additional employees if he did not want to pay for overtime. That would reduce the unemployment rolls. Now you say, by adopting these amendments, millions of our citizens will not be subject to this act. I do not agree with your logic, and propose to vote to keep the act as it is rather than destroy it. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that on all future amendments the debate be limited to not more than 10 minutes. This does not apply to the pending amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia [Mr. RAMSPECK].

Mr. TABER. Mr. Chairman, I object.

Mr. RAMSPECK. Mr. Chairman, I move that all debate on this amendment and any amendments thereto close in 15 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. RABAUT] for 3 minutes.

Mr. HOFFMAN. Mr. Chairman, a point of order. When committee members are on their feet seeking recognition, are they entitled to it in preference to others or not?

The CHAIRMAN. The Chair recognized the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, the automobile workers have asked the Representatives from their districts to keep the present wage-hour law as it exists today on the statute books. I intend to respect their wishes. The automobile workers themselves are not affected directly by these proposed changes to the Wage and Hour Act. But they oppose any modification in the law because they wish to do for others what they would have others do unto them. They want the present law for the purpose of raising the national income, embodying as it does humanitarian and just principles.

Who are these automobile workers? They are the mechanical geniuses, coming from every State in the Union, who have gathered to produce the product of the greatest business in America. Is there anyone here who would say that these workers have forgotten their brothers in toil back home? No; their insistence on the retention of this law springs from a devotion to a principle, remembering conditions of yore.

They recognize the interrelationship between agriculture and industry. For while an increase in wages may raise the cost of the products which they consume, nevertheless these men realize that increased incomes will result in augmented sales of automobiles, and consequently will mean better employment in industry. This relationship between agriculture and industry is clearly set forth in a survey of the agricultural products used in the annual manufacture of four and one-half million automobiles. On this basis the automobile industry purchases in a single year 540,000 bales of botton; wool, the yield of 3,600,000 sheep; lumber, the product of 90,000 acres; leather, the hides of 135,000 head; flax, the yield of 4,950,000 bushels; tung oil, 3,262,000 gallons; corn, 2,250,000 bushels; hair, the yield of 382,500 goats; turpentine, 9,000,000 pounds; and sugar, the yield of 54,000 acres. Thus I could go on reciting the benefits to every State in the Union resulting from the quest for materials to pass through the hands of the automobile workers.

Incidentally, one-seventh of all the workers in the United States are engaged directly or indirectly in the automobile game. The total number of employees in the Southern States alone is 1,272,376, which number is in excess of 19 percent of the total. For example, there are 64,598 in Alabama, 56,116 in Arkansas, 87,381 in Florida, 95,821 in Georgia, 85,185 in Kentucky, 98,576 in Louisiana, 60,333 in Mississippi, 100,781 in North Carolina, 54,693 in South Carolina, 79,648 in Tennessee, 397,288 in Texas, and 91,956 in Virginia.

Six million men contribute to this beehive of an industry—selling and servicing motor vehicles, building roads, and transporting people and goods over the ribbons of highways throughout the world. Is it any wonder that these workers protested against a change in the Wage and Hour Act, which in their judgment has not yet been tried sufficiently, and which is proving a tremendous help to others in the field of employment. Now, I ask my colleagues, in view of the confusion that has existed in this House during the past 7 days,

should we not admire their thoughtful and far-sighted decision?

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. Cox] for 3 minutes.

Mr. COX. Mr. Chairman, the gentleman who just preceded me stopped short of telling you who furnished the money that is used for the payment of these commodities which the automobile manufacturer buys. I would like to say to you wheat growers of the West and to you cotton growers of the South that when you take your wheat and cotton to market and exchange it for an automobile, you swap from 10 to 14 hours of your hard labor for 1 of the laborer who made the automobile.

Mr. Chairman, there is nothing wrong with the pending amendment. It is more or less immaterial to me what is done with it. For myself I shall support it because I think that the wholesalers of the country find a need for the relaxation of the law insofar as hours are concerned.

The author of the amendment brought to your attention that the question of pay is not involved, since the average wage is above $1,800 a year. A large part of the operations of a wholesaler are seasonal, and the operator of such a business ought not to be compelled to pay a man drawing from $7 to $10 a day time and a half for overtime work.

This is what I took the floor to say. I trust that those who are interested in improving the wage-hour law may find it agreeable to accept in the main what has been done and not go too far in adopting amendments that will follow. I am not urging you, of course, to forejudge any amendment that may be on the Clerk's desk or any that may later be offered, but if what has been done, if finally accepted and becomes effective, we will have materially improved the wage-hour law.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Massachusetts.

Mr. HEALEY. I wish to say to the gentleman that from reliable sources I have information that the amendments adopted yesterday will exempt from the hour provisions of this act over 2,000,000 workers, and if this amendment is adopted, an additional 800,000 will be excepted, which makes a total of about 3,000,000.

Mr. COX. The gentleman, of course, knows something of my views on this whole question. As far as I am concerned, I would exempt them all. I would take off the people of America this kind of regimentation that you are undertaking to impose. I believe we have gone far enough in this direction, and I think we have reached the point where we should begin to turn back. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I believe the amendments which have been offered and adopted here have been offered in good faith. I see nothing sacred about a law that has been placed upon the statute books by one Congress. I believe that after a law has been in operation for a period of time and has developed certain oppressive features it is the function of the Congress to improve it. We know that a protest has come in from the farming districts in every part of this country. They are American citizens who have a right to be heard. These amendments have been offered very largely to rectify certain mistakes that were made in the original law. I believe it would be a reflection upon the intelligence of this Congress if we were not to listen to those complaints and do everything in our power, particularly at this time when agriculture is at a low ebb, to protect agriculture and also to protect the small-business men of this country.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I have only 3 minutes, and the gentlewoman has had all the time she needs, and I say that without any discourtesy at all.

I wish to say to the Members of this House that it would be a tragedy in view of the situation in which agriculture finds itself, particularly those branches of agriculture that depend upon the small processing plants scattered throughout the fruit areas and the vegetable areas of this country, if we were not to take definite action here and support these amendments. Certainly we cannot hope to have the people of this country have very much confidence in this Congress if we fail to meet their criticisms and remedy what has worked injury to them in this legislation.

I have examined the 17 amendments that have been offered and adopted. It appears to me that they are an improvement to the present law. I was amazed yesterday when the chairman of the committee stated that it was her intention to let this bill be loaded up with amendments and then kill it and go back to the law that has worked so much injury to the country.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. If the gentlewoman will pardon me, I wish to finish my remarks right now.

Mrs. NORTON. The gentleman has mentioned my name, and I think in all fairness I ought to be permitted to answer.

Mr. REED of New York. Very well; I yield to the gentlewoman.

Mrs. NORTON. I believe the gentleman's statement is entirely wrong. I said if this amendment was loaded down with amendments I certainly would do that.

Mr. REED of New York. Does the gentlewoman consider that this amendment is loaded down now?

Mrs. NORTON. I certainly do.

Mr. REED of New York. Then the gentlewoman intends to kill it, does she not, and I intend to support it.

Mrs. NORTON. I will say to the gentleman that I certainly do.

Mr. REED of New York. That is what I said in the first place.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Michigan.

Mr. ENGEL. Am I mistaken when I say that the gentlewoman from New Jersey on yesterday asked unanimous consent to attach, without a vote of the House and all at one time, the remaining six or seven amendments to this bill?

Mr. REED of New York. Yes; without any examination or debate at all.

Mrs. NORTON. The gentleman is perfectly right.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, in my opinion the debate on the question of amendments to the Fair Labor Standards Act should not close without some discussion of the important question of the amendments for agriculture in relation to the question of intrastate versus interstate commerce. A careful reading of the Fair Labor Standards Act of 1938 will disclose its comprehensive nature.

The act is predicated upon the constitutional power of Congress to regulate commerce among the several States. That power is unlimited within its properly defined sphere, but the production of agricultural commodities is not within that sphere.

In section 3 (f) of the act agriculture is defined in terms which have been stated during this debate, and in section 13 (a) (6) appears the exemption for "any employee employed in agriculture."

This would seem to indicate that the act assumes that Congress has power to deal with the production of agricultural goods and commodities. The Supreme Court has recently held in Mulford against Smith, decided April 17, 1939, that the Agricultural Adjustment Act of 1938 was constitutional. The case arose in connection with the provisions of the act relating to marketing quotas for flue-cured tobacco. The Court held the act constitutional on the ground that "it purports to be solely a regulation of interstate commerce which it reaches and affects at the throat where tobacco enters the stream of commerce—the marketing warehouse." The Court also stated, "the statute does not purport to control production. It sets no limit upon the acreage which may be planted or produced and imposes no penalty for the planting and producing of tobacco in excess of the marketing quota."

It would seem, therefore, that there is a tacit assumption in the Fair Labor Standards Act that the production of agricultural commodities, such as cotton, tobacco, fruits, and vegetables, corn, wheat and other grains, livestock, and such things as are ordinarily produced by farmers are within the power of Congress to regulate if we wished. Such an assumption is gratuitous and unwarranted.

Let us examine it as a practical matter as to whether farming is commerce. The farmer starts out with his tools and his power equipment, whether it be tractors, horses, or mules, and prepares his lands for a crop. He sows or plants his seed or sets out his trees and shrubs. He cultivates and tills as the crop grows and matures. His crops ripen; they are ready for harvest. The farmer moves into the fields and orchards and gathers his crop. It is still in his possession. It may be stored on his farm or moved immediately into the channels of trade. The Supreme Court has held, in the case above referred to, that at the point where the crop enters commerce, and not before, does the power of the Federal Government in the regulation of commerce apply. The fact, if it be a fact, that watermelons are, in large part, produced for interstate shipment, cannot mean that the growing of watermelons is subject to Federal regulation.

I make these remarks not to argue the cause at length before this Committee but to draw attention to the fact that the Fair Labor Standards Act has intimated that the regulation of agriculture is within the power on which the act is predicated, namely, the power to regulate commerce, although the exemption of agriculture negatived congressional desire to exercise the power in that respect. The point I am seeking to make is that farming in all its branches, including the production of food and fiber crops, among them cotton, grains, fruits, and vegetables, and livestock, is not and cannot be subject to regulation by Congress.

No mere legislation can change the Constitution. Acts are void which are not supported by constitutional authority. There is no constitutional authority for insinuation that we have the right to regulate agriculture. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CASEY].

The amendment was agreed to.

Mr. RAMSPECK. Mr. Chairman, I understand there are three other amendments to this section on the desk.

The CHAIRMAN. There are four other amendments, the Chair will state.

Mr. RAMSPECK. Then, Mr. Chairman, I move that all debate on this section and all amendments thereto close in 40 minutes.

The motion was agreed to.

Mr. BARTON of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTON of New York: On page 16, line 5, after "Sec. 6", insert "(a)", and after line 9 insert the following: "(b) Section 13 (c) of such act is amended by striking out 'employed in agriculture' and inserting in lieu thereof 'employed in any of the operations described in paragraphs (1) and (2) of the definition of agriculture.'"

Mr. HOFFMAN. Mr. Chairman, I make the point of order against the amendment that it is an amendment to an amendment previously adopted. We have already passed on that amendment.

The CHAIRMAN. The Chair is ready to rule.

The amendment proposed by the gentleman from New York [Mr. BARTON] seeks to add a new subsection after section 6, and therefore the Chair thinks the amendment is in order and overrules the point of order.

Mr. HOFFMAN. Mr. Chairman, I make the further point of order that it is an attempt to repeal or to affect by amendment an amendment already adopted. It is an amendment on an amendment, even if it is a new section or subsection.

The CHAIRMAN. The Chair will state that an amendment might affect, in some degree, an amendment that had been adopted, but that does not necessarily mean that the amendment offered should be ruled out on a point of order.

The Chair overrules the point of order, and the gentleman from New York [Mr. BARTON] is recognized for 5 minutes.

Mr. BARTON of New York. Mr. Chairman, the Fair Labor Standards Act in section 13, which is entitled "Exemptions," contains this provision:

The provisions of section 12, relating to child labor, shall not apply with respect to any employee employed in agriculture. * * *

Now, the House has adopted, in the Buck amendment, a new definition of agriculture and that definition, as has been repeatedly pointed out, is in four subdivisions. Subdivisions 1 and 2 relate to those operations performed directly on the farm and, of course, it never has been the intention of Congress that the farmer should be prohibited from employing his own children in work around their own homes. My amendment would continue the exemption of child labor under subdivisions 1 and 2 of the Buck amendment, and would preclude exemptions under subdivisions 3 and 4, which pertain to operations not on the farm, but to operations outside the farm, such as harvesting maple sugar and turpentine, ginning of cotton, handling, planting, drying, packaging, processing, freezing, grading, storing agricultural or horticultural commodities, and so forth; in other words, it is an effort to make clear that we are not letting down the bars in respect of the stand which we have previously taken in outlawing child labor.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. BARTON of New York. I yield to the gentleman from California.

Mr. BUCK. Mr. Chairman, I want to state to the committee that as far as I am personally concerned, I have no use for, and never utilize child labor in connection with any farming operations; on the other hand, I wonder if the gentleman from New York is familiar with the fact that, out of San Francisco and out of Los Angeles and various other cities, there come during the summertime whole families, and they gather up the prunes and the pears, and their children are employed in minor work. There are no schools for children to attend during that period of the year, and their services may add a little revenue, but not much, to the family exchequer. It is outdoor occupation, it is healthful, there is no such thing as long hours involved in the matter, and I wonder if the gentleman has not picked out the wrong place to suggest his amendment. I cannot accept it, not with the idea of being opposed to child-labor prohibition in industry, because I am certainly for that, but I do not believe the gentleman has thought this thing through. So I really cannot accept the amendment. I am sorry.

Mr. BARTON of New York. Mr. Chairman, may I say in answer to the gentleman from California [Mr. BUCK] that it seems to me the situation which he has outlined is fully covered by sections 1 and 2 of his definition of agriculture.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BARTON of New York. Yes.

Mr. AUGUST H. ANDRESEN. Does the gentleman's amendment apply to paragraph 10 of section 13 A? The gentleman mentioned something about canning, storing, ginning, packing, and drying of agricultural products in the raw and natural state.

Mr. BARTON of New York. This will be prohibited under my amendment.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The Chair will recognize the gentleman from Michigan. It is the purpose of the Chair under the motion of the gentleman from Georgia [Mr. RAMSPECK] to recognize a Member to offer an amendment, and someone else, if there are those, to oppose the amendment. That will consume 10 minutes on each amendment under the motion of the gentleman from Georgia. The gentleman from Michigan is recognized for 5 minutes.

Mr. HOFFMAN. Mr. Chairman, I request that I be recognized for 3 minutes and that 2 minutes be granted to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The CHAIRMAN. The Chair recognizes the gentleman from Michigan for 3 minutes.

Mr. HOFFMAN. Mr. Chairman, this legislation in the beginning had for its purpose the abolition of the sweatshop and the enactment of a law which would prevent child labor. It does not seem possible to me that there is any Member on the floor or any Member of the House who advocates, or who ever at any time approved of, child labor, as that term is commonly used, or who for a moment would countenance a continuation of the sweatshop.

The gentleman from Massachusetts [Mr. CASEY], who offered the amendment exempting the employees of wholesalers, in my judgment, made as good an argument as could be made by anyone, showing that the law has not only been unfairly administered but that it is unsound as a whole. Under the guise of abolishing child labor and sweatshop labor, this law was put upon the books, but, in reality and as administered, through the reduction of hours and the use of the time and a half device, it has been used to increase wages, to promote monopoly.

The gentleman from Massachusetts [Mr. CASEY] pointed out that the employees of wholesalers are receiving 75 cents an hour, are working 48 hours a week, and, under the law as administered, were being paid $1.13 for overtime work; and he asked that those wholesalers be given exemption from the provisions of the law.

The gentleman is a spokesman for labor. If he exempts the employees of wholesalers, why not exempt the employees of retailers, or of those engaged in any other business? The position of the gentleman, who, if I understand his attitude correctly, opposes exemptions for others, seems entirely inconsistent. Why should wholesalers in the Third Massachusetts District, from which the gentleman comes, be exempt from the operation of the law, if not only retailers but manufacturers in the Fourth Congressional District of Michigan are not to be exempt? Why should not all those who manufacture automobiles be exempt? The average wage in the motor industry is 90 cents per hour, not 75 cents.

What is good for Michigan should be good for Massachusetts.

The objection which so many of us have to this law, to the way in which it is administered, is because, as it stands, it is a hardship upon the small employer, forcing him to pay a higher wage without an increase in production; compelling him to compete with industries which have a monopoly, like the motor industry, the steel industry, which can charge for their products almost any price they may fix and can therefore pay a wage which the small employer finds it absolutely impossible to meet.

It is not a question of the minimum wage always; it is a question of coming in, as I cited the other day, and paying common labor in the cities on Government contracts 90 cents an hour, and in the steel industry 62½ cents an hour, and then paying overtime, which forces employers in the smaller cities to compete in a market where they are hopelessly outclassed, to pay time and a half at a rate of wage under which the business cannot be carried on. It was for that purpose, in behalf of the smaller employers, who are paying a salary on a monthly or annual basis, that I offered the amendment the other day, to keep them out of the bankruptcy court.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. COCHRAN. If the employees the gentleman speaks of getting 62½ cents an hour, working the maximum hours under the law, could not produce a sufficient amount to fill the order, would not the employer be forced to put additional men to work? That is what we want.

Mr. HOFFMAN. Unfortunately, that is not what always happens. In some cases, the employer pays time and a half; in some other cases, he does put additional men to work.

Let me cite you an instance. A small factory can work two shifts 48 hours, but under the law, being required to pay time and a half for the 6 hours on each shift, the management employs three shifts. There are more men at work—a third more—but the management cuts the hourly rate of pay and the total wage paid to the three shifts is no greater than the amount of the total wage paid to two-thirds of that number of employees.

The purpose of this law was not to put more men to work. The purpose was to increase wages by paying time and a half for overtime.

As stated just a moment ago, another result of the operation of this law is the tendency to force out of business the smaller operators; to create a monopoly so that, by mass production, the higher wage can be paid to a few, while those who formerly worked—and because of lower living expenses, were enabled to live comfortably in the smaller towns and cities—are forced on the relief rolls where they get little, if anything.

It is futile to appoint committees to investigate monopoly; to ask for legislation preventing monopoly, and then, through a wage-hour law, through a national labor-relations law, destroy the business of the hundreds of thousands of employers throughout the Nation who are paying a wage, which, in the communities where it is paid, not only is a living wage but is a wage on which in the past hundreds of thousands—yes, millions—of workers have lived in comfort, in happiness, and have saved sufficient so as to provide themselves with economic security in their old age.

If the law was confined to the purpose for which it was originally passed, that is, the protection of the children, the abolition of the sweatshop, no one would find fault with it. It has been used, however, to aid union officials in forcing ever higher the wage scale in the few industries at the expense of a far greater number of workers employed in the smaller plants.

It has been used to extend the Government's hand into small business scattered throughout the length and the breadth of our land. It has been used as an excuse to build up another bureaucracy here in Washington; to fasten upon the taxpayers another group of tax eaters who, never having operated a business, knowing nothing of industry, guided wholly by the theories and the teachings of those who believe that our Government should be remade, are steadily—and none too slowly but very surely—making it more and more difficult for private industry to give employment.

The motor industry, the steel industry, because of the large amount of capital involved, because of the centralization of management, may be able to withstand the pressure; but the small-business man, who is the foundation of our Government, who pays the vast bulk of our taxes, cannot compete.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the amendment offered by the gentleman from New York [Mr. BARTON].

The question was taken; and on a division (demanded by Mr. BARTON of New York) there were ayes 47 and noes 37.

Mr. BUCK. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. BARTON of New York and Mr. BUCK to act as tellers.

The committee again divided; and the tellers reported there were ayes 60 and noes 50.

So the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas to offer an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: On page 16, line 9, after section 6, strike out the period, insert a semicolon, and add the following: "or (4) any employee employed in any incorporated bank or trust company whose capital stock does not exceed $100,000."

Mr. BARDEN of North Carolina. Mr. Chairman, I make a point of order. If my memory serves me correctly, that same amendment has been voted down by the Committee previously.

Mr. REES of Kansas. Mr. Chairman, this particular amendment, I am quite sure, has not been offered before. There was an amendment offered to exempt banks doing a certain portion of their business intrastate. This amendment is to exempt the so-called "white collar" folks that we

hear so much about. This amendment does not come at the request of any banks or trust companies, either.

The CHAIRMAN. The Chair is ready to rule. While some other amendments have been offered containing language somewhat similar in character, this amendment does not embody the same wording that those amendments contained. The Chair therefore overrules the point of order.

The gentleman from Kansas is recognized for 5 minutes.

Mr. REES of Kansas. Mr. Chairman, this amendment, if adopted, would exempt employees of banks and trust companies having a capitalization of $100,000 or less from the hours provisions of the Wage and Hour Act. It takes in the banks that serve the people of the smaller and medium-sized towns and all rural communities. This amendment has nothing to do with sweatshop labor. It has nothing to do with child labor. Let me say right here that I am just as much in favor of protecting the children from labor abuses as anyone in this House. This amendment has nothing to do with men and women working at hard labor for long hours and meager wages. I am in favor of protecting that group of workers also. I am just as much in favor of paying all groups fair and decent wages and of providing reasonable working hours and decent working conditions as any of you.

The group of employees included in this amendment are provided, generally speaking, with good working hours and are in almost all cases paid reasonable wages for their services, far above the minimum wage scale.

Here is what has occurred in many places, especially in the rural districts: Banks that formerly opened at, say, 9 in the morning and closed at 3 or 3:30 in the afternoon now open at 10 in the morning and close at 2 or 2:30 or possibly at 3 in the afternoon, then close Saturday afternoon or all day Saturday. This works a hardship on the merchant and the farmer, as well as the laboring man, who seeks the services of the bank. Those who manage the bank say they are required to shorten the hours in order to comply with the Wages and Hours Act, They say that if someone is "out of balance" in the accounts at the end of the day they are in violation of the law if the employee works a little overtime. They say they cannot comply with the law and serve the public by permitting the banks to remain open as they formerly did. I realize that a bank has a right to open and close its doors for business just as it may choose, but I do think the public has a right to be considered and that the present method is causing a lot of unnecessary inconvenience on the part of many patrons of the banks. The rank and file of the people have a right to be considered. I do not want the banks to give this as a reason for keeping open 4 hours a day and then close for a working day when others are employed.

As it stands, the banks place notices in the newspapers and say in substance that by reason of the Wage and Hour Act they are required to remain closed during certain hours. Banks do not stay open for long hours in any event. I just do not think the Wages and Hours Act does their employees much good, and I do think it works an inconvenience on the ordinary, average man who wants to get along. If the act would provide for more employment in the banks, it would be different. The amendment is practical and will injure no one.

Mr. HAWKS. Will the gentleman yield?

Mr. REES of Kansas. Yes; I shall be glad to yield to the distinguished gentleman from Wisconsin.

Mr. HAWKS. The gentleman says the banks are using it as a reason for closing. Is it not a necessity?

Mr. REES of Kansas. The gentleman from Wisconsin is right. I appreciate his contribution. There are a number of banks in his community and mine who deem it necessary to keep their banks open for only 4 or 4½ hours a day, and then remain closed almost all day on certain days of the week in order to comply with law.

Mr. HARRINGTON. Will the gentleman yield?

Mr. REES of Kansas. I shall be glad to yield to the distinguished gentleman from Iowa.

Mr. HARRINGTON. This amendment accomplishes, to all practical intents and purposes, the same thing sought to be accomplished by the amendment I offered to the Barden bill.

Mr. REES of Kansas. It does. That was a good amendment, and let me say that the amendment offered by the gentleman from Iowa [Mr. HARRINGTON] was adopted by this Committee with almost no opposition. The Barden amendment was defeated, and therefore the Harrington amendment was eliminated.

Mr. HARRINGTON. I am for the gentleman's amendment.

Mr. REES of Kansas. I appreciate the statement of the gentleman from Iowa.

One thing more, Mr. Chairman. This proposed amendment does not come at the request of any banker. It comes at the request of the ordinary, average individuals living in the small towns and country districts, who feel that they are entitled to this service without any additional expense or hardship on the part of anyone. Mr. Chairman, I am mindful of the statements of some of those who have preceded me, to the effect that all further amendments should be voted down, and that the bill should not be loaded with changes, and so forth.

Mr. Chairman, this amendment is practical. It is fair. It injures no one. It will be helpful to a lot of people who ought to have it. I hope you will support it.

Mr. RICH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I happen to be interested in a small bank with a capital of less than $100,000. The fact of the matter is that a real small bank is about the only kind of a bank I could be interested in. I feel that we are getting along pretty well with the law as it is now applicable to banks. I have not heard of much opposition from banks. I realize that there may be some sections of the country, particularly in the rural areas, where they might be a little inconvenienced, but on the whole I do not believe it is necessary for us to adopt this amendment. We have now adopted too many amendments, and they are not all of the proper kind to make this a better bill than the law now in existence.

We have adopted 18 or more amendments to this bill. The bill as it stands at the present moment is anything but what the bill should be. And I want to say here that the business interests of this country are just sick. Men in business today are so sick because of the laws that have been enacted in the last few years that they do not care whether they stay in business or not. Let me show you what has happened in the last 7 years as compared with the 7 years previous to the time the present administration came into power.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. RICH. I cannot yield. The number of workers unemployed as an average for the 7 years previous to this administration was 4,820,000. For the last 7 years the average has been 10,617,000, or an increase of 120 percent in unemployment. That is a terrible situation after all the spending and lending the Government has been doing.

The national income for the 7 years prior to this administration was $69,062,000,000. For the last 7 years it has been $59,783,000,000, or a decrease of 13 percent. That is not good.

The number of strikes was 795 during the first 7-year period as compared with 2,505 during the last 7 years, or an increase of 215 percent in strikes annually. Is that not a terrible situation—increasing the number of strikes annually over 215 percent?

The number of workers affected by the strikes was 301,600 compared to 1,176,500, or an increase of 291 percent. That is bad for the New Deal.

Federal job holders average in the first period of 7 years was 558,200. Since the present administration came into power the number of Federal workers has jumped to 771,830, or an average increase of 38 percent. It increased 100,000 the past year in reorganization.

Coupling these figures with the laws that have been enacted during this administration, you can see that the legislation, instead of putting people to work, has taken men out of jobs. They created strikes and people were placed on the dole.

The reason this law has not worked is because it did not include everybody; when it was written it was not uniform. No law will work that is not uniform in its application. Why have favored classes in a democratic form of government?

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. RICH. I cannot yield for the moment.

Let me call your attention to the statement made by the chairman of the Committee on Labor, the gentlewoman from New Jersey [Mrs. NORTON], on yesterday. She rose in her place at the committee table and said—and I quote:

Mr. Chairman, I ask unanimous consent that all amendments on the Clerk's desk be considered as read and adopted, and printed in the RECORD at this point.

This was an unheard-of request, when she did not know what the amendments were. It shows that she did want to kill the bill.

When you have as chairman of one of the great committees of this House a person—or when you have a committee itself—that is not more interested in trying to establish laws that are for the best interests of the American people, how can you expect to put people back to work? It cannot be done.

I say to you that if you vote to recommit this bill to the Committee on Labor, the Congress does not have very much sense, because you know they will do nothing with it. The Labor Committee of the House will bury it and bury it deep. So far as they are concerned it will be forever dead.

Mrs. NORTON and Mr. REES of Kansas rose.

Mr. RICH. Mr. Chairman, I yield to the gentleman from Kansas.

Mr. REES of Kansas. The gentleman has not yet offered a reason why my amendment should not be adopted.

Mr. RICH. I wanted to get 5 minutes in which to express my own thoughts about this legislation.

Mr. REES of Kansas. That is what I thought.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. MUNDT. Does not the gentleman believe that the amendment offered by the gentleman from Kansas is highly desirable because it will help eliminate the very things about which the gentleman complains?

Mr. RICH. In a way, yes; but in a greater way, no. I am telling you right here and now that if you are going to put a ceiling over hours and a floor under wages, it must be uniform for all the American people. We should maintain a minimum wage and let it work for a few years until the people get accustomed to it, and keep the limit moderate. Then permit, under certain conditions, hours to be liberal to care for necessities. Then we will help the low-paid people to get more, we will help small business, and in time help the country.

Mrs. NORTON. Mr. Chairman, will not the gentleman yield? He mentioned my name.

Mr. RICH. I do not yield right now. I have not the time. If I had, I certainly would yield to the chairman of the Labor Committee.

[Here the gavel fell.]

Mr. MILLER. Mr. Chairman, I offer a substitute for the Rees amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER as a substitute for the amendment offered by Mr. REES of Kansas: Page 16, at the end of line 9, insert "employees of all banks and trust companies."

Mr. MILLER. Mr. Chairman, I do not think it is necessary to say much about this amendment.

Mr. BARDEN of North Carolina. Mr. Chairman, a point of order.

The CHAIRMAN (Mr. PARSONS). The point of order comes too late.

Mr. BARDEN of North Carolina. I just want to call it to the Chair's attention. I kind of thought it would refresh his mind.

The CHAIRMAN. The Chair may say that the point of order comes too late.

The gentleman from Connecticut had already started to speak on his amendment.

Mr. MILLER. Mr. Chairman, I doubt if it is necessary to say much about my amendment. If a law is just and fair to the employees of a bank with a capitalization of $100,000, the same arguments would apply to the employees of a bank with a capital of $150,000 or of $10,000,000, for that matter. Most banks are operating on a 34- to 37-hour week, and as far as the daily routine is concerned are not affected by the hours provision. The situation I have in mind and which I would like to see corrected is one that has developed under the provisions of the Wage and Hour Act, wherein cashiers and tellers in a bank are entitled to time and a half for their overtime—time spent attempting to balance their own books or, in other words, looking for their own errors. Needless to say, these employees are paid two or three times the present minimum wages and are therefore not concerned about the minimum-wage provision. Certainly we do not want to penalize banks by requiring them, if they live up to the letter of the law, to pay employees time and a half while they are looking for their own errors.

When we see Members of this House like the gentleman from Massachusetts [Mr. CASEY] pleading for amendments to this act—a man who has supported and sponsored a great deal of labor legislation—we should be convinced that there is something wrong with either the act or administration of the act. I am surprised it has taken 6 days to consider amendments to the Fair Labor Standards Act. Most of us are in agreement that some amendments should be adopted. The suggestion made by the gentleman from New York [Mr. WADSWORTH] seems reasonable. It seems to me his suggestion would have given needed relief to agriculture. One or two other amendments would have undoubtedly improved administration of the act. An amendment offered by the gentleman from Georgia [Mr. RAMSPECK] amending section 7, subsection B–2, allowing employees to enter into agreement with their employer, regardless of whether the employee belonged to a labor organization or not, would have proven beneficial. I do not believe these 6 days have been wasted, because we certainly must have demonstrated to the Administrator of this act that there was a good deal of dissatisfaction with the administration of the act.

I believe, if the Administrator would take a more liberal attitude, if he would more sympathetically consider the appeals of those interested in agriculture and the appeals of other employers—in many cases of employees—it would not be necessary to adopt any of the amendments which have been offered here.

I have in mind an employer in my district who has tried to give year-round employment to a large number of people, although in his particular business 90 percent of his sales are made in the month of December. This means he is compelled to finance his operations and store a good deal of his merchandise over an 11-month period. Still he has been unable to get the Wage and Hour Administrator to rule that his is a seasonal business. A toy manufacturer in the United States has had to contend with imports from Japan and Germany. It seems to me that, instead of putting obstacles in his path, Congress should lend him every aid.

Mr. Chairman, I have voted against every amendment which has been proposed that would have reduced minimum-wage requirement. I believe 30 cents an hour is an absolute minimum. If an industry cannot maintain that minimum-wage scale, there must be something wrong in that industry. I voted against the so-called Buck amendment, although I realize a better definition of agriculture than the act now contains would have been desirable. There seemed to be a difference of opinion as to whether or not the Buck amendment would have let the bars down on child labor. I feel so strongly that child labor should be barred in every industry that I would not take a chance on voting for that amendment. Both the Barden and Norton bills have been loaded down with so many uncalled-for amendments—amendments, I am told, would exempt from the provisions of the wage-hour law more than 3,000,000 employees—that I will certainly vote against

these two bills. It is my understanding that if the amendments which were adopted in the Committee of the Whole are voted down, when we go back into the House we will be called upon to vote on the original Norton bill. This bill has not even been read in the Committee of the Whole and is a bill that the Committee on Labor itself would not support. I sincerely hope that the Administrator will take the time needed to read the debate and will so govern himself that many of those who have prayed for amendments will be satisfied by administrative orders.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Connecticut [Mr. MILLER] for the amendment offered by the gentleman from Kansas [Mr. REES].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The question was taken; and on a division (demanded by Mr. REES of Kansas) there were—ayes 22, noes 45.

So the amendment was rejected.

Mr. KRAMER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. KRAMER: Page 16, line 9, after the word "act", strike out the period, insert a semicolon, and add the following: "or (4) any employee who is employed by the month and paid at the rate of $200 a month or more, or who is employed by the week and paid at the rate of $50 a week or more, or who is employed by the hour and paid at the rate of $1.25 an hour or more, and who is guaranteed employment of 40 hours or more a week."

Mr. CASE of South Dakota. Mr. Chairman, I reserve a point of order against the amendment.

Mr. KRAMER. Mr. Chairman, this amendment simply exempts those employees who by reason of their employment receive a salary or compensation well in excess of that amount which is contemplated by the act and therefore should be exempt from the provisions thereof.

As has been pointed out in connection with the discussion of the shooting unit and distant locations in connection with the moving-picture industry, if an amendment providing for such an exemption is not possible, serious hardship will result to the motion-picture producer unless the specific exemption relating to the shooting unit and distant locations are provided.

In view of the fact that 40 cents an hour is the highest minimum rate contemplated by the act and $30 a week is the rate of compensation required to be paid to qualify within the Administrator's definition of executive and administrative employees, it is felt that the minima of $200 a month, $50 a week, or $1.25 an hour are more than adequately high. Other amendments have been suggested in which only a minimum monthly rate of compensation is proposed. Such an amendment would be of no benefit to the motion-picture-producing industry. In this business most employees, including executives receiving some of the highest salaries that are paid throughout the Nation, are paid on a weekly basis, and certain other highly paid employees are paid on an hourly basis. Practically no one is paid on a monthly basis. In order to avoid the objection that the hourly rate permits only a few hours of employment, which is sometimes necessary, the proposed amendment carries a proviso that to be exempt an employee must be guaranteed 40 hours or more employment a week.

Mr. Chairman, I ask that this amendment be adopted. I understand that the committee has made no objection thereto.

[Here the gavel fell.]

Mr. HOOK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I believe we have wasted about 6 days of good time. As it stands right now, a simple resolution of repeal would have been a whole lot better than what you have before this body now, because you have exempted every single, solitary person but the unemployed, and the Lord knows there are enough of them. I do not see why an amendment is not offered here exempting them. It would make just as much sense as some of the amendments that have been offered and adopted during all this confusion.

The wage and hour bill has certainly done some good in this Nation. It has raised the standard of living for the common masses. You know and I know that it should remain on the books. I do not believe there is a single, solitary Member of this House who would offer an amendment to repeal the original act, but that is practically what you do if you adopt this amendment and this bill.

I am pleased to know that we did adopt the amendment with regard to child labor. I was surprised to hear men in the Well of this House say they wanted to keep children working in the fields during the summertime because of the fact that it was healthful for them. The place for children during the summertime is on the playgrounds, not in the fields toiling with their hands. They should be out on the playgrounds getting a little recreation. They should be allowed to live a normal life and not be pushed into the fields to work during the summertime, during the vacation, so that somebody can profit by child labor.

[Here the gavel fell.]

Mr. WOOD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have heard for the past 4 or 5 years many expressions from Members of this House to the effect that if labor would only get together we would know what to do. They have said that rightly, knowing there has been a very serious division in the labor movement. The oft-repeated expression has been, "If we only knew what labor wanted, if we could just get these warring forces together, we could vote intelligently on the legislation." Now you have before you a bill to which the 3 groups of organized labor in this Nation, 10,000,000 members of organized labor, the articulate workers of the Nation, the American Federation of Labor, the C. I. O., and the 20 standard railroad labor organizations are unalterably opposed. They have all expressed to me that they are opposed to any amendment to the Wage and Hour Act at this session, and they have set forth the reason.

We have seen a great demonstration in the past 5 days of what some Members of this House will do when they know the 10,000,000 organized workers of this country are together on a measure. Added to that number, I may say, are 5,000,000 or 6,000,000 inarticulate workers who have not the method of collectively expressing themselves, and they are trembling with fear today.

Mr. KEEFE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. The rule under which this bill came before the House, as I recall, provided for debate upon the pending measure and the amendments thereto. The gentleman has moved to strike out the last word. If other Members are going to be denied the right to make generalized speeches which are not confined to the pending amendment, we will be here another 5 or 6 days. It seems to me the rule ought to be invoked, and I make the point of order that the gentleman is not talking on the pending amendment.

The CHAIRMAN. The gentleman from Missouri will proceed in order.

Mr. WOOD. If I am not talking on the amendments and the effect thereof, I would like to know what I am talking about. Does the gentleman know what I am talking about? I believe if the gentleman would listen, he would find out I am talking about this wage-hour bill.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WOOD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I may say that it is not the fault of the gentleman or the members of the Labor Committee that we have been here for several days. If the previous question had been ordered, it would have been all over then.

Mr. WOOD. That is very true.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. WOOD. No; I shall not yield.

Now, a word about the amendments. I was born and raised on a farm. This is the first time I ever knew that a greenhouse is a farm. The Buck amendment, among other definitions of a farm, includes a greenhouse. You have taken

all the greenhouses of the Nation from under the Wage and Hour Act, and there are many thousands of them. You have taken from under the act no less than 100,000 greenhouse workers—men and women who do the hardest work that ever has been done, either rural or urban.

Mr. Chairman, I believe the proper thing to do is to consummate our work here and send this bill back to the committee, where we may bring out later some understandable legislation. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. Does the gentleman from South Dakota insist on his point of order?

Mr. CASE of South Dakota. Mr. Chairman, I believe this amendment does not conflict with the other amendment, so I withdraw my reservation of a point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. KRAMER].

Mr. BLAND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLAND. Apropos of the statement of the gentleman from Massachusetts [Mr. MCCORMACK], can the previous question be ordered in Committee of the Whole?

The CHAIRMAN. The previous question is never in order in the Committee of the Whole.

The question is on the amendment offered by the gentleman from California.

The question was taken; and the Chair announced that the noes seemed to have it.

Mr. KRAMER. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. Are there any further amendments to section 6? [After a pause.] Are there any amendments to section 7?

Mr. DONDERO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am one of those who has been sitting here during the last 5 or 6 days without indulging the patience of the House. If there is any Member of this House who is optimist enough to even believe that this bill will ever become law he has an imagination greater than any human being I have ever met. [Laughter.] Up to this time, during the debate on this bill, we have added 18 different amendments. They have covered a wide range. They have ranged from buttermilk to sawmills, affecting various parts of the country. This is only indicative of the widespread, adverse effect that the wage and hour law has had on the country affecting agriculture throughout this land; otherwise these many amendments would not have been offered. There have been more amendments offered and rejected than we have had amendments approved. There will be others, undoubtedly.

In the debate we have heard a great deal about sweatshops. I am one who voted for the wage-hour law in the hope that it would do some good. As I read and understand the debate, the opposition is not directed so much to the 30 cents an hour as the minimum wage as it is directed to the penalty of time and a half which this law provides against small business, which cannot pay it. It is not the penalty of the wage and a half at 30 cents an hour, but the wage and a half far above the minimum in the wage-hour law that imposes a burden on agriculture, business, and industry and its many diversified interests.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from California.

Mr. BUCK. Mr. Chairman, does the gentleman realize that the Senate has just sent over a bill to us with 116 amendments attached to the House bill? Why, therefore, should we worry about 18 amendments? [Laughter.]

Mr. DONDERO. Let me say to the gentleman that the legislative body at the other end of the Capitol also sent a bill back here the other day with regard to rivers and harbors with 208 amendments. Some members of the Committee on Rivers and Harbors did not even recognize it as it came back to the House.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. I just wanted to observe that the gentleman has stated that the bill principally affected hours and not wages. I call his attention to the fact that under the amendments that have been adopted up to the present time there have been 2,900,000 workers exempted from the wage provision of 30 cents an hour in the act.

Mr. DONDERO. Possibly, that is so. I do not want to debate the matter any further because we have heard too much about that on the floor of the House, but let me just say this.

I recall that yesterday the gentlewoman from New Jersey, the author of this bill and the chairman of the Committee on Labor, appealed to the House to adopt en bloc six amendments on the Clerk's desk without even being read. It was obvious to every member of the committee that such procedure was intended to reach just one objective and that was to load this bill down with conflicting amendments so that no Member would vote for it and completely destroy every attempt to perfect the wage and hour law to make it workable and fair.

We have heard the expression "sweatshop" used time and again during this debate. Do you know of any group of people in this country who work longer and harder and sweat more for less than the people engaged in agriculture—the farmers in this country? Their only limitation on hours is the rising and setting sun. They are exempted from the operations of this bill.

Those who are opposed to any amendment to the wage and hour law do not shed crocodile tears over the children of the farmers who assist in the work on the farm and know nothing about a minimum wage or a maximum hour. Neither do they weep over the importation of goods into this country manufactured and produced in foreign lands where child labor is used; not even when those goods come in competition with the same articles produced in this country in abundance.

The many amendments offered to many and varied activities in connection with agriculture and agricultural products—seasonal, perishable, and many others; particularly those handled by small-business concerns, processing plants, and farmers' cooperatives—is an indication of what happens when we try to pass legislation and create a frame in which to fit all of the diversified interests, activities, and ramifications of business, agriculture, and industry throughout the United States. It just cannot be done. [Applause.]

While the wage and hour law is an ideal to better the condition of the wage earner and the amount he may earn and the hours he shall work, and in which I am in full accord, nevertheless, in too many instances it has been shown to work a hardship, inequality, inequity, and to result in much unemployment. These conditions should be corrected, and there should be no opposition to making the law workable and just. I doubt whether we can pass a law without doing more harm than good, when we attempt to pass a wage and hour law to fix a standard for everybody in the United States.

Mr. Chairman, I have in my possession a short statement, prepared by an instructor at Vanderbilt University at Vanderbilt, Tenn., entitled "Unseen Effects of Wage Law," which I shall ask permission to include as a part of my remarks when we go back into the House.

The matter referred to follows:

UNSEEN EFFECTS OF WAGE LAW

(By Gus W. Dyer, professor of economics and sociology, Vanderbilt University)

The average man thinks of the industrial life of this country as confined almost exclusively to a group of big factories and medium-sized factories, located in big cities or big industrial centers. Conditions in these big industries are the foundation for practically all of the labor legislation at Washington.

The public in general is under a delusion that the big industries have driven out practically all of the small factories. The few left are not considered worthy of consideration in labor legislation. As a matter of fact, the big industries have not driven out the small factories. The small factories make up a very large part of our industrial life today.

In 1929, 210,954 factories of all types were in operation in this country. Over 7,000 of these factories employed no wage earners; 95,767 employed from 1 to 5 wage earners; 53,524 employed from 6 to 20 wage earners; and 25,022 employed from 21 to 50 wage earners. The total number of wage earners employed in these small factories was 1,689,847. The average number of wage earners in the 174,313 small industries in operation was 10.

These little factories that give employment to nearly 2,000,000 people are located in cities, towns, villages in the rural sections everywhere. Among them we find sawmills, gristmills, feed mills, chair factories, furniture factories, mattress factories, textile factories, sheet-iron industries, clothing factories, overall factories, etc.

The wages of each employee are determined by the productivity of the worker. Each gets the market value of his services. The skilled get high wages; the unskilled, the untrained, the slow, the inefficient get relatively low wages. But all are paid by the same standard—the standard of their productive capacity. With two or three members of a family at work, even at low wages, the family is able to maintain its independence and respectability.

A very large proportion of these small industries are located in small towns, villages, and rural communities. There are 13,433 small towns in this country that have populations of 2,500 or less. Over 10,000 towns have populations of less than 1,000. The combined population of these small towns is 9,183,035. This is a population greater than the combined populations of Boston, St. Louis, St. Paul, Buffalo, Baltimore, Cincinnati, Pittsburgh, New Orleans, Dallas, Houston, Indianapolis, and Chicago. Yet little thought is given to the life and problems of these little towns.

Few of those who are operating these small industries are making much above a simple, decent living. These industries are in no condition to absorb any extra business cost. The productivity of labor is a definite, fixed quantity that can be determined definitely on the market. The labor in an industry must produce the value of the wages paid or the industry is doomed. These small industries have no reserve out of which to pay continuous losses. A minimum wage of 40 cents an hour or $3.20 a day for 8 hours would mean the elimination of all workers who cannot produce the minimum, and this would, perhaps, mean the elimination of over one-half of the workers in the small industries, and the closing of a very large proportion of these industries. It is doubtful if the serious results of the minimum wage on these industries would ever reach the newspapers.

The 13,433 small independent, self-supporting, self-respecting communities in which small business lives and thrives are the very heart of real American life and American ideals. If left alone they will take care of themselves under American constitutional industrial freedom. It is little less than a crime for an absentee, centralized government to make it illegal for honest, upright citizens to offer millions of workers in these towns an opportunity to work and support their families by their work. It is far worse for a government to force these people to join the ranks of the dependents and the mendicants.

There is a higher law than any we can pass in this body that controls the fortunes of people in their business and private affairs, and that is the inexorable law of nature which rules the products of farm and field and the impelling economic law of supply and demand which controls the markets of both the factory and the farm.

Mr. RAMSPECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RAMSPECK. Are there any amendments pending to section 7?

The CHAIRMAN. There is none on the desk.

Mr. RAMSPECK. Then, Mr. Chairman, I move that all debate on section 7 do now close.

The motion was agreed to.

Mr. RAMSPECK. Mr. Chairman, are there any amendments to section 8?

The CHAIRMAN. Are there any other amendments to section 7? [After a pause.] The Chair hears none. We now pass to section 8. Is there any amendment to be offered to section 8?

Mr. BLAND. Mr. Chairman, I move to strike out the last word. My purpose in asking recognition at this time is to call attention to the parliamentary situation. When we conclude the amendment, the Chair will then announce that the question is on the amendment as amended, which will include all of the amendments made in the Committee of the Whole to the part in italics in the printed bill. That is voted up or down. If it is rejected, of course, we then go to the reading of the original bill in the Committee of the Whole for amendment. The probability is that the amendment as amended will be adopted in the Committee of the Whole. The Committee then rises, and when the Speaker puts the question on whether a separate vote is demanded on any amendment, there will be a roll call demanded on the amendment as amended. If, perchance, that is adopted, that is one thing. If, however, it is rejected, the situation then is that the matter before the House is the original bill that appears stricken through in the printed copy. The vote, unless there is a motion to recommit, will then be on the bill which now appears stricken through. That is my understanding.

Some question has been made about the number of cannery workers exempted. Information has come to me that it is not a million people, as stated, but 285,000, many of whom receive more than the 30 cents an hour, and that consequently the number of persons who are affected in fact are many less than appear in the statement. The total number of persons employed is 432,359. Of this number, 72,019 are exempt from both the wage and hour provisions of the Fair Labor Standards Act, according to a report of the Wage and Hour Division of the United States Department of Labor. I am referring to persons employed in canning, drying, preserving, packing of fruits and vegetables, as covered by the amendment. The Bland amendment exempts only those employees engaged in canning, processing, freezing, and storing of perishable fruits and vegetables and dried fruits. The amendment does not exempt approximately 75,000 employed in canning nonperishable fruits and vegetables. Therefore, the number of employees affected by the amendment exempting employees processing perishable fruits and vegetables amounts to less than 285,000, this figure being obtained by making deductions above. A large number of those people are receiving at the present time more than 30 cents an hour, so that in the last analysis, while there may be a number of persons exempted the actual number affected is much less.

When the wage and hour bill was passed we were repeatedly told that there would be imperfections, but that we could perfect the bill thereafter. Heaven knows there are imperfections, and we have been trying to the extent of our ability to perfect the original bill. That is the work we have been doing for the last 5 days—trying to perfect what the committee in its judgment and wisdom failed to do. I usually defer to the committee.

Mr. BUCK. Mr. Chairman, will the gentleman yield.

Mr. BLAND. Yes.

Mr. BUCK. The gentleman will recall that probably 45 percent of the canning—at least of fresh fruits and vegetables—is done in California, and I assure the gentleman that the wage level is far more than the minimum set up in this act.

Mr. BLAND. Of course, and many States have covered the minimum wages.

Mr. BUCK. I have no doubt that that is so in Virginia and Texas and elsewhere.

Mr. BLAND. Many States have covered the situation, and are trying to do it at the present time. They are trying to improve conditions, and they are only asking that we give them an opportunity to do so.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. RAMSPECK. Mr. Chairman, I move that debate upon this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. Are there any further amendments to section 8?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the section.

Mr. RAMSPECK. Mr. Chairman, I make the point of order that that amendment is not in order.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman can move to strike out the last two words, but all debate on this section is now closed.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HINSHAW. Mr. Chairman, it is generally admitted by the membership of the House that almost the only reason why it is necessary to amend the Wage and Hour Act is to set the Administrator straight on his interpretation of a number of words and phrases in the present act. Even the Administrators, present and past, admit that these words and phrases are impossible of interpretation in a way that is reasonable and proper under all circumstances. That simply goes to show how difficult it is to write a law applicable to all labor and industry, be fair to all, and at the same time not be involved by so many exceptions and exemptions that even a Philadelphia lawyer could not interpret it the same way twice in succession. We have been witnessing here in the House for the past week an effort to reinterpret the act for the guidance of the Administrator, and we have heard the pleas of those injured by his interpretations and the pleas of the low-wage groups against elimination of the "floor" to wages.

Mr. Chairman, while in California we are not concerned for ourselves over the minimum-wage provisions of the act, as our workers—agricultural workers in particular—receive the highest wages paid anywhere in America, and for the most part quite substantially in excess of the minimum-wage provisions of the act; yet we are concerned over the low wages paid to workers who live elsewhere and are in competition with us. I am in favor of minimum wages for all work of an industrial type, certainly; and for agriculture we must do all we can, and then some, to bring about fair prices for farm products in order that all farmers may pay better wages and still make a fair income for themselves.

When I flew home to my district for a brief visit a few weeks ago I made a point of inquiring from a number of people, in organized labor and in agriculture and in business, concerning their views on the Wage and Hour Act. The leaders of organized labor that I spoke to were rather unconcerned. In fact, the attitude of these friends seemed to be that they themselves would rather retain the full opportunity of negotiating on these questions with employers than to have any such decisions predetermined by Federal law. They, of course, favored the abolition of sweatshops and the raising of the underpaid to decent levels, as do all of us here, but they seemed fearful lest the Government encroach too far on their precincts, that of collective bargaining.

Our farmers—and most of them distribute through cooperatives—were greatly concerned over the seasonal provisions of the act as they are interpreted by the Administrator, and over his rulings concerning area of production, and I firmly believe that they are entirely right. They were vitally interested in the definition placed upon "agriculture," and in that I join them, too. By voting for the Buck amendment I have endeavored to aid in clarifying that definition, and by voting for the Barton amendment I have endeavored to clarify and safeguard against the employment of child labor in certain activities of agriculture. As a youth I myself worked in a canning factory in summer vacation months and was none the worse for the experience, but I realize that there are situations in the United States where children are viciously exploited. This I would by all means prevent.

When the gentleman from Virginia [Mr. BLAND] offered his amendment which takes certain cannery workers and others out from under the protection of both wages and hours I voted against it, because of all people these are entitled to protection of minimum wages most certainly, although I realize that most of them desire as many hours of work as they can get during the comparatively short seasonal operations of these plants.

I have voted for and against many other amendments, but my purpose has been to maintain minimum-wage provisions and to make the hours provisions as elastic as is reasonable in order to enable workers to make as much money as they can in seasonal work and at the same time place no undue burdens upon the producers. Some things that I voted for have been defeated and some that I voted against have been adopted. I am frank to say that there is much that is now in the bill that I do not favor, but I shall be forced to trust in the good officers of the body that sits in the other end of the Capitol so to correct our mistakes that this shall become a good amendment to the Wage and Hour Act, and of real benefit to those who find themselves injured by the rulings and interpretations and findings of the greatly harassed Administrator. My decision in this matter is at best a close one as there is much in this measure now that I object to, but I trust that in voting for this committee amendment, as it has been amended here, it will, if adopted, go to the other end of the Capitol and be set in proper order.

In conclusion, Mr. Chairman, may I say that while nearly everyone seems to favor minimum-wage protection, many fail to consider the fact that minimum-wage provisions will not do us any good unless we protect such wages from the competition of the coolie labor of Asia, the peon and slave labor of this Hemisphere, and the low-wage groups of Europe. We must have a protective tariff, and a good one, if we are to keep out those products from abroad that compete with our labor and make low wages in this country a necessity if people are to work at all. No one here has ventured to try to justify lowering tariffs, as is now being done through reciprocal-trade agreements, and at the same time maintain and improve our standard of living. Those things do not fit together and some day, before too long, I hope, the American workers and the American people generally will wake up to it. I hope it will not be too late.

The CHAIRMAN. Is there any other amendment to section 8? The Chair hears none.

We will pass to section 9. The gentleman from New York [Mr. BARTON] is recognized to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTON of New York: Page 18, after line 23, insert a new section, as follows:

"Section 15 of the act is amended by adding a new paragraph immediately after paragraph (b), to read and to be lettered as follows:

"'(c) No employer, agent, contractor, or subcontractor (as such terms are defined by the Administrator or his authorized representative), directly or indirectly, shall cause any goods to be produced by home workers in Puerto Rico or the Virgin Islands subject to the provisions of section 6 unless he shall hold a certificate issued by the Administrator or his authorized representative. The Administrator, or his authorized representative, shall have power to make such regulations or orders, including regulations or orders providing for the issuance and revocation of such certificates, and for standards restricting the number of such agents, contractors, or subcontractors, as are necessary or appropriate to safeguard to home workers in Puerto Rico or the Virgin Islands the minimum rates of pay provided by section 6. Such regulations or orders may require the posting of a compliance bond with the Administrator in an amount of not more than $2,500. This subsection shall take effect upon the expiration of 60 days from the date of its enactment.'"

Mr. BARTON of New York. Mr. Chairman, this is merely a perfecting amendment. The Committee has already adopted an amendment empowering the Administrator to fix the rates for piece work in Puerto Rico and the Virgin Islands. The amendment now before the Committee gives the Administrator the power to license contractors by the issuing of certificates to them, inasmuch as most of the piece work in the islands is controlled by contractors. Such licenses would make it possible for the Administrator to keep track of those who are in control of the piece-work industry and to make sure that the law is observed.

Mr. BARDEN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BARTON of New York. I yield.

Mr. BARDEN of North Carolina. Did I understand the gentleman to say this was a technical amendment?

Mr. BARTON of New York. I say it is a perfecting amendment.

Mr. BARDEN of North Carolina. Did I further understand the gentleman to say that the Administrator would have to issue all these certificates?

Mr. BARTON of New York. This gives him the power to issue certificates to contractors and subcontractors in the islands, who are in charge of the piece-work industry.

Mr. BARDEN of North Carolina. I do not question the gentleman, but I wonder if he has discussed that amendment with the Resident Commissioner from Puerto Rico?

Mr. BARTON of New York. I have not discussed it with the Resident Commissioner, but it has been discussed with the Administrator of the act, and it is offered at his request. The gentleman understands we have already accepted an amendment fixing piece-work rates in the islands.

Mr. BARDEN of North Carolina. Yes. The only thing that disturbs me about it, if I may say to the gentleman, I am reasoning somewhat on this amendment as I did on some of the agricultural amendments the gentleman has offered. I think the gentleman from Puerto Rico would know more about the Puerto Rican situation than the gentleman from New York would know. I am interested in his version.

Mr. BARTON of New York. I will be glad to yield.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. BARTON of New York. I yield to the gentleman.

Mr. MARCANTONIO. Does the gentleman from North Carolina [Mr. BARDEN] oppose any regulation whatever of this home work in Puerto Rico, which is handed down from contractor to contractor, whereby handkerchiefs which sell for $12 a dozen in New York are made by these women and children who receive only 5 cents a dozen? Does not the gentleman want some regulation of that exploitation at all? Does he want a clear field for these exploiters from the city of New York down in Puerto Rico?

Mr. BARDEN of North Carolina. Would you kindly tell the gentleman we are not talking about the same thing he is?

Mr. MARCANTONIO. Well, it is the same thing. The gentleman does not want to understand when he feels that it hurts him.

Mr. BARDEN of North Carolina. Well, you cannot hurt me.

Mr. MARCANTONIO. Oh, yes; I can.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BARTON of New York. I yield.

Mr. CRAWFORD. I wish to ask the gentleman from New York if he really means to say to us that he recommends that the needle industry of Puerto Rico, insofar as it relates to piece work, is to be put into the hands of a Federal bureau, so that the Administrator of the Wage and Hour Act can, in a word, dispose of the rights, or confer proprietary rights on certain individuals who are qualified according to the Administrator's rules, inside and outside, official and otherwise, and turn the whole needlework industry of Puerto Rico over to that kind of bureaucratic control? I just cannot believe that he means to do that.

Mr. BARTON of New York. The committee has already adopted an amendment giving the Administrator power to fix rates of wages on piece work at rates commensurate with the hourly wages established by the industry committees. All this amendment does is simply give him the right to license these contractors who are giving out this piece work, to require such reports from them as will make it possible for him to know whether they have paid the rates he has fixed.

Mr. CRAWFORD. If the gentleman will permit a further interruption I may state that I have no objection to the Administrator's issuing the rules, but I do object to that Administrator or any other Administrator having the power to issue a license to those who engage in private industry, whether it is in Puerto Rico or in the continental United States. I do not believe we should go so far as that.

I hope that the Chair will permit the Resident Commissioner from Puerto Rico to give us further light on this.

Mr. BARTON of New York. Mr. Chairman, I shall be very glad to yield to the Resident Commissioner from Puerto Rico.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RAMSPECK. Will the Chair kindly inform me whether further amendments are pending to this section?

The CHAIRMAN. There are no further amendments to this section pending at the desk.

Mr. RAMSPECK. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. The gentleman from Georgia moves that all debate on this section and all amendments thereto close in 5 minutes.

The question is on the motion.

The motion was agreed to.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I desire this time on this amendment just to make two or three observations. We have in Puerto Rico at the present time approximately 1,800,000 people. The Puerto Rican population is increasing at the rate of 35,000 to 40,000 per annum. Within the last few years you have sent about $160,000,000 of Federal funds to Puerto Rico, of which amount about $32,500,000 constituted benefit payments in connection with the soil conservation and excise tax on agricultural operations. You are now being asked in different bills and proposals before the Budget Director and legislative and appropriation committees of the House, some of which will have to be acted upon this current session, for sums aggregating in excess of another $125,000,000, all in the name of relief and rehabilitation and work of that kind financed by the Federal Treasury. You are moving in the direction of a quarter of a billion dollars for all of these projects under way and being proposed. Among the 225,000 up to 500,000 certifiable unemployables you have probably 70,000 people there out of work in the needle industry alone as a result of the application of the Wage and Hour Act, which has, according to testimony submitted, reduced the industry's operations to about 40 percent of capacity. You are converting the Puerto Rican people into a communistic state and you have in operation there an undertaking the like of which in size and reliance upon Federal funds is carried on nowhere else under the American flag. To save my life, I cannot understand why this House should further encourage that proposition by authorizing the Wage and Hour Act Administrator to license—to license those who still have courage enough to go ahead and carry on some type of needlework operation that will give a little work to the people there and enable them to be self-sustaining and be somewhat independent of the inadequate—if that is to be their sole income—Federal appropriations being made.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. No; I decline to yield to the gentleman from New York. He has spoken several times on this proposition and has failed to present to the House the full facts upon which to act. I believe that he would have the people rely more upon appropriations from the Federal Treasury and less upon their own efforts at wages which have heretofore prevailed. In this we disagree, because I would not personally destroy the economy which must compete with Chinese and Japanese workers, but I would give the Puerto Ricans the market in preference to foreign countries. Let them work and thereby reduce the burden on the Federal Treasury. The local legislature can, if it will, eliminate a lot of the graft and subcontracting connected with the needlework industry and thereby greatly assist the people, and we should insist that be done and that the industry in this manner be preserved and the people better protected as to income for their efforts applied to the needlework. To enforce through the Fair Labor Standards Act provisions that result in a destruction of the industry for these people and make them dependent upon Federal grants and appropriations is unfair and I have no sympathy with such a course. Later I hope to be able to obtain time to present further facts and statistics to the Members of the House.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

The CHAIRMAN. Are there further amendments to section 9? (After a pause.) The Chair hears none.

We pass to section 10. The gentleman from California [Mr. KRAMER] has an amendment pending at the desk which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KRAMER: Page 19, line 11, after the word "damages", insert:

"No such action hereafter commenced shall be maintained for any unpaid minimum wages or unpaid overtime compensation which accrued more than 6 months before the commencement of such action."

Mr. KRAMER. Mr. Chairman, this amendment simply fixes a limit of time in which the action may be brought either by reason of violation under the civil or criminal aspects of the act.

Employers who violate provisions of the act with respect to the payment of overtime, however innocently, are liable for the unpaid overtime, for an equal amount in addition as liquidated damages, for costs and attorneys' fees. They are also subject to a fine of $10,000 and 6 months' imprisonment.

It is extremely difficult in many cases to determine whether or not the overtime provisions of the act are applicable. The discussion above with respect to the difficulty of applying the definitions of the exempt classes is proof of this.

With regard to many groups of employees a basis of employment is determined on which, at least, is acquiesced in by the employees. In many other cases the arrangement is approved by an agreement between the producer-employer and a bona fide labor organization representing the employees. Under such circumstances it is manifestly unfair for employees who have continued in their employment without objection over a period of years to sue for large amounts of overtime which are alleged to have accumulated. The same is true with respect to criminal prosecution of employers under these circumstances.

For these reasons it is urged that a short period of limitation should be provided for, both with respect to civil liability and criminal prosecution.

I believe it only fair that some limitation be placed in order that many months or years may not go by before some action is brought against an employer.

I hope the amendment will be agreed to.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. KRAMER. I yield.

Mr. HOOK. As I understood the language of the gentleman's amendment it appeared to me to be not a statute of limitation but a statute limiting the amount that may be sued for, not over 6 months of back pay.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was rejected.

The CHAIRMAN. Are there further amendments to section 10? (After a pause.) The Chair hears none.

Is there amendment to section 11?

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes, or 10 minutes in all.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, the parliamentary situation after the reading of the substitute for amendment has been completed will be a vote on agreeing to the substitute as amended. If the substitute is agreed to, then it supersedes the Norton bill, and when you go into the House there will be only one vote on that amendment. A separate vote can be demanded upon the committee amendment as amended. I refer to the various amendments because many Members who come from districts that are both industrial and agricultural will be in a very, very difficult position on account of the fact that in this substitute have been included many amendments that are going to be viewed with extreme disfavor by one side or the other or approved by one side or the other. Personally I have no objection to the substitute going to the House, because I am going to vote against it, but if I represented a district that had both industry and agriculture in it, with the situation as it now exists, with this substitute loaded up as it is why, I would have no hesitancy in voting the substitute down in the Committee of the Whole.

Mr. RAYBURN. Will the gentleman yield right there?

Mr. McCORMACK. I yield to the gentleman from Texas.

Mr. RAYBURN. We have been voting and we have been perfecting the substitute. What will be our condition if in the Committee of the Whole we vote down the substitute? We are still in the Committee of the Whole.

Mr. McCORMACK. Absolutely.

Mr. RAYBURN. Then the original Norton bill will be open for amendment?

Mr. McCORMACK. Yes.

Mr. RAYBURN. And all of these amendments may be offered and adopted?

Mr. McCORMACK. Exactly.

Mr. RAYBURN. And 6 or 7 days more will be used.

Mr. McCORMACK. That is exactly the situation.

Mr. RAYBURN. If in the Committee of the Whole the Committee votes to adopt the substitute, even though the Members are not for the substitute and would not vote for the bill when it goes back into the House, a vote can be had upon the substitute and a motion to recommit the bill would be in order in the House. We will get somewhere that way.

Mr. McCORMACK. I agree with the gentleman, but that would be, in my opinion, legislative inconsistency. I am not characterizing the observations of my friend, but I am not going to be in the position of urging the membership to accept the substitute loaded down, then defeat it in the House. Furthermore, in the House there will be a roll call on this substitute. It does not bother me. I am against it. But if I represented a district where there was industry and agriculture, with this substitute loaded up as it is, then I would have a direct question presented to me of a very practical nature. I would not blame any Member of the House who is in that position for considering it.

Mr. HOFFMAN. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Will my good friend from Massachusetts let us do our own worrying? [Laughter and applause.]

Mr. McCORMACK. The gentleman from Massachusetts is doing no worrying.

Mr. HOFFMAN. Then do not worry over us.

Mr. McCORMACK. I am not worrying about the gentleman either. I am simply calling this to the attention of my colleagues for whatever it may be worth, and the gentleman is not the whole House. It is a very practical matter which some of them who are in a tight situation must consider.

Mr. BLAND. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Virginia.

Mr. BLAND. Suppose the substitute is voted down in the House. Then does not the vote recur on the original Norton bill?

Mr. McCORMACK. That is my understanding.

Mr. BLAND. If there is a motion to recommit, we will vote on the motion to recommit. If the motion to recommit is voted down, and the previous question is ordered, the vote will come then on the passage or rejection of the original Norton bill?

Mr. McCORMACK. Exactly; but that does not obviate the uncomfortable position that many Members will be in who come from a district where there is industry and agriculture.

Mr. WARREN. Will the gentleman yield?

Mr. McCORMACK. I do not fear it myself. It does not disturb me personally. I yield to the gentleman from North Carolina.

Mr. WARREN. The gentleman from Virginia asked what would take place in the House and the gentleman very correctly informed him; but if the substitute should be voted down in the Committee of the Whole, then we will be here, as was properly stated by the gentleman from Texas, for the next 6 days on the same bill.

Mr. McCORMACK. That is the practical situation.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. If the gentleman and his friends on the other side of the aisle will support the perfecting American amendment to section 12 which I have pending on the Clerk's desk, then nobody will have to hesitate about a roll-call vote in the House. I think we can jump on the band wagon and vote for the bill whether we come from a farming or industrial district.

Mr. McCORMACK. I have no knowledge of the amendment, and I will reserve my own judgment in relation to it.

Mr. COCHRAN. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Missouri.

Mr. COCHRAN. If, as the gentleman says, we vote down the substitute in the Committee of the Whole, we would then consider the Norton bill again.

Mr. McCORMACK. Exactly.

Mr. COCHRAN. There is nothing that would prevent the same amendments that have been adopted or voted down during the past 7 days from being offered again to the Norton bill?

Mr. McCORMACK. That would be a matter for the Chair to pass upon. In my opinion, they would be in order.

Mr. COCHRAN. The gentleman is an outstanding parliamentarian. I know his view is correct.

Mr. McCORMACK. All we can do is rely on the intelligence of this body at that time.

Mr. COFFEE of Nebraska. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. Does not the gentleman realize that the necessity and the reason for having so many amendments to this bill is because of the erroneous interpretations that have been made by the Wage and Hour Administrator?

Mr. McCORMACK. I think most of these amendments are emotional. Men are on the spot. It is the old group ganging up such as we have on the tariff, and we see the results, as has been evidenced all this week by probably the most disgraceful spectacle this Congress has engaged in during my 12 years as a Member of this body. It is not a Congress; it is simply a chaotic group of individuals.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that I be permitted to proceed for 5 additional minutes, so that I may yield.

Mr. BUCK. Reserving the right to object, Mr. Chairman, I would like to know whether the gentleman will answer questions.

Mr. McCORMACK. I cannot yield any more. I withdraw my request, Mr. Chairman.

Mr. BUCK. Will the gentleman vote for the Buck amendment if we get back on the Norton bill?

I object, Mr. Chairman.

Mr. McCORMACK. I have withdrawn my request, Mr. Chairman, so the gentleman cannot have the pleasure of objecting.

Mr. BUCK. I would not have any pleasure in objecting to a request by the gentleman.

Mr. McCORMACK. I asked for 5 minutes because so many Members rose asking me to yield. I will yield to everyone if I am given 5 more minutes.

Mr. BUCK. I withdraw my objection.

Mr. McCORMACK. In connection with the previous question vote, if that had been agreed on——

Mr. BUCK. Will the gentleman yield to me for a question?

Mr. McCORMACK. I cannot yield.

Mr. BUCK. The gentleman is not showing charity, at least.

Mr. McCORMACK. Charity? Charity has very little place in this body on a question of this kind, when an effort is being made to sabotage one of the finest pieces of legislation ever enacted by the Congress of the United States. [Applause.]

The CHAIRMAN. The gentleman from Massachusetts declines to yield.

Mr. McCORMACK. On the previous-question vote, if the previous question had been ordered, we would never have had this spectacle. For the RECORD, because some people might be interested in knowing, I have had that vote broken down. Thirty-one Republicans voted for the previous question, or about 30 percent of the Republicans who voted on that question; 109 Republicans voted against the previous question, or approximately 70 percent of the Republicans who voted on that question; 66⅔ percent of the Democrats voting on that question voted for the previous question; about 33⅓ percent of the Democrats voting on that question voted against it. The adoption of the previous question would have stopped this attempt to sabotage the wage and hour law. [Applause.]

Under the privilege extended to me to revise and extend my remarks, I insert a statement as to the effect of some of the amendments adopted to the substitute amendment of the committee and the harmful effect that such amendments would have upon the existing wage and hour law. I also include a letter which I received from A. J. Altmeyer, Chairman of the Social Security Board, forwarding to me certain information which I requested as to the effect of the amendments on the part of my friend the gentleman from California [Mr. BUCK].

I also include the report of the Committee on Ways and Means, found on pages 52 and 53, Report No. 728, Seventy-sixth Congress, first session, relating to H. R. 6635, amendment to the Social Security Act, relating to a portion of the Buck amendment. Under this portion of the paragraph, for example, services performed in the sorting or grading of citrus fruits or in the cleaning of beans as an incident to their preparation for market will be excepted, irrespective of whether performed in the employ of a farmer, a farmers' cooperative, or a commercial handler of such commodities.

A few days ago the House rejected the Barden bill by a vote of approximately 3 to 1 as a measure which would have destroyed the wage and hour law. That bill proposed to deny the benefits of 30 cents an hour to approximately a million employees. Today the Members of this House have before them the Norton bill, in which practically all of the Barden amendments have been attached, and in addition other changes which make it much worse than the Barden bill. As the committee amendments stand today, they would exempt tens of thousands more workers than the Barden bill.

While the Barden bill proposed to exempt approximately 379,000 workers in the canning industry, the Norton bill, as amended, would exempt 550,000. In fact, every canner in the United States who is canning any food product except fish would be exempt from both wages and hours. Congressman BLAND secured the exemption of fish canning in the original law.

COMPARATIVE SUMMARY OF EXEMPTIONS CONTAINED IN PRESENT ACT, BARDEN BILL, AND NORTON BILL, AS AMENDED

Present act, 256,000.

Barden bill, 928,000 in addition to present act.

Committee bill, as amended, 1,012,000 in addition to present act.

So that the Members will be fully informed of the manner in which they propose to destroy the Fair Labor Standards Act, I shall summarize briefly the type of operation and the particular manufacturers and corporations that would be exempt.

Wage and hour exemptions

1. The manufacturer of all dairy products such as process cheese, ice cream, casein, condensed milk, evaporated milk, dried milk 191,000
   Examples: Borden Milk Co., National Dairy Products, Kraft Cheese Co., Carnation Milk Co., Swift & Co.
2. The ginning, compressing, and storing of cotton 110,000
   This exemption includes the huge compresses and warehouses each employing many hundreds of workers and located in such ports as New Orleans, Savannah, and Atlanta.
   Examiners: Anderson-Clayton Co., Federal Compress & Warehouse Co.

Wage and hour exemptions—Continued

3. Canning, packing, preserving, handling, transporting, processing, and freezing of all agricultural and horticultural commodities---------- 550,000
This amendment, when read in connection with other parts of the bill exempts practically all work that is performed in connection with agricultural food products from the time they leave the farm until they reach the consumer, except wholesalers, who have a complete hours exemption. All canning of agricultural and horticultural commodities is exempt, which includes such "drylines" as pork and beans and recanning operations. The manufacture of all pickles, all jams, all jellies, all preserves, all juices, and all the tremendous warehouses storing such products and all railroads and trucking companies carrying such products are given wage and hour exemptions.
Examples: Libby, McNeil & Libby, Heinz 57 Varieties, Campbells, Vita-Food, Del Monte, California Packing Corporation (largest in world), Sunkist Orange Corporation.
4. Nuts. The shelling and processing of nuts---------- 15,000
This would exempt the pecan sheller.
5. Handling and grading of livestock commodities-------- 29,000
Example: Union Stockyards of Chicago.
6. Manufacture of wines---------- 5,000
Example: Virginia Dare.
7. Preparing, curing, and bagging of grease wool, mohair, and rabbit fur---------- 7,000
8. Poultry slaughtering, dressing, refrigerating, and packing---------- 28,000
Examples: Swift & Co., Armour & Co., Cudahy.
9. Grading, canning, freezing, drying, and packing of eggs- 12,000
Examples: Swift & Co., Land O'Lakes Cooperative operating in over 30 States.
10. Grading, cleaning, storing of grains, beans, and seeds-- 63,000
Examples: Includes largest grain elevators in world located in South Chicago.
11. Stripping, stemming, fermenting, packing, storing of leaf tobacco---------- 82,000
Examples: Imperial Tobacco, Ltd., Liggett & Myers Co., R. J. Reynolds Co., Browne & Williamson.
12. Handling, drying, baling, etc., hops and fiber and forage crops---------- 8,000
Examples: Anheuser-Busch, Pabst's Blue Ribbon.
13. Storing and warehousing of all agricultural and horticultural commodities---------- 22,000
Examples: Produce Terminal, Chicago, Pennsylvania Railroad Produce Terminal, B. & O.-Reading Produce Terminal.
14. Handling and transportation---------- 55,000
Note: The Bland amendment exempts all handling or transportation in connection with most food products.
Example: Pennsylvania Railroad, all warehouse terminals, etc.
15. Commercial hatcheries---------- 10,000
This process is the hatching of baby chicks and very few such hatcheries are located on farms but rather in cities and is an industrial operation.
16. Nurseries. Handling, grading, and packing---------- 3,000
17. Waterways. Operation or maintenance of canals, reservoirs, or waterways---------- 8,000
18. Newspapers with circulation of less than 5,000-------- 20,000
This is a conservative estimate. It may well run as much as 50,000.
19. Firefighting employees (estimate)---------- 50,000

My sources of above statistics except where figure is shown to be estimate are Ninth Biennial Census of Manufactures, 1937; 1935 Census of Business; Estimates of A. A. A., N. R. A., and others; testimony at Wage and Hour Division hearings; Women's Bureau, United States Department of Labor; Bureau of Labor Statistics, Department of Labor; and so forth.

While the amendments of the gentleman from California, Congressman BUCK, the gentleman from Minnesota, Congressman AUGUST H. ANDRESEN, and the gentleman from Virginia, Congressman BLAND, are overlapping, the exemption figures given above show only the aggregate exemptions; that is, no exemption is counted more than once. As the Andresen amendment was the same as a bill introduced by Senator WILEY, of Wisconsin, S. 3047, on which the Wage and Hour Division was requested to report more than 2 months ago, the exemption figures had already been computed.

SOCIAL SECURITY BOARD,
Washington, May 2, 1940.

Hon. JOHN W. MCCORMACK,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN MCCORMACK: In accordance with our telephone conversation this will confirm my statement that our preliminary estimates indicate that the revision of the agricultural labor provision in the 1939 amendments to the Social Security Act will exclude about 300,000 to 350,000 additional persons in any year, depending upon employment conditions and other related factors.

The seasonal character of agricultural operations and the probability that some of the effects of the 1939 amendments are still not predictable seems to indicate that these estimates are the minimum rather than the maximum. These estimates have been based upon the number of jobs involved but because of the high turn-over due to the seasonal character of much of the work, the total number affected may easily be 600,000 or 700,000.

The original 1935 Social Security Act excluded "argicultural labor" and this term was defined by regulations to mean, in general, work on a farm and in the employ of a farm operator in connection with the production of crops and the management of livestock. The 1939 amendments broaden this definition by stating that the employee can perform the services for any "person" and include all operations which are "incident to farming." The 1939 amendments broaden the term so as to definitely exclude persons employed by nonfarm employers such as large-scale business firms that purchase and harvest an entire crop (such as chain stores or commission houses). This broader language also means that work in connection with the preparation of natural agricultural products for market and transportation, "to market or to a carrier" is exempted service when it is performed for a "farmer," "cooperative," or "group" of farmers and the products are 50 percent of their own production. This language is intended to provide exemption for central plants that clean, grade, pack, and prepare products for market, store, and transport the products to market or a carrier. In the case of fruits and vegetables, the exemptions are extended to services "incident to marketing," which is intended to include preparation and transportation to a carrier or market, whether done by a group of producers or by a commercial handler.

I am enclosing a copy of the report of the Ways and Means Committee in which you will find reference to the 1939 amendments at pages 51–54. I am also enclosing a copy of the regulations issued by the Bureau of Internal Revenue in which you will find the regulations relating to agricultural labor at pages 23–26.

In connection with your inquiry about the status of cooperatives under the amendments, you will note that the regulations specifically except farmers' cooperatives with respect to marketing as well as handling, planting, drying, packing, packaging, processing, freezing, grading, and storing, even though 49 percent of the produce handled is on behalf of nonmembers.

As you know, the Social Security Board recommended last year that coverage be extended to agricultural labor. The Board's recommendation follows in full:

"The Board believes that the agricultural labor limitation on coverage should be modified. It is, of course, apparent that the problem of covering the independent farmer cannot be finally solved, except as part of a general program to cover the self-employed. It is also recognized that the complete inclusion of employees engaged in agricultural labor is fraught with great administrative difficulties. However, the Board believes that the inclusion of large-scale farming operations, often of a semi-industrial character, probably would reduce rather than increase administrative difficulties.

"At present it is almost impossible to delimit the field of agricultural labor with anything like the certainty required for administration and for general understanding by employers and employees affected. The extent of the exception is shadowy, indeed, where the producer also engages in processing and marketing.

"The Board recommends that the language of the present exception relating to agricultural labor be modified to make it certain that this exception applies only to the services of a farmhand employed by a small farmer to do the ordinary work connected with his farm. The Board further recommends that, with a reasonable time allowed before the effective date, the agricultural labor exception be eliminated entirely."

Sincerely yours,

A. J. ALTMEYER, *Chairman.*

Paragraph (4) of the subsection extends the exemption to service (though not performed in the employ of the owner or tenant of a farm) performed in the handling, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, any agricultural or horticultural commodity, provided such service is performed as an incident to ordinary farming operations, or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The provisions of the paragraph, however, do not extend to services performed in connection with commercial canning or commercial freezing, nor to services performed in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption. The expression "as an incident to ordinary farming operations" is, in general, intended to cover all services of the character described in the paragraph which are ordinarily performed by the employees of a farmer or by employees of a farmers' cooperative organization or group, as a prerequisite to the marketing, in its unmanufactured state, of any agricultural or horticultural commodity produced by such farmer or by the members of such organization or group. The expression also includes the delivery of such commodity to the place where, in the ordinary and natural course of the particular kind of farming operations involved, the commodity accumulates in storage for distribution into the usual channels of commerce and consumption. To the extent that such farmers, organizations, or groups engage in the handling, etc., of commodities other

than those of their own production or that of their members, such handling, etc., is not regarded as being carried on "as an incident to ordinary farming operations." In such a case the rules set forth in subsection (c) of this section apply.

In the case of fruits and vegetables, however, whether or not of a perishable nature, services performed in the handling, drying, packing, etc., of those commodities constitute "agricultural labor" even though not performed as an incident to ordinary farming operations, provided they are rendered as an incident to the preparation of such fruits or vegetables for market. Under this portion of the paragraph, for example, services performed in the sorting or grading of citrus fruits or in the cleaning of beans, as an incident to their preparation for market, will be excepted irrespective of whether performed in the employ of a farmer, a farmers' cooperative, or a commercial handler of such commodities.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

Mr. HOFFMAN. Mr. Chairman, I object, and rise in opposition to that amendment.

The CHAIRMAN. The gentleman from Michigan, a member of the committee, objects to the withdrawal of the pro forma amendment, and rises in opposition to the amendment. The gentleman from Michigan is recognized for 5 minutes.

Mr. HOFFMAN. Mr. Chairman, the gentleman from Massachusetts [Mr. McCORMACK], and I hope he will forgive me this time for referring to him—may I have the gentleman's permission to proceed today? I notice the smile on the gentleman's face even though he does not audibly grant me the permission, so assuming that his smile and his silence indicate consent I will go along. He and I the other day were discussing the question of charity, of kindly feeling toward the welfare of others, and in view of his remarks made on that occasion, I hope I will today get through what I have to say without being subject to criticism. Greatly do I admire the gentleman from Massachusetts, though I must confess that coming from the country, as I do, and having both industry and agriculture in the district, while he comes from an industrial district in which there are no farms, we do not always agree upon legislative policies.

I want to thank the gentleman for the charitable, the kindly, the friendly, the very sympathetic attitude which he took toward the Republican Members of this House. He expressed the deepest solicitude and an amazing apprehension of what might happen to us should we disregard the advice which he was giving.

He is friendly to labor, but from what he said I gather that he thought the rest of us were not. However, no one as he spoke could but marvel at his friendly feeling toward those on the minority side. He was so concerned over our future welfare, though, whether as an individual or as a member of the Democratic Party, I am unable to judge. He was so fearful that some of us on this side would not be back in 1941 that he took the floor and by his charming personality, obtained by unanimous consent an additional 5 minutes to caution us that if we did not follow his advice that when we go back into the House we will have a record vote and from that our constituents will learn our attitude on this legislation. In fact, he advised us to watch our step or the home folks would get a line on where we stood on this measure.

Let me say in my own behalf, for I speak only for myself, that I thank the gentleman for his very deep interest in my political welfare. Let me assure him that there are some on the minority side—in fact not a few—whose constituents always know our attitude on legislation.

The gentleman warned us to beware of hypocrisy. He told us, if I understood him correctly, that some of us were putting amendments into this bill that we did not really want; that we were adding them to the bill so as to overload it and bring about its defeat; then he warned us that if we were not careful, that if we did not vote down the amended bill here in Committee, when we went back into the House there would be a roll call and our hypocrisy would be disclosed.

I fail to see any great difference between that brand of hypocrisy and the kind of hypocrisy which would result if we followed the gentleman's advice. In the first instance, it is quite true that if we offered amendments for the purpose of making the bill obnoxious and those amendments were adopted and thus the bill defeated, we would be guilty of hypocrisy, but I know of no one who offered an amendment for that purpose, and the gentleman failed to name anyone who followed that course.

In the second place, if we voted the bill down in Committee so as to avoid a roll call, would it not be equally true that we were dodging the issue, attempting to fool our constituents, and so be guilty of hypocrisy? But the gentleman need not worry about what will happen to those on the minority side. I am quite sure that, while he has the kindliest, the most friendly, feeling toward many of us individually, thinking politically he would consider it no great hardship to his party if many of us were not returned.

Instead of worrying and fretting and being solicitous about the minority Members, their political future, and their reception by their constituents during the coming November, the gentleman might well devote his great ability, and he is a man of great ability; his great eloquence, and he is an eloquent orator, toward the solution of some of the problems which confronted the Nation when the present administration took over, and which, after 7 long years, are still with us. He might devote his thought toward some sound method of keeping the Government's expenditures within its income and so avoiding the national bankruptcy which his leader stated would inevitably come if we continued to roll up deficits, and how we have rolled them up. And, that question solved, the gentleman from Massachusetts [Mr. McCORMACK] might then take up the question of ending the unemployment which the latest accounts show was still so distressingly with us. The gentleman has plenty to worry about without borrowing our troubles.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes; just for a question.

Mr. BUCK. If the procedure suggested by the gentleman from Massachusetts were adopted, the whole purpose of it would be to defeat the substitute as amended and come back and vote on the Buck amendment again, which has been twice ratified by the House.

Mr. HOFFMAN. Of course, the gentleman from Massachusetts said something about the ridiculousness—he did not use that word, but that is what he meant—of our procedure. What about the procedure of the opposition, those who do not want any amendments to the labor law? Did you ever in all your experience, you older Members of the House, know of a committee, a major committee—a minor committee of the House, let us put it—coming in with a bill and then repudiating the bill after the House had amended it, with the chairman of that committee announcing that when the proper time came she was going to ask to have it recommitted so that there would be no legislation?

I never presume to speak for anyone else on the minority side. I can speak only for myself, and I say to you on the majority side that it certainly shows either a lack of ability or a lack of courage for a committee to bring in legislation——

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I will in just a minute—and then for the House to take up that legislation, debate it for 6 days and then refuse to express its opinion on that legislation by a record vote.

In my humble judgment, the procedure which we have been following for the last few days in this House is the most democratic that has been attempted in the last 5 years. Every Member has had an opportunity to offer his amendment; every Member has had opportunity to discuss every amendment and there is little reason why if the various bills offered had been thoroughly studied prior to the beginning of the debate and attendance on the floor had been constant, the Members should not be fully advised as to the legislation.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mrs. NORTON. The gentleman knows perfectly well why I made that observation and why I said I would withdraw my support from this bill and ask that it be recommitted. I made the statement that I would vote to recommit the bill if it was adopted with the present amendments included.

This is not the bill that was reported from the Labor Committee at all. It is not a bill at all. It is a monstrosity.

Mr. HOFFMAN. The Member from New Jersey, the chairman of the Labor Committee [Mrs. NORTON], may so designate it if she will; nevertheless, it is the result of 5 days' debate on the floor of the House. If amendments have been adopted which are not proper amendments, that is the fault of those who did not stay on the floor and vote down those amendments. If I am not mistaken, the chairman of the committee at one time during the debate asked that all amendments which were pending at that time be adopted, even though those amendments had been neither read nor debated.

If this bill is a monstrosity, that may be due to the failure of some to vote against those amendments. Many of the amendments were adopted by a vote of less than 100; some because less than 50 votes were cast against them. If Members of the House would stay on the floor, debate, and listen to the debate, and then vote, we would at least have legislation by the peoples' representatives; not by a committee. By the votes taken in the House during this debate, the membership has overwhelmingly indicated that it desired substantial amendment of the Wage and Hour Act.

If the committee will not prepare that sort of a bill and if the House now votes down the amendments which have been made in the House, by refusing to accept the amended bill, it is quite probable that the House will then send the bill back to the committee for some constructive amendments which will take care of the many improper rulings of the Administrator, a bill which will meet the approval of that very, very large group who are demanding relief from some of its provisions. If the committee refuses to bring in such amendments at this session, the people will have opportunity in November to pass upon the acts of each of us.

For myself, I shall welcome on this occasion, as I have always welcomed, an opportunity to express my convictions publicly on the record.

I do hope that the gentleman from Massachusetts [Mr. MCCORMACK] will not worry himself unduly over my political fate or over the political future of any of the Members on the minority side.

Let us adopt the substitute as amended and thus show that we have faith in our ability here in the House to legislate for the people who sent us here. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Texas [Mr. RAYBURN] is recognized for 5 minutes.

Mr. RAYBURN. Mr. Chairman, this has been a strange and an unusual procedure. It started out as a very strange and unusual procedure when the Rules Committee, for the first time in the history of that committee, as far as I can find by looking up the record, adopted and brought to the House the kind of rule under which we are considering this bill. The same thing could have been accomplished by the Rules Committee reporting an open rule on the Norton bill. Then the bill would have been subject to every germane amendment and we would, in all probability, have saved 3 or 4 days in the consideration of the measure.

In the next place, when the Committee on Labor rewrote entirely the original Norton bill, if the committee had introduced a new bill, without any amendment or any substitute, a clean bill would have come before the House of Representatives, and that would have prevented part of the unusual procedure we have had here today.

But, specifically, in reply to my good friend the gentleman from Massachusetts [Mr. MCCORMACK] as to being put in an embarrassing position if we do not vote down in Committee of the Whole this amended Norton amendment and we go into the House with the Members being put on the spot by voting on the Norton substitute, as amended, let me say to you that if in the Committee the Norton substitute as amended is voted down, then the original Norton bill is up for consideration and amendment, and a separate vote, then, when it gets back into the House, may be ordered on each and every single amendment that has been adopted in the Committee of the Whole. So I think if I were wanting to be comfortable about the legislation, I would rather take one embarrassing vote than to take 25 or 30. [Applause.]

Mr. RAMSPECK. Mr. Chairman, I move that all debate upon this section and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. SABATH. Mr. Chairman, I move to strike out the last word. This is the first time that I have asked for recognition during the debate and the consideration of this bill. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], who preceded me, has addressed the House at least a dozen times, always claiming that this bill is detrimental to the small-business man. I say to him that the small-business man who employs a small number of people is excluded from the operation of the bill, and so are the farm laborers and farmers—each and every one of them who toil on a farm. They are all excluded.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. SABATH. No. Therefore the pretense that the many amendments are being offered in the interest of the small-business man and the farmer is not well founded or justifiable. This argument is being resorted to only as a pretext to obtain the necessary votes to emasculate the bill and mislead the people. The gentleman stated that under the Fair Labor Standards Act small businesses and the farmers have suffered. I have in my possession a circular from the American Federation of Labor, which I received yesterday, showing that 1,100,000 people are now employed above the number that were employed last year. I have reports, and you have reports, showing that all classes of business and industry are on the upgrade, that profits have increased, and employment and wages have increased. Therefore the arguments that we have been hearing the last few days to the effect that this legislation has adversely affected business conditions are plainly without any foundation whatsoever. What, then, is the underlying reason why this bill is before us here today? The bill was not brought here by the friends of labor.

No, Mr. Chairman, the bill is before us because it was forced onto this floor by the very men who originally opposed this legislation, and who, today, are still not interested in the cause of labor, but who are trying to exempt their favored employers from the provisions of this law which affords at least a measure of protection to their underpaid employees.

Word has just reached me on the floor, Mr. Chairman, to the effect that the American Chamber of Commerce, now in session in Washington, has just gone on record in opposition to the wage and hour provisions of the Fair Labor Standards Act. No doubt the chamber timed its meeting with the consideration of this bill by Congress. If any further proof were needed, which it is not, to show who is behind the opposition to decent wages in this country, this action of the American Chamber of Commerce supplies it. It proves clearly that the gentlemen endeavoring by sweatshop-inspired amendments to destroy the act were not exercising their efforts in the interest of the laboring man or the farmer, but at the behest of the manufacturers, profiteers, and other conscienceless employers who believe in long hours and starvation wages. For I submit that a wage of $12.60 weekly, which, make no mistake, is the real issue here today, will not support an average American family with hardly the barest necessaries of life. But the small-business man and the farmer are not members of the American Chamber of Commerce, and the only interest the member of this reactionary organization has in the little fellow is to use him, and at as small a wage as he can force him to accept.

It is nothing new to me, Mr. Chairman, to hear that those who reap the largest profits or draw down the fattest dividends are often the most reluctant to pay a living wage. The increase in the market price of stocks and bonds during 7 years of the Roosevelt administration has amounted to $43,000,000,000, a sum sufficient to wipe out the entire national debt. And 250 big corporations have announced an increase of profits of 50 percent as compared with the same period last

year. But notwithstanding all their increased prosperity, not a few of even the most prosperous hate to part with a small portion of their increased incomes to the workers who by their daily toil made this increased wealth possible.

This law that they are seeking to destroy has accomplished a great deal, no matter what we may have heard here today to the contrary. I could cite hundreds of instances where girls, men, and women, who toiled for 12 or 15 cents an hour, are now receiving 30 cents an hour.

Mr. Chairman, you have heard the gentleman from Massachusetts [Mr. McCORMACK], and the gentleman from Texas [Mr. RAYBURN], explain the complicated rule under which this bill was taken up. I feel it my duty again to call attention to the fact, as you will all recall, that although I am the chairman of the Rules Committee, I opposed the strange rule under which this bill is before us in my committee, on this floor and urged its defeat so that the bill could be taken up under an open rule. This would have saved the House at least 4 days' time. But, unfortunately, due to the unholy alliance of the Republicans and the gentleman from Georgia [Mr. Cox] and his followers on both sides of the aisle, the rule was adopted, all in the hope that their coalition would be strong enough in votes to emasculate or destroy the Wage and Hour Act. The gentleman from Georgia, in his determination to force upon the House this rule to emasculate the act, made a rather unkind attack upon me when he made the statement that "it is a funny bird that befouls its own nest." I ignored his statement at the time, but I say now it would more aptly apply to him, and with greater force, than anyone else, because, as you all know, the Rules Committee was created for the purpose of expediting the consideration of legislation recommended by the party in power and in this instance, it so happens that the gentleman belongs to the majority party. Notwithstanding that, he has time and again joined hands with Republican opposition on this proposed legislation and other legislation as well, all for the purpose of destroying laws enacted by his party in the interest of the masses—the wage earners and farmers of this country.

Mr. Chairman, I repeat that those who originally opposed the passage of this beneficial labor legislation, are the ones who are clamoring for the passage of this bill under the pretext of aiding the farmers, when, as a matter of fact, they know very well the farmers are already exempt. I am satisfied that the farmers will understand that they are being conveniently used. This law, in fact, is beneficial to the farmers because it provides shorter hours and higher wages, thus giving employment to more men and women and increasing their purchasing power, whereby they are enabled to purchase more of the products that the farmer grows. It is inconceivable how this law could be detrimental to the farmer. As far as I know, no outstanding farm organization has urged the emasculation or the destruction of the law. It is the packing, canning, sugar, and cotton lobbies who would profit. The only other interests that might be benefited if the many exemptions were finally adopted would be the manufacturers, meat-packing plants, terminal grain elevators, and Borden, and Kraft, and similar manufacturers of dairy products. These interests, and some of the carpetbagger manufacturers in the South who sold out their stockholders and bondholders in the East and North, who moved their plants south to obtain labor which they could work longer hours at less wages than in the East or North.

Mr. Chairman, the people of this country should be made familiar with the unfair representations and untruths on the part of those who are trying to scuttle this law. I believe that the bill as now amended would exempt nearly 3,000,000 people and, therefore, no friend of labor, men who believe in a fair wage and child-labor restrictions, can support it or vote for it. I, therefore, shall vote to recommit the bill to give the Labor Committee an opportunity to prepare and report a bill to eliminate any defects or unfair provisions in the present law. However, at this very time, and for some time past, the very able and fair Administrator, Colonel Fleming, of the Wage and Hour Division, in whom I have the greatest confidence, is making a sincere study of complaints, and proven defects or unworkable provisions are being corrected by the promulgation of regulations to the end that any unfair or undue hardships may be eliminated.

Most newspapers not controlled by the interests have substantiated the facts I have given, and some with even greater force. I hold an article appearing in the Capital Times, of Madison, Wis., under date of April 22, which clearly sets forth the reasons why the Barden bill is being advocated for enactment and why an effort is being made to destroy the present Fair Labor Standards Act. I take the liberty of including it in my remarks at this point:

USING THE WISCONSIN "PROTECT THE FARMER" TECHNIQUE AGAINST THE WAGE AND HOUR LAW

It worked so well in Wisconsin that they are now trying it out in Washington.

Yes; we are referring to the reactionary technique of using the farmer as a front in smashing labor legislation.

Here in Wisconsin the big industrialists and powerful business interests wrecked the State labor relations law, a model measure for the protection of workers' rights, and imposed antilabor legislation in its place.

This antilabor blitzkrieg was accomplished behind the front of the so-called Wisconsin Council of Agriculture, and the blasting of labor was done in the name of protecting the farmer.

These tactics worked so well in Wisconsin that they are now being applied in Washington on a national scale in the current big-business assault on the wage and hour law.

Those trying to wreck the national wage and hour law cloaking their attack behind claims that they are trying to "protect the farmer" and "clear up certain ambiguities in the statute."

They claim the changes they advocate in the law will bring about these things. But when these changes, incorporated in a bill introduced by Representative BARDEN of North Carolina, are carefully examined, it is seen that their effect would be to destroy the wage and hour law by exempting from its provisions those who most need its protection.

Stripped of the claims of its reactionary supporters, the Barden bill is found to have nothing to do with farmers, who do not come under the wage and hour law.

What the Barden bill would do is to take away the law's protection from 1,500,000 workers who perform industrial operations on agricultural, horticultural, and dairy products after they have left the farm and until they reach the ultimate retail distributors.

It is difficult to see how it would benefit the farmers to permit greedy employers who process farm products after they have left the farm to pay their workers less than the 30 cents per hour minimum provided for under the law.

From the standpoint of simple economics, the exact opposite is true. The minimum weekly wage of these 1,500,000 workers under the Wage and Hour Act is only $12.60. Reduce that minimum and the limited purchasing power of these workers to buy the products of the farm as retail consumers becomes even lower. Then, what becomes of the farmers' market?

It seems incredible that there are Members of Congress and business leaders who are willing to throw their support and influence to legislation that would permit employers to slash wages below the weekly level of $12.60. Yet these same men make speeches about the high "American standard of living" and talk about the "American way."

The Barden bill has been on the congressional calendar since last July, but its reactionary proponents have not been able to get it out for a vote. Now, by switching to tactics used by the antilabor interests in Wisconsin and playing up the "protect the farmer" pose, it appears that action will be taken on the measure.

When that vote comes, Members of Congress who are really for the farmer will treat this measure for the vicious scheme it is and hand it a crushing defeat.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HEALEY. Mr. Chairman, I rise in opposition to the pro forma amendment. I hope that we are fast arriving at the close of debate on this measure. The House will soon vote either to accept or reject the legislation. I just want to say to those Members of the House who voted to reject the Barden amendments because they believed that the measure went too far, that this bill as amended to date is far more destructive than the Barden bill. The Coffee amendment, adopted yesterday or the day before for persons engaged in the meat-packing industry will exempt about 152,000 workers from the hours provision of the Wage and Hour Act. The Barden bill would have exempted the same number of workers under a similar provision. Yesterday the distinguished gentleman from Illinois [Mr. DIRKSEN], in rather a facetious manner, said that there had been 17 amendments already adopted, and he did not see any reason why his amendment

should not be adopted as the eighteenth. I submit that this is about the most compelling argument he could advance for the adoption of the amendment presented by him. That disarmingly innocent amendment which the gentleman playfully presented to the House and which was adopted deprives some 375,000 workers of the protection of this act.

A similiar amendment contained in the Barden bill would have eliminated only 138,000 workers. An amendment offered by the gentleman from South Dakota [Mr. CASE], and passed, removes the protection of this act from all persons earning an annual salary of $1,500 or over. The adoption of that particular amendment takes out of the provisions of this act 1,750,000 workers.

We have also adopted another amendment today affecting workers engaged in wholesale establishments. That amendment serves to increase the hours of 800,000 workers. This bill, as amended at the close of yesterday's business, removes 2,277,000 workers from the hours' provisions of the act, and by adding 800,000 that are taken out of the act by the adoption of the wholesalers' amendment this morning, a total of some 3,000,000 persons would be exempted from the hours' provisions of this act as against an estimated 1,500,000 that would have been exempted from the hours' provision under the Barden bill. And if we should add the large number of persons exempted under the Andresen amendment which was adopted yesterday, the disparity would be even greater. The comparative number of persons who would be affected by exemption from wage provisions under the Barden and Norton bills has been explained by a previous speaker.

You rejected the Barden bill as too drastic. On the same basis, I submit that the reasons for rejecting this bill are even stronger and more compelling. The haphazard efforts to amend the Wage and Hour Act here clearly demonstrate the need for sending it back to the committee for more careful and intelligent study. Send it back for reconsideration and require those employers who seek exemption from the provisions of this act to make a proper showing as to why they should be exempted. Do not enact this haphazard piecemeal monstrosity that seeks to pass as legislation.

[Here the gavel fell.]

The CHAIRMAN. All time has expired on this section.

Is there any other amendment to section 10? The Chair hears none.

We will pass to section 11. Is there any amendment to section 11? The Chair hears none.

We will pass now to section 12. The gentleman from Texas [Mr. SUMNERS] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SUMNERS of Texas: On page 21, line 2, after the word "government", insert the following: "or to commodities manufactured in any State penal or correctional institution for use by any other State or political subdivision thereof; to parts for the repair of farm machinery; or to agricultural commodities."

Mr. ALEXANDER. Mr. Chairman, I offer a substitute amendment for the Sumners amendment.

The CHAIRMAN. The gentleman is not in order at the present time.

The gentleman from Texas is recognized for 5 minutes.

Mr. SUMNERS of Texas. Mr. Chairman, may I direct the attention of the Committee to the fact that the proposed amendment is to the provision of the bill having to do with the transportation of convict-made goods? The language just read has been agreed to by the two chief groups, at least, interested in this character of legislation. On the one hand, there are those who are interested in providing labor for persons who are in penitentiaries and similar institutions. Then, of course, there are those who are interested in protecting free labor against convict competition.

I want to make this clearly understood: I do not mean to say that the language here is satisfactory to everybody. There will be an amendment offered by gentlemen who represent one of the Northwestern States giving exemption of transportation for binder twine and farm implements, I believe, but this language here, I would like to repeat, in conclusion, is language which has been agreed upon by the two chief groups interested in this matter.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. WHITTINGTON. Will the gentleman explain the language with respect to exemption of commodities?

Mr. SUMNERS of Texas. Shall I read it again?

Mr. WHITTINGTON. I think that will be well, if I might make the suggestion.

Mr. SUMNERS of Texas. It is provided that for the transportation of "commodities manufactured in any State penal or correctional institution for use by any other State or political subdivision thereof; to parts for the repair of farm machinery; or to agricultural commodities."

Mr. WHITTINGTON. That was particularly what I had reference to.

Mr. SUMNERS of Texas. At first there was included the words "processed agricultural commodities", but by agreement the word "processed" was stricken out, so as to make it perfectly certain that commodities, like baled cotton, for instance, could be shipped under the provisions of this act.

Mr. WHITTINGTON. In other words, under the provisions of your amendment, cotton produced by convict labor could be shipped?

Mr. SUMNERS of Texas. That is right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. SUMNERS].

The amendment was agreed to.

Mr. ALEXANDER. Mr. Chairman, I offer a substitute to the amendment offered by the gentleman from Texas.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ALEXANDER: On page 20, in line 7, strike out the entire section 12 as amended.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Chairman, I would prefer to be heard on the substitute to the amendment. I was on my feet at the time demanding recognition, and I had already informed the Chair that I had a substitute amendment to offer.

The CHAIRMAN. Does the gentleman have a substitute to offer that does not strike out section 12?

Mr. ALEXANDER. Yes, sir.

The CHAIRMAN. It was the understanding of the Chair that the gentleman proposed to strike out the entire section, which was not in order as a substitute to the amendment offered by the gentleman from Texas [Mr. SUMNERS].

Mr. ALEXANDER. I have a substitute which adds a few words.

The CHAIRMAN. Without objection, the Clerk will report the substitute offered by the gentleman from Minnesota [Mr. ALEXANDER].

The Clerk read as follows:

Amendment offered by Mr. ALEXANDER as a substitute to the amendment offered by Mr. SUMNERS of Texas: On page 21, line 2, strike out the period, insert a comma, and add: "or to commodities manufactured in any State penal or correctional institution for use by any other State or political subdivision, or resident thereof, or to parts for the repair of farm machinery, or to agricultural commodities, or farm machinery, or binder twine."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield.

Mr. AUGUST H. ANDRESEN. Is not the purpose of this amendment just to add to the amendment offered by the gentleman from Texas that was adopted, the language, "or farm machinery, or binder twine," so that they will be included as part of the exemptions outlined in the amendment offered by the gentleman from Texas?

Mr. ALEXANDER. That is essentially correct. The purpose of that was to take care of our situation in Minnesota.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield.

Mr. WHITTINGTON. I am in accord with the object sought by the gentleman from Minnesota, but it strikes me that it should be offered as an amendment to the amendment and not as a substitute, because if it is offered as a substitute it will strike out the language in the Sumners amendment with respect to penal institutions.

Mr. AUGUST H. ANDRESEN. No. I beg the gentleman's pardon. It just adds to the Sumners amendment that has already been accepted, the phrase "or farm machinery, or binder twine."

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Is the Alexander amendment offered as a substitute for the Sumners amendment; will it be substituted for the language of the Sumners amendment?

The CHAIRMAN. The Chair will state that in conferring with the gentleman from Minnesota before the amendment was offered, the Chair understood that the gentleman from Minnesota meant to strike out the section. It could not, therefore, be offered as a substitute for the amendment offered by the gentleman from Texas. In the meantime the substitute was rewritten, and there being no objection the Chair permitted the gentleman to offer this as a substitute for the amendment offered by the gentleman from Texas.

Mr. WHITTINGTON. My parliamentary inquiry is: If this substitute or this amendment is agreed to, this language proposed by the gentleman from Minnesota will be added to the language proposed by the gentleman from Texas which was adopted. Am I right?

The CHAIRMAN. The gentleman is correct.

Mr. WHITTINGTON. The Alexander amendment will not strike out the Sumners amendment.

The CHAIRMAN. The gentleman is correct; it adds to instead of striking out.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. ALEXANDER. I yield.

Mr. DONDERO. The gentleman's amendment simply exempts binder twine manufactured in the institutions of his State and probably eight other States in the Union similarly affected; it simply takes them out from the operation of the wage-hour law. Is that correct?

Mr. ALEXANDER. That is correct. It would take care of the Michigan situation as well as the Minnesota situation.

Mr. DONDERO. That is exactly what I had in mind.

Mr. ALEXANDER. Mr. Chairman, in my particular State we have a prison which is giving employment and carrying on a rehabilitation program for approximately 1,450 men who are in our State prison. They manufacture farm machinery and binder twine and have been doing this for many years. They sell it not alone to the farmers of the State of Minnesota but to farmers throughout the entire Northwest. This service has been greatly enjoyed by the farm population of that section. I want to say just a word or two as to who was interested in putting this section into the bill. It has no place in a wage-hour bill. It was slipped into this bill simply for one reason; it was slipped in by the Harvester Trust, because for years they have been trying to do away with the service which our State prison has been giving the farmers in connection with farm machinery and binder twine.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield.

Mr. H. CARL ANDERSEN. Is it not a fact that the Committee on the Judiciary almost unanimously killed this same provision about 3 weeks ago?

Mr. ALEXANDER. They voted to table another similar bill, although it had passed the Senate.

It has been said that labor is interested in this provision. I cannot find that labor has any justification for being interested. I doubt if they are interested, because in the investigation by the Federal Trade Commission, to which I referred the other day, there was not a word said about the machinations of labor or the attempt of labor to kill off this industry or to do away with this rehabilitation program. But page after page of the hearings is filled with excerpts from letters and testimony which absolutely proves that for years the Harvester Trust has been attempting to control, to buy, and to operate our State legislature with the idea of killing off the State prison industry. I want to read, if I have time, a few of the excerpts which will prove my point.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield.

Mr. WHITTINGTON. The gentleman's amendment includes the language of the Sumners amendment with an addition.

Mr. ALEXANDER. Yes; farm machinery and binder twine. Listen to this. This is a letter sent by officials of the Implement Trust:

> I spent two days in Chicago, and before the meeting with the representatives of Minnesota present—

This is testimony taken back in 1936—

> we had a meeting of the implement industry. We agreed that in no event would we without a fight permit them to sell in interstate commerce.

And again, following this meeting the next day, the same gentleman's letter testified:

> I was thoroughly disappointed with the meeting. So we had another meeting and informed the prison authorities that we would expect them to ship no goods in interstate commerce except on contracts which were approved by them prior to January, and that we expected them to curtail their production.

In other words, telling a State instrumentality what it could do and what it could not do. I could go on, Mr. Chairman, if I had time, and read excerpt after excerpt from this book showing the control which, according to letters passing between various officials of the Implement Trust, they claim to have and did have and exercised from time to time over the legislature of the State.

I want to read the last section here, which gives you an insight into this thing:

> Our contact, instead of bringing it out Saturday, did not bring it out until Wednesday night about 10 o'clock, and at 10:30 the amended bill was passed with only two dissenting votes. It was up to our contact to so manipulate that there would be no legislation, and that is what he succeeded in doing. He did not send the bill over to the senate until 2 o'clock in the morning, and at this late date it required only five objectors to kill the bill. Our man got five, Charles Fowler two, and the legislation was killed at 3:30 in the morning. I was there in the gallery, but no one knew that I was interested.

[Here the gavel fell.]

Mr. ALEXANDER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota [Mr. ALEXANDER]?

Mr. LESINSKI. Mr. Chairman, I object.

Mr. TABER. Mr. Chairman, I rise in opposition to the substitute amendment offered by the gentleman from Minnesota [Mr. ALEXANDER].

Mr. Chairman, I hope the membership of the House will thoroughly understand just exactly what this substitute does. It amends the first part of the amendment offered by the gentleman from Texas [Mr. SUMNERS], so that it will read—

> or to commodities manufactured in any State penal or correctional institution for use by any other State or political subdivision thereof or residents thereof.

Mr. Chairman, this means that convict labor may manufacture anything it wants to anywhere in the United States and send it to any State in the Union without any restrictions whatsoever. Those words were not included in the amendment offered by the gentleman from Texas.

Mr. ALEXANDER. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. ALEXANDER. Is the gentleman not forgetting the Hawes-Cooper Act, which is now on the statute books, and

which prohibits the transportation and sale of prison goods in States that do not want it?

Mr. TABER. I am forgetting nothing. I am telling the House what the gentleman's amendment says and I hope he will understand that he is trying not only to work something in that he has told us about but he is trying to break down completely the Hawes-Cooper Act. That is what he is doing, and I hope the House will not be deceived by this attempt.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. TABER. I cannot yield.

Mr. AUGUST H. ANDRESEN. The gentleman is impugning the motives of a Member.

Mr. TABER. I am not impugning the motives of anyone. I am telling the House what is in the amendment offered by the gentleman from Minnesota, and I do not think we ought to in any way deceive the House as to what is in it.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. AUGUST H. ANDRESEN. The gentleman from Texas [Mr. SUMNERS] showed me the amendment he proposed to introduce, and I copied it myself and gave it to the gentleman from Minnesota [Mr. ALEXANDER]. If it was changed, it was changed after he showed the amendment to me.

Mr. TABER. I know what was read so far as the Sumners amendment is concerned. I looked at it, and I looked at the other amendment, and there is added the phrase "or residents thereof," indicating that there can be sold by any State institution convict-made goods to the citizens of any other State and any goods whatever. We must not endorse that kind of business. It is absolutely ridiculous. I am going to tell you about the binder-twine business, because you ought to know the truth about it. I want to tell you the truth about the situation.

Mr. H. CARL ANDERSEN. Will the gentleman yield?

Mr. TABER. I cannot yield.

The International Harvestor Co. manufactures a very small portion of the binder twine involved here. I served upon the Cooper committee back in 1928 which investigated the prison situation throughout the country. As a result of the operations of that committee the old Hawes-Cooper Act was passed, and it laid out a program to get rid as far as we could of convict labor. It was the understanding at the time that gradually the public sale of convict-made goods should be stopped. Now, we should not at this time and in this way go ahead and attempt to destroy the old Hawes-Cooper Act which is designed to protect the honest workingman of this country from convict labor.

Mr. Chairman, I hope that the amendment offered by the gentleman from Minnesota [Mr. ALEXANDER] will be rejected.

Mr. RAMSPECK. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Minnesota [Mr. ALEXANDER].

The substitute was rejected.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. As I understand it, this amendment which we just voted on was in addition to the Sumners amendment already adopted?

The CHAIRMAN. That is correct.

Mr. WHITTINGTON. So as the record stands the Sumners amendment has been agreed to?

The CHAIRMAN. Yes.

Mr. WHITTINGTON. And the Committee has rejected the last substitute amendment?

The CHAIRMAN. Yes.

Mr. ALEXANDER. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. ALEXANDER: On page 20, line 17, strike out the entire section 12 as amended.

Mr. ALEXANDER. Mr. Chairman, this amendment that has just been offered is exactly like the one offered 3 days ago by the gentleman from Texas [Mr. SUMNERS] and agreed to by the Committee at that time as an amendment to the so-called Barden bill. I can see no reason why we should change our opinion or viewpoint today from that expressed here a few days ago. However, in order to protect these prisons throughout the country and the work they are doing in rehabilitating the unfortunates who are in them, I feel that it is very essential that we again adopt this amendment.

The gentleman from New York [Mr. TABER] a few moments ago made a great point about doing away with the Hawes-Cooper law. I admit that the Hawes-Cooper law should not be done away with and it is not my intention to attempt to do away with it. I believe it is quite a just and equitable act, taking into consideration all the things we must in considering this problem. However, I want to call your attention to a very important point in any consideration of this subject. If you will refer to your copies of the bill H. R. 5435, you will notice that the last four lines of the section we are now considering read as follows:

The provisions of this section shall not be deemed to repeal or supersede any other act relating to the transportation or sale of goods made by convicts or prisoners.

Why do you put this provision in the bill? Either the gentleman from New York is mistaken in what he has been telling you or, if you adopt this section, you have not adopted anything, because you are still leaving the law regarding prison-made goods exactly as it stands on the statute books today in the Hawes-Cooper Act, and that is what we should do. So what is the object? Why put this section in here or keep it in here? You cannot accomplish anything by it, so let us throw it out, as provided by my amendment. If you will read these last four lines, you can see there is absolutely nothing to be accomplished, nothing to be attained, by the adoption of this section. Therefore, Mr. Chairman, I suggest that you throw out this entire section and save all this trouble.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true that this provision occurs all through the bills, the Norton bill, the Barden bill, and the Ramspeck bill, and that the Committee of the Whole the other day struck this provision out on the motion of the gentleman from Texas? The gentleman's present amendment, if adopted, would do the same thing in this bill.

Mr. ALEXANDER. That is absolutely correct.

Mr. WHITTINGTON. That would leave the present act just as it is and would not repeal any law at all.

Mr. ALEXANDER. That is right.

Mr. WHITTINGTON. The wage-hour law has nothing to do with prison labor, because that is one place where all hours are the same and all labor is uniform.

Mr. ALEXANDER. I want to add this one closing remark. In the Minnesota prison we are paying as much or more wages per hour than the Wage and Hour Act requires, and our men there are working only 40 hours a week in the factory. What is to be gained by inserting any such clause as this? Remember who wants it, and vote accordingly. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I move that all debate on this amendment close in 5 minutes.

The motion was agreed to.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I strongly disapprove of any measure that allows convict labor to compete with the labor of workers all over our country. The gentleman from Wisconsin [Mr. SCHAFER] offered an amendment a few days ago to protect the minimum-wage and maximum-hour standards of this bill by providing that it shall be unlawful to import goods from any country unless such goods are produced under similar wage and hour provisions in that country. Apropos of this, I have stamps showing that table linen purchased

right here in Washington was made in Soviet Russia. These stamps were on linen made in Soviet Russia. When the purchaser arrived home she looked over her purchase and saw these labels. She and her husband immediately rewrapped the linen and returned it to the store. They also canceled their account with that store, because they did not want to purchase any goods made in Soviet Russia by poorly paid Communist labor.

These stamps were on the linen made in Russia by Communists, actual communistic labor. While the people who work in Russia are not in prison, they have no freedom of thought or action, or of religion, and no freedom in their work. I will show you this stamp here now. You can see it later if you wish to.

It is unnecessary to point out to you the conditions under which these goods are manufactured. They are produced under such wage and hour conditions that our labor can never compete with them, and they should not be obliged to do so. We must protect our workers from this cheap-labor merchandise.

Unfortunately, the amendment of the gentleman from Wisconsin failed. Republican Members of the House voted almost solidly against the reciprocal-trade treaties which made this unfair, unholy competition possible. I hope they will not make chiseling and unfair competition between different communities in the United States possible. It seems to me they place themselves in a very untenable position if they vote for anything of the kind.

I wish to remind my Republican colleagues, especially because they voted almost solidly against the reciprocal-trade treaties in the belief that it was unfair to have this unholy and unfair competition from Russia and other countries such as Japan, that pay lower wages to their workers, and that these reciprocal-trade treaties make this possible. I hope sincerely that when it comes to a vote on the bill they will not allow chiseling and unfair competition between the different communities or different zones in this country. It seems to me if they do so they are in an extremely untenable position. They will allow goods to be made in different zones where goods can be produced for a lower sum, but they voted not to allow goods to come in from foreign countries and allow goods made under unfair and unequal conditions abroad to compete with goods produced in our own country. Some of them are probably considering voting at the moment to create unfair conditions as to different sections, different zones, if you will, in the United States. I hope they will reconsider that and not vote to make their position totally inconsistent and unfair.

It has always been a great source of pride to me that I represent a district which saw the very beginnings of the cotton textile industry in America. Lowell, Mass., for many years was known as the spindle city, the Manchester of America. The question of wages and hours has been an everyday subject in that community from the very inception of the industry. A great many of the good labor laws—for which the Commonwealth of Massachusetts is noted—have come about through the foresight and the energy of those mill girls of the early days. They worked hard and faithfully to protect the worker in industry, not only against the long, tiresome, tedious hours of labor but against wage scales that did not permit normal and healthful living. Women had the first and the finest part in that great struggle. They won their fight against child labor, for the Commonwealth of Massachusetts was the first State of the Union to enact direct regulatory provisions for child labor, and it was the first State to enforce such laws. The women won their fight for protectional hours for women, and as a result better conditions followed for all workers. I for one am proud of their accomplishments. At this late date, when our labor, our workers, have won the reputation of being the best in the world—the best trained, the best paid, and the best treated—we are not going to take a step backward. We are going forward. But it would not be a forward step to establish a differential in wages between urban and rural communities. The employer in the small communities has an advantage over those in the more densely populated district. Invariably the cost of living is lower in the small community, rents are lower, food commodities are less, taxes are lower. To my mind, it would be a very dangerous experiment. We have already seen the great disruption caused in the textile industry by the difference in labor costs in the southern mills as compared with northern mills, and in our boot and shoe and our leather industry similar conditions have prevailed. Factories have been abandoned to lie idle; families in some cases have been separated and caused to move from their neighbors and friends because their employment has shifted to a more advantageous sector where cheaper labor costs prevail. I doubt if the migration of industry is good for anyone. Anything that disturbs the normal living, the normal contentment, of the worker is not progress. It is retrogression. I hope sincerely that nothing in this bill will promote wage competition between communities or between sections of our country. You will find that if industries migrate into the rural communities in order to pay lower wages, that after a time the workers from the farms will organize just as those early workers in the mills at Lowell, Mass., those girls from the farms, organized for better wages and better hours.

Again I wish to remind the House, Mr. Chairman, that the Massachusetts women workers, by securing child labor and protective laws for women, blazed the trail for better labor conditions all over the United States. We must not allow their work to be undone; we must advance rather than retreat. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. ALEXANDER].

The amendment was rejected.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer an amendment; and in order to have sufficient time to present properly the case for my amendment, I ask unanimous consent that my time be extended 5 minutes.

Mr. FADDIS. I object, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: On page 21, line 7, after the period at the end of line 7, insert a new section, as follows:

"SEC. 21. In order to protect the minimum-wage and maximum-hour standards prescribed in sections 6 and 7, it shall be unlawful for any person to import or cause to be imported from any foreign country, in any manner or by any means whatsoever, or aid or assist in importing any goods, wares, and merchandise manufactured, produced, or mined wholly or in part in foreign countries unless such imports are produced, manufactured, or mined under the same minimum-wage and maximum-hour limitations which are applicable to producing, manufacturing, or mining the same kind of goods, wares, and merchandise in the United States."

Mr. SCHAFER of Wisconsin. Mr. Chairman, this amendment is offered in order to protect American agriculture and industry and the employees therein from unfair, cheap, chiseling competition of foreign imports which are produced by foreign workers who labor long hours for wages which are far below the minimum fixed under the Wage and Hour Act.

Unless this amendment is adopted we are going to drive many hundreds of thousands of American workers who are now employed into the ranks of the unemployed. The gentleman from Ohio [Mr. CLEVENGER] the other day exhibited on the floor of the House some cotton goods manufactured in Japan, where textile workers receive a wage of 29 cents a day and work from 90 to 96 hours a week. I particularly want to call the attention of our brethren from the Cotton States to the fact that the Japanese are now importing much of their cotton from Brazil and other South American countries. In Japan they use the same machinery and have the same high-speed prcduction which we have in the United States. The textile workers in Japan receive 29 cents a day and work 90 hours a week in the manufacture of the cotton goods which were exhibited on the floor of the House by the gentleman from Ohio [Mr. CLEVENGER]. When a salesman who sells this cheaply produced imported Japanese goods competes with a salesman who sells cloth produced by an American cotton textile plant which uses American cotton and pays the high American wages, we know that the man who

sells the American product will not be able to obtain the order because the price of the product which he sells will naturally be far in excess of that imported from Japan. Mr. Chairman, I verily believe that the Wage and Hour Act keeps millions of American workers in the ranks of unemployed, while we permit the unfair chiseling competition of foreign imports produced by foreign workers who work long hours for wages which are very much lower than the minimum wage established under the Wage and Hour Act for competing workers in the United States.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield to the gentleman from South Dakota.

Mr. MUNDT. If the gentleman's amendment is adopted, would it not remove the reason given by the President of the United States when he wrote the American Navy to buy Argentine beef because it could be produced cheaper down there with low standards of labor?

Mr. SCHAFER of Wisconsin. Most certainly it would do that, and it would furnish additional jobs for unemployed American workers in our meat-packing and other industries in the United States.

Some of you gentlemen on my left criticize exemptions for 200,000 and 300,000 and 1,000,000 workers from the beneficent provisions of the Wage and Hour Act. I call upon those friends of labor to vote for my amendment and put about 250,000,000 foreign workers in foreign lands under its beneficent provisions when the products of their labor compete with free American workers who can work only a limited number of hours a week for a limited minimum wage under the Fair Labor Standards Act of 1938. My amendment will protect American agriculture and industry and employees therein from unfair chiseling foreign competition and put some fairness into the act. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, are there any other amendments on the desk?

The CHAIRMAN. There are three or four further amendments.

Mr. RAMSPECK. Mr. Chairman, I move that all debate on this amendment and any amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The gentleman from Kentucky [Mr. ROBSION] is recognized for 5 minutes.

Mr. ROBSION of Kentucky. Mr. Chairman, ladies and gentlemen, we have listened carefully during the last 6 or 7 days to scores of speeches made on H. R. 5435, H. R. 7349, and H. R. 7133, and a hundred or two amendments offered to these bills.

The procedure in considering these bills has been the most unusual of any I have seen since I have been a Member of the House. The Norton bill—H. R. 5435—was introduced in the House on March 29, 1939. It was referred to the Committee on Labor of the House for consideration. On April 27, 1939, the Labor Committee reported the Norton bill to the House. This committee struck out all after the enacting clause and offered an amendment as a substitute containing more than 12 printed pages. The gentleman from North Carolina [Mr. BARDEN] introduced H. R. 7133 on July 11, 1939, and this bill was referred to the Committee on Labor of the House. The gentleman from Georgia [Mr. RAMSPECK] introduced H. R. 7349 on July 24, 1939, and it was referred to the Committee on Labor of the House. The Labor Committee made no report on the Ramspeck or Barden bills. A few days ago the Rules Committee of the House, made up of 4 Republicans and 10 Democrats, reported out a very unusual and extraordinary rule making in order the consideration of the Norton bill with the substitute bill, the Barden bill, and the Ramspeck bill—in other words, making in order for consideration at the same time four bills, all of which are highly technical and complicated.

The steps taken on these bills have been most unusual and extraordinary. After reading one paragraph of the Norton bill, the Barden bill was offered as a substitute to the committee substitute of the Norton bill. We had 2 or 3 days of debate on the Barden bill, with scores of amendments offered and many of them adopted. The Barden bill was so mutilated with amendments that the gentleman from North Caroline [Mr. BARDEN] disowned the bill and refused to support it, and the motion to substitute it for the committee substitute to the Norton bill was defeated by a vote of 66 to 156, the gentleman from North Carolina [Mr. BARDEN] himself refusing to vote for his bill, as amended.

Under the rule it was next in order to offer the Ramspeck bill as a substitute to the substituted Norton bill. This motion was made by the gentleman from Tennessee [Mr. BYRNS]. On a vote on the motion not a vote was cast for it. Neither the gentleman from Tennessee [Mr. BYRNS] nor the gentleman from Georgia [Mr. RAMSPECK] voted for it.

It was then in order to consider further the substitute to the Norton bill, and during several days of debate scores of amendments were offered and many amendments adopted. The Committee of the Whole House on the state of the Union will soon be called on to adopt or reject the so-called substitute to the Norton bill. If the substitute is defeated, then it will be in order to consider the original Norton bill, H. R. 5435, and under the rules of the House only two votes can then be considered—to recommit the bill or vote it up or down.

These measures were born out of confusion, and they have now reached the point of confusion confounded. It was claimed by the authors of the bills that their purpose was to give some relief to agriculture and free the workers in agriculture from some of the rigid provisions of the wage and hour law. They were introduced in the name of the farmers, but as we progressed in debate and with amendments it was soon apparent that the bills were not in the interest of either agriculture or labor.

It seems to me that all groups interested in this legislation must show a more reasonable and cooperative attitude or there will be no legislation at all. I am one of those who were and still are friendly and interested in the wage and hour law and its honest enforcement. We have more than 40,000,000 persons in the United States working for wages. However high the purpose of this act is, we must bear in mind that a measure affecting more than 40,000,000 workers—agriculture and industry—could not be expected to be perfect. Time and experience will disclose that the act is not perfect and some amendments may be necessary. I think the leaders and friends of labor recognize that some amendments are necessary in the interest of justice to agriculture, labor, and industry.

I do not agree with those who contend that this law is perfect; neither do I agree with those who desire to emasculate the law or destroy it.

The substitute amendment to the Norton bill as it now appears, with scores of amendments, is not in the interest of agriculture. It is an industrial bill. It will remove the protection of the wage and hour law from more than 3,000,000 factory, shop, mill, and processing-plant workers. Of course, the purpose of many of those who offered and voted for these amendments, was to take away from these 3,000,000 or more industrial workers the 30-cents-an-hour wage or the 40-hour week or both. In view of the high cost of living, I do not see how any worker can be expected to support himself and family on less than 30 cents an hour and $12 a week, and in view of the fact that we have approximately 11,000,000 unemployed workers in this country, it seems to me that it is unfair to do away with the 40-hour week. [Applause.]

No nation has ever been prosperous with low wages, peon labor, and sweatshops. This Nation has never enjoyed prosperity with low wages. Low wages mean reduced buying power of the workers. The miners receive 50 cents an hour and more—on an average nearly 70 cents with a 35-hour workweek. The steel and railroad workers, on an average, receive 50 cents an hour or more with an 8-hour day. As I understand it, the automobile workers receive more than 70 cents an hour on the average and many of the automobile factories have voluntarily agreed to a 36-hour week.

If this substitutee, as amended, to the Norton bill is agreed to, it will mean that the employers of more than 3,000,000 industrial workers in packing, processing, and other plants and factories can legally pay their workers less than 30 cents an hour and work them as many hours as the workers may be compelled to work under the circumstances—perhaps 10, 12, or even 16 hours. This substitute, as amended, removes the protection of the wage and hour law from the poorest paid workers in this country, the persons who really need the protection of the law.

This is all being done in the name of helping the farmers. In my opinion, it will not help agriculture. It will cut down the buying power of these 3,000,000 workers and their families and they will be less able to buy the products of the farmers, and for this and other reasons I shall vote against this substitute, as amended, to the Norton bill; and if the Committee of the Whole House should adopt it, I shall vote in the House against this substitute as amended; and if this substitute as amended is defeated, I shall then vote against recommitting the original Norton bill, as some of the supporters of the Barden bill, the Ramspeck bill, and the substitute to the Norton bill and some of those offering amendments to these bills have threatened to do, because I believe the original Norton bill offers some real relief to agriculture. It cuts out the so-called area of production that has been most objectionable to the farmers of the country and it relieves the farmers of those provisions that are objectionable to them and which are claimed to be a real hindrance to agriculture.

It seems to me that some of those who are opposed to any amendments to the wage and hour law and those who desire to emasculate the wage and hour law are making common cause by advocating and having put on these bills such objectionable amendments as will insure the defeat or the recommittal of the bill, so that no bill at all will be passed. I think the Congress should weigh these matters most carefully and cooperate together in correcting any injustices that may appear in the law, so that agriculture may have its just rights and no injustice be done to labor or industry. Agriculture must depend upon labor and industry, and likewise labor and industry must depend upon each other and on agriculture in order for our country to be prosperous. Injury and injustice to one is certainly reflected in the others.

The Congress should not adjourn until it has given at least all the relief provided in the Norton bill for agriculture, and it should be willing to consider such other amendments as may appear to be necessary to do justice to the farmers of the Nation.

The Democrats have a large majority on all the committees and nearly a hundred majority in the House. If no bill is passed to help the farmers of the Nation, this administration must shoulder the full responsibility of the failure.

BILLS DISCRIMINATORY

The Barden bill was loaded down with amendments favorable to industry and against the workers in many lines of industry to such an extent that the gentleman from North Carolina [Mr. BARDEN] himself threw up his hands and disclaimed his own bill and voted against it. These amendments had changed the bill that was intended to help agriculture into a bill designed especially to aid certain branches of industry and against the workers in industry. It discriminated against labor, and especially in that section of our country that paid the lowest wages and had unreasonable hours. I know of no industry in my congressional district that this bill, as amended, would have benefited. It would help the meat packers and certain processing plants in certain sections of the country. It will not benefit any of the factories, shops, or other industries in many districts; neither would it benefit the farmers or the workers in my district. It greatly discriminates against the factories, shops, mills, and workers in my district.

The substitute to the Norton bill, as amended, would have been of very little benefit to agriculture. It would have benefited factories, mills, plants, and shops as a rule where low wages were paid and long hours were worked. It exempts more than 3,000,000 wage earners in these shops, mills, factories, processing plants, and so forth, and would not benefit either the farmers or the industrial plants or the workers in my district.

I have voted against the Barden bill, as amended, as did the gentleman from North Carolina [Mr. BARDEN] himself, and I likewise voted against the Ramspeck bill, as the gentleman from Georgia [Mr. RAMSPECK], the author of the bill, disclaimed it himself, and I shall vote against the substitute to the Norton bill, as amended, and on a roll call in the House I shall vote against it, and if it is defeated I shall vote against recommitting the Norton bill. I am unwilling to confess that this Congress cannot pass a reasonable bill in behalf of the farmers of this Nation.

I do not believe that a bill can be passed to aid the farmers of this country so long as those in this House insist that we exempt from the operation of the wage and hour law 3,000,000 factory, mill, shop, and plant workers. I am convinced that the American people do not desire our industrial workers should receive less than 30 cents an hour, or $12 a week. How can they pay rent, provide food, clothing, shelter, medical care, and educational opportunities for their families in view of the high cost of living with less than $12 a week?

Congress should not hesitate to help the farmers of this Nation. We should repeal the reciprocal-trade agreements and give the American markets to American farmers, cut out products made in foreign lands with cheap labor that can be produced in this country, and give this work to American workers. We should see to it that American labor, industry, and farmers have the benefit of this rich American market.

NEW DEAL POLICIES WRONG

This administration forced through the so-called reciprocal-trade agreements. These agreements between our Government and foreign countries have removed the tariff and other protection to the farmers, workers, and industries of this country. Since these reciprocal-trade agreements have been in effect approximately $4,000,000,000 worth of foreign farm products have come into our country in competition with American farmers, and our farmers now must be given subsidies in order to survive. Why should we permit the farm products produced by peon labor in Mexico, South America, Japan, and other countries to be shipped into our country in competition with our farmers and farm laborers? An amendment was offered to the Barden bill and to the Norton bill to prevent these farm products being shipped into this country in competition with our farmers, but these amendments were defeated, and the American farmers must continue to compete with these cheap foreign products.

Under the reciprocal-trade agreements billions of dollars' worth of industrial products have come into this country in direct competition with American industry and industrial workers, and our industries and industrial workers must compete with the low wages, long hours, child labor of foreign countries. I strongly favor our American workers receiving good wages and reasonable hours as provided by our laws. Our American industries must show that they pay decent wages and have reasonable hours and no child labor before the products of their factories, shops, mills, mines, and plants are allowed to enter interstate commerce. Why does not this New Deal administration require the producers of goods and products in foreign lands coming into this country to show that their wages, hours, and working conditions are comparable to ours, and that they are not produced by child or prison labor? Why have a wage-hour, and child-labor law and a prohibition against prison-made goods apply to our own industries and workers and then permit these goods to come into our country from foreign lands, produced by workers receiving very low wages, working very long hours, some of them more than 80 hours a week, and receiving as little as a dollar a week, and children of all ages and persons in prison helping to produce these goods?

It is conditions like these and the unfair manner in which our laws are administered that keeps approximately 11,000,000 workers in this country idle and makes it necessary to provide subsidies and bonuses for our farmers. American labor,

American farmers, and industry need to be relieved from these conditions.

Mr. RAMSPECK. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Wisconsin. This is the same amendment offered by the gentleman from Wisconsin to the Barden bill; and as I stated at that time, the matter was very carefully gone into by the Committee on Labor at the time the original wage-hour law was drafted, and our late beloved friend Mr. Connery, who was chairman of the committee at that time, was very much in favor of the idea which the gentleman has suggested. However, when the committee had before it representatives of the various departments, including the State Department, it soon became evident to those of us on the committee that it was impractical and impossible of administration. I have before me a statement of the State Department, which I shall not undertake to read, but I shall read one or two paragraphs. Referring to the gentleman's amendment it says:

It needs only casual reading to show that it would prohibit the importation of a great number of raw materials, such as metals, ores, chemicals, vegetables, and products which do not exist in this country and which cannot be produced at all in this country—

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. No.

and which are essential to American industrial products. It would automatically stop the imports of crude rubber, which is produced abroad under labor conditions which do not conform to the conditions of the Fair Labor Standards Act. It would bar every pound of coffee, every bunch of bananas, every thread of silk. It would keep out medicinal drugs. It would make impossible the manufacture in the United States of radios, telephones, automobiles, and a thousand other household necessities, because it would deprive American manufacturers of the materials that must go into these appliances.

All of us, as I said the other day, are interested in maintaining the American standard of living, but we have to be practical about it, and this amendment would absolutely embargo many things that this country needs and make it impossible for our own people to operate.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. MAY. Would it not also embargo the importation of strategic war material?

Mr. RAMSPECK. Unquestionably. As the chairman of the Committee on Military Affairs suggests—and it is a very important point—it would prevent our importation of necessary materials for national defense.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. MUNDT. The criticism which the gentleman read from the Department of State was applicable to the amendment offered a few days ago, but is entirely beside the point so far as the amendment offered today is concerned, because this deals only with competitive raw materials and not with rubber, coffee, silk, or any of the materials referred to by the gentleman.

Mr. RAMSPECK. The principle of the amendment is wrong, in the first place; and, in the second place, nobody knows what is competitive. We might find a great many things that the gentleman would say are not competitive, but which really are competitive, and we ought not to write into this law anything dealing with the tariff, and that is what the gentleman is trying to do. He is trying to destroy the trade-treaty program of this administration in a roundabout way, without making a direct attack upon it, which the gentleman on that side made and failed in a short time ago.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. No; I do not yield. I hope the Committee will again vote this amendment down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 75, noes 121.

So the amendment was rejected.

The CHAIRMAN. The gentleman from Minnesota [Mr. ALEXANDER] offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ALEXANDER: Page 21, after line 7, insert: "That section 13 (a) of the act approved June 25, 1938 (52 Stat. 1069), entitled the 'Fair Labor Standards Act of 1938,' be, and the same is hereby, amended by adding a new subsection 12 as follows: 'or (12) any employee of an office or loft building or apartment house engaged in maintenance or service activities, whether or not the owner of the office or loft building is otherwise engaged in interstate commerce': *Provided*, That this shall not apply to the provisions of section 6."

Mrs. NORTON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentlewoman will state the point of order.

Mrs. NORTON. Mr. Chairman, I make the point of order that this is offered in the wrong place. Section 5 of the bill contained amendments to section 13 (a) of the act, and this amendment should have been offered at that point.

The CHAIRMAN. Does the gentleman from Minnesota desire to be heard on the point of order?

Mr. ALEXANDER. I concede the point of order, Mr. Chairman, and I ask unanimous consent that we may return to section 5 in order that I may submit the amendment at that point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mrs. NORTON and Mr. BARDEN of North Carolina objected.

The CHAIRMAN. The Chair sustains the point of order.

The gentleman from Missouri offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of Missouri: Page 20, after line 6, following the period, insert the following new section:

"In order to protect the standards prescribed by this act, 5 days, or 40 hours within any one 5-day week, shall constitute the workweek for all officers and employees of the Federal Government and the District of Columbia (including the officers and employees of every corporation created by authority of an act of Congress which is controlled or owned by the United States Government, whether or not such officers and employees are paid from funds appropriated by Congress), except the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, and employees of the Senate and House of Representatives of the United States. Any officer or employee whose workweek is defined in the preceding paragraph shall be permitted to work in excess of 5 days or 40 hours in any one 5-day workweek upon certification in writing to the Bureau of the Budget by the head of the department, independent establishment, or other agency in which such officer or employee serves that the public interest, or an emergency, requires such additional service and that no suitable substitute is available. In any such case, the officer or employee shall, at the election of the head of such department, establishment, or agency, either be paid for such additional service at the rate of one and one-half times the hourly rate of pay received by such officer or employee, whether paid on a per annum, per diem, hourly, piecework, or any other basis, or be allowed compensatory leave of absence without loss of pay, equal to one and one-half times the period during which such additional service was performed: *Provided*, That in all cases in which such additional service is elected to be compensated by payment of funds, such compensation shall be made on or before the second regular date of salary payment following the performance of such additional service: *Provided further*, That in all cases in which such additional service is elected to be compensated by the allowance of compensatory leave of absence without loss of pay such leave shall be added to the amount of annual leave to which the officer or employee is otherwise entitled and shall be subject to all of the rules and regulations now or hereafter pertaining to the grant of annual leave, except that employees in the Postal Service who have heretofore been entitled to compensatory leave of absence for service performed on Saturdays, Sundays, and holidays, and who so elect, shall continue to receive such compensatory leave of absence, subject to the terms of this section, on 1 day within 5 working days next succeeding the day on which such excess service is performed or compensatory leave granted, when granted for work performed on the preceding Saturday, Sunday, or holiday: *And provided further*, That the provisions of this section shall not apply to overtime services performed by Federal employees at the expense of private interests according to law.

"Nothing in this section shall be construed to increase the number of hours of work in any day or week heretofore required of any officer or employee.

"All acts and parts of acts applicable to the personnel affected by this section which are in conflict with the provisions herein contained are hereby repealed."

Mr. RAMSPECK. Mr. Chairman, I make the point of order against the amendment that it is not germane to this bill nor to the point where it is offered.

The CHAIRMAN. The Chair sustains the point of order.

The question is on the committee substitute, as amended, to the bill H. R. 5435.

The question was taken, and the committee substitute as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee does now rise.

Accordingly, the Committee rose; and the Speaker pro tempore, Mr. RAYBURN, having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 5435, to amend the Fair Labor Standards Act of 1938, pursuant to House Resolution 289, he reported the same back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

Mrs. NORTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. BUCK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BUCK. On what is the vote by yeas and nays ordered?

The SPEAKER pro tempore. On the amendment as amended in Committee of the Whole.

Mr. MARTIN of Massachusetts. I wanted the House to have the benefit of that knowledge.

Mr. CASE of South Dakota. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. CASE of South Dakota. To prefer a unanimous-consent request.

The SPEAKER pro tempore. The yeas and nays have been ordered. The Chair will not entertain a unanimous-consent request at this time.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MICHENER. Mr. Speaker, there seems to be quite a misunderstanding as to what we are voting on. As I understand it, we are voting on the committee substitute?

The SPEAKER pro tempore. On the committee substitute as amended in Committee of the Whole.

Mr. MICHENER. Then there will be another vote on the passage of the bill?

The SPEAKER pro tempore. Naturally. [Laughter.]

The Clerk will call the roll.

The question was taken; and there were—yeas 171, nays 211, not voting 48, as follows:

[Roll No. 94]

YEAS—171

Allen, Ill.	Church	Engel	Jensen
Allen, Pa.	Clark	Faddis	Johns
Andersen, H. Carl	Clevenger	Ford, Leland M.	Johnson, Ill.
Anderson, Calif.	Coffee, Nebr.	Gamble	Johnson, Luther A.
Andresen, A. H.	Cole, N. Y.	Garrett	Johnson, Okla.
Andrews	Collins	Gathings	Jones, Ohio
Arends	Colmer	Gearhart	Jonkman
Ball	Cooper	Gibbs	Keefe
Barden, N. C.	Costello	Gifford	Kerr
Bland	Courtney	Goodwin	Kilburn
Bolles	Cox	Gore	Kilday
Boren	Cravens	Gossett	Kinzer
Boykin	Crawford	Grant, Ala.	Kitchens
Brewster	Creal	Gregory	Kleberg
Brown, Ga.	Crowther	Gross	Kocialkowski
Brown, Ohio	Cummings	Guyer, Kans.	Lambertson
Buck	Curtis	Gwynne	Lanham
Bulwinkle	DeRouen	Hall, Edwin A.	Lea
Burch	Dies	Hancock	LeCompte
Byrns, Tenn.	Dirksen	Harrington	Lewis, Colo.
Caldwell	Disney	Hawks	Luce
Camp	Dondero	Hendricks	McGehee
Cannon, Mo.	Doxey	Hinshaw	McGregor
Carlson	Drewry	Hobbs	McLean
Cartwright	Dworshak	Hoffman	McMillan, Clara
Case, S. Dak.	Eaton	Hope	McMillan, John L.
Chapman	Elliott	Horton	Maas
Chiperfield	Ellis	Jenkins, Ohio	Mansfield
Martin, Iowa	Peterson, Fla.	Ryan	Tinkham
Mason	Peterson, Ga.	Sheppard	Treadway
Massingale	Pittenger	Short	Vincent, Ky.
Michener	Plumley	Simpson	Vinson, Ga.
Mills, Ark.	Poage	Smith, Va.	Vorys, Ohio
Monroney	Polk	South	Wadsworth
Mott	Rankin	Sparkman	Warren
Mouton	Reece, Tenn.	Stefan	Weaver
Mundt	Reed, Ill.	Sumner, Ill.	West
Norrell	Reed, N. Y.	Sweet	Wheat
O'Brien	Rees, Kans.	Taber	Whittington
Oliver	Robertson	Talle	Williams, Del.
Osmers	Rockefeller	Tarver	Woodruff, Mich.
Patton	Rodgers, Pa.	Terry	Youngdahl
Pearson	Rutherford	Thorkelson	

NAYS—211

Alexander	Edmiston	Kennedy, Md.	Robinson, Utah
Allen, La.	Elston	Kennedy, Michael	Robsion, Ky.
Anderson, Mo.	Englebright	Keogh	Rogers, Mass.
Angell	Evans	Kramer	Romjue
Arnold	Fay	Kunkel	Routzohn
Austin	Fenton	Landis	Sabath
Barry	Ferguson	Larrabee	Sacks
Barton, N. Y.	Fernandez	Leavy	Sandager
Bates, Ky.	Fish	Lemke	Sasscer
Bates, Mass.	Fitzpatrick	Lesinski	Satterfield
Beam	Flaherty	Lewis, Ohio	Schaefer, Ill.
Beckworth	Flannagan	Ludlow	Schafer, Wis.
Bell	Flannery	Lynch	Schiffler
Bender	Folger	McAndrews	Schuetz
Blackney	Ford, Thomas F.	McArdle	Schwert
Bloom	Fries	McCormack	Scrugham
Boehne	Fulmer	McDowell	Seccombe
Bolton	Gartner	McKeough	Secrest
Bradley, Pa.	Gavagan	McLeod	Seger
Brooks	Gehrmann	Maciejewski	Shanley
Bryson	Gerlach	Mahon	Shannon
Buckler, Minn.	Geyer, Calif.	Maloney	Sheridan
Buckley, N. Y.	Gillie	Marcantonio	Smith, Conn.
Burdick	Graham	Marshall	Smith, Ill.
Byron	Grant, Ind.	Martin, Ill.	Smith, Wash.
Cannon, Fla.	Griffith	Martin, Mass.	Smith, W. Va.
Carter	Hall, Leonard W.	May	Snyder
Casey, Mass.	Hart	Miller	Somers, N. Y.
Celler	Harter, N. Y.	Mills, La.	Spence
Clason	Harter, Ohio	Monkiewicz	Springer
Cluett	Hartley	Moser	Sullivan
Cochran	Havenner	Murdock, Ariz.	Sumners, Tex.
Coffee, Wash.	Healey	Murdock, Utah	Sutphin
Connery	Hennings	Murray	Sweeney
Corbett	Hess	Myers	Tenerowicz
Crosser	Hill	Nichols	Thill
Culkin	Hook	Norton	Thomas, Tex.
Cullen	Houston	O'Connor	Thomason
D'Alesandro	Hull	O'Day	Tibbott
Darden, Va.	Izac	O'Neal	Tolan
Davis	Jacobsen	O'Toole	Van Zandt
Delaney	Jenks, N. H.	Pace	Voorhis, Calif.
Dempsey	Jennings	Parsons	Vreeland
Dickstein	Johnson, Ind.	Patman	Walter
Dingell	Johnson, Lyndon	Pfeifer	Welch
Ditter	Johnson, W. Va.	Pierce	White, Idaho
Doughton	Jones, Tex.	Powers	Wigglesworth
Douglas	Kean	Rabaut	Williams, Mo.
Duncan	Kee	Ramspeck	Winter
Dunn	Kefauver	Rayburn	Wolcott
Durham	Keller	Rich	Wolverton, N. J.
Eberharter	Kelly	Richards	Wood
Edelstein	Kennedy, Martin	Risk	

NOT VOTING—48

Barnes	Green	McLaughlin	Starnes, Ala.
Boland	Halleck	Magnuson	Steagall
Bradley, Mich.	Hare	Merritt	Stearns, N. H.
Burgin	Harness	Mitchell	Taylor,
Byrne, N. Y.	Holmes	Nelson	Thomas, N. J.
Claypool	Hunter	O'Leary	Wallgren
Cole, Md.	Jarman	Patrick	Ward
Cooley	Jarrett	Randolph	Whelchel
Crowe	Jeffries	Rogers, Okla.	White, Ohio
Darrow	Kirwan	Schulte	Wolfenden, Pa.
Ford, Miss.	Knutson	Shafer, Mich.	Woodrum, Va.
Gilchrist	McGranery	Smith, Ohio	Zimmerman

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Ward (for) with Mr. Boland (against).
Mr. Knutson (for) with Mr. Holmes (against).
Mr. Hare (for) with Mr. Hunter (against).
Mr. Cooley (for) with Mr. Magnuson (against).
Mr. Gilchrist (for) with Mr. Jeffries (against).

Until further notice:

Mr. Woodrum of Virginia with Mr. Thomas of New Jersey.
Mr. Starnes of Alabama with Mr. Wolfenden of Pennsylvania.
Mr. Schulte with Mr. Harness.
Mr. Patrick with Mr. Jarrett.
Mr. Kirwan with Mr. White of Ohio.
Mr. Cole of Maryland with Mr. Halleck.
Mr. Claypool with Mr. Bradley of Michigan.
Mr. Ford of Mississippi with Mr. Smith of Ohio.

Mr. Wallgren with Mr. Darrow.
Mr. Jarman with Mr. Stearns of New Hampshire.
Mr. Steagall with Mr. Shafer of Michigan.
Mr. Burgin with Mr. McLaughlin.
Mr. Zimmerman with Mr. Taylor.
Mr. Nelson with Mr. Crowe.
Mr. O'Leary with Mr. Barnes.
Mr. McGranery with Mr. Byrne of New York.
Mr. Green with Mr. Whelchel.

Mr. ANDERSON of Missouri changed his vote from "yea" to "nay."

The result of the vote was announced, as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. WADSWORTH, Mrs. NORTON, and Mr. MARCANTONIO rose.

Mrs. NORTON. Mr. Speaker, I ask for the yeas and nays.

Mr. MARCANTONIO. Mr. Speaker, I was on my feet with a motion to recommit.

Mr. WADSWORTH. Mr. Speaker, I have a motion to recommit.

The SPEAKER pro tempore. The gentleman from New York [Mr. WADSWORTH] was first on his feet.

Mrs. NORTON. Mr. Speaker, I was on my feet from the beginning.

The SPEAKER. The gentlewoman from New Jersey, by asking for the yeas and nays, cannot take away the right of the gentleman from New York to offer at this point a motion to recommit the bill.

Mr. WADSWORTH. Mr. Speaker, I have a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. WADSWORTH. I am.

The SPEAKER pro tempore. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. WADSWORTH moves to recommit the bill H. R. 5435 to the Committee on Labor.

Mr. RAMSPECK. Mr. Speaker, I move the previous question on the motion to recommit.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I make the point of order against the motion to recommit that it is not reduced to writing as required by the rules of the House.

The SPEAKER pro tempore. The motion to recommit has been reported by the Clerk and is now in order. The point of order is overruled.

Mrs. NORTON. Mr. Speaker, on the motion to recommit I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. COFFEE of Nebraska and Mr. HINSHAW rose.

The SPEAKER pro tempore. For what purpose does the gentleman from Nebraska rise?

Mr. COFFEE of Nebraska. To submit a parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. COFFEE of Nebraska. Does the vote now recur on the bill which was stricken through, which no one has ever read?

The SPEAKER pro tempore. That is not a parliamentary inquiry.

For what purpose does the gentleman from California rise?

Mr. HINSHAW. For a similar purpose. I wanted to know what we are now voting on.

The SPEAKER pro tempore. The question is on the motion to recommit the original Norton bill. The Clerk will call the roll.

The question was taken; and there were—yeas 205, nays 175, not voting 50, as follows:

[Roll No. 95]

YEAS—205

Alexander	Dworshak	Kefauver	Robertson
Allen, La.	Eberharter	Keller	Robinson, Utah
Allen, Pa.	Edelstein	Kelly	Romjue
Andersen, H. Carl	Edmiston	Kennedy Md.	Sabath
Anderson, Mo.	Elliott	Kennedy, Michael	Sacks
Andresen, A. H.	Engel	Keogh	Sasscer
Andrews	Evans	Kilburn	Schaefer, Ill.
Angell	Faddis	Kramer	Schiffler
Arnold	Fay	Kunkel	Schuetz
Ball	Fenton	Landis	Schwert
Barry	Fernandez	Larrabee	Scrugham
Bates, Ky.	Fitzpatrick	LeCompte	Secrest
Beam	Flaherty	Lemke	Seger
Bell	Flannagan	Lesinski	Shanley
Blackney	Flannery	Luce	Shannon
Bland	Ford, Thomas F.	Ludlow	Sheridan
Bloom	Fries	Lynch	Smith, Conn.
Boehne	Gartner	McAndrews	Smith, Wash.
Bradley, Pa.	Gavagan	McArdle	Smith, W. Va.
Brewster	Gearhart	McCormack	Snyder
Brooks	Gehrmann	McDowell	Spence
Brown, Ohio	Gerlach	McGregor	Springer
Bryson	Geyer, Calif.	McKeough	Sullivan
Buck	Gillie	McLeod	Sutphin
Buckler, Minn.	Goodwin	McMillan, Clara G.	Sweeney
Buckley, N. Y.	Graham	Maas	Taber
Burdick	Grant, Ind.	Maciejewski	Talle
Byron	Griffith	Maloney	Tenerowicz
Carter	Gross	Marcantonio	Tibbott
Cartwright	Guyer, Kans.	Martin, Ill.	Tolan
Casey, Mass.	Gwynne	Martin, Iowa	Van Zandt
Celler	Hall, Edwin A.	May	Voorhis, Calif.
Clevenger	Harter, N. Y.	Miller	Vorys, Ohio
Cluett	Harter, Ohio	Mills, La.	Vreeland
Cochran	Havenner	Monkiewicz	Wadsworth
Coffee, Wash.	Hawks	Moser	Walter
Cole, N. Y.	Healey	Mouton	Welch
Connery	Hennings	Murdock, Utah	Wheat
Corbett	Hill	Murray	White, Idaho
Crawford	Hinshaw	Myers	Wigglesworth
Crosser	Hoffman	O'Brien	Williams, Del.
Culkin	Hook	O'Connor	Williams, Mo.
Cullen	Horton	O'Day	Winter
D'Alesandro	Houston	Oliver	Wolcott
Delaney	Hull	O'Neal	Wolverton, N. J.
DeRouen	Izac	O'Toole	Wood
Dickstein	Jenkins, Ohio	Parsons	Woodruff, Mich.
Dingell	Jensen	Pfeifer	Youngdahl
Ditter	Johnson, Ind.	Powers	Zimmerman
Douglas	Johnson, W. Va.	Rabaut	
Duncan	Jones, Ohio	Reed, N. Y.	
Dunn	Kee	Richards	

NAYS—175

Allen, Ill.	Davis	Johnson, Luther A.	Pearson
Anderson, Calif.	Dempsey	Johnson, Lyndon	Peterson, Fla.
Arends	Dies	Johnson, Okla.	Peterson, Ga.
Austin	Dirksen	Jones, Tex.	Pierce
Barden, N. C.	Dondero	Jonkman	Pittenger
Barton, N. Y.	Doughton	Kean	Plumley
Bates, Mass.	Doxey	Keefe	Poage
Beckworth	Drewry	Kerr	Polk
Bender	Durham	Kilday	Ramspeck
Bolles	Eaton	Kinzer	Rankin
Bolton	Ellis	Kitchens	Rayburn
Boren	Elston	Kleberg	Reece, Tenn.
Boykin	Englebright	Kocialkowski	Reed, Ill.
Brown, Ga.	Ferguson	Lambertson	Rees, Kans.
Bulwinkle	Fish	Lanham	Rich
Burch	Folger	Lea	Robsion, Ky.
Byrns, Tenn.	Ford, Leland M.	Leavy	Rockefeller
Caldwell	Fulmer	Lewis, Colo.	Rodgers, Pa.
Camp	Gamble	Lewis, Ohio	Rogers, Mass.
Cannon, Fla.	Garrett	McGehee	Routzohn
Cannon, Mo.	Gathings	McLean	Rutherford
Carlson	Gibbs	McMillan, John L.	Ryan
Case, S. Dak.	Gifford	Mahon	Sandager
Chapman	Gore	Mansfield	Satterfield
Chiperfield	Gossett	Marshall	Schafer, Wis.
Church	Grant, Ala.	Martin, Mass.	Seccombe
Clark	Gregory	Mason	Sheppard
Clason	Hall, Leonard W.	Massingale	Short
Coffee, Nebr.	Hancock	Michener	Simpson
Collins	Harrington	Mills, Ark.	Smith, Ill.
Colmer	Hart	Monroney	Smith, Va.
Cooper	Hartley	Mott	Somers, N. Y.
Costello	Hendricks	Mundt	South
Courtney	Hess	Murdock, Ariz.	Sparkman
Cox	Hobbs	Nichols	Stefan
Cravens	Hope	Norrell	Sumner, Ill.
Creal	Jacobsen	Norton	Sumners, Tex.
Crowther	Jenks, N. H.	Osmers	Sweet
Cummings	Jennings	Pace	Tarver
Curtis	Johns	Patman	Terry
Darden, Va.	Johnson, Ill.	Patton	Thill

Thomas, Tex.	Tinkham	Vinson, Ga.	West
Thomason	Treadway	Warren	Whittington
Thorkelson	Vincent, Ky.	Weaver	

NOT VOTING—50

Barnes	Green	McLaughlin	Starnes, Ala.
Boland	Halleck	Magnuson	Steagall
Bradley, Mich.	Hare	Merritt	Stearns, N. H.
Burgin	Harness	Mitchell	Taylor
Byrne, N. Y.	Holmes	Nelson	Thomas, N. J.
Claypool	Hunter	O'Leary	Wallgren
Cole, Md.	Jarman	Patrick	Ward
Cooley	Jarrett	Randolph	Whelchel
Crowe	Jeffries	Risk	White, Ohio
Darrow	Kennedy, Martin	Rogers, Okla.	Wolfenden, Pa.
Disney	Kirwan	Schulte	Woodrum, Va.
Ford, Miss.	Knutson	Shafer, Mich.	
Gilchrist	McGranery	Smith, Ohio	

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Martin J. Kennedy (for) with Mr. Knutson (against).
Mr. Boland (for) with Mr. Ward (against).
Mr. O'Leary (for) with Mr. Holmes (against).
Mr. Magnuson (for) with Mr. Cooley (against).
Mr. Gilchrist (for) with Mr. Jeffries (against).
Mr. Hunter (for) with Mr. Hare (against).
Mr. Wallgren (for) with Mr. Thomas of New Jersey (against).

General pairs:

Mr. Woodrum of Virginia with Mr. Wolfenden of Pennsylvania.
Mr. Schulte with Mr. Harness.
Mr. Patrick with Mr. Jarrett.
Mr. Cole of Maryland with Mr. White of Ohio.
Mr. Claypool with Mr. Bradley of Michigan.
Mr. Ford of Mississippi with Mr. Smith of Ohio.
Mr. Jarman with Mr. Stearns of New Hampshire.
Mr. Steagall with Mr. Shafer of Michigan.
Mr. Burgin with Mr. McLaughlin.
Mr. Nelson with Mr. Crowe.
Mr. McGranery with Mr. Disney.
Mr. Green with Mr. Whelchel.
Mr. Byrne of New York with Mr. Risk.
Mr. Barnes with Mr. Halleck.
Mr. Taylor with Mr. Darrow.
Mr. Starnes of Alabama with Mr. Kirwan.

Messrs. BURCH, HART, PIERCE, KLEBERG, and Miss SUMNER of Illinois changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

On motion of Mr. SABATH, a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement from George M. Harrison, president of the Brotherhood of Railway and Steamship Clerks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. BULWINKLE]?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their own remarks on the bill just acted upon, H. R. 5435.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey [Mrs. NORTON]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey [Mrs. NORTON]?

There was no objection.

Mrs. NORTON. Mr. Speaker, on the motion to recommit I voted "nay." On yesterday I said once or twice during debate that if the amendments were adopted I would certainly vote to recommit and would myself offer the motion. The committee amendments not having been adopted, my position is consistent when I vote against the motion to recommit.

I want to make that very clear to the House, because there seems to be some misunderstanding. The bill that we would have voted on is the original bill, which contained very many fine exemptions, including area of production and some others which would have helped in the administration of the act. None of the amendments in the original act would have destroyed the principle of the act. On the contrary, they would have strengthened it.

ANNOUNCEMENT

Mr. SWEENEY. Mr. Speaker, my colleague the gentleman from Ohio, Mr. KIRWAN, is unavoidably absent. If present, he would have voted "nay" on the Norton amendment and "yea" on the motion to recommit.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—H. R. 4929, A BILL TO AMEND THE ACT OF JUNE 23, 1938 (H. DOC. NO. 714)

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 4929, a bill to amend the act of June 23, 1938.

This bill was originally composed of perfecting amendments to the act of June 23, 1938, establishing a new system of promotion and retirement for commissioned personnel of the line of the Navy; and as such contained no substantial changes in principle. Each of these amendments was considered desirable by the Navy Department, the most important one being for the purpose of eliminating the doubt that existed relative to the pay of officers retired under certain conditions, a doubt which has been removed by a decision of the Comptroller General.

Amendments of lesser importance were prompted by the desirability of a return to the previous practice of furnishing selection boards with the medical records of eligible officers and by the equity of allowing to officers selected for promotion as fitted but not for retention on the active list the retired pay of the grade in which retired in lieu of that of the grade from which promoted. Included also were clarifying amendments to accomplish the intent of the Congress.

During the progress of this bill through the Congress, however, amendments in committee, on the floor, and in conference not only changed the character of the bill but introduced a number of objectionable provisions. The effect of these provisions is such as to outweigh a few desirable features which the bill admittedly contains.

The amendment in section 12, subsection (f) of Public, No. 703, Seventy-fifth Congress, contains a provision compelling the retention on the active list until June 30, 1944, of certain officers transferred to the Regular Navy in 1920, provided they were on July 21, 1939, assigned to duty involving flying. Eight officers would be immediately affected, and the total number, including future years, would probably be not more than 15 or 20.

This is really not a current issue or problem. These officers are on active duty now, and will be retained on active duty after retirement because their services are needed.

Furthermore, in addition to these 8 aviators, there are 50 other officers in the same grade who would normally retire on June 30, 1940. Their cases are not taken care of by this bill, and there would seem to be merit in the thought that the bill as passed is discriminatory.

As a matter of fact and of necessity, it is probable that nearly all of these officers will be retained by me on active duty after retirement. Therefore, the objective of the bill can be taken care of without legislation.

The purpose of the amendment to section 13, subsection (a) of Public No. 703, Seventy-fifth Congress, increasing from eight to nine the number of vacancies that must occur annually in the grade of rear admiral also can be attained without legislation.

I fully approve the thought that it is desirable to speed up the retirement of rear admirals and general officers of the Marine Corps in order to create a quicker flow of promotion for younger men.

At this particular time, and because of the extremely difficult and uncertain status of international relations, I hesitate to approve specific mandatory legislation and believe that this should wait until the next session of the Congress.

This is especially so because the proposal in this bill is mandatory for a number of years to come.

I have, however, existing authority to accomplish the same purpose whenever it is desirable. As Commander in Chief I have the power under existing law to furlough any officer of the Navy. Officers placed on furlough receive half pay and no allowances, and I anticipate that any rear admirals about to be placed on furlough will request voluntary retirement in order to become entitled to three-fourths pay.

As Commander in Chief, therefore, I intend, after consultation with the Chief of Naval Operations, the Commander in Chief of the United States Fleet, and the Commander, Battle Forces, United States Fleet, to exercise this authority by furloughing a sufficient number of our rear admirals whose retirement will immediately cause an annual average of at least nine vacancies in that grade. It is entirely possible that I may furlough one or two more. Thus the intention of this act will be carried out without legislation.

The third provision would grant to Brig. Gen. James J. Meade, United States Marine Corps, retired, and to this officer alone, an increase of $1,500 per annum in the amount of his retired pay. It is true that this provision is discriminatory. A technical construction of the law, however, based on one very old precedent, may be legally correct, but this construction is, I think, contrary to the intent of the Congress. I would, therefore, approve of this increase of $1,500 per annum in the amount of Brig. Gen. Meade's retired pay if it were presented to me in a separate act.

Finally, section 3 of this act is now unnecessary because I have already directed the appointment of a board of officers of the Navy to carry out the provision of that section.

For the above reasons I do not feel that the necessities of the situation in respect to the major provisions of the bill will justify my approval of it.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 3, 1940.*

The SPEAKER pro tempore. The objections of the President will spread at large upon the Journal.

Mr. VINSON of Georgia. Mr. Speaker, in view of the statement in the veto message that the objectives the bill contemplates in the main will be carried out, I move that the message and the accompanying papers be printed and referred to the Committee on Naval Affairs.

Mr. DITTER. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Pennsylvania.

Mr. DITTER. Is it a fact that the objectives will only be carried out so long as the emergency lasts, and that those who were intended to be benefited by the act as we passed it will still be subject to the hazards that they previously were subjected to when the emergency is over and when that will be over is unknown?

Mr. VINSON of Georgia. I may say to the gentleman from Pennsylvania that when the bill passed the House, all officers who had been passed over were by the House amendments retained in the service until they retired according to other provisions of the law. The conferees reached an agreement that all officers who were brought into the service in 1920 and assigned to aviation duty should be retained until 1944. The veto message states that these officers will be retained in the service during the emergency and, as the gentleman correctly stated, no one knows how long the emergency will last. In connection with the other provision in the bill by which the House sought to eliminate by mandatory statute, nine admirals, the veto message states that this will be accomplished and, in addition thereto, probably one or two more, by a law which is now on the statute books.

Mr. MAAS. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Minnesota.

Mr. MAAS. Is this with the understanding that the matter will be taken up actively in the committee and the message discussed in the committee?

Mr. VINSON of Georgia. My motion is that the veto message and all papers be printed and referred to the Committee on Naval Affairs. The Naval Affairs Committee can then take whatever action it sees fit.

Mr. MAAS. I would like to have an understanding with the chairman of the committee that he will convene the committee.

Mr. VINSON of Georgia. Of course, the committee is in session all the time, and any matter which any Member wants to bring up is always brought up.

Mr. Chairman, I move the previous question.

The previous question was ordered.

The motion was agreed to.

ADJOURNMENT OVER

Mr. COOPER. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There was no objection.

EXTENSION OF REMARKS

Mr. MCCORMACK asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a telegram.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by Mr. Ray C. Kirkpatrick before the convention of the Pennsylvania State Federation of Labor.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by Mr. Kirkpatrick, of the Federal Works Agency before the convention of the Louisiana State Federation of Labor at Shreveport, La.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. KING. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein certain quotations from the CONGRESSIONAL RECORD and three statements by the President.

The SPEAKER pro tempore. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SHORT. Mr. Speaker, I ask unanimous consent that on Monday next, after the reading of the Journal and disposition of business on the Speaker's table, and following the legislative program of the day and any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a study by Robert Lansing, one-time Secretary of State.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SOMERS of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by the Secretary of the Treasury this morning.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

FARM TENANCY PROGRAM

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I am imposing upon the House at this late hour to once more call the attention of Members and the country to the fact that funds are urgently needed to carry out the farm-tenancy program under the Jones-Bankhead Farm Tenancy Act.

I also want to take this occasion to again call attention to the fact that Senate bill No. 1836, a real, practical farm-tenancy act, was passed by the Senate the 7th of last July. That bill, which is similar to a bill offered by me in the House, was reported favorably out of the House Committee on Agriculture on February 26, 1940. The Rules Committee has been asked to give a rule to make this bill a special order, the request having been made by the chairman of the Committee on Agriculture and his committee, so I understand, but same so far has been ignored, or at least not been acted upon. All indications point to the fact that this measure will sleep peacefully and never be reported to this House unless Members who are interested make strong demands on the House Rules Committee.

Certainly we are not unfair or unreasonable in demanding that the House have an opportunity to vote on this measure, of so vital importance to the agricultural States of the Nation and the homeless farmers of the country, before the adjournment of the present session of Congress. [Applause.]

In the meantime I desire to again remind Members of the House that about Wednesday of next week the Members will have an opportunity to consider the 11 amendments to the agriculture appropriation bill, placed there by the Senate. The most of these 11 amendments, which I have heretofore briefly discussed, are of great and far-reaching importance, especially parity payments to farmers, the extension of the surplus commodities program, as well as carrying on the farm-tenancy program.

One of the most important of the Senate amendments is that authorizing the Reconstruction Finance Corporation to lend $50,000,000 to the needy and deserving farm tenants to enable them to own their own farms. As I pointed out on the floor of this House a few days ago, many Members of the House who would not vote for a direct appropriation from the Treasury to carry on the farm-tenancy program have expressed a willingness to go along on the Senate amendment to make loans to the farmers, every dollar of which will be paid back with interest to the Government.

The R. F. C. has made hundreds of millions of dollars of sound loans to large and small businessmen alike, but no loans ever made by the R. F. C. will be any more sound or safe than funds loaned to real dirt farmers, which loans will be secured by first mortgages on good farms. So within a few days Members of Congress will have an opportunity to say by their votes if they feel that Congress should treat the broke and landless farmers as they have already treated businessmen, large and small. [Applause.]

Since the Senate incorporated and passed this amendment to the agriculture bill without, as I recall, a dissenting vote, an amendment which I understand was written and agreed to, except for the change of one word, by Hon. Jesse Jones, Chairman of the R. F. C., a rumor has spread around the cloakroom and corridors of the Capitol that the President of the United States was against the farm-tenancy amendment.

After a recent meeting of about 50 Members of the House representing some 30 States, at which time I was honored by being selected chairman of the group, I took the liberty of wiring the President of the United States while he was at Warm Springs, advising him the rumor which I felt then was unfounded, and asked that he advise leaders in Congress his attitude on the farm-tenancy amendment in question. In his message to both the Speaker of the House and the President of the Senate, as shown by the CONGRESSIONAL RECORD of April 30, the President has advised Congress in no uncertain terms as to his position. You will note from reading his message, which I am again having printed, that he makes it clear that he is not opposed to the Senate provision of the agricultural bill. He further states that he is anxious that such a provision for the farm-tenancy program be made in the Department of Agriculture Appropriation Act for 1941.

The President's message is as follows:

THE WHITE HOUSE,
Washington, April 30, 1940.

The SPEAKER OF THE HOUSE.

SIR: My attention has been called to an apparent disagreement between the House and Senate conferees with respect to the farm-tenancy program under title I of the Bankhead-Jones Farm Tenant Act, for which I included in the annual Budget for 1941 an estimate in the sum of $25,000,000.

I am anxious that provision for this program be made in the Department of Agriculture Appropriation Act for 1941, which is now in the final stages of congressional action. I wish, therefore, to advise that if, in view of the many pressing budgetary needs for 1941, the Congress feels this item might better be financed through a loan from the Reconstruction Finance Corporation than by means of the direct appropriation proposed in the Budget, I would have no objection to adoption of the loan plan, provided the language of the bill making provisions for the loan by the Reconstruction Finance Corporation has the approval of Administrator Jones.

Respectfully,

FRANKLIN D. ROOSEVELT.

PERMISSION TO ADDRESS THE HOUSE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day, and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ANNOUNCEMENT

Mr. BRADLEY of Pennsylvania. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. MCGRANERY, is unavoidably absent. If he were present, he would have voted against the Norton committee amendment to the wage-hour bill and for the motion to recommit the bill.

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks on two subjects, and in one to include a short article and in the other certain tables.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEYER of California and Mr. SOUTH asked and were given permission to extend their own remarks in the RECORD.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to include in the remarks I made this afternoon on the revision a copy of a letter I have received.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to include in the remarks I made this afternoon two short paragraphs taken from the proposed convention on the inter-American bank, and also to include in my remarks on the wage and hour bill certain excerpts from a report I have received from the Governor of Puerto Rico.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in Committee of the Whole this afternoon and include therein some additional paragraphs from the Federal Trade Commission report to which I referred.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short editorial from Capital Times, of Madison, Wis.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CREAL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein the bill (S. 3046) to extend to certain officers and employees in the several States and the District of Columbia the provisions of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER pro tempore. Under the special order of the House, the gentleman from Missouri [Mr. HENNINGS] is recognized for 15 minutes.

OUR RELATIONS WITH MEXICO

Mr. HENNINGS. Mr. Speaker, a month ago today, on April 3, 1940, Secretary of State Cordell Hull declared it to be "a matter of grave concern to this Government" that "during the last 25 years one American interest in Mexico after another has suffered at the hands of the Mexican Government," and "this treatment of American citizens" is "wholly unjustifiable under any principle of equity or international law." The foregoing quotations refer to one of the most important foreign problems confronting the United States.

The position of the United States in this dispute with Mexico rests upon solid legal grounds. Secretary Hull said—I quote further:

> In the opinion of the United States, the legality of an expropriation is contingent upon adequate, effective, and prompt compensation. The difference between our two Governments with respect to this principle lies in the fact that the Government of Mexico has assumed and continues to assume a right without compliance with the condition necessary to give such exercise a recognizable status of legality.

Elsewhere, and throughout the note, Secretary Hull emphasized that the whole structure of friendly intercourse between nations rested—

> Upon respect on the part of governments and of peoples for each other's rights under international law;

That—

> Prompt and just compensation for expropriated property was a part of this structure—

And—

> A principle to which most governments of the world have * * * subscribed * * * and practiced * * * and which must be maintained; * * * the Government of Mexico has professed support of this principle of law—

But—

> The Government of Mexico has, however, unfortunately, not carried this principle into practice.

Necessarily, Secretary Hull's indictment of the Government of Mexico is couched in general terms. It covers a period of 25 years' accumulation of complaints by American citizens arising from the seizure of their properties in defiance of and in violation of the law of nations. It discloses that Mexico has adopted a new and strange conception of government that is not only contrary to international law but foreign to the principles which prevail among the constitutional democracies of this continent with reference to the sanctity of human rights vouchsafed by the charters of the American republics. [Applause.]

The situation is indeed, as Secretary Hull said, "a matter of grave concern to this Government," and one calling for immediate investigation by the Congress.

On the same day on which Secretary Hull's note was delivered to the Mexican Ambassador, April 3, 1940, I introduced House Resolution 454 for the creation of a select committee to investigate—

> The activities and policies of the United Mexican States insofar as such activities and policies relate to and affect the rights of citizens of the United States with a view to determining whether, in fact, the Government of the United Mexican States has been or is now, through violations of the principles of international law, denying justice to citizens of the United States.

The resolution was predicated on—

> The fixed policy of the Government of the United States to seek a world order under law and justice and to enforce respect for the principles of international law as a guide to just and peaceful relations between nations.

It was offered because serious charges of offenses by Mexico against the law of nations had been filed in the Congress by citizens and because it is in the public interest and in the interest of international comity that, if such charges be found true, the Congress should "take any and all means available under the Constitution to the end that commensurate justice be obtained."

Obviously, the purpose of this resolution is to supplement and implement the enforcement of international law in our relations with Mexico.

It provides an opportunity for the Congress, in the exercise of powers within its province, to give full effect to the law of nations as a solvent for international disputes. It affords a peaceful means of expressing our desire for the rule of law upon this continent.

There has been no congressional investigation of the last 20 of the total 25 years during which Mexico's socialistic program has led to the present grave situation between the two countries.

There has been a continuing and consistent policy of the United States toward Mexico since the abortive challenge offered by European powers to the Monroe Doctrine when they imposed the rule of Emperor Maximilian (1861–68). A Senate committee in 1920 recommended the continuance of the policy enunciated by Secretary of State Seward in 1878 to the effect that recognition by the United States should be withheld from the Government of Mexico—headed at that time by General Diaz—until assured that it—

> Is possessed of stability to endure and of the disposition to comply with the rules of international comity and the obligations of treaties.

On September 1, 1923, in pursuance of its continuing policy toward Mexico, the United States recognized the government of General Obregon upon his formal acceptance of certain conditions and treaties that had been agreed upon in the course of the prerecognition—Bucareli—conferences held in Mexico City, May 15 to August 15, 1923. Obregon's approval of these certain conditions and treaties was assumed to satisfy the requirements of the United States with respect to his government's "disposition to comply with the rules of international comity and the obligations of treaties," and was expected to place relationships between the two countries on firm and legal grounds.

Unhappily, however, succeeding Mexican administrations disavowed the conditions and agreements which Obregon has formally approved and have since failed to comply with obligations imposed by the treaties—or claims conventions—that

were also entered into as conditions precedent to recognition. Thus Mexico has shattered the legal foundation upon which present relations between the two countries were based in 1923. The structure of relations is now precariously maintained by diplomatic props of one kind or another. Its collapse is threatened by the accelerating accumulation of complaints against Mexico arising from the seizure of American property in violation of the principles of international law.

The spoliation of American citizens by the Government of Mexico began about 1915 after a wave of extreme radicalism, instigated largely by foreign agitators, had overthrown the government of President Diaz in 1911, and launched the Republic into bloody revolution and economic disaster. The principles of this radicalism were then incorporated in the constitution of 1917 to give a semblance of legality, under Mexican law, to the revolutionary expropriation program which has since been followed by the Mexican Government with increasing intensity, frequency, and boldness.

Expulsion of American citizens and seizure of their property began slowly at first, in 1912, when American railroad employees were driven from their jobs and forced to return to the United States. Next the railroads themselves, which had been built and financed largely by American energy and capital, were seized December 4, 1914, on the pretext of military necessity. Then American farmers, singly and in groups, were harassed and driven from their small homes in Mexico, as were many other American businessmen, miners, and industrialists who suffered at the hands of the Mexican Government and were forced to abandon the land of their adoption.

As time went on and diplomatic remedies all too frequently proved unavailing, Mexico became bolder in her seizures, more ruthless in her treatment of our citizens, and more unamenable to diplomatic suggestion. In 1937 Mexico brazenly nationalized the great railroad system. And when the heavens failed to fall in punishment of this act the Government had the temperity to seize the foreign oil industry in 1938, while continuing and intensifying her seizures of other American properties by various and sundry devices, legal and otherwise.

During the past 20 years the United States has exercised extreme forbearance and patience toward Mexico in the face of frequent or constant provocation arising from her acts of aggression against our citizens and her failure to reciprocate our many favors, such as the purchase of her silver at prices above the world market. We have been long suffering and kind to Mexico, even while our citizens have been calling for help and for the justice to which they are entitled under our Constitution and under the law of nations.

We have been sympathetic with Mexico's alleged aspirations of social betterment for her humble people, even when it appeared that her program was merely a pretense behind which a few military and political favorites of the Government might acquire the wealth of the nation. We have demonstrated beyond cavil our desire to be a good neighbor. But Mexico has resisted our friendly advances and disregarded our friendly admonitions to conform the conduct of her social reforms to the requirements of justice and law.

The spirit of reciprocity is strangely lacking in our relations with Mexico. Our southern neighbor fails to measure up to the definition of a "good neighbor" within the meaning of our good-neighbor policy as enunciated by President Roosevelt in his inaugural address March 4, 1933, and repeated in his address at Chautauqua, August 14, 1936, as follows:

> In the field of world policy I would dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others; the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors.

An even graver aspect of our relations with Mexico arises from the clash of her socialistic laws with the long-established law of nations and the laws that commonly prevail on this continent for the preservation of human and individual rights. Mexico is the first of the 21 constitutional democracies that comprise the Pan American Union to abandon the principles of the Bill of Rights contained in our Constitution and copied in some form or other in the fundamental charters of all the American republics. Mexico is the first to succumb to the totalitarian and communistic principle that gives to the State absolute powers. Her surrender is the first breach in the dike of democracy. Her laws and conduct are the greatest menace that now confront the peace and security of this hemisphere, because they resist and challenge the laws and justice which govern these sister republics.

Assuming that an investigation will confirm what I have said here and that Mexico has, indeed, been guilty of denials of justice and violation of international law.

What is our duty in the matter?

If Mexico's course is uncurbed, how will our trade and interests in the rest of Latin America be affected?

Will private capital seek investments in other Latin American republics, or will these nations also embark on similar programs of expropriation and confiscation?

Will the solidarity and harmony of the Western Hemisphere be enhanced by the possible spread of Mexico's doctrines?

Will the prestige and hegemony of the United States be adversely affected if we avoid the issue now?

Do the foreign political influences which have gained a foothold in Mexico by methods of "peaceful penetration" constitute a menace and challenge to the Monroe Doctrine and the system of free governments set up on this continent?

Shall we continue to recognize Mexico as a friendly member of the family of nations if she has failed to reciprocate our good neighborliness?

Finally, will we be consistent in our frequently expressed desire for "a world order under law and justice" and employ such measures as the law of nations places within the reach of an aggrieved State for the protection of its citizens and for the maintenance of its rights and respect?

I do not persume here to answer these questions. They are questions that come within the province of the Congress to answer. I propound them, however, because their answers depend on a determination of whether international law still prevails to regulate the conduct of nations on this continent or whether its effectiveness has been broken down by its avoidance by Mexico.

Because I believe that firm reliance upon and enforcement of the law of nations offers the surest guaranty for the peace of this hemisphere and the well-being of its peoples, I ask the adoption of my resolution (H. Res. 454) for an investigation of the activities and policies of the Government of Mexico insofar as they relate to and affect the rights of citizens of the United States.

It is the duty of the Congress to investigate the serious charges that have been made against Mexico by the Secretary of State and by citizens of the United States.

It is the duty of the Congress to define and punish offenses against the law of nations and otherwise enforce the principles of international law wherever and whenever the rights of our Government and our citizens have been infringed upon.

It is the duty of the Congress to make the record straight with respect to our relations with our nearest southern neighbor, because vital questions are at stake which only the Congress is qualified to pass upon. [Applause.]

EXTENSION OF REMARKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on the floor this afternoon while in Committee on the wage and hour law by inserting a short statement entitled "The Unseen Effects of the Wage-Hour Law," by an instructor at Vanderbilt University, in Tennessee.

The SPEAKER pro tempore (Mr. COOPER). Is there objection to the request of the gentleman from Michigan?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Tennessee [Mr. BYRNS] is recognized for 20 minutes.

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein editorials from the Nashville Tennessean, the Memphis Press-Scimitar, and the Commercial Appeal, of Memphis.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS of Tennessee. Mr. Speaker, the President has announced that the proposed reorganization of the Civil Aeronautics Authority has resulted in a flood of protest. This protest he describes as misinformation, and, according to the press, he has stated that the protestants are either ignorant, gullible, or playing politics.

This is a sweeping condemnation of the air-line pilots, the mechanics, the radio operators, and the dispatchers of the American Federation of Labor, of air-line management, of thousands of private and miscellaneous fliers, of the aircraft insurance underwriters, of the air-express division of the Railway Express Agency, of a host of our leading newspapers and of nearly every important news commentator. For the flood of protest referred to by the President comes from all of these, to say nothing of the protest from many Members of the Congress of the United States.

Mr. VORYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. VORYS of Ohio. We are all very much interested in the gentleman's comments, because of his experience in the subject of aviation. The question I desire to ask the gentleman may seem impertinent, but I think it important. In addition to the criticisms which the gentleman has mentioned, that the President made against those who are protesting this transfer, I believe he said that the objections came from people who are selfishly interested. I know of the gentleman's deep interest in this subject. Has the gentleman any selfish interest in this transfer or in the preservation of the present status of the C. A. A.?

Mr. BYRNS of Tennessee. Mr. Speaker, I have no selfish interest whatever. Also, my interest, as is the interest of the distinguished gentleman from Ohio, is in the preservation and perfection of commercial and private aviation in this country. The gentleman from Ohio was a very distinguished aviator in the military service of his country during the late war and is interested in aviation in this country. He has no selfish interest in this proposition, and neither have I.

Mr. VORYS of Ohio. And may I interrupt further to make this observation? I am sure that those of us who know of the services of the gentleman from Tennessee in his country's air force as a reserve officer know that any criticism he makes will not be because he is misinformed, and I feel confident that the others in the House who are patriotically opposing this move are not misinformed, nor do I know of any who has any special interest. [Applause.]

Mr. BYRNS of Tennessee. Mr. Speaker, I thank the gentleman from Ohio for his contribution. The record of the Civil Aeronautics Authority for the past 14 months in being, I think, is at least in part responsible for not having a single fatality on any major air line. This reminds of the old story that you have all heard, but which is very appropriate here, of a school teacher who said to the little boy, "How much are 2 and 2?" He said, "4." She replied, "good;" and the boy said, "Hell, that is perfect." [Laughter.] For the last 14 months, in my opinion at least, the Civil Aeronautics Authority has made a perfect record, and for that reason I think we should hesitate and be very careful and duly deliberate before we tinker with it.

For during many years prior to 1938 the regulation of aviation safety by the Department of Commerce wrote many sad chapters in the history of this newest field of human activity.

Many have been the mistakes made on the part of the Government in the regulation and development of aviation, and the consequences have been tragic. One of the mistakes was made in 1933 when, under a previous reorganization act, the President provided that the Assistant Secretary of Commerce whose duties theretofore had been exclusively devoted to aviation should thereafter include whatever functions the Secretary of Commerce might wish to assign to him.

Under the Air Commerce Act of 1926 the original legislation for aviation safety in this country, in the formulation and adoption of which Congressman CLARENCE LEA was instrumental, had created a new Assistant Secretary of Commerce and provided that he should devote himself to aviation exclusively. In the 1933 reorganization the President, in effect, repealed this provision of the 1926 act and empowered the Secretary of Commerce to assign whatever functions he wished to the office of Assistant Secretary which had thus been created.

The Secretary of Commerce did assign varying functions to that Assistant Secretary, so that his time and energy were no longer devoted exclusively to the development of aviation.

There ensued a regrettable retrogression in the Department's record in dealing with aviation. It became increasingly difficult to secure for aviation the attention it merited. Confusion, delay, and passing the buck became an order of the day.

When, due to the failure of Government adequately to pace technical advance in the art of aeronautics, an air liner crashed in the State of Missouri and carried Senator Cutting to his death, the attention of the Congress of the United States was riveted upon the mistakes upon which the Department of Commerce had been guilty. A committee under the chairmanship of Senator Copeland conducted one of the most exhaustive investigations ever conducted in the field of aviation. The results of that investigation were embodied in three notable reports in which the committee weighed the evidence and made its findings.

The committee found many things that were wrong—politics, vacillation, incompetence, whitewashing, buck passing.

Among the several serious criticisms which the Senate committee made of the Department of Commerce there was included a finding that the action whereby an Assistant Secretary of Commerce was no longer exclusively charged with the development of aviation had resulted in a lowering of the prestige and morale of the Bureau of Air Commerce and had permitted a system to develop in which responsibility was not definitely fixed. Thus had buck passing, whitewashing, and vacillation been facilitated.

The findings of the committee and the evidence so abundantly supporting those findings led many Members of the Congress to give serious thought and study to necessary reform. A cardinal lesson learned was that never again should a situation be permitted where the action of one man in an executive department could so materially alter the regulation and development of aviation, where the agency charged with the regulation of aeronautics could by the action of one man in an executive department be thus reduced in importance, where the action of one man in an executive department could cause a condition where responsibility could not be definitely fixed.

From this bitter lesson, from the accident-strewn record of mistakes and incompetence, there grew the sober conviction on the part of the Congress that the only real remedy was to take responsibility for aviation away from a busy executive department, occupied as it was with many different functions, and place it in an independent agency, not subject to the will of a single individual, with responsibility fixed by the Congress itself.

As the studies and investigations of congressional committees continued through the years, the Civil Aeronautics Act was evolved, with a type of organization worked out by the House Interstate and Foreign Commerce Committee under the leadership of the gentleman from California [Mr. LEA], peculiarly suited to the needs of aeronautics and responding to the insistent demands of a growing aviation public for stability and security both in governmental policy and in the governmental organization charged with administering the policy.

The machinery created by the House committee and adopted by the Congress provides for a five-man authority

as an independent agency of Government, modeled upon the Interstate Commerce Commission and vested with all regulatory powers over civil aeronautics. An administrator likewise was created, responsible to the President, but under a mandate to work and cooperate with the Authority and charged with the purely executive functions of constructing and maintaining the airways and engaging in promotional work. In addition a small board was set up, the Air Safety Board, and given one duty, and one duty only, namely, the investigation of accidents, and the making of findings and recommendations. The reason for providing for this Board was the unanimous agreement on the part of all students of the subject that at this stage in the development of aeronautics absolute fearless and impartial investigation by an agency of Government of the cause of aircraft accidents was indispensable. The regulating agency should not be in the position of investigating its own work.

Coherence and coordination in this organization was assured by vesting in the five-man authority complete power over the expenditure of funds.

This organization was a response to the peculiar needs of aeronautics. It was not hastily formulated after a few months' study. It grew directly out of years of investigation and was the product of the most careful thought.

The proposal now is to reorganize that Authority, to transfer all its functions with those of the Administrator into the Department of Commerce, abolish the Air Safety Board, and give to the Secretary of Commerce control over all budgetary personnel and related matters.

In his press release defending this move, the President has stated that the Secretary will not have control over personnel and that the Authority will still be able to submit its own budget. But the President's press release will not control what is done in the future. The words of his order will control. And in section 7 C of Reorganization Plan No. IV, it is expressly provided that budgetary and personnel matters must be under the direction of the Secretary of Commerce to be controlled through facilities which he designates. Moreover, the reorganization plan states that the new Civil Aeronautics Board will be independent of the Secretary of Commerce only with respect to certain limited functions of adjudication, rule making, and investigation. It does not provide for independence with respect to other functions. And chief among the other functions are those of appointing personnel and controlling expenditures.

This means in a word that the independence of the present Authority is to be vitally impaired and that the organization worked out by Congress so painstakingly is to be destroyed. We are to go back to a regime of one-man control, the very type of regime which proved its grevious faults in a record scarred with the wreckage of aircraft and the charred remains of pilots and passengers.

This organization, says the President, resulted from a few months' study by a division of the Bureau of the Budget.

Not for a few months, but for many years did Congress investigate and study before it created the present Civil Aeronautics Authority.

The judgment of Congress has been vindicated by the record of outstanding and unquestioned accomplishment which the Authority has made. For the first time in all history more than a year has gone by without a single accident on the scheduled air lines in this country. The greatest advance in the whole history of transportation—land, water, and air—has been made since the Authority took office.

The judgment of Congress has been vindicated by the record. The judgment of a division of the Bureau of the Budget is impeached by the record. Obviously the President has been ill-advised. Let Congress act now and, by preventing the reorganization, prevent likewise the tragic consequences of ill advice. Let Congress preserve what it created. Let Congress maintain the Civil Aeronautics Authority.

[From the Memphis (Tenn.) Commercial Appeal]

STICK TO THE C. A. A.

President Roosevelt has recently suggested junking the set-up under which commercial flying is now operating for a return to the control of the Department of Commerce under Secretary Harry Hopkins and the old Bureau of Air Commerce. The proposal is one of those things that one can hardly believe even when he sees it with his own eyes and hears it with his own ears.

For 12 years under the Bureau of Air Commerce the Government's contacts with the air lines were bungling, inefficient, ridden hard by politics, and generally ineffectual. The air lines got into a rut, or were forced into it, and struggled long to get out. About 2 years ago they did escape and came under the sponsorship of the Civil Aeronautics Authority and the independent Air Safety Board.

Under the new regime, the whole face of things has been changed for the better. The air lines recently completed a full year of operation in which there was not a single fatality charged to them. In other ways the air lines have showed new life and made steady progress. They have been uniformly pleased with the C. A. A. and the Air Safety Board, and they are protesting emphatically against the switch-back suggested by President Roosevelt.

The Air Line Pilots' Association, composed of the men who sit back of the guns and fly the ships, say they want to stick to the C. A. A. To be exact, they declare "this is once more a fight to save an industry and to save human life." The friends of commercial flying should rally around and let themselves be heard against this inexplicable plan to set back the clock of the Nation's air lines. Senator PAT MCCARRAN has already introduced a resolution to set aside the President's proposal, and it wouldn't hurt to cheer that move if you fly or have any interest in preserving and advancing a growing industry of vital necessity.

[From the Memphis (Tenn.) Press-Scimitar of April 23, 1940]

NO RETREAT ON AVIATION

President Roosevelt is too busy to give personal attention to all details of the Government reorganization plans which are prepared for him to submit to Congress. The latest of these plans proposes one change which we hope does not represent the President's own idea and which, in any event, should not be carried out.

It would return the Civil Aeronautics Authority to its former status as a Bureau under the Department of Commerce.

As an independent agency, the C. A. A. has operated with nonpartisan competence and to the general satisfaction of the aviation industry and the public. The most dramatic evidence of its efficiency is that in more than a year not a single passenger or employee on the great commercial transport lines which it supervises has been killed or seriously injured. Its fairness is attested by the fact that none of its decisions has been appealed to the courts.

On the other hand, the record of attempts to regulate aviation through a Commerce Department Bureau was filled with evidence of politics, incompetence, and general dissatisfaction.

Congress has authority under the Reorganization Act to disapprove the President's proposals. In this case, where the proposal is to retreat from a method which has proved good to a method which proved bad, Congress certainly should use that authority.

[From the Nashville Tennessean of April 27, 1940]

IS IT SAFE?

Only after much travail was the President authorized by Congress to reorganize Federal administrative bureaus for efficiency and economy. The order was needed, for independent agencies had multiplied beyond computation and neither the President nor Congress could deal with them intelligently without some system of pyramided responsibility.

In the main the reorganization moves directed by the executive department have served the aims set forth by Congress. It is not surprising, however, that an isolated instance should have arisen wherein a transfer of responsibility appears definitely ill-advised.

This instance relates to the latest Presidential order which, among other shifts, places the Civil Aeronautics Authority in the Commerce Department and abolishes the Air Safety Board.

Instant objection to this amalgamation was made by those most concerned—the air pilots—and by Congressmen and Senators whose concern for the development of commercial aviation is known to be wholly disinterested. The air pilots themselves feel that the move would actually lessen the efficiency of the C. A. A. by confusing its work in red tape and possible political strife. And their feeling can be understood when it is appreciated that, under the present set-up, commercial aviation has just completed its first whole year without a serious mishap or the loss of a life.

Primarily the pilots are convinced that the Air Safety Board, as now constituted, and completely independent of the C. A. A., should not be molested. It is a matter of somewhat secondary importance whether or not the C. A. A. is brought under Commerce.

The function of the Air Safety Board is to investigate every accident that occurs, to fix the responsibility, wherever it may lie, and to recommend to the C. A. A. measures to eliminate the cause. The C. A. A. then issues such regulations as may be necessary.

Formerly the Air Authority not only issued the rules and regulations, but also conducted the investigations of accidents, and it was a reasonable presumption that the Authority would be disposed to suspend or modify blame when the fault should be found to lie with its own regulations.

Creation of the Air Safety Board corrected the circumstances which made that temptation and set a purely objective watch on all matters pertaining to safety.

The pilots, who may be excused for thinking of their own lives as well as those of their passengers, stand on this position: "Is it

safe? If it is not safe it is not sound." And their thought extends to the mode of Government supervision.

We agree with them, as all reasonable people must. The President should retract any order impairing the independence of the Air Safety Board or Congress should make it a point to prevent such an order from taking effect.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. BOEHNE, for 1 week, on account of important official business.

To Mr. JOHNS, for 3 legislative days, on account of important business.

To Mr. LARRABEE, for 1 week, on account of official business.

ADJOURNMENT

Mr. LEWIS of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 37 minutes p. m.) the House, under the order heretofore adopted, adjourned until Monday, May 6, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will meet on Saturday, May 4, 1940, at 10 a. m., in room 128, House Office Building, for the consideration of H. R. 9093.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of a subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., Tuesday, May 7, 1940, for the consideration of House Joint Resolution 457, entitled "For the Transfer of the Marketing Laws Survey to the Department of Commerce."

There will be a meeting of the Committee on Interstate and Foreign Commerce on Monday, May 13, 1940, at 10 a. m.

Business to be considered: To begin hearings on S. 280 and H. R. 145—motion pictures. All statements favoring the bill will be heard first. All statements opposing the bill will follow:

COMMITTEE ON PATENTS

There will be a meeting of the Committee on Patents on Thursday, May 9, 1940, at 10: 30 a. m., for the consideration of H. R. 8441, H. R. 8442, and H. R. 8444, all of which relate to amendments to the patent laws.

There will be a meeting of the Committee on Patents on Thursday, May 16, 1940, at 10: 30 a. m., for the consideration of H. R. 9384, H. R. 9386, and H. R. 9388, all of which relate to amendments to the patent laws.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be meetings of the Committee on Immigration and Naturalization Tuesday, May 7, and Wednesday, May 8, 1940, at 10 a. m., for the consideration of: Tuesday, H. R. 6127, Nationality Code; and Wednesday, H. R. 8310, to deport Communists.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold the following hearings at 10 a. m. on the dates specified:

Wednesday, May 8, 1940:

H. R. 9581, to amend the Merchant Marine Act, 1936, as amended. (This bill has to do with tax exemption of a construction reserve fund to aid in the construction of new vessels. It is an improved form of H. R. 5883.)

Tuesday, May 14, 1940:

H. R. 9553, to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes.

Thursday, May 16, 1940:

H. R. 9477, to apply laws covering steam vessels to certain passenger-carrying vessels.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1590. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 23, 1940, submitting a report, together with accompanying papers and illustrations, on reexamination of Richmond Harbor, Calif., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted June 23, 1939 (H. Doc. No. 715); to the Committee on Rivers and Harbors, and ordered to be printed, with two illustrations.

1591. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1940, submitting a report, together with accompanying papers and an illustration, on reexamination of channel from Oyster, Va., to the Atlantic Ocean, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted June 8, 1938 (H. Doc. No. 716); to the Committee on Rivers and Harbors, and ordered to be printed, with an illustration.

1592. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill authorizing the conveyance to the Commonwealth of Virginia of a portion of the naval reservation known as Naval Proving Ground, Dahlgren, Va.; to the Committee on Naval Affairs.

1593. A letter from the Acting Secretary of Commerce, transmitting a draft of a proposed bill to amend section 4336 of the Revised Statutes, as amended by section 312 of the Anti-Smuggling Act of 1935; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McANDREWS: Committee of conference on the disagreeing votes of the two Houses. H. R. 8319. A bill making appropriations for Departments of State, Commerce, and Justice, and for the judiciary for the fiscal year ending June 30, 1941, and for other purposes (Rept. No. 2066). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL: Committee of conference on the disagreeing votes of the two Houses. S. 1036. An act to authorize the purchase of certain lands adjacent to the Turtle Mountain Indian Agency in the State of North Dakota (Rept. No. 2067). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2068. Report on the disposition of records in the War Department. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2069. Report on the disposition of records in the Department of Commerce. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2070. Report on the disposition of records in the Federal Works Agency, Works Project Administration. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2071. Report on the disposition of records in the Veterans' Administration. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2072. Report on the disposition of records in the Post Office Department. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2073. Report on the disposition of records by the United States marshal for the northern district of Ohio. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2074. Report on the disposition of records by the United States marshal for the district of North Dakota with the approval of the Department of Justice. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2075. Report on the dis-

position of records by the United States District Court for the Northern District of California, with the approval of the senior judge of that district. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2076. Report on the disposition of records in the Department of Agriculture. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2077. Report on the disposition of records in the Department of the Interior in the custody of The National Archives. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CUMMINGS:

H. R. 9654. A bill to extend, for an additional year, the provisions of the Sugar Act of 1937 and the taxes with respect to sugar; to the Committee on Agriculture.

By Mr. McCORMACK:

H. R. 9655. A bill permitting the establishment of 5-day workweeks for any part or for the whole year in the Federal Departments of the Federal service; to the Committee on the Civil Service.

By Mr. McGEHEE:

H. R. 9656. A bill to authorize the acceptance of donations of property for the Vicksburg National Military Park, in the State of Mississippi, and for other purposes; to the Committee on the Public Lands.

By Mr. DEMPSEY:

H. R. 9657. A bill to increase and stabilize employment by providing loans and grants for non-Federal public-works projects, and making an appropriation therefor; to the Committee on Appropriations.

By Mr. VOORHIS of California:

H. R. 9658. A bill to provide a dollar of stable purchasing power in the United States; to the Committee on Banking and Currency.

By Mr. DIRKSEN:

H. Con. Res. 61. A concurrent resolution to disapprove Reorganization Plan No. IV; to the Select Committee on Government Organization.

By Mr. TAYLOR:

H. Con. Res. 62. A concurrent resolution to provide for printing additional copies of hearings held by the Committee on Appropriations; to the Committee on Printing.

By Mr. CUMMINGS:

H. Res. 484. A resolution to provide for an investigation of the sugar industry and problems related to sugar; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JENNINGS:

H. R. 9659. A bill for the relief of the legal guardian of Howard Burkette; to the Committee on Claims.

By Mr. JOHNSON of West Virginia:

H. R. 9660. A bill granting an increase of pension to Mary Ella Wallace; to the Committee on Invalid Pensions.

By Mr. CREAL:

H. R. 9661. A bill for the relief of John E. Newman; to the Committee on Claims.

By Mr. POWERS:

H. R. 9662. A bill for the relief of John Huff; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's table and referred as follows:

7863. By Mr. MICHAEL J. KENNEDY: Petition of the Cigar Manufacturers Association of America, Inc., suggesting certain amendments to the Wage and Hour Act; to the Committee on Labor.

7864. Also, petition of Advertising Women of New York, Inc., urging increase of appropriations for Work Projects Administration in order to halt dismissals; to the Committee on Appropriations.

7865. Also, petition of the State of New York Department of Public Works, favoring enactment of House bill 9575, authorizing $125,000,000 for roads to be contributed by the Federal Government; to the Committee on Roads.

7866. Also, petition of the Merca Traffic Service Bureau, representing 1,200 shippers located throughout the United States, urging that section 10 (a) of the transportation bill be amended to retain the present 3-year limitation period for recovering freight overcharges in lieu of the 2-year period proposed in said bill; to the Committee on Interstate and Foreign Commerce.

7867. Also, petition of the Card Towing Line, Inc., of New York City, opposing enactment of the Wheeler-Lea transportation bill without inclusion of the Miller-Wadsworth amendment; to the Committee on Interstate and Foreign Commerce.

7868. Also, petition of the New York State Waterways Association, Inc., opposing enactment of Wheeler-Lea transportation bill as discriminatory against water carriers; to the Committee on Interstate and Foreign Commerce.

7869. Also, petition of Frank J. Taylor, president American Merchant Marine Institute, Inc., of New York City, opposing enactment of the Wheeler-Lea transportation bill as reported by conferees as being detrimental to the interests of water carriers, shippers, and ultimately, consumers; to the Committee on Interstate and Foreign Commerce.

7870. Also, petition of the Russell Ros Towing Co., Inc., opposing transportation bill unless Miller-Wadsworth amendment is included; to the Committee on Interstate and Foreign Commerce.

7871. Also, petition of the American Communications Association, opposing all amendments to the National Labor Relations Act except those offered by the Congress of Industrial Organizations; to the Committee on Labor.

7872. Also, petition of the David C. Reid Co., Inc., of New York City, opposing adoption of conference report on Wheeler-Lea Transportation Act; to the Committee on Interstate and Foreign Commerce.

By Mr. KEOGH:

7873. Petition of the Brooklyn Church and Mission Federation, favoring farm-tenant loans and opposing any cutting of the fifty million already appropriated for farm-tenant loans from Reconstruction Finance Corporation funds; to the Committee on Banking and Currency.

7874. Also, petition of the American Communications Association, New York City, opposing all amendments to the National Labor Relations Act; to the Committee on Labor.

7875. Also, petition of the National Congress of Parents and Teachers, committee on legislation, Washington, D. C., concerning the Neely bill (S. 230); to the Committee on Interstate and Foreign Commerce.

7876. Also, petition of A. W. Brandt, superintendent of public works, State of New York, Albany, N. Y., favoring the passage of House bill 9575; to the Committee on Roads.

7877. Also, petition of the New York Tow Boat Exchange, Inc., opposing the transportation bill, S. 2009, unless it contains the Miller-Wadsworth amendment; to the Committee on Interstate and Foreign Commerce.

7878. Also, petition of Frank J. Taylor, president, American Merchant Marine Institute, Inc., New York City, favoring the elimination of the water-carrier section from the conference report of the Wheeler-Lea bill, S. 2009, because the Maritime Commission has jurisdiction over these matters at the present time; to the Committee on Interstate and Foreign Commerce.

7879. Also, petition of Joseph P. Ryan, president, International Longshoremen's Association, New York City, favoring recommiting the conference report on Senate bill 2009, it being detrimental to water carriers; to the Committee on Interstate and Foreign Commerce.

7880. Also, petition of the Chamber of Commerce of the Borough of Queens, city of New York, concerning House bill 9000, widows and orphans bill; to the Committee on World War Veterans' Legislation.

7881. Also, petition of the International Lumber Distributors Association, New York City, favoring the passage of House Joint Resolution 519; to the Committee on Merchant Marine and Fisheries.

7882. By Mr. MONKIEWICZ: Resolution of the Connecticut Department of the Sons of Union Veterans of the Civil War, favoring a permanent national peace and nonparticipation in the present conflict abroad, at the same time favoring adequate national defenses; to the Committee on Military Affairs.

7883. By Mr. PFEIFER: Petition of the National Congress of Parents and Teachers, committee on legislation, Washington, D. C., urging support of the Neely bill (S. 280); to the Committee on Interstate and Foreign Commerce.

7884. By Mr. DEROUEN: Petition of the Enterprise Club, Lake Charles, La., condemning the recent smear campaign directed at Hon. J. Edgar Hoover, Chief, Federal Bureau of Investigation, Department of Justice, and opposing wholesale circulation of communistic and other alien propaganda in Congress and throughout the United States; to the Special Committee to Investigate Un-American Activities.

7885. By Mr. PFEIFER: Petition of the Department of Public Works of the State of New York, Albany, N. Y., favoring the enactment of House bill 9575; to the Committee on Roads.

7886. Also, petition of the Brooklyn Church and Mission Federation, Brooklyn, N. Y., urging support of farm-tenant loans from Reconstruction Finance Corporation funds; to the Committee on Banking and Currency.

7887. Also, petition of the Intercoastal Lumber and Distributors Asociation, Inc., New York City, concerning House Joint Resolution 519, to suspend section 510 (g) of the Merchant Marine Act of 1936; to the Committee on Merchant Marine and Fisheries.

7888. By Mr. SANDAGER: Memorial of the Rhode Island Airmen's Association, of Hillsgrove, R. I., opposing the transfer of the Civil Aeronautics Authority to the Commerce Department; to the Select Committee on Government Organization.

7889. By Mr. SCHWERT: Petition bearing 36 signatures, urging hearing and favorable action on Senate bill 1664, a bill making four grades for watchmen, messengers, post-office and railway-mail laborers; to the Committee on the Post Office and Post Roads.

7890. Also, petition bearing 36 signatures, favoring and requesting early action on House bill 237, providing promotional examinations for post-office employees; to the Committee on the Post Office and Post Roads.

7891. By Mr. WHITE of Idaho: Petition signed by A. B. Frost, of Caldwell, Idaho, for the Caldwell Local, Workers Alliance of Idaho, Inc., regarding certain conditions relating to the Work Projects Administration; to the Committee on Appropriations.

7892. By Mr. VOORHIS of California: Petition of W. A. Stevens, of Monrovia, Calif., and 72 others, urging that the President and Representatives in Congress take prompt, decisive action looking toward the early enactment of a national retirement pension law, on a pay-as-you-go basis, embodying the fundamental principles of House bill 5620, now before Congress, which would pay to all citizens of the United States, 60 years of age and over, an adequate monthly annuity, as proposed in said act; to the Committee on Ways and Means.

7893. Also, petition of Morrill J. Godfrey, of Downey, Calif., and 73 others, urging that the President and Representatives in Congress take prompt, decisive action looking toward the early enactment of a national retirement pension law, on a pay-as-you-go basis, embodying the fundamental principles of House bill 5620, now before Congress, which would pay to all citizens of the United States, 60 years of age and over, an adequate monthly annuity, as proposed in said act; to the Committee on Ways and Means.

7894. Also, petition of William Borthwick, tax commissioner, of Honolulu, T. H., and 57 others, urging that the President and Representatives in Congress take prompt, decisive action looking toward the early enactment of a national retirement pension law, on a pay-as-you-go basis, embodying the fundamental principles of House bill 5620, now before Congress, which would pay to all citizens of the United States, 60 years of age and over, an adequate monthly annuity, as proposed in said act; to the Committee on Ways and Means.

7895. Also, petition of Dwight A. Hartzell, of Wilmar, Calif., and 54 others, urging that the President and Representatives in Congress take prompt, decisive action looking toward the early enactment of a national retirement pension law, on a pay-as-you-go basis, embodying the fundamental principles of House bill 5620, now before Congress, which would pay to all citizens of the United States, 60 years of age and over, an adequate monthly annuity, as proposed in said act; to the Committee on Ways and Means.

7896. Also, petition of Dora Katz, of Monrovia, Calif., and 38 others, urging that the President and Representatives in Congress take prompt, decisive action looking toward the early enactment of a national retirement pension law, on a pay-as-you-go basis, embodying the fundamental principles of House bill 5620, now before Congress, which would pay to all citizens of the United States, 60 years of age and over, an adequate monthly annuity, as proposed in said act; to the Committee on Ways and Means.

7897. Also, petition of Emma Reed, of San Gabriel, Calif., and 72 others, urging that the President and Representatives in Congress take prompt, decisive action looking toward the early enactment of a national retirement pension law, on a pay-as-you-go basis, embodying the fundamental principles of House bill 5620, now before Congress, which would pay to all citizens of the United States 60 years of age and over an adequate monthly annuity, as proposed in said act; to the Committee on Ways and Means.

7898. Also, petition of Rachal Stoney, of South Pasadena, Calif., and 55 others, urging that the President and Representatives in Congress take prompt, decisive action looking toward the early enactment of a national retirement pension law, on a pay-as-you-go basis, embodying the fundamental principles of House bill 5620, now before Congress, which would pay to all citizens of the United States 60 years of age and over an adequate monthly annuity, as proposed in said act; to the Committee on Ways and Means.

7899. Also, petition of A. L. Bachman, of South Pasadena, Calif., and 72 others, urging that the President and Representatives in Congress take prompt, decisive action looking toward the early enactment of a national retirement pension law, on a pay-as-you-go basis, embodying the fundamental principles of House bill 5620, now before Congress, which would pay to all citizens of the United States 60 years of age and over an adequate monthly annuity, as proposed in said act; to the Committee on Ways and Means.

7900. Also, petition of Mrs. B. Estella Marshall, of San Gabriel, Calif., and 19 others, urging that the President and Representatives in Congress take prompt, decisive action looking toward the early enactment of a national retirement pension law, on a pay-as-you-go basis, embodying the fundamental principles of House bill 5620, now before Congress, which would pay to all citizens of the United States 60 years of age and over an adequate monthly annuity, as proposed in said act; to the Committee on Ways and Means.

7901. Also, petition of Mrs. E. J. McDowell, of El Monte, Calif., and 144 others, urging that the President and Representatives in Congress take prompt, decisive action looking toward the early enactment of a national retirement pension law, on a pay-as-you-go basis, embodying the fundamental principles of House bill 5620, now before Congress, which would pay to all citizens of the United States, 60 years of age and over, an adequate monthly annuity, as proposed in said act; to the Committee on Ways and Means.

7902. Also, petition of H. H. Thush, of Inglewood, Calif., and 19 others, endorsing the House bill 4931, providing for

Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7903. Also, petition of Ruth C. Taysley, of Glendale, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7904. Also, petition of Charles F. Reid, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7905. Also, petition of John W. Walling, of Los Angeles, Calif., and 22 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7906. Also, petition of Bernard Lundle, of Santee, Calif., and 22 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7907. Also, petition of N. N. Hayes, of Oroville, Calif., and 25 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7908. Also, petition of Alfred C. Miner, of Los Angeles, Calif., and 22 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7909. Also, petition of H. U. Morrison, of Carlotte, Calif., and 15 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7910. Also, petition of I. J. Fischer, of Los Angeles, Calif., and 78 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7911. Also, petition of John H. Hammond, of Glendale, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7912. Also, petition of W. B. Edwards, of Blythe, Calif., and 49 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7913. Also, petition of Edward G. Frank, of Los Angeles, Calif., and nine others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7914. Also, petition of Arthur F. Wahlquist, of Yucaipa, Calif., and three others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7915. Also, petition of E. N. Gunn, of Los Angeles, Calif., and seven others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the service by Congress for the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7916. Also, petition of R. W. Suell, of Los Angeles, Calif., and six others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7917. Also, petition of Robert L. Parker, of South Pasadena, Calif., and nine others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7918. Also, petition of J. H. Thompson, of Fresno, Calif., and two others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7919. Also, petition of H. Tomlinson, of Big Bear City, Calif., and nine others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7920. Also, petition of Charles F. Bean, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7921. Also, petition of Harry L. Thompson, of Los Angeles, Calif., and 22 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7922. Also, petition of H. Rupp, of Fond du Lac, Wis., and 53 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7923. Also, petition of J. G. Collins, of Los Angeles, Calif., and 25 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional

money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7924. Also, petition of John K. Lafferty, of Los Angeles, Calif., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7925. Also, petition of E. M. Carlesen, of Glendale, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7926. Also, petition of Leona Parkinson, of Los Angeles, Calif., and 33 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7927. Also, petition of Frederick F. Zepp, of Vallejo, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7928. Also, petition of Harry R. Wilson, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7929. Also, petition of N. E. Graham, of Los Angeles, Calif., and 22 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7930. Also, petition of Douglas M. Wasson, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7931. Also, petition of Arthur Neff, of Oceanside, Calif., and 17 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7932. Also, petition of John C. Goetze, of Oakland, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7933. Also, petition of Henry I. Henriksen, of Van Nuys, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7934. Also, petition of William H. Mills, of Inglewood, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7935. Also, petition of Homer F. Remillard, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7936. Also, petition of George A. Law, of Long Beach, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7937. Also, petition of F. H. Corwell, of San Jose, Calif., and 124 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7938. Also, petition of Katherine Shoupe, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7939. Also, petition of W. O. Shumate, of Los Angeles, Calif., and 49 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7940. Also, petition of Mrs. I. James, of Mount View, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power, and requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7941. Also, petition of John J. Radrick, of San Jose, Calif., and 16 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7942. Also, petition of Robert Munzal, of San Jose, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7943. Also, petition of Ralph C. Dills, of Compton, Calif., and seven others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7944. Also, petition of Ben Miller, of Elkhart, Ind., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7945. Also, petition of Pearl Darr, of Goshen, Ind., and 114 others, endorsing House bill 4931, providing for Gov-

ernment ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7946. Also, petition of J. H. Ley, of Plainview, Minn., and 108 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7947. Also, petition of G. E. Moon, of Goshen, Ind., and 286 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7948. Also, petition of John T. Lange, of Boise, Idaho, and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7949. Also, petition of Dr. R. L. Moore, of Goshen, Ind., and 17 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7950. Also, petition of Mr. and Mrs. H. S. Straight, of Bedford, Iowa, and 23 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7951. Also, petition of Clarence Wittsey, of Sheridan, Mo., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7952. Also, petition of E. E. Dorris, of Sheridan, Mo., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7953. Also, petition of William Collins, of Sandusky, Ohio, and 59 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7954. Also, petition of E. Schmieder, of Chicago, Ill., and 27 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7955. Also, petition of Frederick J. Schnell, of Chicago, Ill., and 80 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7956. Also, petition of B. J. Callahan, of Chicago, Ill., and 40 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7957. Also, petition of Frederick Cappetta, of Chicago, Ill., and 40 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7958. Also, petition of John Kulovitz, of Chicago, Ill., and 60 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7959. Also, petition of John P. Shefke, of Chicago, Ill., and 60 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7960. Also, petition of Elizabeth Karlov, of Park Ridge, Ill., and 40 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7961. Also, petition of Homer S. Dum, of Downers Grove, Ill., and 40 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7962. Also, petition of Edwin A. Drath, of Chicago, Ill., and 59 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7963. Also, petition of M. Andersen, of Chicago, Ill., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7964. Also, petition of William Hibsch, of Chicago, Ill., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7965. Also, petition of F. B. Hartl, of Chicago, Ill., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7966. Also, petition of Charles R. Cole, of Chicago, Ill., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional

money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7967. Also, petition of B. H. Hindman, of Chicago, Ill., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7968. Also, petition of Walter W. Cline, of Chicago, Ill., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7969. Also, petition of Louis Holmes, of Chicago, Ill., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7970. Also, petition of Richard J. Hansel, of Chicago, Ill., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7971. Also, petition of Frank Klampferer, of Chicago, Ill., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7972. Also, petition of Ludwig Mathieson, of Chicago, Ill., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7973. Also, petition of Wm. J. Hibach, of Chicago, Ill., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7974. Also, petition of Floyd A. Unger, of Chicago, Ill., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7975. Also, petition of Jean Steinman, of Chicago, Ill., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7976. Also, petition of Robert D. Ernst, of Cicero, Ill., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7977. Also, petition of A. C. Korsgren, of Glencoe, Ill., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7978. Also, petition of Dr. Robert Conrod, of Denton, Tex., and 14 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7979. Also, petition of J. C. Jaqua, of Alvordton, Ohio, and 21 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7980. Also, petition of Emilie L. Janton, of Ramsey, N. J., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7981. Also, petition of Albert R. Sneider, of Ramsey, N. J., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7982. Also, petition of John J. Fitzpatrick, of New York City, N. Y., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of the constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7983. Also, petition of Albert Luberto, of Jersey City, N. J., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7984. Also, petition of Raymond T. Sanford, of Middletown, R. I., and 22 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7985. Also, petition of Frank McGever, of Detroit, Mich., and 21 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7986. Also, petition of J. C. Zoeter, of Kansas City, Kans., and 94 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7987. Also, petition of Ollie Parton, of Akron, Ohio, and 21 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7988. Also, petition of W. H. Patterson, of Lincoln, Nebr., and 19 others, endorsing House bill 4931, providing for Gov-

ernment ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7989. Also, petition of Eloise M. Carpenter, of Oakland, Calif., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7990. Also, petition of Earl C. Barber, of Santa Barbara, Calif., and 21 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7991. Also, petition of Alphonse J. Pouliot, of Cecilville, Calif., and 21 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7992. Also, petition of George E. Wiles, of Stockton, Calif., and 16 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7993. Also, petition of Mamie Marcum, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7994. Also, petition of Gertrude Gillam, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7995. Also, petition of Mrs. Harry Hugos, of Alhambra, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committtee on Banking and Currency.

7996. Also, petition of John Jenny, of Tujunga, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7997. Also, petition of Mr. and Mrs. Walter Kahl, of Whittier, Calif., and 21 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7998. Also, petition of Leonard R. Holliday, of Anaheim, Calif., and 21 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

7999. Also, petition of Evelyn Meade, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8000. Also, petition of Catherine St. Day, of Monrovia, Calif., and 21 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8001. Also, petition of James Fairfield, of Monrovia, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8002. Also, petition of Charles J. Kroening, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8003. Also, petition of Katie Palozzolo, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8004. Also, petition of J. O. Caves, of Baldwin Park, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8005. Also, petition of Peter H. Meyer, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8006. Also, petition of George Radweiller, of Hollywood, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8007. Also, petition of J. H. Evans, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8008. Also, petition of Ella M. Fenely, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8009. Also, petition of Charles W. St. Clair, of Monrovia, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional

money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8010. Also, petition of Walter D. Jones, of Baldwin Park, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8011. Also, petition of Anna K. McDonald, of Los Angeles, Calif., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8012. Also, petition of Charles W. Stine, of Los Angeles, Calif., and 29 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8013. Also, petition of Harvey F. Darby, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8014. Also, petition of E. R. Brewer, of Los Angeles, Calif., and 21 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8015. Also, petition of Walter I. Froehligh, of Los Angeles, Calif., and 52 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8016. Also, petition of R. E. Roland, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8017. Also, petition of Grace B. Jewett, of Los Angeles, Calif., and 18 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8018. Also, petition of J. W. Hays, of Redlands, Calif., and 14 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8019. Also, petition of Myrta E. Thomas, of San Diego, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8020. Also, petition of James R. Henry, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8021. Also, petition of Mr. and Mrs. William B. Newby, of Los Angeles, Calif., and 23 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8022. Also, petition of Mr. and Mrs. Eric A. Intze, of Santa Monica, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8023. Also, petition of Francis H. Hardy, of Colton, Calif., and 63 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8024. Also, petition of C. H. Neal, of Venice, Calif., and 29 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8025. Also, petition of Johnny L. Wingert, of Bloomington, Calif., and 114 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8026. Also, petition of Wallis D. McPherson, of Downey, Calif., and 22 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8027. Also, petition of Maude Hefferman, of Venice, Calif., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8028. Also, petition of Fred T. Mason, of Torrance, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8029. Also, petition of Roscoe E. McBride, of Whittier, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8030. Also, petition of H. S. McClees, of Delano, Calif., and 14 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8031. Also, petition of Daniel E. Knock, of Los Angeles, Calif., and 16 others, endorsing House bill 4931, providing for

Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8032. Also, petition of Alice E. Barber, of Los Angeles, Calif., and 15 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8033. Also, petition of Rudolph Arthur Ludwig, of San Pedro, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8034. Also, petition of J. L. Garth, of Los Angeles, Calif., and 21 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8035. Also, petition of Clarence Anderson, of Kingsbury, Calif., and 18 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8036. Also, petition of Arthur Richard, of Paradise, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8037. Also, petition of James E. Wright, of Oakland, Calif., and 21 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8038. Also, petition of John Jerina, of Fontana, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8039. Also, petition of Celia M. Tibbetts, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8040. Also, petition of J. Evich, of Santa Barbara, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8041. Also, petition of Edgar Hagemann, of Whittier, Calif., and 14 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8042. Also, petition of Helen A. Foster, of Los Angeles, Calif., and 2 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8043. Also, petition of Elizabeth W. Burbank, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8044. Also, petition of Robert G. Vaden, of Long Beach, Calif., and 23 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8045. Also, petition of Wanell T. Birch, of Hollywood, Calif., and 21 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8046. Also, petition of Mr. and Mrs. Charles M. Hadley, of Whittier, Calif, and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8047. Also, petition of Isabel Burgess, of Studio City, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8048. Also, petition of Melvin L. Tooker, of Willowbrook, Calif., and 8 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8049. Also, petition of Ella G. Dean, of La Canada, Calif., and 3 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8050. Also, petition of Frank H. Ralph, of La Habra, Calif., and 6 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8051. Also, petition of Robert P. Gross, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8052. Also, petition of Louis Chasson, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional

money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8053. Also, petition of John G. Kroon, of Los Angeles, Calif., and 17 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8054. Also, petition of Arthur F. Hagerman, of Templeton, Calif., and 10 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8055. Also, petition of James G. Slatter, of Los Angeles, Calif., and 22 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8056. Also, petition of Wilbur C. Miller, of San Jose, Calif., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8057. Also, petition of John H. Lang, of Los Angeles, Calif., and 26 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8058. Also, petition of John E. Gray, of Pasadena, Calif., and 17 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8059. Also, petition of Charles E. Lynch, of Riverside, Calif., and 14 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8060. Also, petition of Jack L. Mitchell, of Los Angeles, Calif., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8061. Also, petition of Mrs. J. Kursinski, of Alhambra, Calif., and 14 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8062. Also, petition of H. M. Callecod, of Chula Vista, Calif., and 17 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8063. Also, petition of Gaston J. Bertormean, of Los Angeles, Calif., and 10 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional money power; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

8064. By the SPEAKER: Petition of Local Union, No. 60, United Brotherhood of Carpenters and Joiners of America, Indianapolis, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8065. Also, petition of the Council of Social Agencies, Detroit, petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8066. Also, petition of We the Americans, Inc., Philadelphia, Pa., petitioning consideration of their resolution with reference to House bill 9449, concerning Social Security Act; to the Committee on Ways and Means.

8067. Also, petition of the Northern District of the American Lutheran Church, Portland, Oreg., petitioning consideration of their resolution with reference to neutrality and peace; to the Committee on Foreign Affairs.

SENATE

MONDAY, MAY 6, 1940

(Legislative day of Wednesday, April 24, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. William L. Darby, D. D., executive secretary, Washington Federation of Churches, offered the following prayer:

Thou God of men and nations, we appear before Thee today with grateful thanks for the multitude of Thy mercies to us and to the children of men everywhere. We would not be silent when flowers and trees around us on this beautiful spring day are showing forth Thy praise. Yet some of us are not living in harmony with Thy will, and need to seek divine forgiveness because of the way in which we are treating our fellow men. War and strife across the seas, both east and west, destroy the sense of human brotherhood. Wrong and injustice at home, we know, tend to produce the same result. Grant us, we pray, the grace and strength to live together in the world as the sons of the Most High. Give peace and fellowship in place of bloodshed and slaughter throughout the whole earth.

Thy blessing we ask upon our country, that America may play her part well in these trying days. Grant Thy guidance to the President of the United States, the Vice President, and the Members of the Congress, that, with wisdom and prudence, they may perform their respective duties to both God and man. May all of us realize our responsibility for the betterment of conditions among our own people in this favored land and for the promotion of human welfare in lands abroad. In all our purposes and undertakings give us the mind and spirit of Jesus Christ our Lord. We ask in His name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Thursday, May 2, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following act and joint resolution:

On April 30, 1940:

S. 2661. An act to provide for rearrangement of the location of the several boards of local inspectors.

On May 3, 1940:

S. J. Res. 199. Joint resolution amending Public Resolution No. 112 of the Seventy-fifth Congress and Public Resolution No. 48 of the Seventy-sixth Congress.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8745) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TAYLOR, Mr. JOHNSON of Oklahoma, Mr. SCRUGHAM, Mr. FITZPATRICK, Mr. LEAVY, Mr. SHEPPARD, Mr. RICH, Mr. CARTER, and Mr. WHITE of Ohio were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 8475) to limit the interpretation of the term "products of American fisheries," in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker pro tempore had affixed his signature to the following enrolled joint resolutions, and they were signed by the Vice President:

S. J. Res. 252. Joint resolution to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes; and

H. J. Res. 431. Joint resolution to extend to the 1940 New York World's Fair and the 1940 Golden Gate International Exposition the provisions according privileges under certain customs and other laws to the exposition of 1939.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	La Follette	Russell
Ashurst	Davis	Lee	Schwartz
Austin	Donahey	Lodge	Schwellenbach
Bailey	Downey	Lucas	Sheppard
Bankhead	Ellender	Lundeen	Shipstead
Barbour	Frazier	McCarran	Smathers
Barkley	Gerry	McKellar	Smith
Bilbo	Gillette	McNary	Stewart
Bone	Guffey	Maloney	Taft
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Townsend
Byrnes	Hayden	Norris	Vandenberg
Capper	Herring	O'Mahoney	Van Nuys
Caraway	Holman	Overton	Wagner
Chavez	Hughes	Pepper	Walsh
Clark, Idaho	Johnson, Calif.	Pittman	Wheeler
Clark, Mo.	Johnson, Colo.	Reed	White
Connally	King	Reynolds	Wiley

Mr. MINTON. I announce that the Senator from Virginia [Mr. GLASS], the Senator from Rhode Island [Mr. GREEN], and the Senator from Illinois [Mr. SLATTERY] are unavoidably detained from the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Kentucky [Mr. CHANDLER], the Senator from Alabama [Mr. HILL], the Senators from West Virginia [Mr. HOLT and Mr. NEELY], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], and the Senator from Missouri [Mr. TRUMAN] are absent on public business.

The Senator from Georgia [Mr. GEORGE] is absent because of illness.

Mr. AUSTIN. I announce the Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY], the Senator from North Dakota [Mr. NYE], and my colleague the junior Senator from Vermont [Mr. GIBSON] are necessarily absent.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

AMENDMENT OF FEDERAL CROP INSURANCE ACT—VETO MESSAGE (S. DOC. NO. 193)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Agriculture and Forestry and ordered to be printed, as follows:

To the Senate:

I am returning herewith, without my approval, a bill (S. 2635) to amend the Federal Crop Insurance Act.

This bill would extend to cotton the system of Federal crop insurance now experimentally applied to wheat.

In my message to Congress on February 18, 1937, advocating initiation of wheat-crop insurance under Federal auspices, I expressed the belief that such insurance should be extended to other commodities when "application of the plan to wheat has provided a backlog of experience in applying the principles of crop insurance."

The Federal Crop Insurance Corporation has just completed 1 year of experience with wheat-crop insurance and is entering upon a second year with three times the first-year volume of insurance coverage. While the initial year's business has resulted in great benefit to the insured producers, it has resulted, nevertheless, in an impairment of $1,430,000 in the Corporation's capital, over and above the costs of administration and research, which are borne by the Government. It seems evident, therefore, that we do not have as yet the essential "backlog of experience" required for the establishment of a sound actuarial basis for crop insurance—that is, for a crop-insurance plan that would be fully self-supporting, with premium rates sufficient to cover costs of administration, as well as of indemnities. Moreover, when such a plan is established, I think that the producers of all major agricultural crops should share in its benefits.

Since this bill merely broadens the scope of an experiment not yet on a satisfactory actuarial basis, and fails to provide a fully self-supporting insurance plan for general application to all crops, I do not feel that I would be justified in giving it my approval.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 4, 1940.*

INTERIOR DEPARTMENT APPROPRIATIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 8745) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes; and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HAYDEN. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. HAYDEN, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. ADAMS, Mr. BANKHEAD, Mr. NYE, and Mr. HOLMAN, conferees on the part of the Senate.

REPORT OF THE ARCHITECT OF THE CAPITOL (S. DOC. NO. 192)

The VICE PRESIDENT laid before the Senate a letter from the Architect of the Capitol, transmitting, pursuant to law, his annual report for the fiscal year ended June 30, 1939, which, with the accompanying report, was referred to the Committee on Public Buildings and Grounds and ordered to be printed.

LANDOWNERS ON UINTAH INDIAN IRRIGATION PROJECT, UTAH

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to provide relief for, and to promote the interest of, landowners on the Uintah Indian irrigation project, Utah, and for other purposes, which, with the accompanying papers, was referred to the Committee on Indian Affairs.

AMENDMENT OF REVISED STATUTES AS AMENDED BY ANTISMUGGLING ACT OF 1935

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend section 4336 of the Revised Statutes, as amended, which, with the accompanying paper, was referred to the Committee on Finance.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a memorial from officers and members of Pennsylvania Industrial Union Council, C. I. O., of Harrisburg, Pa., remonstrating against adoption of the so-called

Smith-Norton amendments to the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate resolutions of the Northwestern District of the American Lutheran Church, favoring the preservation of neutrality and peace, which were referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution of the Unión de Mujeres Americanas, United Women of the Americas, New York City, N. Y., favoring the issuance of a commemorative postage stamp in honor of Mary Ball Washington, mother of George Washington, which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate a resolution of the Council of Social Agencies of Metropolitan Detroit, Detroit, Mich., favoring the enactment of Senate bill 591, to amend the United States Housing Act of 1937, and for other purposes, which was ordered to lie on the table.

Mr. TYDINGS presented a resolution of the Columbia Heights Citizens' Association, Washington, D. C., protesting against the enactment of the bill (H. R. 8692) to amend the act to regulate the practice of podiatry in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. VANDENBERG presented a petition of sundry citizens of Wayne County, Mich., praying for the enactment of the bill (S. 2009) to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, and for other purposes, which was ordered to lie on the table.

SETTLEMENT AND DEVELOPMENT OF ALASKA

Mr. VANDENBERG. Mr. President, Senate bill 3577 is a bill "to provide for the settlement and development of Alaska." Alaska has no representation in the Senate, and as the citizens of Alaska apparently have very profound objection to the program embodied in this particular bill, I ask that a brief analysis or statement regarding it from the Juneau Chamber of Commerce be printed in the RECORD.

The VICE PRESIDENT. It there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ANALYSIS OF S. 3577—BEING "A BILL TO PROVIDE FOR THE SETTLEMENT AND DEVELOPMENT OF ALASKA"

This is a measure designed to make effective the so-called Slattery plan for opening up Alaska to settlement by European refugees and to create Government-chartered development corporations for industrial utilization of the Territory's natural resources. Salmon fishing and canning are excluded.

The bill places full authority for granting charters, upon the filing with him of articles of incorporation conforming to certain conditions satisfactory to him, upon the Secretary of the Interior. He is given absolute power in the matter of issuance of regulations over the corporations and authorized, in case of violations of requirements, to bring legal action to terminate the charters.

While the admission of now ineligible immigrants to the Territory is the most objectionable feature of the proposed law, there are other features which are worth serious consideration.

Subsection 4 of section 3 provides: "The maximum rate of interest to be paid on debentures and the maximum rate of dividend to be paid upon stock: *Provided*, That in no case shall such rate of interest or dividend be higher than 6 percent per annum."

This is purely a limitation on interest that can be paid upon bonds, but it does not set a limit upon the earning power of the corporation. It might actually earn much more than 6 percent upon its investment, but it could pay only the stated 6 percent upon its stock. There is no prohibition against surplus earnings anywhere in the bill.

Section 4 sets the minimum capitalization at $10,000,000 and a minimum cash at the outset of $2,500,000 in either stock or debentures. There is no limitation upon the amount of either bonded indebtedness or stock subscriptions.

This could easily lead to speculation on a tremendous scale, more especially so in view of the provision contained in section 13, which specifically exempts the corporations' securities from the provisions of the Securities Act of 1933 and, therefore, from jurisdiction under the Securities and Exchange Commission.

Transfers of voting stock legally held to any alien not a certified settler is prohibited and such transfers declared to be null and void. It seems doubtful if this would be upheld in the courts. It might be that the courts would hold that any legal stockholder could dispose of his property, including voting stock in the corporation, to whomever and wherever he could do so at a profit, or, for that matter, even at a loss.

Corporations would be authorized to certify annually the number of settlers to be brought into the Territory. These would be of three types:

1. At least 50 percent of the total to be citizens of the United States if they make application and possess necessary qualifications.
2. Aliens who are admissable under immigration quotas in proportion to the several national quotas.
3. Aliens between the ages of 16 and 45 other than quota immigrants.

These would be given visas permitting them to enter Alaska as corporation settlers under the certification of the corporation. They would be required to remain in Alaska for a period of 5 years or such longer time as it might require for them to enter the classification of quota immigrants and thus entitled legally to admission to the country. They could not engage in any occupation or trade other than that specified in the bill as long as they remained nonquota immigrants.

This is the provision to which Alaskans have strenuously protested. Delegate DIMOND has publicly termed it an effort to make out of Alaska a concentration or detention camp. It is an apt phrase and wholly justified.

In the end, if the many thousands of European refugees were brought here in large groups, it would not be many years until the Territorial culture and economy would be transferred from American to alien, a transformation Alaskans do not want and which the Nation as a whole should not desire.

Mr. DIMOND has announced his opposition to the measure. He should have the united support of civic and commercial organizations throughout the Territory, and of all Alaskans regardless of party.

REPORTS OF COMMITTEES

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (H. R. 8024) to provide for the leasing of restricted allotments of deceased Indians in certain circumstances, and for other purposes, reported it with an amendment and submitted a report (No. 1570) thereon.

Mr. CONNALLY, from the Committee on the Judiciary, to which was referred the bill (S. 3828) to amend section 107 of the Judicial Code, as amended, to eliminate the requirement that suitable accommodations for holding the court at Winchester, Tenn., be provided by the local authorities, reported it without amendment and submitted a report (No. 1571) thereon.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred, for examination and recommendation, 10 lists of records transmitted to the Senate by the Archivist of the United States, which appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

ENROLLED JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, May 6, 1940, that that committee presented to the President of the United States the enrolled joint resolution (S. J. Res. 252) to amend section 5 (b) of the act of October 6, 1917, as amended, and for other purposes.

ACCEPTANCE AND DEDICATION OF PAINTING, SIGNING OF THE CONSTITUTION

Mr. BARKLEY. From the Committee on the Library I report an original concurrent resolution. I may say that, under the rule, the resolution will have to go to the Committee to Audit and Control the Contingent Expenses of the Senate, as it provides for an expenditure of $1,000 from the contingent funds of the Senate and the House for the purpose of holding ceremonies in the rotunda accepting and dedicating a work of art produced under a previous joint resolution authorizing the employment of an artist to paint a scene depicting the signing of the Constitution of the United States. That work has been completed; it is a marvelous piece of painting. At a little later date, we shall have the ceremony in the rotunda accepting and dedicating the picture, which will be hung in the Capitol later.

I ask that the resolution now reported by me from the Committee on the Library be referred to the Committee to Audit

and Control the Contingent Expenses of the Senate, in order that the committee may pass on the question of expenditure.

There being no objection, the concurrent resolution (S. Con. Res. 45) was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved by the Senate (the House of Representatives concurring), That the commission authorized to employ an artist to paint a painting of the scene at the signing of the Constitution, created by Public Resolution No. 11, approved April 20, 1939, be, and it is hereby, authorized to place temporarily in the rotunda of the Capitol the painting by the artist employed by the said commission, and to hold ceremonies in the rotunda on the said occasion.

The Architect of the Capitol is hereby authorized to make the necessary arrangements for the ceremonies, the expenses of which shall not exceed the sum of $1,000, of which one-half shall be payable from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the commission.

ADDITIONAL COPIES ON REPORT OF STATUS OF WILDLIFE

Mr. HAYDEN. Mr. President, by direction of the Committee on Printing, I report back favorably from that committee, without amendment, Senate Resolution 263, and I ask unanimous consent for its immediate consideration.

There being no objection, the resolution (S. Res. 263) submitted by Mr. PITTMAN on April 24, 1940, was considered and agreed to as follows:

Resolved, That there be printed 1,800 additional copies of Senate Report No. 1203, submitted pursuant to Senate Resolution 246 (71st Cong.), entitled "The Status of Wildlife in the United States," of which 1,500 copies shall be for the use of the Special Committee on the Conservation of Wildlife Resources and 300 copies for the use of the Senate document room.

LAWS AND TREATIES RELATING TO INDIAN AFFAIRS

Mr. HAYDEN. From the Committee on Printing I report back favorably, with an amendment, Senate Resolution 141, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution, which had been submitted by Mr. THOMAS of Oklahoma on June 5, 1939.

The VICE PRESIDENT. The amendment will be stated.

The amendment reported by the Committee on Printing was, on line 6, after the word "document", to strike out—

And that 50 additional copies of each be printed for the use of the Indian Office and Indian agencies, 30 additional copies of each for the use of the Senate Committee on Indian Affairs, 30 additional copies of each for the use of the House Committee on Indian Affairs, and 30 additional copies of each for use of the compilers.

So as to make the resolution read:

Resolved, That the manuscript of the laws, agreements, Executive orders, proclamations, etc., relating to Indian Affairs, prepared under Senate Resolution No. 60, Seventy-fifth Congress, first session, to be known as Laws and Treaties Relating to Indian Affairs, volume 5, be printed as a Senate document.

The amendment was agreed to.

The resolution as amended was agreed to.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. CLARK of Missouri:

S. 3915. A bill for the relief of the Pittsburgh Plate Glass Co.; to the Committee on Claims.

By Mr. BURKE:

S. 3916. A bill for the relief of Lawrence T. Post, G. F. Allen, and D. Buddrus; to the Committee on Claims.

By Mr. MEAD:

S. 3917. A bill for the relief of Guy T. Morris; to the Committee on Claims.

S. 3918. A bill adopting and authorizing the improvement of East River, N. Y.; to the Committee on Commerce.

By Mr. HATCH (for himself and Mr. CHAVEZ):

S. 3919. A bill to postpone for 1 year the date of the transmission to Congress by the United States Coronado Exposition Commission of a statement of its expenditures; to the Committee on Foreign Relations.

By Mr. WAGNER:

S. 3920. A bill to amend the Railroad Unemployment Insurance Act, approved June 25, 1938, as amended June 20, 1939, and for other purposes; to the Committee on Interstate Commerce.

By Mr. MINTON:

S. 3921. A bill granting an increase of pension to Sarah A. Hollis (with accompanying papers); to the Committee on Pensions.

By Mr. SHEPPARD:

S. 3922. A bill granting a pension to James C. Keeley; to the Committee on Pensions.

By Mr. MALONEY:

S. 3923. A bill for the relief of Austin L. Tierney; to the Committee on Naval Affairs.

(Mr. WAGNER also introduced Senate bill 3924, which was referred to the Committee on Finance, and appears under a separate heading.)

(Mr. GURNEY introduced Senate bill 3925, which was referred to the Committee on Interstate Commerce, and appears under a separate heading.)

By Mr. GUFFEY:

S. 3926. A bill to authorize the Secretary of War to provide a license for the construction of a pile dolphin and walkway at Fort Mifflin Military Reservation, and for other purposes; to the Committee on Military Affairs.

By Mr. BAILEY:

S. 3927. A bill to provide for the administration of the Washington National Airport, and for other purposes; to the Committee on Commerce.

By Mr. WALSH:

S. J. Res. 253. Joint resolution providing for the celebration in 1945 of the one hundredth anniversary of the founding of the United States Naval Academy, Annapolis, Md.; to the Committee on Naval Affairs.

(Mr. WILEY introduced Senate Joint Resolution 254, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

PERMANENT DISABILITY INSURANCE BENEFITS UNDER SOCIAL SECURITY ACT

Mr. WAGNER. Mr. President, I ask unanimous consent to introduce a bill for appropriate reference.

This bill, providing systematic insurance protection for wage earners totally and permanently disabled before they reach the retirement age, would meet the economic needs of those who have hitherto been the forgotten men of our social-security system. As pointed out in the last annual report of the Social Security Board:

There is an anomaly in present provisions for social insurance in that benefits are payable to unemployed workers who are well and able to work but not to those, with perhaps a precisely similar work history, who are unemployed because they are sick, and for that very reason are probably in more serious need. A similar anomaly exists in the fact that insurance provision has been made for the worker who is incapacitated by old age while none yet exists for younger persons with nonoccupational disabilities which produce an even more prolonged loss of earning power, even though persons in the latter group are more likely to have responsibilities for dependents. Appropriate measures to safeguard health and offset the losses occasioned by disability are an essential link in the defenses which are being erected to prevent or relieve dependency and to promote security in the United States.

This anomalous gap in our Social Security Act should be promptly closed. The present Railroad Retirement Act, as well as the old-age insurance system in practically every other industrial country in the world, authorizes benefits for the permanently disabled.

The bill, with necessary technical changes, follows closely the proposal which I introduced last year when the revision of the Social Security Act was under consideration. Benefits are payable to wage earners totally and permanently disabled and covered by old-age and survivors insurance. Benefits are geared into the old-age insurance system, including the allowances for dependents. For at least 10

years the added cost of these benefits would be comparatively small and would be met out of the existing Old Age and Survivors' Insurance Fund without any increase in the schedule of contributions by employers and employees in the present law.

Humanity and economy require that the disabled beneficiaries be restored to health in all cases where medical and surgical skill have progressed far enough to offer a remedy. The bill anticipates the need for rehabilitation, where such services may aid in restoring the beneficiary's working ability. The funds to be expended for the purpose of rehabilitation are carefully limited and could not be utilized for the construction of hospitals or other institutions.

The bill I would wish to have referred to the Committee on Finance, which has just established a special subcommittee to study the old-age insurance and related provisions of the Social Security Act. I am confident that the subcommittee, when it begins its deliberations, will give early attention to the problem of the permanently disabled, of whom the Advisory Council on Old Age wrote in its report:

> No other group in our population is more completely dependent or in a more desperate economic situation.

There being no objection, the bill (S. 3924) amending the Social Security Act so as to provide insurance benefits for wage earners permanently and totally disabled for causes not arising out of their employment, was read twice by its title and referred to the Committee on Finance.

AMENDMENT OF RAILROAD UNEMPLOYMENT INSURANCE ACT

Mr. GURNEY. Mr. President, at this time I ask unanimous consent to introduce a bill proposing to amend the Railroad Unemployment Insurance Act which was approved on June 25, 1938, and which was amended June 20, 1939, and became operative on July 1, 1939.

Therefore, the present Railroad Unemployment Insurance Act has been in operation for a period of some 10 months. A huge reserve is being built up, much more than is necessary to take care of the payments for railroad unemployment, in accordance with the payment provisions of the act itself.

Within the past few days a bill has been introduced by the senior Senator from New York [Mr. WAGNER] seeking to increase the benefit payments now provided by existing law. This bill, S. 3906, was introduced on May 2. The Association of American Railroads is in complete agreement that some changes should be made, but considers that the percentage of increased benefits should not be as large as proposed in S. 3906. As I understand, a great deal of effort has been made as between the railroad employer and the railroad employee, seeking to reconcile their individual ideas so that a plan agreed on may be submitted to Congress.

I feel I am wholly consistent in offering the employer's ideas at this time, inasmuch as the employee's ideas have already been offered as represented by the bill introduced last week. I feel that the bill which I am offering now should be studied carefully by the Senate Committee on Interstate Commerce, at the same time S. 3906 is being studied. A thorough study must be made so that fair consideration shall be given to the railroad employees and the railroads themselves, bearing in mind that during these times of world stress, the railroads and their employees must be a harmonious whole, because both are so vital to our national defense.

I ask unanimous consent that the bill which I offer at this time be printed in the RECORD following my remarks, and that there also be printed in the RECORD, following my remarks, an explanatory letter from the Association of American Railroads, together with a schedule showing a comparison between the provisions of Senate bill 3906 and the bill which I offer at this time.

The VICE PRESIDENT. In the absence of objection, it is so ordered.

The bill (S. 3925) to amend the Railroad Unemployment Insurance Act, approved June 25, 1938, as amended June 20, 1939, was read twice by its title, referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.,

SECTION 1. Subsection (h) of section 1 of the Railroad Unemployment Insurance Act, approved June 25, 1938 (52 Stat. 1094), as amended June 20, 1939 (53 Stat. 845), is hereby amended to read as follows:

"(h) The term 'registration period' means, with respect to any employee, the period of 14 consecutive calendar days which begins with the first day for which such employee registers in accordance with such regulations as the Board may prescribe, and thereafter each period of 14 consecutive calendar days which begins with the first day for which he next registers after the end of his last preceding registration period."

SEC. 2. Subsection (j) of section 1 of said act is hereby amended by inserting the following sentence at the end of the first sentence thereof:

"The term 'remuneration' also includes earned income other than for services for hire when in excess of an average of $1 per day during any registration period, if the accruel thereof in whole or in part is ascertainable with respect to a particular day or particular days."

SEC. 3. Subsection (1) of section 1 of said act is hereby amended to read as follows:

"(1) The term 'base year' means the calendar year immediately preceding the beginning of the benefit year."

SEC. 4. Subsection (n) of section 1 of said act is hereby amended to read as follows:

"(n) The term 'benefit year' means the 12 months' period beginning July 1 of any year and ending June 30 of the following year, except that a registration period beginning in one benefit year and ending in another shall be deemed to be in the benefit year in which it begins."

SEC. 5. Subsection (a) of section 2 of said act is hereby amended to read as follows:

"(a) A qualified employee shall be paid benefits for each day of unemployment in excess of 4 during any registration period other than that prescribed as a waiting period in section 3 of this act.

"The benefits payable to any such employee for each such day of unemployment shall be the amount appearing in the following table in column II on the line on which, in column I, appears the compensation-range containing the total amount of compensation payable to him with respect to employment in his base year:

Total compensation:	*Daily benefit amount*
$150 to $399.99	$1.50
$400 to $699.99	2.00
$700 to $999.99	2.50
$1,000 to $1,299.99	3.00
$1,300 to $1,599.99	3.50
$1,600 and over	4.00

SEC. 6. Subsection (b) of section 3 of said act is hereby amended by striking the first sentence thereof and substituting therefor the following: "Within his benefit year he has had a waiting period of one registration period during which he had at least 7 days of unemployment."

SEC. 7. Paragraph (iv) of subsection (a) of section 4 of said act is hereby amended by striking therefrom the term "half month" and inserting in lieu thereof the term "registration period."

SEC. 8. Paragraph (vi) of subsection (a) of section 4 of said act is hereby amended to read as follows:

"(vi) Any day in any registration period comprising the last 14 days of a period of 28 days with respect to which the Board finds that he earned, in train and engine service, yard service, dining-car service, sleeping-car service, parlor-car service, or other pullman-car or similar service, or express service on trains, at least the equivalent of 32 times his daily benefit rate."

SEC. 9. Subsection (a) of section 4 of said act is hereby further amended by adding at the end thereof the following additional paragraph:

"(vii) Any Sunday which is not immediately preceded and immediately followed by a day of unemployment other than a holiday; and any holiday which is not immediately preceded and immediately followed by a day of unemployment other than a Sunday or other holiday."

SEC. 10. Subsections (a) and (b) of section 8 of said act are hereby amended to read as follows:

(a) Every employer shall pay a contribution, with respect to having employees in his service, equal to the percent hereinafter set forth of so much of the compensation as is not in excess of $300 for any calendar month payable by him to any employee with respect to employment after June 30, 1939: *Provided, however,* That if compensation is payable to an employee by more than one

employer with respect to any such calendar month the contributions required by this subsection shall apply to not more than $300 of the aggregate compensation payable to said employee by all said employers with respect to such calendar month, and each such employer shall be liable for that proportion of the contribution with respect to such compensation which the amount payable by him to the employee with respect to such calendar month bears to the aggregate compensation payable to such employee by all employers with respect to such calendar month:

"(i) With respect to employment during the fiscal year beginning July 1, 1939, and ending June 30, 1940, the rate shall be 3 percent;

"(ii) With respect to employment during any fiscal year after June 30, 1940, the rate shall be that appearing in the following table in column II on the line on which appears, in column I, a range of amounts within which falls the amount of the assets of the railroad unemployment insurance account as of June 30 of the preceding fiscal year:

Insurance-account assets:	*Contribution rate*
Less than $100,000,000	3 percent
$100,000,000 but less than $125,000,000	2 percent
$125,000,000 or more	1 percent

"It shall be the duty of the Board, as soon as practicable after the close of each fiscal year, to make a determination of the amount of the assets of the account as of June 30 of said year and give notice thereof, and of the resulting contribution rate for the ensuing year, to all employers and employee representatives subject to this act. In making such determination, the Board shall include as assets of the account, in addition to all amounts credited thereto, all amounts transferable to that account under the provisions of sections 13 and 14 of this act, and shall make reasonable estimates of the amounts so transferable if the exact amounts thereof have not been agreed to in accordance with the provisions of said sections.

"(b) Each employee representative shall pay, with respect to his income, a contribution equal to the percent prescribed in subsection (a) of this section of so much of the compensation of such employee representative as is not in excess of $300 for any calendar month, paid to him for services performed as an employee representative after June 30, 1939. The compensation of an employee representative and the contribution with respect thereto shall be determined in the same manner and with the same effect as if the employee organization by which such employee representative is employed were an employer as defined in this act."

SEC. 11. Subsection (c) of section 11 of said act is hereby amended by striking the clause at the beginning thereof, reading:

"Notwithstanding any other provision of law, all moneys at any time credited to the fund are hereby permanently appropriated to the Board to be continuously available to the Board without further appropriation for any expenses necessary or incidental to administering this act" and substituting therefor the following:

"There are hereby authorized to be appropriated from the fund such amounts as may be required to meet all expenses necessary or incidental to administering this act."

SEC. 12. Subsection (d) of section 11 of said act is hereby amended to read as follows:

"(d) So much of the balance in the fund as of June 30 of each year as is in excess of $6,000,000 shall as of such date be transferred from the fund and credited to the account."

SEC. 13. The provisions of this act (except sec. 11) shall take effect on July 1, 1940, except that a half month which is begun prior to such date in accordance with the act of which this act is amendatory, and regulations made thereunder, and which includes such date, shall continue, and benefits with respect thereto shall be computed and paid in the same manner and with the same effect as if this act had not been enacted, and the provisions of this act shall become operative with respect to any employee having any such half month only upon the termination of such half month. The provisions of section 11 of this act shall take effect on July 1, 1941.

The explanatory letter and schedule presented by Mr. GURNEY in connection with the bill are as follows:

ASSOCIATION OF AMERICAN RAILROADS,
BUREAU OF RAILWAY ECONOMICS,
Washington, D. C., May 6, 1940.

Hon. CHAN GURNEY,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: In compliance with your request for information with respect to amendments proposed by the Association of American Railroads to the present Railroad Unemployment Insurance Act, I attach two copies of a typewritten statement along the lines of your request. This statement shows, as to the principal features, a comparison of the provisions of the present act (R. U. I. A.), the proposed railroad amendments (railroad bill), the amendments proposed by railway labor (S. 3906) introduced by Senator WAGNER on May 2, and the present Unemployment Compensation Act of the State of South Dakota.

You will recall that the present Railroad Unemployment Insurance Act was enacted by Congress in 1938, and became effective on July 1, 1939, so that it has been in operation now for approximately 10 months. During these 10 months railway employment has been generally on the upward trend, each month of that period showing greater employment than in the same month of the next preceding year. I attach two copies of a statement, which shows the percentage of increase in employment on railways of class I, during each of those months up to March 1940, the latest month for which we now have available statistics. Because of the favorable employment conditions during this period the amount of unemployment benefits paid out has been below normal.

These favorable conditions, and the considerable sum that is expected to be turned over to the railroad unemployment reserve fund from the several State unemployment funds, as provided under the present act, are the factors that lead railway labor to request Congress to amend the act by making radical increases in the present scale of benefits, which will produce 100-percent increase in the total benefit payments annually. These are written into S. 3906.

We feel that some increase in benefits is justified, especially in those features which will increase the amount of weekly benefit. The railroad bill is designed to meet this particular situation. Our best estimate is that the amendments in that bill will increase the benefit payments by about 25 percent annually, which is as large an increase as we believe it wise to propose at this time, before we have had sufficient experience with the workings of the present act over a cycle of both rising and falling employment trends.

So far as possible, the railroad bill follows the provisions contained in S. 3906, although it does not, of course, go so far as that bill in respect to certain provisions.

I have stated that S. 3906 will increase benefit scales about 100 percent, and the railroad bill about 25 percent. These percentages cannot be assigned to any one change in the benefit provisions under the act, because all the changes affect each other in a complex pattern, and must be considered jointly. The estimate of 100 percent for S. 3906 is that of Chairman Murray W. Latimer of the Railroad Retirement Board, who in a memorandum dated March 28, 1940, made an estimate of increase in costs for the amendments proposed by S. 3906, and stated that "the proposed effect of all these changes is to increase the cost by 100 percent, that is, to double the benefit outlay required by the present law." The estimate of 25 percent is arrived at by our experts, who have made a careful analysis of the proposed changes, and believe that their estimate is a reasonable one.

The railroad bill provides for a graduated scale of contribution, or tax, on the pay rolls. The tax, which is 3 percent under the present act, is wholly paid by the employers, and applies to all pay rolls up to $300 per month per man. The scale provided in the railroad bill would leave the tax at its present rate of 3 percent, so long as the cash and other assets in the unemployment insurance reserve fund are less than $100,000,000. If the fund is greater than $100,000,000 as of June 30 of any fiscal year, the tax for the succeeding fiscal year becomes 2 percent; if greater than $125,000,000, the tax for the succeeding year becomes 1 percent. It returns to 3 percent, however, whenever the reserve fund declines below $100,000,000 on any June 30. We believe that this reserve is amply sufficient to protect and assure the financial soundness of the system, that it will afford greater benefits to the employees than the present act, and at the same time will offer employers an incentive to stabilize their employment, and in that way obtain a reduction in tax rate. No such tax scale is set up in S. 3906.

In addition, S. 3906 contains a number of provisions which would enable the Railroad Retirement Board, the administrative agency under the act, to spend money for administrative purposes without any check or supervision by Congress or by any Government agency. We believe that sound and economical administration demands that such a check be set up. We do not, therefore, adopt the administrative provisions of S. 3906, but instead have provided in sections 11 and 12 of the railroad bill that the Railroad Retirement Board shall be required to obtain annual appropriations from Congress for its administrative expenses under the act, and that when the balance in the administrative fund exceeds $6,000,000, on June 30 of any year the excess shall be transferred to the unemployment insurance reserve fund.

I shall be glad to supply additional information on the railroad bill, the present act, or the bill introduced by Senator WAGNER, or to answer any questions that may arise regarding them.

Very truly yours,

J. H. PARMELEE, *Director.*

PERCENTAGE INCREASE IN NUMBER OF EMPLOYEES—RAILWAYS OF CLASS I—JULY 1939–MARCH 1940

Increase over same month of next preceding year

	Percent
July 1939	7.8
August	6.9
September	5.8
October	8.1
November	8.1
December	7.0
January 1940	6.1
February	5.5
March	4.2

Comparative provisions of Railroad Unemployment Insurance Act (R. U. I. A.), proposed railroad bill, S. 3906

Provision	Railroad Unemployment Insurance Act	Railroad bill	Wagner bill (S. 3906)
Registration period	Subsec. (h) of sec. 1: 15 consecutive days	Sec. 1: 14 consecutive days	Subsec. (h) of sec. 3: Same as railroad bill.
Self-employment	No provision	Sec. 2: Earnings from self-employment of $1 or less per day does not bar a person from unemployment benefits.	Subsec. (k) of sec. 5: Same as railroad bill.
Base year	Subsec. (L) sec. 1: For benefit year beginning on or after July 1, last completed calendar year. For benefit year beginning before July 1, next to last completed calendar year.	Sec. 3: Calendar year immediately preceding benefit year.	Subsec. (n) sec. 8: Same as railroad bill.
Benefit year	Subsec. (n) sec. 1: 12 months beginning with first day of first 15-day period for which benefits are payable.	Sec. 4: Uniform benefit year July 1 to June 30	Subsec. (m) sec. 7: Same as railroad bill.
Benefit scale	Subsec. (a) sec. 2: Total compensation in base year and daily benefit amount: $150–$199 $1.75 $200–$474 2.00 $475–$749 2.25 $750–$1,024 2.50 $1,025–$1,299 2.75 $1,300 and over 3.00	Sec. 5: Total compensation in base year and daily benefit amount: $150–$399 $1.50 $400–$699 2.00 $700–$999 2.50 $1,000–$1,299 3.00 $1,300–$1,599 3.50 $1,600 and over 4.00	Subsec. (a) sec. 9: Same as railroad bill, except that daily benefit for base year wages $150–$390 is $1.75 instead of $1.50.
Weekly benefits for total unemployment at wages in base year of:			
$150	$6.53	$7.50	$8.75.
$400	$7.46	$10.00	$10.00.
$700	$8.40	$12.50	$12.50.
$1,000	$9.33	$15.00	$15.00.
$1,300	$11.20	$17.50	$17.50.
$1,600	$11.20	$20.00	$20.00.
Aggregate benefits in benefit year for total unemployment	Minimum, $149 Maximum, $240	Minimum, $120 Maximum, $320	Minimum, $175. Maximum, $400.
Waiting period	Subsec. (b) of sec. 3: 15 consecutive days with not less than 8 days of unemployment.	Sec. 6: 14 consecutive days with not less than 7 days of unemployment.	Subsec. (a) sec. 9: 7 days of unemployment in first registration period.
Certain classes of employees paid on mileage basis.	Par. (vi) of subsec. (a) sec. 4: Not eligible for benefits if earnings during 15 days equal 8 times daily scheduled rates of pay.	Sec. 8: Not eligible for benefits if earnings during 28 days equal 32 times daily benefit rate.	Par. (vi) (vii) sec. 18: Not eligible for benefits if earnings during 14 days equal 20 times daily benefit rate, or during 28 days equal 40 times daily benefit rate.
Sundays and holidays	No provision	Sec. 9, par. (vii): Sundays and holidays not considered as days of unemployment unless immediately preceded and followed by a day of unemployment.	Sec. 18, par. (viii): Same as railroad bill.
Contribution (or tax) rate	Sec. 8, subsec. (a): 3 percent on compensation not in excess of $300 per month, payable by employer.	Sec. 10: When insurance account assets as of June 30, of preceding fiscal year are: Less than $100,000,000 [1] 3 $100,000,000 but less than $125,000,000 [1] 2 $125,000,000 or more [1] 1	Same as present act.

[1] Percent rate for fiscal years after June 30, 1940.

NATIONAL DAIRY DAY

Mr. WILEY. Mr. President, I ask unanimous consent to introduce and have read a joint resolution which I am now presenting to provide for the observance of a national dairy day.

It is not my intention to comment on the resolution at this time, but I should like to point out that milk production is now at near record levels—all-time high.

As a consequence national dairy organizations are drafting plans for a national dairy month in June to promote greater consumption of dairy products. Many well-known national dairy organizations are participating in this worth-while movement.

It is apparent that the challenge of record dairy production can be met only by a curtailment in production or an increase in the extent of the present market or a more intensive use of the existing market.

I believe the answer to record dairy production will eventually be found in research which will develop new industrial uses for milk and its byproducts. Along with this research I believe it is vital that a conscientious effort be made to increase the per capita consumption of dairy products. If our per capita consumption, for example, paralleled that of Holland, our dairy problem would be solved, and we would, incidentally, be a healthier people.

There being no objection, the joint resolution (S. J. Res. 254) providing for the observance of National Dairy Day was read the first time by its title, the second time at length, and referred to the Committee on Agriculture and Forestry, as follows:

Resolved, etc., That for the purpose of stimulating the per capita consumption of dairy products the President is hereby requested, by proclamation, to designate a day in the month of June 1940 as National Dairy Day which may be appropriately observed throughout the United States.

REFERENCE OF A BILL

On motion by Mr. BONE, the bill (S. 2687) to establish a circuit court of appeals for patents was taken from the calendar and referred to the Committee on the Judiciary.

CHANGE OF REFERENCE

On motion by Mr. HARRISON, the Committee on Finance was discharged from the further consideration of the bill (S. 3366) for the relief of John C. Gardner, and it was referred to the Committee on Pensions.

IMPROVEMENT OF HIGHWAYS—AMENDMENTS

Mr. HAYDEN submitted an amendment in the nature of a substitute, and Mr. JOHNSON of Colorado submitted an amendment, intended to be proposed by them, respectively, to the bill (S. 3105) to assist the States in the improvement of highways, which were each referred to the Committee on Post Offices and Post Roads and ordered to be printed.

ADDRESS BY THE PRESIDENT TO DELEGATES ATTENDING THE NATIONAL INSTITUTE OF GOVERNMENT

[Mr. BROWN asked and obtained leave to have printed in the RECORD an address delivered by the President to the delegates attending the National Institute of Government, conducted by the women's division of the Democratic National Committee, May 3, 1940, which appears in the appendix.]

STATEMENT BY THE PRESIDENT ON CIVIL AERONAUTICS AUTHORITY AND AIR SAFETY BOARD

[Mr. BYRNES asked and obtained leave to have printed in the RECORD a statement by the President of the United States with reference to the Civil Aeronautics Authority and the Air Safety Board, which appears in the Appendix.]

CIVIL AERONAUTICS AUTHORITY AND AIR SAFETY BOARD

[Mr. BYRNES asked and obtained leave to have printed in the RECORD a letter from the Director of the Bureau of the Budget to Robert H. Hinckley, Chairman of the Civil Aeronautics Authority, and a letter from the Attorney General to the Director of the Bureau of the Budget, both with reference to the Civil Aeronautics Authority and the Air Safety Board, which appear in the Appendix.]

SPEECH BY MR. HOMER MAT ADAMS INTRODUCING THE PRESIDENT AT JEFFERSON DAY DINNER ON APRIL 20, 1940

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a speech introducing the President, delivered by

Homer Mat Adams, president of the Young Democratic Clubs of America, at the Jefferson Day dinner, Washington, D. C., April 20, 1940, which appears in the Appendix.]

ADDRESS BY HON. CHARLES EVANS HUGHES BEFORE ELMIRA CHAMBER OF COMMERCE, MAY 3, 1907

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address delivered by Hon. Charles Evans Hughes before the Elmira Chamber of Commerce on May 3, 1907, which appears in the Appendix.]

GOVERNMENT AND BUSINESS CAN COOPERATE

[Mr. MEAD asked and obtained leave to have printed in the RECORD addresses on the subject "Government and Business Can Cooperate," delivered by himself, by Hon. Robert H. Jackson, Attorney General of the United States, and by Mr. Henry I. Harriman, former president of the Chamber of Commerce of the United States, on the occasion of the Democratic forum held at the Riverside Stadium, Washington, D. C., on the evening of the 3d instant, which appear in the Appendix.]

BANKING SYSTEM FOR SMALL BUSINESS

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address by Mr. Peter R. Nehemkis, Jr., special counsel, Investment Banking Section, Securities and Exchange Commission, delivered on the 2d instant before the Kiwanis Club of Newark, N. J., entitled "Wanted: A New Banking System for Small Business," which appears in the Appendix.]

AMERICA'S DUTY TO THE FUTURE—ADDRESS BY J. EDGAR HOOVER

[Mr. ASHURST asked and obtained leave to have printed in the RECORD an address on America's Duty to the Future, delivered by J. Edgar Hoover before the New York Federation of Women's Clubs, Hotel Astor, New York City, May 3, 1940, which appears in the Appendix.]

ADDRESS BY JUDGE SAUL A. YAGER ON MR. JUSTICE BLACK

[Mr. LEE asked and obtained leave to have printed in the RECORD a radio address by Judge Saul A. Yager on Mr. Justice Black, which appears in the Appendix.]

ADDRESS BY PRESIDENT OF NORWICH UNIVERSITY AT UNVEILING OF PAINTING OF ADMIRAL DEWEY

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an address delivered by Dr. John Martin Thomas, president of Norwich University, on the occasion of the unveiling of a painting of Admiral George Dewey, at Montpelier, Vt., on May 1, 1940, which appears in the Appendix.]

HON. JAMES A. FARLEY AND THE PRESIDENCY

[Mr. MCKELLAR asked and obtained leave to have printed in the RECORD an article by Harold Brayman entitled "Colorful Jim Farley Looms Large in Demo Presidential Picture," published in the Chattanooga (Tenn.) News-Free Press, of April 20, 1940, which appears in the Appendix.]

ARTICLE BY CARNEGIE PEACE LIBRARY ON THE COST OF WAR

[Mr. BONE asked and obtained leave to have printed in the RECORD an article by the Carnegie Peace Library entitled "The Cost of War in General," which appears in the Appendix.]

ARTICLE BY ERNEST LINDLEY ON WALTER-LOGAN BILL

[Mr. MINTON asked and obtained leave to have printed in the RECORD an article by Ernest Lindley on the Walter-Logan bill, published in the Washington Post of May 3, 1940, which appears in the Appendix.]

NAVY AND MARINE MEMORIAL

[Mr. DANAHER asked and obtained leave to have printed in the RECORD an editorial dealing with the completion of the Navy and Marine Memorial on Columbia Island, Washington, D. C., published in the Sunday Star of May 5, 1940, which appears in the Appendix.]

ARTICLE FROM CHRISTIAN SCIENCE MONITOR ON SILVER-PURCHASE PROGRAM

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article written by H. B. Elliston and published in the Christian Science Monitor of May 3, 1940, relating to the silver-purchase program, which appears in the Appendix.]

AMERICA AND THE EUROPEAN WAR

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD two editorials; one from the Wanderer of the issue of May 2 and the other from the Lutheran Companion of the issue of April 25, in regard to the European war, which appear in the Appendix.]

FEDERAL BUREAU OF INVESTIGATION

[Mr. WILEY asked and obtained leave to have printed in the RECORD an editorial from the Washington Evening Star of May 6, 1940, under the heading "F. B. I. Exonerated," which appears in the Appendix.]

SALE OF PLANES TO ALLIES

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article from the Washington Times-Herald relating to the sale of planes to the Allies, which appears in the Appendix.]

NATIONAL DEFENSE

Mr. VANDENBERG. Mr. President, there is a great deal of perplexity in the minds of many of us regarding the form in which an adequate national defense should be developed. There is a distinct difference of opinion respecting the relative value of surface craft in the Navy and aircraft. Then there is an equally distinct difference of opinion regarding categories of naval craft, with particular reference to the utility of the superdreadnaughts, which we have now started to construct.

The Secretary of the Navy, in a press conference last week end, had some very important things to say upon this subject. I am asking that the report of his press conference and the statement he had to make upon the subject be inserted in the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EDISON SAYS NAVY FACES AIR MENACE—PLANES' ADVANTAGE IS CALLED TEMPORARY, BUT HE SUGGESTS NEW BATTLESHIP DESIGN

(By Frank L. Kluckhohn)

WASHINGTON, May 1.—Secretary Edison declared today that airplanes have a "temporary" advantage over battleships under modern conditions of warfare. He proposed the rebuilding of the "top sides" of existing battleships and "a real basic change" in the design of new ones.

The airplane, he added, has made inadvisable certain types of naval activity, particularly some types of action close to shore.

The remarks of the Secretary of the Navy, made in his first press conference since he observed the Navy's Pacific maneuvers, were considered perhaps the most authoritative comment to date by a responsible naval official of any country on the vital controversy as to whether the airplane or the battleship is superior. The issue has been sharpened since the struggle for Norway began. He has at his disposal this Government's information from all quarters.

Mr. Edison made clear that he did not think airplanes could actually sink American battleships, but asserted frankly that at present they might damage a ship's controls. His discussion on the airplane against the battleship took place in connection with his expressed belief that sea power is as important to a nation as ever.

NEW DESIGNS CITED AS THE NEED

The attitude taken was that American ships should be improved to meet the new air weapon as they have been redesigned to meet other new weapons in the past. He cautioned that the scope of air operations is limited.

"I think that aircraft have a temporary advantage over ships," Mr. Edison declared. "This can be overcome by improved armor and armaments on the top side of the vessels.

"One thing that stands out very forcibly with me is that our ships have been designed to meet weapons in existence many years. These weapons are gunfire, shell fire, and submarines. Not enough attention has been paid to the top sides of our ships to permit them to meet this air weapon.

"I think we now ought to alter the top side of our ships to eliminate as far as possible every projection likely to splinter and itself become a projectile."

The Secretary added that he did not think that extensive changes could be made on warships already commissioned, expressing the opinion that new battleships should be constructed differently "from the bottom up" as a result of air developments.

DOUBTS SHIPS CAN BE PATCHED UP

"I do not believe we can patch ships up, because it is a matter of changing basic designs which will take some time," he said. "We don't want to go into it half-baked. To redesign ships all the way through would be the real solution. Rebuilding isn't the real answer.

"I do not believe many ships can be sunk by air, but the top side and the controls can be disorganized."

A reporter remarked that discussion of air against sea power seemed to be concentrated on whether a plane could sink a battleship and asked whether airplanes did not limit naval operations because of the danger.

"Yes; in a minor way," Mr. Edison replied. "There are some minor operations where the risk has been increased to such an extent it would be inadvisable to attempt them."

In the classification of naval activities barred by air power he mentioned "certain close-in operations of a mass formation subject to continued air raids." He remarked that ships "might want to be farther away or use a distributed formation."

Capt. Morton Deyo, aide to the Secretary, explained:

"A naval expedition operating close to very large air concentrations is subject to very great damage. But airplanes can operate only close to bases and at very short range now. A small naval unit would be very silly to operate close to a large air concentration. Planes based on ships are at a great disadvantage against short-based planes because they are operating from a vulnerable base."

FOR SOME CHANGES AT PRESENT

Secretary Edison said that changes in existing ships should include "putting aintiaircraft guns in turrets and placing control apparatus where it will be protected." He would not ask for appropriations for changes of structure at this session of Congress, he remarked, because he had to confer with Navy Department officials as to modifications of design.

"I may be talked out of it," he added, smiling.

The Secretary revealed that steps are contemplated to increase the armor on the bottom of warships to protect them against mines.

"The side armor of battleships is strong enough to withstand projectiles," he remarked. "The bottoms of our ships are pretty thin and that's true of all navies."

Discussing changes in the superstructure and general construction of ships to protect them against air attack, Mr. Edison remarked that such changes also were required in the light of experience with heavy modern gun projectiles. He said that in the battle of three British ships with the *Graf Spee*, "the *Exeter* was pretty well battered up and the ship had to be worked by hand." Nevertheless, he noted, the ship finally reached England.

While warships were protected by three types of control, full automatic, local control, and the manual method, he thought that with 16-inch shells now in use automatic controls should be better protected.

"On lighter ships in the past few years, aircraft guns have been placed in turrets and something has been done about general protection," he said. "Even so, I do not think enough has been done."

SEES WEAK POINT AT PEARL HARBOR

As a result of his observations while with the fleet, the Secretary suggested that oil tanks at Pearl Harbor, Hawaiian base, "stand out as targets and a few bombs on those tanks might cripple our storage enormously. He advocated placing the tanks below ground in bomb-proof tanks.

The belief was expressed by the Secretary that the Navy needed more auxiliary ships, that more money should be appropriated for ammunition to be used in target practice and that ships should carry more oil in their tanks.

"I think we have a splendid Navy," he emphasized at the close of his conference. "I am very much pleased with the fleet and the way it is handled. The enlisted men are fine; we have a splendid type of young men coming into the Navy now. We always have had fine officers."

He said that naval construction has now reached a peak and that ships could not be constructed faster except by expanding shipyards at great cost. Nevertheless, he believed that "a 25-percent increase in authorization would be better than 11 percent." He explained that with the larger appropriation the Navy would be able to plan construction better.

PROHIBITION OF FOREIGN-SILVER PURCHASES

The Senate resumed the consideration of the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes.

Mr. PITTMAN. Mr. President, I have offered to the pending bill of the Senator from Delaware [Mr. TOWNSEND] an amendment which in effect provides that there shall be no further purchases of silver which is the product of foreign countries except and unless the purchase price, under arrangements and agreements with the Treasury Department, shall be applied to payment for exports of agricultural products of the United States.

It has been testified by Mr. Eccles, Chairman of the Federal Reserve Board, and by Mr. Morgenthau, Secretary of the Treasury, that the silver purchased under the Silver Purchase Act has, as to the purchase price, all been applied to payment for exports from the United States. It is contended, of course, by Mr. Eccles, as quoted by the Senator from Delaware, that silver is a worthless commodity, that we have no use for it, and therefore, although it furnished a market for over a billion dollars' worth of our products, that nevertheless we received nothing of value for them.

Let us see the situation in this country with regard to cotton and wheat at the present time. I do not have to remind the Senate of the dire condition of cotton and wheat, particularly cotton. We have on hand an enormous surplus supply of cotton. We are not finding a market for it. Apparently, we shall not be able to export it unless we pay an export bonus in some form or other, so that the export may compensate the cotton producer.

Agricultural products for many years have been below parity with reference to other products of industry. For 7 years the administration has been making every effort it possibly could make, at enormous expense, to bring about a parity of agricultural products. So far as I know, that has not been accomplished. The producers of agricultural products have been compensated for the loss, however, in various ways. This is costing our Government, I am informed, nearly a billion dollars a year raised by taxes on our people.

If it is possible to encourage a market for the export of cotton and wheat through any kind of legislation which does not constitute a tax upon the people of the United States, it should be done. Since the beginning of the present World War agricultural products have been in an even more desperate situation than for many years. It is perfectly obvious that Great Britain and France have to rely upon the United States to supply them with arms, ammunition, and implements of war. It is also known that under the Neutrality Act they cannot obtain credit in this country, and will not be able to obtain credit in this country during the present war while they are belligerents. Obviously, therefore, they must conserve their gold securities. It is estimated that they have probably seven or eight billion dollars' worth of gold securities available with which they can buy war materials in this country; but to conserve that gold supply they have to buy all other kinds of products in the countries where they can buy them with their exportable goods. Personally I do not blame them for adopting that course. They are at war. They have stopped buying our cotton, wheat, canned goods, fruits, tobacco, and other articles of export. They have to do without them unless they can trade their goods for them in some other country. As a matter of fact, we do not need their goods in this country at the present time, with probably ten or eleven million people idle. Our own industry requires stimulation. But, under this amendment, if silver can be bought in payment for agricultural exports, what happens? Great Britain and France want cotton. They want wheat. They can get the best cotton here. They can get a surplus supply of wheat here. They go into Mexico with their manufactured articles and sell their manufactured articles to Mexico for silver at 35 cents an ounce. Why? Because if 35 cents an ounce is the world's market price—which it is now, and has been for some time—we will take that silver from Great Britain or France at 35 cents an ounce if it is applied to payment for cotton, or wheat, or other agricultural exports. The result of it is that we have enabled Mexico to use her chief product to buy manufactured goods from Great Britain and France and we have enabled Great Britain and France to take the same silver and purchase cotton, and wheat, and other agricultural products in the United States at the fixed price of 35 cents an ounce. That is what will happen in this matter if my amendment is adopted.

Let me say that that follows as a logical proposition provided silver is not a worthless commodity, as has been charged by Mr. Eccles, and repeated on the floor of the Senate by the Senator from Delaware.

It must be remembered that half of the people of the world have never had any money to use except silver. China has had two or three billion ounces of silver hidden away in the floors and walls of her buildings for ages. Right now, the only thing with which China can buy anything in this country or anywhere else is silver. China can buy in Great Britain with silver today at 35 cents an ounce. She can buy in France. She can buy anywhere.

Then there is India, with its two-hundred-and-odd millions of people. They have been hoarding silver since the beginning of time as their measure of wealth; as their reservoir; as their bank account. Whenever a famine comes, they cut off some of the silver which hangs as jewelry on the wives of India, and they go into the marts and buy food with it. Every effort of the British Government to do away with the use of silver in India has been an utter failure. They desired to do it, of course, for monetary reasons. If they could establish the paper pound sterling in India, they would have a stronger control over the finances of India.

They abolished the mint of India years ago; they have imposed high import duties on silver in order to prevent it being imported into India; they have done everything they could along that line; yet they cannot force the people of India to accept and retain the paper money of Great Britain.

Gold may all come to the United States some day. Gold might be demonitized by all the countries of the world except the United States. Not so with regard to silver. Silver is scattered among too many people in the world for that to happen. Over half of the people of the world have it.

One would think there was a river of silver flowing somewhere that was going to dump itself into the United States. Let us see about that. Last year the world production of gold was 40,240,000 ounces. The production of silver was 259,913,000 ounces. What is the ratio of production? The ratio of production is only 6.47 ounces of silver to 1 ounce of gold. Yet for 400 years, down to 1913, the average production of gold and silver in the world was 14½ ounces of silver to 1 ounce of gold.

If supply and demand have anything to do with the matter, gold should be getting cheaper and silver dearer. The production of silver has been steadily decreasing throughout the world, and the supply of gold has been steadily increasing.

But it is said that there is no country on a silver basis. I might counter by saying there is no country on a gold basis. It is said that, there being no country on a silver basis, silver is not money. Yet the only money with which the 415,000,000 people of China have to buy is silver, and they have bought our automobiles in this country with silver. They borrowed the money, and paid it back. The only thing with which the people of India have to buy is silver. When they desire to purchase something in Great Britain—and they are almost compelled to buy there, under the law—they take silver rupees and buy pound sterling, and with the pound sterling they buy in Great Britain. But the primary money of purchase was silver, and it is still the ultimate money of purchase.

I have in my possession a memorandum written by one of the greatest monetary experts in this country, whose name I am not at liberty to divulge at this time, because his opinion was given to me in confidence; but he gave it as his opinion that the effort of the United States Government to place the world on a gold standard is futile. He calls attention to the fact that Professor Kemmerer went to China to try to place China on a gold standard. They paid him $50,000 for his advice, and continued to use silver.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER (Mr. CLARK of Idaho in the chair). Does the Senator from Nevada yield to the Senator from Oregon?

Mr. PITTMAN. I yield.

Mr. McNARY. What has been the average annual purchase of foreign silver in the United States for the last 5 years?

Mr. PITTMAN. The total purchase of silver was 1,865,200,000 ounces.

Mr. McNARY. That is close enough; about 300,000,000 ounces a year.

Mr. PITTMAN. About 300,000,000 ounces a year.

Mr. McNARY. I am interested in the Senator's proposal, inasmuch as it attempts to augment the purchase of our agricultural products. In the Senator's opinion, would the purchase of a limited amount of agricultural products bring about diminution of the importation of silver?

Mr. PITTMAN. I do not think so. I think we will import, perhaps, in payment for agricultural products, a billion ounces of silver in the next year.

Mr. McNARY. In the various statements which have been made on the floor of the Senate and before the committees of the Senate and the House, I do not recall that there has been any indication of a great amount of exports to Mexico. I do not know why Mexico should buy American products because they can dispose of their silver here. What is the Senator's view as to that?

Mr. PITTMAN. I will try to explain it again.

Mr. McNARY. I may add, that we have covered that matter in the reciprocal-trade agreements, and Canada and Mexico and India produce most of the silver which comes into this country. I wish the Senator would direct himself to that point. As I recall, we sell scarcely anything to India, very little to Mexico, some quantity to Canada, which is sold now largely because of necessity under the trade agreements and because they require some of our products, but such sales would not be increased by any means through the purchase of silver.

I have no quarrel with the Senator's proposal. I may say to the Senator frankly that I am against all the schemes to bring foreign silver to this country, but I desire to ascertain whether there is any merit to the proposal, whether it would indeed result in an increase in the purchase of our agricultural products.

Mr. PITTMAN. I will endeavor to explain the matter. Perhaps I was not sufficiently definite in my previous statement.

Mexico does not desire to purchase agricultural products from the United States, it is true; Canada does not desire to purchase many agricultural products from the United States; that is correct; but Great Britain and France do desire to purchase agricultural products here.

Mr. McNARY. That explanation does not explain, to me.

Mr. PITTMAN. Possibly if the Senator will wait awhile——

Mr. McNARY. I hope the Senator will explain it. I am willing to wait.

Mr. PITTMAN. I have agreed with the Senator as to Mexico and Canada, but I have asserted that Great Britain and France desire to purchase agricultural products in this country. There is no doubt of that. They cannot purchase agricultural products here because all they can use in their purchase is gold. They have not the exports with which to purchase them, and we do not care about their exports now. They have nothing but gold with which to purchase in this country, and they need all their gold with which to purchase arms, ammunition, and implements of war. Still, they would like to purchase agricultural products; but how can they purchase?

If our Treasury will accept silver from Mexico at 35 cents an ounce, assuming that is the world price, in payment for exports of cotton and wheat, then Great Britain and France would be glad to sell their manufactured products to Mexico for silver at 35 cents an ounce, because it has an absolute market in the United States at 35 cents an ounce and with it they could buy wheat, cotton, and other products. The same thing is true with regard to Canada. Canada produces about 20,000,000 ounces of silver a year. Great Britain would like to sell some of her manufactured products to Canada, and does so. She would sell them for silver at 35 cents an ounce, and Great Britain would buy, provided that 35-cents-an-ounce silver would purchase cotton and wheat in this country, at a value of 35 cents an ounce.

Mr. McNARY. Mr. President, let me remind the able Senator that Great Britain has placed restrictions on the importation of both cotton and wheat and is getting all such commodities she desires from markets outside the United States. It is not a question of not having the gold with which to pay. Great Britain has colonies, and there are other countries with which she must deal, which are supplying her all

the cotton and all the wheat she needs, and today she has raised a barrier against further shipments of subsidized grain and wheat into her markets.

Mr. PITTMAN. She has raised a barrier for the very reason I have stated, namely, she would have to buy here with gold, and she needs to keep that. But I think the Senator is mistaken in saying that England and France do not desire any American cotton. They cannot buy American cotton because they have nothing but gold with which to buy it; but they can buy the cotton if they can buy silver with manufactured goods in Mexico, and turn that silver over at the same price for cotton in the United States.

Mr. VANDENBERG. They can do that right now, but they do not.

Mr. PITTMAN. No; they cannot do that right now.

Mr. VANDENBERG. Why not?

Mr. PITTMAN. Because there is no determination as to what the money shall be used for.

Mr. VANDENBERG. But they are free to use it for the precise purpose the Senator indicates, and they do not so use it.

Mr. PITTMAN. Yes; but they have no knowledge as to whether tomorrow or next week the Government of the United States may not cease to accept foreign silver. They cannot contract with manufactured goods and buy silver with them in Mexico, Peru, and Canada unless there is a law under which they know that this Government will accept the silver at the world price for agricultural products.

Mr. VANDENBERG. But the system has operated for 5 years, and they have never reverted to the triangular formula the Senator indicates. Is not that the fact?

Mr. PITTMAN. Yes; because we accepted the silver exchange, the dollar exchange, for automobiles and sewing machines. Automobiles and sewing machines were the things they took out of this country. The dollar exchange furnished them went into the export of manufactured articles. It went into exports looking to the war. Long before the war was declared they were buying trucks and automobiles, and other machinery of that kind, looking to the war. They were buying road machines. The millions of dollars of exchange we gave them in this country went into those manufactured articles. There is no question about it.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. As I understand the Senator's scheme, he proposes to transfer from United States domestic production to foreign production all the industrial products which Mexico has been buying here. Is that correct?

Mr. PITTMAN. If I had my way in the matter, I would transfer it all to agriculture.

Mr. VANDENBERG. In other words, the Senator is willing definitely and deliberately to penalize American industry, under his plan?

Mr. PITTMAN. I do not propose to penalize American industry, which is a nice expression the Senator uses, but, instead of paying out a billion dollars a year to our agriculturalists, I am proposing that we furnish them a market, as far as possible.

The automobile industry of the Senator's State is not suffering. It never has suffered. Everyone knows that agriculture has been at the lowest possible point, by comparison with manufacturing, and, knowing these circumstances as we do, knowing that they are becoming worse by virtue of the war, it does not do now to stand here and complain against aiding agriculture because possibly it will mean the sale of a few less automobiles.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield further to the Senator from Michigan?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. That may be the Senator's view of what cannot properly be said on the floor of the Senate at the present time, but I would assert that either it is right or it is wrong to buy foreign silver; and, if it is right, then the flow should be free in respect to the products of the United States which are sold as a result. The buying of foreign silver is either right or it is wrong. The Senator from Nevada is trying to find a middle ground between right and wrong.

Mr. PITTMAN. Does the Senator from Michigan believe in paying subsidies to agriculture?

Mr. VANDENBERG. That all depends. I do not believe in doing it in the round-about method of subsidizing silver, as it is done at present.

Mr. PITTMAN. Does the Senator believe in the subsidizing of agriculture that is taking place at the present time?

Mr. VANDENBERG. I do not know what it is.

Mr. PITTMAN. The Senator has been here in the Senate and should know about it. Does the Senator approve of those things?

Mr. VANDENBERG. Will the Senator be specific in his question, and I will tell him what I believe.

Mr. PITTMAN. Does the Senator believe in the paying of parity payments?

Mr. VANDENBERG. I do not at the present time.

Mr. PITTMAN. The Senator does not at the present time?

Mr. VANDENBERG. No; because we have not any money with which to make the payments.

Mr. PITTMAN. Does the Senator believe in making loans to agriculture?

Mr. VANDENBERG. Yes.

Mr. PITTMAN. The Senator believes in that part of it, does he not?

Mr. VANDENBERG. Yes.

Mr. PITTMAN. Does not that constitute a bonus?

Mr. VANDENBERG. Certainly it does.

Mr. PITTMAN. Then the Senator is in favor of a bonus to agriculture?

Mr. VANDENBERG. I am in favor of a legitimate bonus to agriculture, within proper regulations. That has nothing to do with the use of a collateral silver bonus, or a gold bonus either, for that matter.

Mr. PITTMAN. The Senator is speaking of a silver bonus. The Silver Purchase Act does not allow the Government to buy at anything except the world price. If silver is bought at the world price, does that constitute a bonus to the silver miners of the West? Not at all. The silver miners of the West have but little interest in this bill. I do not think they have any interest in it directly. There is a separate law which deals with them. I am now arguing this proposition based on my amendment. I think it would be an outrage to continue the purchase of American silver, as we have done, and let the benefits of that purchase go to those industries which do not need it, and keep the benefits away from agriculture, which does need it. So, unless my amendment is agreed to, I shall probably consider voting for the bill introduced by the Senator from Delaware. I have not made up my mind yet whether I shall or not, but I think there is such a splendid opportunity to furnish a market for agriculture and agricultural products, that I think we ought to do it.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Nevada yield to the Senator from Delaware?

Mr. PITTMAN. I yield.

Mr. TOWNSEND. I am glad to hear the Senator say that he may vote for the bill, but I understood the Senator to say that we could not buy silver except at the world price.

Mr. PITTMAN. Yes.

Mr. TOWNSEND. Under the authority granted the Secretary of the Treasury, the Secretary can fix his buying price at any point he desires. That has been clear throughout the administration of the Silver Purchase Act of 1934; it is clear from the fact that after the passage of the bill by the Senate last June he reduced the Treasury's buying price immediately from 43 cents to 35 cents an ounce. He has full authority to reduce the price again at this present minute

if he so desires, or he has full authority to increase the price. Is that not correct?

Mr. PITTMAN. Not under the intent of the act. We know that. Whether administratively he can do that, I do not know.

Mr. TOWNSEND. He has been doing it all along. Each day the Treasury sends out word as to what price it will pay for foreign silver.

Mr. PITTMAN. But not under the act. He is supposed to buy it at the world price until it goes to $1.29, or until one-quarter of the metallic reserves of the United States is in silver.

Let me call the attention of the Senate to the fact that fear is being stimulated that if we stop buying silver the price will go to nothing. I do not think that will happen.

Mr. TOWNSEND. I do not, either.

Mr. PITTMAN. The average price of silver since 1913 has been 53 cents an ounce. Let me call the attention of the Senate to another thing: Silver has always been a war metal. In the last war small silver coins were used to pay soldiers. During the World War silver rose to nearly a dollar an ounce, and stayed there. There was no buying of silver by the United States Government. There was no buying of silver by any government. Silver moved to the country where it was needed, and it was needed to pay the soldiers. After the World War was over, in January 1920, without any government buying silver, with our Government doing its best to hold the price down, silver went to $1.38 an ounce. What did our Government do then? It made available 50,000,000 silver dollars out of the Treasury of the United States to break that market, and did break it below 60 cents an ounce, but after it broke it to below 60 cents an ounce, it remained between 50 cents and 60 cents an ounce until 1932, when in the great financial crash, with everything else, it went down, and went to 34.58 cents an ounce.

Mr. TOWNSEND. Mr. President, will the Senator yield further?

Mr. PITTMAN. I yield.

Mr. TOWNSEND. As evidence that our Government, the world's largest buyer of silver, fixes the price for silver, and that the price was sufficiently high to attract silver even when the Secretary of the Treasury reduced the price from 43 cents to 35 cents an ounce, we are still getting all the surplus silver.

Mr. PITTMAN. I do not think we are getting all the silver.

Mr. TOWNSEND. Practically all.

Mr. PITTMAN. There is no doubt that India is full of silver in the form of jewelry. There is no doubt that silver is hidden in China. But we have only purchased 9,000,000 ounces a month during the last year. Does the Senator realize that?

Mr. TOWNSEND. I think, so far as India is concerned, that England has put an embargo on silver movements in India.

Mr. PITTMAN. Oh, yes; it is free to prevent it from going out; but, notwithstanding that, silver can come out of India. It can pay an export duty.

Mr. TOWNSEND. And when it comes out we get it.

Mr. PITTMAN. There are five or six billion ounces of silver there. There are two or three billion ounces of silver in China; yet on the Secretary's bid of 35 cents an ounce he has only been able to get about 9,000,000 ounces of silver a month. It is even less than that much a month, because it is less than 100,000,000 ounces a year. If we bought 100,000,000 ounces of foreign silver a year for 10 years it would not affect the United States a particle.

Mr. VANDENBERG. Mr. President, will the Senator yield for one further question?

Mr. PITTMAN. Certainly.

Mr. VANDENBERG. I think the Senator may have already adverted to it. I am proceeding on the theory that the continued purchase of foreign silver is not in any aspect necessary for the welfare of domestic-silver producers. Am I correct?

Mr. PITTMAN. I think so. That is my opinion on the subject. We have a coinage law for silver which the Senator from Michigan helped me pass, and for which I am very grateful, and that takes it out of the discretion of anybody—the Secretary of the Treasury or anyone else. I do not conceive that that law would be affected by the passage of the pending measure. There are others who think it might be affected, but that is merely a matter of opinion. I am not arguing the question from that standpoint.

It is said that silver is a worthless metal. I wish to read a few lines from a very interesting letter I have before me. I shall first read a paragraph of this letter written by Dr. Alexander Goetz, associate professor of physics, California Institute of Technology, Pasadena, Calif. I may say that the professor, under a foundation, has been studying the uses of silver for 2 years. Let me read one paragraph from this letter, which is quite interesting. The professor says:

> Relative to the physical and chemical qualities of silver, the metal is unique as far as a number of properties are concerned; for instance, it is the best conductor for heat as well as for electricity, it has the highest brilliancy when polished, it is the only metal which can be made so extremely sensitive toward the influence of light that it renders the art of photography possible. In fact, up to now, one has not found any substance which could ever serve for silver, even as a poor substitute; and the statement appears thus to be justified that if only the photochemical qualities of silver are considered, any modern civilization without silver would find itself most severely handicapped.

I do not want to read all the letter. I wish to put it in the RECORD. I may call the attention of the Senate to this letter. This scientist states that silver is the greatest germicide known. For instance, heretofore it has been used only in connection with argyrol and some such medical combinations. But now after years of experiment the professor has found that a minute quantity of silver mixed with manganese oxide to furnish the oxygen can be put into a jar that is alive with bacteria and in 15 minutes the jar is free of all bacteria. He has made a thousand tests of that kind. He has taken an ordinary drinking glass and placed it in saliva containing millions of harmful bacteria, and then he has swabbed it around the edges with this fine silver solution, and not a germ was alive in 15 minutes.

I shall not attempt to go into the details of this letter, but I want the Senate to read it. I think every Senator who reads it will thereafter disagree with the distinguished chairman of the Federal Reserve Board and even the Senator from Delaware [Mr. TOWNSEND] when they assert that silver is a mere "bag of shells."

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. TOWNSEND. I have not been arguing against the industrial use of silver. The Senator cannot find that I have tried to adduce any argument against the industrial use of silver. In fact, S. 785, in its original form, sought to appropriate money to increase the industrial use of silver. I have been arguing against the purchase of foreign silver and its addition to our monetary stock, when we have absolutely no monetary need for it. To illustrate how England feels, England has licensed silver imports and under the regulations even Canada may not send her silver to England.

Mr. PITTMAN. England will be very glad to get it in about 3 or 4 months.

Mr. TOWNSEND. I am talking about the present situation. We are taking silver from many foreign countries. The economists, the experts, the advisory council of the Federal Reserve Board, and the Chairman of the Board of Governors of the Federal Reserve Board, all say that we have no monetary use whatever for it.

Mr. PITTMAN. I know that; but what Mr. Eccles has to say about it does not bind the mind of the Senator from Delaware or the mind of the Senator from Nevada. I think this Government could get along and exist without Mr. Eccles; nor do I think that all the functions of the Senate and House should be set aside by reason of the opinion of Mr. Eccles. Mr. Eccles says that silver is a useless commodity, like shells. I cannot understand how on earth a reputable, intelligent man can make such a statement in the face of the facts which I have shown.

With respect to the uses of silver, let me refer to the report of Handy and Harman, silver brokers. They have been frequently quoted by the Senator from Delaware. The report shows that the consumption of silver by the arts and industries in the United States and Canada for the year 1939 was estimated by Messrs. Handy and Harman, silver brokers, to be 34,000,000 ounces, an increase of 25 percent over the preceding year. The three most important classifications, from the consumption standpoint, increased their consumption from 1938 to 1939 as follows: Sterling silverware, 20 percent; silver-plated ware, 30 percent; and motion pictures, 10 percent. As a matter of fact, the rapid increase in consumption of silver in the arts and sciences and commerce threatens to consume all the production. That is the truth about the matter.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. TOWNSEND. The Senator will not argue that if the pending bill should pass, individuals or firms that wanted to buy silver could not still continue to buy foreign silver. They could still continue to buy it, and more cheaply than ever, thus stimulating the industrial demand for silver. The bill would not affect their purchases at all, and they could fix the price.

Mr. PITTMAN. I am not dealing with that question. As was stated by the junior Senator from California [Mr. DOWNEY], if silver has a value of 35 cents an ounce, either commercially or in any other way, irrespective of its monetary use, that is the commercial price of silver for use in commerce. If silver is not like a bunch of shells, if it is a precious metal, then if we should accept it in payment for our agricultural products we should be accepting something of value for a surplus commodity which we cannot dispose of today. It seems to me that would be a very wise thing to do.

Mr. President, in closing I wish to put in the RECORD a few memoranda which I have prepared. I do not want to take the time of the Senate to read them, because those who are interested will read them in the RECORD, and those who are not interested would not listen to them if they were present. The memoranda give in brief statements the whole history of silver from the beginning of time, showing the production of silver everywhere, and its movement; also the Bland Act, the Allison Act, and all legislation affecting silver since 1792. I think the information will be of great value to the Senator from Delaware. I know he would like to have the facts which come from the statistical departments of the Government.

The other day the Senator challenged anyone to show that silver is used as a monetary medium anywhere except in the United States. I call his attention to the fact that all the great commercial countries have monetary silver, and that they use that monetary silver. The quantity of monetary silver in use in the various countries has been steadily increasing. They are adding to their monetary silver; and they have added to it to such an extent that they have increased the use of silver by more than $1,000,000,000.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. TOWNSEND. What I was attempting to explain was that no country in the world employs silver as a standard of value and therefore no country will accept silver in settlement of its balance of international payments. It will accept gold, but will not accept silver.

Mr. PITTMAN. The Senator may be speaking of governments. However, one can go into China with a chunk of silver and buy food, housing, and clothing. One can go into India with a chunk of silver and buy food, housing, and clothing. In fact, one can go into any country I know of in the world with a chunk of silver and buy food, clothing, and shelter. One cannot do so with a piece of American paper money.

Mr. TOWNSEND. What I was arguing was that no country in the world will accept silver in settlement of adverse trade balances. The Senator's argument in support of his amendment is along the line that other countries will accept agricultural products. We do not expect to send any such products to Mexico or Canada, where we obtain most of our silver. If France or England were able to raise 35 cents an ounce to purchase Mexican silver for the purpose of sending that silver here to buy our farm products, they could just as well send the 35 cents directly to us now, or at any other time, and buy our products. The roundabout scheme offers no advantage to them, and certainly offers none to us.

Mr. PITTMAN. They have done so, but they will not do so with the Senator's bill pending.

Mr. TOWNSEND. Why not?

Mr. PITTMAN. Because if the bill should pass, the United States would not buy any more Mexican silver. We would not buy any silver from India. We would not buy any silver from London. However, if the bill does not pass, what will be the result? Other countries will sell their manufactured goods to Mexico.

Mr. TOWNSEND. But if England and France must first raise the 35 cents an ounce to buy silver from Mexico and then send the silver to us, they might just as well send us the 35 cents directly.

Mr. PITTMAN. I think the Senator is mistaken. If they have to buy the 35 cents with gold, that is one thing. If they can buy the 35 cents with trucks, that is another thing. Unless my amendment is adopted, Great Britain will not purchase agricultural products here, because she will have to purchase with gold. She has no balance of trade with which to purchase. If the Senator objects to Great Britain buying silver in Mexico at 35 cents an ounce with automobiles, with the arrangement and understanding that she can use that 35 cents to buy agricultural products, then we have a difference of opinion.

Mr. TOWNSEND. With England licensing silver imports and refusing to buy any silver from Canada, one of her own dominions, it seems to me we are going a long way when we purchase from Canada silver for which we have no use.

Mr. PITTMAN. That is the same old answer—"We have no use for it." If the silver bought 100,000,000 bushels of wheat or 100,000 bales of cotton, somebody would benefit—somebody who is not now benefiting and never could benefit under the present arrangement. If the silver went into buying in this country canned fruits, which Great Britain discontinued buying because she could not afford to use her gold for that purpose, somebody would be greatly helped.

We know that the proposal embodied in the amendment is a good one. We know that it would furnish an export market. However, the idea that silver is a worthless, useless commodity, an idea fathered by Mr. Eccles, has been broadcast over the country.

I have read a portion of a letter from Professor Goetz, of the California Institute of Technology, a distinguished scientist, in which he stated that silver has a quality which no other metal or no other thing in the world has—the quality of sensitivity to light, so that it can be used in photography. But for that quality there would be no photography. No substitute for silver has ever been found.

We have the report of Handy & Harman, silver purchasers, who state that 34,000,000 ounces of silver were used last year in the United States in the arts and sciences, and that there was an increase of 20 percent in 1939 over 1938.

We have the further fact that the production of silver in the world today has dropped from a ratio of 14½ ounces of silver to 1 ounce of gold to 6.47 ounces of silver to 1 ounce of gold. The demand for silver is increasing. Its production has been steadily decreasing.

I call attention to an article—which I think I shall later ask permission to have printed in the RECORD—written by a very distinguished monetary expert, who makes reference to what is happening to gold. Japan, China, and India will have to go back on the silver basis in self-defense.

All these things show the value of silver. It is said that we have no use for silver. Let us see whether or not we have any use for it. We have silver money in this country to the value of $2,266,763,000. It is nonretirable money. It has some in-

trinsic value, at least. That money is recognized all over the world to be of some value.

We have in this country approximately $7,000,000,000 in currency. The amount varies, but we have approximately $7,000,000,000 in currency. Three-fourths of that currency consists of Federal Reserve notes. What is behind the Federal Reserve note today? Is there anything behind it? I remember one time when it had to have 40 percent gold back of it. Has any Federal Reserve bank got any gold back of it today? What is back of it? Nothing. Who determines the issue of that money? The United States Government? No; certainly not. It is determined by the bankers. When the bankers want to issue more money they place securities with the Federal Reserve Board, and then the amount of currency desired is issued to them. So, when they desire to retire a part or all of that circulation, the Government cannot keep it in circulation; what they do with it is to take it back to the Federal Reserve Board, ask to have it canceled, and have their securities returned to them.

We have not any national money in the United States today except silver. We have over $2,000,000,000 of silver money. That is the only nonretireable money in the United States. Every dollar of the Federal Reserve notes issued could be canceled tomorrow.

The Government, under the Constitution, is supposed to coin and issue money. It has abandoned that constitutional prerogative. It says to the bankers of this country, "You"—not the United States Government—"will determine when we need more currency and when we need less currency." When the banks get panicky, at a time when currency should be issued, when there is no credit, the banks close down on both of them. That is due to a natural fear they have. I say, however, that no bank has a right to control the nonretireable money of the country.

Do not understand me as saying that I do not think the Federal Reserve Act was a good act, but it was an emergency act. It was never intended that the sole currency of this country should be Federal Reserve notes, and it was never considered that they should be. Every banker, including Mr. Morgenthau and Mr. Eccles, who has testified before the Special Committee on Silver Investigation, has said that this country should have at least $5,000,000,000 of nonretireable circulating currency. Where are we going to get it? We have $2,000,000,000 nonretireable silver currency; we have not any gold currency at all.

What we should do is to issue silver certificates or silver coin against the 1,200,000,000 ounces of seigniorage silver the Government now owns. Then we would have three and a half billion dollars of silver money in this country.

Then there should be coined into little coins, such as the $5 gold pieces, all the gold that comes into this country, and the Government should take them and pay relief charges, put such coin into the hands of individuals and induce them to hide it or hoard it. Mr. Aldrich said that gold so accumulated was the safest reserve in the world.

Do we forget that in 1872 when Bismarck was in France he demanded a payment of 5,000,000,000 gold francs before he would leave? Bismarck did not have the slightest idea that the people of France could raise 5,000,000,000 gold francs; there was no gold in the banks; it was an excuse for making France a German colony; but the people of France were a frugal people; gold coins had been accumulated and hid in the floors and in the walls of houses, and when the French Government called on the peasants of France to bring in all the gold they had and take notes of their Government, they brought in 5,000,000,000 gold francs. That seems to be a sound kind of monetary system.

In our country today, if we should call on the people to come in with gold they could not do so. If we should call on them to come in with silver, all they could come in with would be the few silver coins in circulation in this country.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. Referring to the Senator's statement regarding the constitutional control of coinage, and so forth, and the Senator's reference to the fact that the general ultimate control of our monetary system is now in private banks, may I ask the Senator, in his judgment, would it substantially correct that phase of the situation if all the stock of the Federal Reserve banks were owned by the Government of the United States?

Mr. PITTMAN. Yes, undoubtedly it would; but I am only dealing with facts as they exist today. If they were Government institutions they would be under the control of Congress. However, they are private banks and are not under the control of Congress.

Mr. VANDENBERG. Mr. President, I think the point rather important. At the present time the control by private banks is pretty largely theoretical, inasmuch as the Federal Reserve Board itself exercises such overwhelming ultimate control. For that reason, it seems to me that it is really a very questionable process to maintain private ownership of any stock in the Federal Reserve System because I think it leads to a very great misconception regarding what is happening to our money.

Mr. PITTMAN. Under the law, there is probably a great deal to what the Senator from Michigan says; under the administration of the law, however, there is very little to what he says. As a matter of fact, the advisory board of the banks, apparently, dictate the policy of the Federal Reserve System, and probably wisely so. I would not doubt that a group of big bankers know more about monetary subjects than does the Federal Reserve Board, and probably it is wise to take their advice, but it is unfortunate, nevertheless, to have to do so. They have control, of course, over the discount rate, and such control proved an utter failure during the boom days of 1929. They have control over open market transactions, which is a method by which they can inflate or deflate currency and credit. But, nevertheless, that does not reach the point. We have not a sound monetary system. Those who issue the Federal Reserve notes have no gold at all. Mr. Eccles testified before our committee that the Government owned the gold. I was attempting to ascertain what the peculiar relation was. The Federal Reserve banks issue money, Federal Reserve notes; the banks call for it; put up their securities; the printing press goes to work. They can inflate it or deflate it or they can contract it to nothing. It would be very unfortunate if all the retireable Federal Reserve notes were withdrawn from circulation. We would then have a little over $2,000,000,000 of silver coin circulating in the entire country.

We know that there is a scientific relationship between income bank deposits and loans. We know that if we had a $100,000,000,000 national income we would have a great bank debt, which probably would be greater than deposits by 2 to 1. I think that every monetary expert not only in the United States but elsewhere agrees that the nonretireable circulating national currency should be 10 percent of the national income. We will say that 10 percent of money is a safe currency reserve. It will take $10,000,000,000 currency reserve for $100,000,000,000 national income.

But, Mr. President, we have no gold in circulation; we have nothing in circulation that gold is behind. We have a paper currency called Federal Reserve notes that are withdrawable or issuable at the will of the banks. That is the exact situation we are in, and that is not a very sound situation.

Talk about silver not being received in exchange in foreign countries. The pound sterling is not received in exchange in the United States, and yet the pound sterling has more gold behind it than have Federal Reserve notes. The Federal Reserve note has only a possibility behind it, but the pound sterling actually has gold behind it to the extent probably in the case of the English national currency, not their fiduciary currency, of 10 percent.

It is now said that they will not accept silver exchange. No; they will not accept silver exchange, and we will not accept the pound sterling, either. They will have to put gold metal in our hands in this country. We do not care

whether it has a stamp on it or not; it will buy something anywhere in the world, exactly the same as silver will.

I think it is a peculiar thing that the same delusion which undoubtedly arose in the Bryan era with regard to silver should have been perpetuated down the line during all these years. We all remember those debates. We heard of "dishonest money," "hoards of silver pouring into this country," and many similar things. I have often thought, looking back on the history of the matter, that it would have been very much better for Mr. Bryan if he had dealt with our own monetary system, and had provided for the unlimited coinage of American gold and American silver. If that had been done, probably there would have been no particular fight against it. But the delusion created by the speakers of that day has gone down through history. We find all the civilized countries of the world using silver coin in increasing quantities; we find India and China with vast quantities of it, the only thing with which they can buy, and, although Great Britain for years and years has been trying to stamp out the use of silver in India, the effort has failed. They placed heavy import duties upon silver to keep the Indians from buying it, and the Indians smuggled it in. They put export duties upon silver to keep people from shipping silver out, but they shipped it out when they got ready. It is a natural thing. It cannot be overcome. When we see these two metals that have circulated side by side since the earliest dawn of history; when we look back in the Bible and see that Abraham bought a grave for his wife with a few pieces of silver, and we find the betrayal of Christ associated with silver, and as we read down through the ages, we find that silver has been the money of the masses. It has been the circulating money. Gold has been held by the rulers and the kings in their treasuries; and so it is today. Gold today is held by the rulers, or buried in the ground, while silver is freely circulating throughout this country. No one has ever questioned its value or its worth; and when the greenbacks were going to pieces after the Civil War it was the gold and the silver coming out of the Comstock mines of Nevada that saved their credit and restored them to par.

I wish to read a brief extract. I want to go back again to the World War.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield before he proceeds to that phase of the discussion?

Mr. PITTMAN. I yield.

Mr. THOMAS of Oklahoma. I understand that the Senator is not a member of the Committee on Banking and Currency. Is that correct?

Mr. PITTMAN. That is true.

Mr. THOMAS of Oklahoma. Has the Senator given attention to this bill with relation to its form as first introduced as to the effect it would have had if it had been enacted into law? The facts are that the bill as first introduced was stricken out and a new bill was prepared.

Mr. PITTMAN. That is true.

Mr. THOMAS of Oklahoma. Is the Senator aware that the bill as originally introduced provided not only for the repeal of the so-called Silver Purchase Act of 1934, but also repealed the bill passed by the Congress last year relating to and affecting the price of domestically mined silver?

Mr. PITTMAN. I was under that impression. That is the reason why I went before the committee. I do not know whether or not it would have had that legal effect, but I was under that impression; but when I was before the committee the amendment which has since been reported by the committee had been presented, and it seemed not to effect that result.

Mr. THOMAS of Oklahoma. The first few lines on the first page of the pending bill, if they had been enacted into law, would have stopped not only the purchase of foreign silver but the purchase of all silver, domestically mined and otherwise.

If the Senator will permit me, I should like to read into the RECORD the first four or five lines, commencing on page 1, line 3.

That the Silver Purchase Act of 1934 is hereby repealed.

That refers to the measure known as the Silver Purchase Act, under which we buy silver from any source.

Further:

And all power and authority of the President and the Secretary of the Treasury with respect to the acquisition of silver, the changing of the weight or content of the standard silver dollar or the monetary value of silver, or the issuance of silver certificates—

That relates to the amendment attached to the so-called Agricultural Adjustment Act passed in 1933.

The next lines are the particular lines which refer to domestically produced silver. I read:

under any act of Congress, shall cease and terminate on the date of enactment of this act.

So anything relating to silver under any act of Congress would have been repealed if the original bill had been enacted into law.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. TOWNSEND. The Senator from Oklahoma has read the bill as it was introduced. When the bill passed last year, as Senators will remember, the price of domestic silver was fixed by law at 71 cents an ounce. The Committee on Banking and Currency held lengthy hearings on the pending bill, and after those hearings and after passage of the act of July 6, 1939, amended the bill—S. 785—in its present form; and it was reported out in its present form, after due consideration and hearings, by a vote of 14 to 4.

Mr. PITTMAN. Mr. President, there is one other subject to which I wish to refer, and then I shall conclude. As I have previously said, I am not going to read memoranda of statistics, but I ask unanimous consent to place in the RECORD as a part of my remarks, at the close of my remarks, certain statistics and documents.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PITTMAN. I now desire to call the attention of the Senate to something that happened in 1918, during the World War. At that time we were in the World War. The Secretary of the Treasury for India came over here. He, with the British Ambassador, Lord Reading, met with the Secretary of the Treasury, and I was called into the meeting. He stated that they had had great difficulty in educating the Indians to accept paper money; that they had finally induced them to accept paper money on the promise and the practice that they could go into any bank with a paper rupee and get a silver rupee for it. That was going along nicely for 2 or 3 years, when the banks became careless, and commenced to reduce their reserves behind the paper notes. Then the Germans got in there with the propaganda which they used so extensively in the war, and convinced the people of India that there was not sufficient silver in the banks to redeem their paper rupees, and there was a run on the banks. Lord Reading stated to the Treasury Department that unless the British could get 200,000,000 ounces of silver at once, they would have to declare that paper currency irredeemable, and if they did there would be a revolution in India.

That meeting was held in March 1918, just at the time of the last big drive of the Germans in France. It was utterly impossible at that time for the British Government to draw any troops away from the French front, to take them to India to stop a revolution; and yet, strange as it may seem, there was not a supply of silver in all the world from which 200,000,000 ounces could be obtained except the silver dollars lying in the Treasury of the United States as security for the silver certificates which had been issued, and which silver certificates were redeemable on presentation. That money was in circulation. We had no right to touch it, but it was absolutely essential to get silver to redeem those India paper notes. So Congress passed an act authorizing the Treasury Department to break up 250,000,000 standard silver dollars which were lying in the Treasury as security for silver certificates and sell them to Great Britain at the rate of $1 an ounce, the price prevailing at that time. Actually, before that

bill passed, the Treasury Department issued and shipped 8,000,000 ounces of silver. Things of that kind may happen again.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. McNARY. I desire to pursue for another question or two the subject about which I spoke earlier in the afternoon.

Mr. PITTMAN. Will the Senator let me read this statement first, so as not to break in on that subject?

Mr. McNARY. Certainly. I thought the Senator had finished discussing that subject.

Mr. PITTMAN. It is very brief. This is a portion of a speech delivered by Lord Reading in New York when he was retiring as British Ambassador to the United States. It was delivered at a banquet given him at that time by the English Speaking Union of New York. This is what he had to say about that transaction in a speech at a dinner of farewell tendered him by the English Speaking Union on February 12, 1921:

> My views on this subject are too well known to need repetition, and were I so minded I could relate tales during my experience in America on the four visits to it during the war which would take a long time in telling, but each incident of which would impress upon you most deeply the value and generosity of American friendship. There is just one incident to which I will briefly refer which has not been told you. During the war, as you know, every attempt was made to sow dissension in the Empire by insidious propaganda. Every attempt was made to create distrust of the British and of the British Empire. There arose in India a situation which is not known to the general public, but gives material for a story which illustrates American good will and friendship as well as anything I know during the war—except, perhaps, the greatest event of all, when President Wilson agreed that American troops should be brigaded with the British and the French if they were needed.
>
> It was a moment when, owing to the war and to this propaganda, there was a great scarcity of silver in India as well as elsewhere, and in India it was of more consequence than in most places. There was a moment at which we were very hard pressed to find the metallic reserve, particularly the silver which was necessary in India, it being incumbent that the paper note issue should be convertible immediately into the silver rupee. Owing to this great scarcity our difficulty was to find the silver. There was no means but one; that seemed impossible. In the vaults of the American Treasury there were vast stores of silver preserved there as the financial backing against the notes which were issued—silver which could not be disturbed, no matter how much it was wanted. It could not be taken out of the vaults of the United States except by act of Congress, to whatever party they belonged, joined in an endeavor to meet the situation by passing an act of Congress without discussion, because discussion would have been serious.
>
> Practically without any debate this measure was passed in almost record shortness of time. It became a law within a very few days of its seeing the light. The vast millions of ounces of silver from the vaults were released and were sent across by arrangement between America and ourselves to India, with which America had no concern but simply because it was necessary at that moment to help the British Empire. Nothing was said of this. Even the newspapers—remember the newspapers were conscious of it—knew as well as possible what was happening; but they did not mention it because they knew that if they did they would detract largely from the generous services that America was rendering and they passed it over in silence. Nothing has been heard of it or said of it since. I do not know myself that now, long after the war, America has ever claimed in any way our recognition of that service.
>
> I only instance for the purpose of bringing home to the mind of the British people not only what America can do if she once sets her mind to do a thing, but I want strongly to impress upon you the generosity with which America responded to the demands which were made upon her.

He was referring to the act approved April 12, 1918, which I introduced.

Now I will be glad to answer the Senator from Oregon.

Mr. McNARY. Mr. President, I wish to ascertain more particularly from the able Senator from Nevada whether he thinks that the restriction which this amendment would place upon the existing purchase act would in any way interfere with or diminish the flow of foreign silver into this country.

Mr. PITTMAN. I will try to answer, of course, though I think the Senator can answer as well as I can.

Mr. McNARY. I am opposed to the continuation of the purchase act. I would be disposed more kindly toward the amendment if I thought it would curtail the inflow of silver, but I cannot conceive that other nations, with the trade agreements existing, and considering their ability to purchase agricultural commodities at this time in practically the quantities they desire, would in fact be willing to exchange the agricultural products because of the amendment offered by the Senator from Nevada. That is a fair question. If it would not have any effect on the inflow, then we may dismiss it. If it would partially curtail the inflow, I would think more of it than I do now. I cannot conceive how it would have any particular effect on the importation of silver. I think it would largely and very drastically diminish the amount of silver coming to this country. If that be the case, I think more of the Senator's amendment than I would if it would permit the free flow of silver to this country.

Mr. PITTMAN. The unfortunate thing about the Senator is that he has largely made up his mind how he is going to vote, though his mind is partially open, as I can see from his question.

Mr. McNARY. Yes.

Mr. PITTMAN. If the amendment would not result in the purchase of any agricultural commodities, then it would accomplish what the bill would; that is, stop the purchase of foreign silver.

Mr. McNARY. Exactly.

Mr. PITTMAN. If it would result in the purchase of a large quantity of agricultural products, would it be unfortunate, in the Senator's opinion?

Mr. McNARY. No. I say that if the silver comes in, and it is limited to the purchase of agricultural commodities, that is one view; but I desire to understand from the Senator whether, if the amendment should be adopted, he thinks it would impinge upon or lessen the free flow of silver.

Silver is coming into the country now at the rate of about 300,000,000 ounces a year. Does the Senator think it would continue to flow in, and that that would bring about the purchase of a larger quantity of agricultural products?

Mr. PITTMAN. I stated before what I believe would happen, and I will state it again: I believe that Great Britain wants cotton and wheat, and knowing that she cannot buy our agricultural products except with gold, because of the balance of trade against her, I believe she would buy the cotton and wheat if she could buy them with her manufactured articles, and I know she could buy them with her manufactured articles through Mexico if my amendment should be adopted. I believe it would result in a very large supply of silver being bought elsewhere in the world by Great Britain and France, where they could buy it with their export products, and Great Britain would sell her export products for it, if she knew certainly that when she got the silver she could buy our agricultural products with it at the same value for silver. That is my view.

I think a considerable quantity of silver would come in under that plan and would result in the purchase of our agricultural products. If I am mistaken, however, and not much silver were brought in, still I would be content, because if silver should come here in large quantities, I should want it used to pay for agricultural products. If it were not used for that purpose, I should not want it to come in.

Mr. McNARY. This is a fair question: Does the Senator believe that if it were confined to the purchase of agricultural products it would stimulate the inflow of silver, using the average for the past 5 years of about 200,000,000 ounces a year?

Mr. PITTMAN. I know of a time when the foreign nations purchased 600,000,000 ounces in 1 year. They could purchase a billion ounces in 1 year if they desired, if it were applied to the purchase of agricultural products. To what extent it will be done no one can possibly know, but I know that what I have stated is accurate. If a great deal of it comes in at 35 cents an ounce, and is applied to the payments for exports in the way of agricultural products, I do not care how much comes in, because I am sure silver will be worth 35 cents throughout the world forever.

On the other hand, if I am mistaken, and foreign countries do not convert their manufactured products into silver with

which to buy agricultural products, and very little comes in, that will be satisfactory to me. So I think it works both ways.

EXHIBIT 1

WASHINGTON, D. C., *April 27, 1940.*

Hon. KEY PITTMAN,
The Capitol, Washington, D. C.

MY DEAR SENATOR PITTMAN: Responding to your request made during our conversation last Wednesday, I should like to submit to you the enclosed exposé, which may serve as an answer to the question whether or not silver should be considered, aside from its application to coinage and silverware, a "useless commodity."

In the hope that the exposé will contain the material you desire, I have the honor to be,

Very sincerely yours,

DR. ALEXANDER GOETZ,
Associate Professor of Physics, California Institute of Technology, Pasadena, Calif.

THE INDUSTRIAL APPLICABILITY OF SILVER

The usefulness of an elementary metal has to be judged from an analysis of its various physical and chemical characteristics, none of which are identical for two different metals. Obviously in case of two metals with similar characteristics, the preference has to go to the metal which is less costly. The price of the metal becomes less important if these desirable physical and chemical properties are unique. Typical examples for this case are metals like rhodium, vanadium, gallium, and iridium, which are very rare and costly indeed but, for certain purposes, cannot be replaced by a cheaper metal because of the uniqueness of their qualities.

Relative to the physical and chemical qualities of silver, the metal is unique as far as a number of properties are concerned; for instance, it is the best conductor for heat as well as for electricity; it has the highest brilliancy when polished; it is the only metal which can be made so extremely sensitive toward the influence of light that it renders the art of photography possible. In fact, up to now, one has not found any substance which could ever serve for silver, even as a poor substitute; and the statement appears thus to be justified that if only the photochemical qualities of silver are considered, any modern civilization without silver would find itself most severely handicapped.

The photochemical application is, however, by far not the only use of the metal in industry, although it comprises at the time its largest commercial consumption aside from silverplate.

The peculiar situation that silver is considered a precious metal, due to its scarcity and its resistance to corrosion, has caused a prejudice against its wider practical usage; consequently, its unique chemical qualities have created in the past very little stimulus to thorough investigations into other useful applications of the metal. This situation has changed in recent years, and numerous investigations in different laboratories have brought to light practical applications of the metal in which new results can be achieved.

Practical developments of some of such uses are well underway, and look decidedly hopeful. A few shall be enumerated in the following:

1. Silver, being a metal which has considerable resistance toward any form of corrosion, in particular against alkali, has also the advantage that most of its chemical compounds; that is, its corrosion products are next to insoluble in water. These qualities render silver as a lining for vats, pipes, tubes, etc., an indispensable metal in certain branches of the chemical industries.

Furthermore, the disadvantageous effects which the corrosion products of other metals have are practically absent from silver and render it particularly apt to come in touch with foodstuffs (realized empirically long ago with the use of silver tableware). Its use as inner lining for tin cans is thus highly advantageous. This is important especially for certain foodstuffs which are easily discolored, or for very delicate tastes such as fruit juices, beer, and probably also wine where the present methods are safe but far from perfect. The lining of food containers with silver can be made so thin that the cost is not prohibitive, and it can be safely anticipated this particular application will increase the industrial demand for the metal considerably.

2. Another property in which silver is practically unique is its deadly action on a large variety of primitive forms of life, such as practically all dangerous bacteria and yeasts. Although other heavy metals, like mercury, lead, etc., are known to be excellent disinfectants, they cannot be used as such in cases where the disinfected material is for human consumption because these metals are also severely poisonous to humans. In this respect silver is different from the other heavy metals, inasmuch as its poisoning power (toxicity) for animals and humans is very small, so that very large doses are needed to produce silver poisoning, whereas extremely small doses are necessary to kill bacteria. It appears for this reason that silver will be able to replace other disinfectants in a number of fields.

The advantage of silver before, for instance, chlorine is the absense of odor or taste. It must, however, be realized that the applicability of silver for these purposes is very much less broad than the applicability of chlorine, but it may also be mentioned that sanitation plants using silver for sterilization of water and numerous beverages have been in use already for many years in a number of European countries. It is expected that future developments in this field will add appreciably to the consumption of silver.

3. There are many applications in other fields in which silver has been used and where its use is likely to increase, such as its use in linings for bearings, where silver combines two highly desirable qualities, inasmuch as it does not alloy with steel and because of its very good heat conductivity, causing a quick dissipation of the heat developed by friction.

Among the many other industrial uses, only a few may be enumerated:

4. Silver as powder compound in plastic substances;

5. As an ideal material for electric contact surfaces, decreasing the loss of power in generators, motors, and being widely in use wherever the making and breaking of contacts has to be absolutely reliable, as, for instance, in railroad signals;

6. In the pharmaceutical industry; and

7. As a substitute for gold or platinum in the field of dentistry.

Finally, it may be mentioned that a highly desirable quality, peculiar for metallic silver, is its catalytic properties which accelerate the chemical processes taking place when aging alcoholic beverages, such as wines and liquors.

In addition, there are hundreds of minor uses of the metal or its compounds, which, however, call only for relatively small quantities.

It appears, thus, quite safe to state that the future will see in this metal an increasingly desirable industrial material.

DR. ALEXANDER GOETZ,
Associate Professor of Physics, California Institute of Technology, Pasadena, Calif.

APRIL 26, 1940.

SILVER STATEMENT

The actual silver money of the United States on December 31, 1939, was $2,266,763,746, consisting of 1,752,850,000 ounces. An additional stock of seigniorage silver, amounting to $1,656,200,000 and consisting of 1,200,000,000 ounces, is held by the Treasury but has not been monetized.

The total silver production of the United States, for the period 1792–1939, was 3,579,100,000 ounces. The commercial value of this silver was $2,770,000,000 and the monetary value was $4,627,776,000. For this period the average commercial value of domestically produced silver was $0.777 per fine ounce.

The silver money, representing actual money, at the end of 1939, was 49 percent of the total United States silver production, and the nonmonetized seigniorage silver represented 34.5 percent of the total United States silver production.

The total gold production of the United States for the period 1792–1939, was 255,412,671 ounces, which had a commercial value of $5,660,036,000. The United States gold monetary stock, at the end of 1939, amounted to seventeen thousand six hundred and forty-three and four-tenths millions of dollars, which was 311.7 percent of the total United States production of gold.

The total gold monetary stock is withdrawn from monetary use and circulation in the United States. Gold may be withdrawn by foreign central bankers upon the presentation of dollar demand, subject to export license from the Secretary of the Treasury.

The silver exports of the United States, for the period 1873–1939, had a commercial value of three thousand five hundred and ten and five-tenths millions of dollars, and silver imports had a commercial value of three thousand one hundred and ninety-eight and two-tenths millions of dollars. At the end of 1939, regardless of the tremendous importations of silver for the period 1934–39, the United States still had an excess of exports of the white metal, amounting to three hundred and two and three-tenths millions of dollars.

The average price paid for American-produced silver during the period 1873–1939 was 75.7 cents per ounce.

The monetary value of United States silver exports for the period 1873–1939 was six thousand and three and three-tenths millions of dollars, and the monetary value of silver imports during the same period was five thousand four hundred and seventy-seven and two-tenths millions of dollars. The excess of exports of silver for this period had a monetary value of five hundred and fifty-six and one-tenth millions of dollars.

The United States gold imports for the period 1873–1939 had a value of nineteen thousand seven hundred and ninety-seven millions of dollars, and the value of gold exports for the same period was six thousand seven hundred and seventy millions of dollars. The excess of gold imports for the period 1873–1939 was thirteen thousand and twenty-seven millions of dollars, more than twice the value of the total gold mined in the United States during the life of the Nation.

Little consideration has been given to the fact that the silver production of the world has become relatively stationary, whereas the production of gold, copper, lead, zinc, and steel is undergoing a constant increase.

On the other hand, world gold production is increasing at a much more rapid rate, by quantity, than copper, lead, zinc, and steel. The relative lag in the world production of silver, together with the noncirculation of gold, is rapidly deepening the depression throughout the world by causing the price levels to fall and international commerce to shrink.

The lag in silver production is generic. All but three silver mines in the United States have been exhausted. At least 80 percent of the silver of the United States comes from ores containing gold, copper, lead, and zinc.

The low price of world silver depresses production of the industrial metals beside contracting annual gold and silver increment and replacement. New uses for silver in commercial fields are absorbing currently produced silver in ever-increasing amounts, as well as consuming increasing amounts of existing silver stocks.

Vast amounts of old silver and ornamental silver are purchased by the industrial consumers. The consumption of silver by the arts and industries in the United States and Canada for the year 1939 was estimated by Messrs. Handy and Harman, silver brokers, to be 34,000,000 ounces, an increase of 25 percent over the preceding year. The three most important classifications, from the consumption standpoint, increased consumption from 1938 to 1939, as follows:

	Percent
Sterling silverware	20
Silver-plated ware	30
Motion pictures	10

There have been a great many new uses for silver undergoing development during the last 3 years, which will draw heavily on silver supplies in ever-increasing amounts in future years. These uses include purification of drinking water; silver linings in cans containing liquids, solid foods, and beverages; pasteurization of wines; and production of nontarnishable silver products for all classes of domestic uses, and for the beautification of homes. Silver is being added, in small quantities, to steel to make it noncorrosive, especially in salt water and polluted atmospheres.

All of these uses, and many others, seriously will reduce silver stocks which formerly have been available for monetary uses, and which will be necessary for monetary use in the future because of the vast public debts and disrupted monetary systems of war-torn countries throughout the world.

STATEMENT TO BANKING AND CURRENCY COMMITTEE BY HON. KEY PITTMAN

(1) I do know that our surplus exportable products were purchased with the foreign silver that our Government purchased under the Silver Purchase Act. In other words, the foreign silver purchased by the Government was purchased with our surplus exportable products. I do not believe that this will be denied. In fact, Chairman Eccles, of the Federal Reserve System, admitted this fact in his testimony before the Senate Committee on the Investigation of the Administration of the Silver Purchase Act. It is true that Mr. Eccles qualified his admission by stating that probably if these exports had not been purchased by silver they might have been purchased by gold.

If this be true, then the American producer has been greatly benefited, and the Government has not lost anything, if silver has even the value of 35 cents per ounce, because the Government would have purchased such products if not exported.

To hold that the Government has lost in the transaction, we must hold that silver is a worthless commodity. It is this subject that I desire particularly to direct my attention to.

Gold and silver have constituted the money metals of the world since the beginning of history. Over half of the people of the world today have no money with which to purchase abroad save silver. There is nowhere in the world today that you can go that you can't buy food, clothing, and shelter with a chunk of silver. There are many places in the world where you could not buy these necessaries of life with a Federal Reserve note. There is no known substitute for silver for use as subsidiary currency throughout the world. We constantly hear the ignorant say that the civilized world has abandoned silver as money.

The figures supplied by the Treasury Department at the hearings before the special committee of the United States Senate on the investigation of the Silver Purchase Act disclosed that since the 1st day of January 1921 the monetary silver in substantially all countries of the world has been increased 2,395,384,344 ounces. The net increase of silver consumed in coinage for all countries, excluding the United States, for the period 1921–39, has been 1,303,507,135 ounces. The average price now in use by the 10 leading countries of the world in the coinage of silver is $2.10 per ounce. I attach a copy of that statement.

Silver is a war metal. During every great war the demand for silver, chiefly for the purpose of paying soldiers, has increased and the price has risen.

Take as an example the effect of the last great World War upon the demand for silver and its great increase in price. In 1913 the world price of silver was 61.2 cents per ounce. In 1915, 1 year after the war commenced, the price was 67.1 cents per ounce. In 1917 it was 84 cents per ounce. In 1918, it was 98.4 cents per ounce. After the war was over, in 1919, it was $1.12 per ounce. In 1920, it was $1.02.

Then the United States Government made available to exporters of silver 50,000,000 of standard silver dollars for the purpose of beating down the price of silver, under the excuse that the silver bullion price had gone above the monetary price in the United States. The Government did not intend to bring the price of silver below the monetary price but intended and did accomplish the beating down of silver from $1.38 an ounce to 60 cents an ounce. If the present war lasts for 2 years, I predict that the price of silver will go above $1 an ounce, unless our Government conspires with other governments to beat down the market price of silver.

We constantly hear the argument that no country is today on the silver basis. What difference does that make to countries like India and China, who have nothing but silver with which to buy foreign imports? India is compelled to buy pound sterling with silver. The more silver she has to pay for pound sterling, the less pound sterling she has with which to buy foreign imports. The same condition has existed and does even now exist in China.

All monetary experts, including Chairman Eccles, have testified before our Special Committee Investigating the Administration of the Silver Purchase Act, that our Government should at all times have a minimum of $5,000,000,000 in national circulation as money. How can you have a minimum of $5,000,000,000 in circulating currency unless you have $5,000,000,000 in nonretirable currency? We have not today $5,000,000,000 in nonretirable currency because $4,667,000,000 of our circulating currency consists of Federal Reserve notes, which are retirable at the will of the banks. The only nonretirable currency in circulation today is silver currency, amounting to $1,568,000,000.

The Government could today issue its United States seigniorage silver in the form of silver currency, and thus add to the nonretirable currency of the United States $1,223,000,000. The total then, of the nonretirable silver currency in circulation in the United States would be only $3,811,900,000.

These monetary experts place the minimum fixed circulating currency at $5,000,000,000. As a matter of fact, the nonretirable circulating currency of the United States should be at least 10 percent of the total bank deposits and also 10 percent of national income, if income happens to be greater than total bank deposits.

It is to be hoped that the Government can coin, issue, and circulate at least a billion and half dollars in gold coins. If this were done, still we would have only slightly more than $5,000,000,000 in nonretirable currency. We now have an estimated income of $68,000,000,000 in the United States for 1939.

The resources of the United States justify a $100,000,000,000 income, which would require a $100,000,000,000 in deposits, with a turn-over of 10 times per year to support the income of $100,000,000,000.

This situation in sound finance would require $10,000,000,000 nonretirable national currency, with 100-percent metallic coverage.

Mr. Winthrop W. Aldrich, chairman of the Chase National Bank, only recently gave it as his opinion that gold should be coined and circulated. That means nationalizing all currency. He stated that the safest reserve in the world was gold coin hoarded by the people. I thoroughly agree with Mr. Aldrich. I think that it follows equally that it would be a splendid reserve as against panics. If the people of the country have difficulty in getting sufficient gold to hoard, they should have an opportunity to hoard some silver currency.

The real, great issue is whether we are going to have managed currency without relation to metallic coverage or whether we are going to have national currency 100 percent covered by gold and silver.

The fear that of systems of managed currency throughout the world will cause the abandonment of gold reserves is just as absurd as the assertion that silver is a worthless commodity.

We may have sufficient silver at the present time, although I do not believe it.

I know the great benefit the Silver Purchase Act accomplished in the past. The Treasury Department can inform you of the present situation.

(2) One billion people of the world, whose currencies are associated with sterling in the dollar, utilize silver with which to buy sterling or dollar exchange to pay for merchandise imported from the United States, Great Britain, and other countries.

(3) The silver-owning populations will buy American cotton at the rate of 10 pounds of cotton per ounce of silver, and will purchase wheat at the rate of one bushel per ounce of silver.

(4) When the price of silver is depressed below parity, coinage value, it has the direct effect of raising export prices of cotton, wheat, and other commodities above the parity price levels to such an extent that foreigners who wish to purchase American goods by converting silver into dollar exchange find the prices prohibitive.

(5) For the period 1933–39, the average price of export cotton was 10.9 cents per pound, but the foreigners had to pay 31 cents a pound for same at the United States monetary value of silver.

(6) For the period 1933–39, the average export price of wheat was $1.05 per bushel, but the foreigners had to pay $2.25 per bushel in silver at the United States coinage value.

(7) For the period 1933–39, 65 percent of the monetary value of all silver imported into the United States was taken by the Treasury Department as seigniorage, and the foreign buyer was given 35 percent with which to pay for exports.

(8) Nonmonetized silver, collected as seigniorage, has accumulated in the Treasury having a coinage value of $1,672,000,000.

(9) The above cotton, wheat, and silver figures are taken from the accompanying tables and charts, which were compiled for the period 1865–1939 by the United States Tariff Commission, which were made for and delivered to the Senate Special Silver Committee a few days ago.

(10) These tables show that the export price of commodities of the United States change directly with changes in the world price of silver.

(11) The Tariff Commission tables bear out my statements to the effect that when gold and silver were in general circulation the purchasing power of the gold dollar varied inversely with the world price of silver, and that the purchasing power of the silver in the dollar is equal to its world price multiplied by the purchasing power of the dollar.

(12) When a silver market exists free from barriers and embargoes (a) price levels of all international commodities in gold-standard countries as well as silver-using ones change with changes in the world price of silver; (b) silver is so universally distributed amongst one-half of the people of the world that changes in its price react immediately on the price of commodities; and (c) gold is concentrated to such an extent that price levels of international commodities respond very slowly to changes in the gold price.

(13) By dispensing with the seigniorage tax on silver in favor of agriculture, export prices of cotton would reach a normal parity at 12.9 cents per pound, and export wheat would reach parity at $1.29 per bushel, without subsidies. The unit price and volume of com-

modities and industrial exports would immediately increase to a total value equal to 10 percent of national income.

(14) The value of United States exports, when computed as a percentage of national income, varies directly with the world price of silver.

(15) For the 5-year period 1916–20, during which the price of silver was 71 percent of parity ($1.29 per ounce), the value of exports averaged 12.9 percent of national income.

For the 5-year period 1934–39, when the average price of silver was 44 percent of parity, the value of total exports was 60 percent of parity. The value of total exports for the period averaged 4.4 percent of national income.

During the 1916–20 period unit value index of exports averaged above 100, and during the 1934–39 period the unit price index averaged 66. For the year 1939 the unit value index of exports was 70.

(16) Changes in the world price of silver are followed by corresponding changes in the value of exports, imports, national income, and price levels. (See chart entitled "International Commerce Is Affected by World Price of Silver.")

BARRIERS AND EMBARGOES CREATED AGAINST PRICE AND SHIPMENTS OF SILVER

(17) The British-Indian Government, during February 1940, sponsored a bill to reduce the silver content of the fractional rupee (4 anna) from eleven-twelfths to 0.500 fine. This raises the Indian coinage rate from $1.01 per ounce of silver to $1.86. British silver is coined at the value of $2.56 per ounce.

Great Britain and British India promote minimum value for silver bullion by adopting maximum silver coinage rates, India's rate being approximately 50 percent higher than the United States, and England, 100 percent higher.

(18) British India maintains an import tax on silver bullion at approximately 6.25 cents per ounce, and they contemplate raising this import duty in the next Indian budget.

(19) The British-Indian Government, during January of this year, adopted a policy of selling silver to Indian buyers at 23.5 pence per ounce, and buying same at 21.5 pence per ounce. Their buying price is higher than the United States Treasury buying price. Both Great Britain and India have embargoes on silver imports.

(20) The British-Indian Government silver stock has been reduced to 100,000,000 ounces but the inhabitants of India hold at least 5,000,000,000 ounces, and are consistent buyers of silver when barriers and embargoes do not prohibit their operations.

(21) The United States Silver Purchase Act of 1934 requires the payment of a 50-percent silver profit on silver-bullion transactions. This tax prevents American citizens from buying silver from foreigners who wish to establish dollar credits required to pay for merchandise to be purchased in the United States.

(22) Since the Treasury Department lowered its bid for world silver at 35 cents per ounce in July 1939, Great Britain and India have controlled the world price of silver and maintained its price at the lowest level ever recorded.

(23) There should be no barriers or embargoes created by any country to interfere with international money, either silver or gold, because of their direct, depressing effects on the price and volume of world trade.

Today the citizens of the United States, Great Britain, India, France, and Germany are prevented from dealing in silver without restrictions and penalties. Therefore the silver price and the movement of silver are the results of an international racket.

Quotation from the Economist (London): "These fluctuations in the price of silver are obviously the outcome of speculative indiscretions and of the virtually monopolistic position which the Government of India holds both in the indigenous and the London markets for the metal."

UNITED STATES EXCESS OF EXPORTS OF SILVER, 1870–1939

(24) After the operation of the Silver Purchase Act, for a period of 6 years, the United States still maintained an excess of exports of silver of $360,000,000 for the period 1870–1939. Excess of silver exports prevailed during 58 years of the period, amounting to one thousand four hundred and one and seven-tenths millions of dollars, and an excess of imports prevailed for 12 years, amounting to one thousand and thirty-seven and six-tenths millions of dollars. Of the 12 years representing excess of imports, the 6-year period (1934–39) was $966,716,000,000, or 93 percent of the total.

UNITED STATES EXCESS OF EXPORTS OF MERCHANDISE, 1870–1939

(25) The United States excess of exports of merchandise for this 70-year period has been forty and seventy-nine one-hundredths billions of dollars. At the end of 1914 the merchandise excess of exports was ten and twenty-six one-hundredths billions of dollars. The increase of excess of exports of merchandise for the period 1915–39 was thirty and fifty-three one-hundredths billions of dollars.

UNITED STATES IMPORTS OF GOLD, 1870–1939

(26) The total excess of imports of gold for this period was $13,600,000,000. Until 1916 gold exports exceeded imports, and at the end of 1933 the excess of imports was only $1,480,000,000. For the period 1934–39 the excess of gold imports has been eleven and one-tenth billions of dollars.

(27) FOREIGN COMMERCE—SILVER, GOLD, AND MERCHANDISE, 1870–1939

United States excess of exports of silver	$360,000,000
United States excess of exports of merchandise	40,744,000,000
Total excess of exports of silver and merchandise	41,100,000,000
United States excess of imports of gold	13,600,000,000
Excess of exports of merchandise not paid for at the end of 1939	27,500,000,000

(28) FOREIGN COMMERCE—SILVER, GOLD, AND MERCHANDISE, 1934–39

Silver excess of imports	$966,716,000
Gold excess of imports	11,122,738,000
Total	12,089,454,000
Merchandise excess of exports	3,005,117,000
Gold imports not offset by merchandise exports	9,084,337,000

The present administration is the first since 1848, to balance excess of merchandise exports, with excess of imports of silver and gold. In fact, additional gold over and above a foreign trade balance for the period 1934–39 has been imported in the sum of $9,084,337, which represents a collection of overdue payments for excess of exports of merchandise created by former administrations.

EXCESS RESERVES OF SILVER

(29) Silver is purchased by the Government and paid for with new national money—silver certificates. Credit moneys of the banks necessarily do not enter into the purchases of silver; therefore, additions to silver money inherently do not increase bank reserves.

When silver certificates are deposited in the banks, they become part of net demand deposits and therefore create legal reserve of 22.25 cents per dollar and excess reserves of 77.5 cents per dollar, but the silver certificates in circulation do not create either legal or excess reserves. The reserves created by silver certificates are set forth in the following table:

Silver certificates, total amount	$1,772,211,742
In circulation, no reserves	1,469,353,514
Held by Federal Reserve banks and agents	302,858,228
Legal reserves demand deposits, 22.5 percent	68,123,100
Excess reserve demand deposits, 77.5 percent	234,735,128

(30) EXCESS OF GOLD RESERVES

Gold certificates, total amount	$15,630,531,386
In circulation	None
Legal reserves, 15 percent of sixty-four and four-tenths billions of dollars	9,800,000,000
Excess reserves	5,830,531,386

METALLIC CONVERSION VALUES OF SILVER AND GOLD DOLLARS

(31) Silver certificates are convertible into silver bullion at the New York price of silver which is an arbitrarily low price fixed by the Treasury Department. At the present time the Treasury silver price is 35 cents per ounce, and therefore silver certificates are convertible at the rate of 27 cents per dollar.

Federal Reserve notes and bank deposits (for use in the United States) are not convertible into either gold or silver. Federal Reserve notes and bank deposits can be exchanged for silver certificates, which can then be converted into silver, but only to the extent of silver certificates and corresponding silver-bullion reserves which are not already in circulation, amounting to the normal total of $302,858,228. As bank deposits and currency (less silver certificates) amount to $64,000,000,000, the amount of their convertibility into silver is negligible.

If bank deposits, Federal Reserve notes, and Government obligations not owned by banks ($20,000,000,000) were made convertible into gold, each credit dollar would receive 17.6 cents in gold. If deposits and currency only were convertible, each credit dollar would receive 24.5 cents in gold.

(32) FEDERAL RESERVE NOTES AND SILVER CERTIFICATES

[Total outstanding]

	Jan. 1, 1933	Jan. 31, 1940	Increase
Federal Reserve notes	$2,287,014,640	$5,164,941,100	$2,177,926,460
Silver certificates	492,283,529	1,772,211,742	1,279,928,213
Excess Federal Reserve notes	1,794,731,111	3,392,729,358	897,998,247

(33) SILVER OF SPECIFIED CLASSIFICATIONS ACQUIRED BY MINTS AND ASSAY OFFICES

[In millions]

	Newly mined domestic		Nationalized		Foreign		Total	
	Ounces	Dollars	Ounces	Dollars	Ounces	Dollars	Ounces	Dollars
1934	21.8	14.1	110.6	55.3	172.5	86.5	304.9	155.9
1935	38.0	27.3	2.0	1.0	494.4	318.2	534.3	346.5
1936	61.1	47.3	.4	.2	271.9	150.3	333.4	197.9
1937	70.6	54.6			241.5	108.7	312.2	163.4
1938	61.6	42.2			355.4	156.9	417.1	199.1
1939	60.7	39.9			282.8	120.5	343.3	160.4
Total	313.8	225.4	113.0	56.5	1,818.5	941.1	2,245.2	1,223.2
Silver in general fund paid for but not monetized							1,211.1	615.3

WORLD PRODUCTION OF GOLD AND SILVER

(34) The relative valuation of gold and silver by weight today is 100 to 1 (gold, $35 per ounce; silver, 35 cents per ounce). This distortion in the relative values of the two metals has been caused (1) by decreasing the price of silver, and (2) by increasing the price of gold.

	Millions of fine ounces
1493–1939:	
World production of gold	1,336.0
World production of silver	16,357.0
Ratio, 12.7 to 1.	
1901–39:	
World production of gold	864.6
World production of silver	8,148.0
Ratio, 9.6 to 1.	
1919–39:	
World production of gold	503.8
World production of silver	4,773.0
Ratio, 9.4 to 1.	
1933–39:	
World production of gold	231.8
World production of silver	1,625.1
Ratio, 7 to 1.	

(35) UNITED STATES PRODUCTION OF GOLD AND SILVER

	Millions of fine ounces
1792–1939:	
United States production of gold	244.7
United States production of silver	3,516.1
Ratio, 14.7 to 1.	
1901–39:	
United States production of gold	2,250.0
United States production of silver	140.0
Ratio, 16.1 to 1.	
1933–39:	
United States production of gold	29.0
United States production of silver	354.0
Ratio, 12.5 to 1.	

(36) UNITED STATES SILVER AND GOLD STOCKS, JANUARY 1, 1940

United States monetary silver subject to circulation	$2,257,100,000
Silver purchased and paid for, now in Treasury, but not monetized	1,554,800,000
Value of total silver at $1.29 per ounce	3,811,900,000
Monetary gold stock in the Treasury not subject to United States circulation	17,931,000,000
Active gold in stabilization fund	200,000,000
Total gold	18,131,000,000
Gold imports in excess of exports (1934 minus 1939)	9,084,300,000
Gold reserve not subject to export	9,046,700,000

(37) The total silver stock of the United States, held by the Treasury at the end of 1939, was 84 percent of the total silver production of the United States. The monetary gold stock in the Treasury, at the end of 1939, was 316 percent of the total gold production of the United States.

The silver held by the United States, at the end of 1939, consisting of 2,800,000,000 ounces, is 17 percent of the recorded silver production of the world, reported to be 16,357,000,000 ounces. The gold, held by the United States, consisting of five hundred and twelve and two-tenths million ounces, is 38 percent of the recorded gold production of the world, reported to be 1,366,000,000 ounces.

(38) FINE OUNCES OF SILVER CONSUMED AND WITHDRAWN FROM MONETARY USE

[U. S., 1921–39; the rest of the world, 1921–38]

	Ounces consumed	Ounces withdrawn
1921–27	1,253,431,524	427,331,577
1928–36	1,421,745,018	946,560,993
1937	100,333,925	37,288,451
1938	60,702,319	47,189,060
United States 1939	27,912,125	
Total	2,864,124,911	1,408,370,081

(39) NET INCREASE SILVER CONSUMPTION BY COINAGE AND BY UNITED STATES CERTIFICATES COVERED BY SILVER BULLION

The world, 1921–38, plus United States coinage 1939	$1,405,754,830
Silver certificates, United States 1934–39	989,384,344
Total net consumption for coinage, 1921–39	2,395,139,174
United States seigniorage silver	1,223,000,000
Grand total	3,618,139,174

(40) MONETARY STOCK OF PRINCIPAL COUNTRIES OF THE WORLD AND OF CALENDAR YEAR 1938; ANNUAL REPORT, DIRECTOR OF THE MINT, 1939

[World population, 2,066,823,000]

		Per capita
Total gold stock	$25,057,247,000	$12.46
Monetary silver stock	7,452,377,000	3.61

Since the above table was compiled, the United States gold stock has increased, by December 31, 1939, $3,474,151; and United States silver monetary stock has increased by $150,000,000, so that the total metallic stocks of the world, up to the end of 1939, may be considered to be:

Total gold stock	$29,231,351,000
Monetary silver stock	7,602,377,000

There are hoards of both gold and silver which are not taken into consideration in the compilation of the above-recognized monetary stocks.

The Federal Reserve Bulletin of March reflects the gold reserves of central banks and governments to have been $25,999,000,000 for 1940, preliminary estimate.

TABLE I.—*World production of gold, silver, copper, lead, zinc (1913–39)*

	Gold	Silver	Copper	Lead	Zinc	Steel
	Fine ounces	*Fine ounces*	*Tons of 2,000 pounds*	*Tons of 2,000 pounds*	*Tons of 2,000 pounds*	*Tons of 2,400 pounds*
1913	22,145,314	225,686,823	1,072,674	1,291,799	1,113,872	75,150,000
1914	21,697,416	178,331,493	1,011,939	1,273,245	968,207	59,490,000
1915	22,593,833	189,626,405	1,188,172	1,220,452	924,977	65,570,000
1916	21,976,437	180,112,525	1,533,294	1,254,627	1,089,980	77,010,000
1917	20,611,049	187,443,658	1,579,675	1,290,334	1,105,826	80,760,000
1918	18,556,920	204,199,399	1,568,677	1,317,700	914,474	75,990,000
1919	17,629,977	181,800,394	1,069,998	976,239	728,927	57,560,000
1920	16,125,697	173,200,618	1,082,652	1,006,629	811,537	71,300,000
1921	15,983,772	171,873,246	601,913	974,056	493,439	43,510,000
1922	15,444,830	210,533,502	996,147	1,179,140	792,777	67,660,000
1923	17,786,472	240,169,264	1,411,980	1,314,001	1,059,821	76,930,000
1924	19,050,134	238,779,157	1,522,394	1,467,265	1,125,188	77,230,000
1925	19,031,137	241,697,187	1,589,717	1,669,854	1,265,714	88,930,000
1926	19,369,364	253,129,548	1,637,489	1,770,278	1,373,212	91,790,000
1927	19,445,612	253,121,265	1,682,361	1,857,998	1,464,091	100,130,000
1928	19,583,153	255,183,512	1,892,350	1,841,012	1,566,919	107,860,000
1929	19,673,022	262,804,711	2,118,209	1,932,520	1,623,451	118,370,000
1930	20,721,981	252,535,958	1,734,745	1,845,672	1,556,857	93,100,000
1931	22,370,718	200,760,352	1,487,992	1,593,723	1,111,450	68,410,000
1932	24,305,683	171,231,441	998,103	1,302,124	870,758	49,900,000
1933	25,493,426	169,680,081	1,146,260	1,322,273	1,106,864	66,760,000
1934	27,318,362	186,488,619	1,401,334	1,493,391	1,305,052	80,600,000
1935	30,054,210	214,534,290	1,617,032	1,567,616	1,487,088	97,700,000
1936	34,230,241	253,667,219	1,848,521	1,641,335	1,641,634	122,000,000
1937	35,732,622	275,148,523	2,503,966	1,895,491	1,838,487	132,300,000
1938	37,942,685	262,932,684	2,184,267	1,879,460	1,751,870	106,000,000
1939	40,200,000	259,913,000	2,356,800	1,904,883	1,877,614	133,298,000

TABLE I–A.—*World production, indexes, gold, silver, copper, lead, zinc, steel*

[1926 (all metals) = 100]

Year	Gold	Silver	Copper	Lead	Zinc	Steel
1913	114.30	89.15	65.50	73.00	81.10	81.84
1914	111.90	70.44	61.77	71.92	70.47	64.78
1915	116.60	74.90	72.59	68.93	67.34	71.41
1916	113.40	71.14	93.67	70.91	79.35	83.86
1917	106.30	74.04	96.48	72.88	80.52	79.95
1918	95.75	80.66	95.86	74.47	66.54	82.75
1919	90.97	71.81	65.37	55.14	53.07	62.68
1920	83.21	68.41	66.17	56.89	59.11	77.64
1921	81.44	67.89	36.78	55.03	35.89	47.38
1922	79.70	83.16	60.85	66.61	57.73	73.68
1923	91.78	94.87	86.27	74.24	77.17	83.78
1924	98.30	94.32	92.99	82.88	81.90	84.10
1925	98.20	95.47	97.15	94.35	92.16	96.84
1926	100.00	100.00	100.00	100.00	100.00	100.00
1927	100.30	99.98	102.80	105.00	106.60	109.00
1928	101.00	100.70	115.60	104.00	114.00	117.50
1929	101.50	103.80	129.40	109.20	118.10	128.90
1930	106.90	99.75	105.90	104.20	113.30	101.40
1931	115.40	79.30	90.92	90.06	80.89	74.50
1932	125.40	67.64	60.98	73.56	63.41	54.34
1933	131.40	67.02	70.02	74.69	80.59	72.70
1934	141.00	73.66	85.60	84.35	95.00	87.96
1935	115.10	84.74	98.80	88.59	108.20	106.40
1936	176.60	100.20	113.00	92.72	119.50	132.70
1937	184.40	108.70	153.00	107.10	133.80	144.30
1938	195.80	103.80	133.40	106.20	127.50	116.50
1939	207.40	102.70	143.90	107.60	136.70	145.22
	Ounces	*Ounces*	*Tons*	*Tons*	*Tons*	*Tons*
1926	19,369,364	253,129,548	1,637,489	1,770,278	1,373,212	91,790,000

TABLE II.—*Metal prices, annual averages (1913–39)*

Year	Gold (dollars per ounce)	Silver (cents per ounce)	Copper (dollars per 2,000 pounds)	Lead (dollars per 2,000 pounds)	Zinc (dollars per 2,000 pounds)	Steel (dollars per 2,240 pounds)
1913	20.67	59.79	305.38	87.40	110.08	37.20
1914	20.67	54.81	272.04	77.64	101.21	32.10
1915	20.67	49.68	345.50	93.46	261.18	34.34
1916	20.67	65.66	544.04	127.16	252.68	59.74
1917	20.67	81.42	543.60	175.74	174.60	109.98
1918	20.67	96.77	493.36	148.26	159.80	79.34
1919	20.67	111.12	373.82	115.18	139.76	69.78
1920	20.67	100.09	349.16	158.14	153.42	83.71
1921	20.67	62.65	250.04	80.90	93.15	54.59
1922	20.67	67.53	267.64	114.68	114.36	47.58
1923	20.67	64.87	288.42	145.34	132.14	60.41
1924	20.67	66.78	260.48	161.94	126.88	56.11
1925	20.67	69.06	280.84	180.40	152.44	52.28
1926	20.67	62.11	275.90	168.34	146.74	51.86
1927	20.67	56.37	258.40	135.10	124.84	49.32
1928	20.67	58.18	291.40	126.10	120.54	48.50
1929	20.67	52.99	361.14	136.66	130.24	49.48
1930	20.67	38.15	259.64	110.34	91.12	45.87
1931	20.67	28.70	162.32	84.86	72.80	48.84
1932	20.67	27.89	111.10	63.60	57.52	42.58
1933	30.00	34.73	140.50	77.38	80.58	42.09
1934	35.00	47.93	168.56	77.20	83.16	45.54
1935	35.00	64.27	172.98	81.35	86.56	46.10
1936	35.00	45.09	189.48	47.10	98.02	46.52
1937	35.00	44.88	263.34	120.18	130.38	55.19
1938	35.00	43.22	200.00	94.78	92.20	53.62
1939	35.00	39.08	219.30	101.06	102.20	50.56

TABLE III.—*Metal values, world production (1913–39)*

Year	Gold	Silver	Copper	Lead	Zinc	Steel
1913	$450,773,000	$134,955,000	$327,265,000	$112,265,000	$122,540,000	$2,795,580,000
1914	448,447,000	97,725,000	275,264,000	98,784,000	97,768,000	1,109,625,000
1915	467,017,000	94,244,000	411,048,000	114,070,000	241,425,000	2,251,674,000
1916	454,244,000	118,335,000	835,485,000	159,385,000	275,770,000	4,600,577,000
1917	426,029,000	152,579,000	859,520,000	227,040,000	193,500,000	8,875,524,000
1918	383,573,000	197,664,000	773,517,000	195,064,000	146,240,000	6,029,047,000
1919	364,412,000	201,980,000	400,180,000	112,240,000	102,060,000	4,016,537,000
1920	333,324,000	174,932,000	377,967,000	159,106,000	124,848,000	5,968,523,000
1921	330,389,000	107,678,000	150,500,000	78,797,000	45,898,000	2,375,211,000
1922	319,248,000	142,173,000	266,928,000	117,900,000	90,402,000	3,219,263,000
1923	369,166,000	155,870,000	406,656,000	190,530,000	139,920,000	4,647,341,000
1924	393,764,000	159,504,000	395,720,000	237,654,000	142,875,000	4,333,375,000
1925	393,371,000	166,771,000	446,790,000	300,600,000	192,432,000	4,649,260,000
1926	400,357,000	157,193,000	451,812,000	297,360,000	201,831,000	4,760,229,000
1927	401,949,000	142,760,000	433,956,000	250,830,000	183,000,000	4,938,412,000
1928	404,781,000	148,516,000	550,572,000	231,966,000	189,607,000	5,231,210,000
1929	406,641,000	139,287,000	764,598,000	264,821,000	212,216,000	5,856,948,000
1930	428,324,000	96,216,000	451,100,000	203,060,000	141,843,000	4,270,497,000
1931	462,408,000	57,618,000	241,056,000	153,331,000	80,881,000	3,341,144,000
1932	502,405,000	47,773,000	110,778,000	82,807,000	50,082,000	2,124,742,000
1933	764,790,000	58,879,000	161,586,000	102,323,000	89,224,000	2,809,923,000
1934	956,130,000	89,515,000	236,769,000	115,259,000	108,576,000	3,670,524,000
1935	1,051,890,000	137,945,000	279,741,000	127,635,000	128,774,000	4,503,970,000
1936	1,198,050,000	114,404,000	349,461,000	77,291,000	161,080,000	5,675,440,000
1937	1,250,655,000	123,541,000	658,552,000	227,400,000	240,778,000	7,301,637,000
1938	1,328,005,000	113,587,000	436,800,000	178,129,000	161,534,000	5,683,720,000
1939	1,407,000,000	101,578,000	516,890,000	192,519,000	191,892,000	6,739,648,000

Tonnages and prices from American Bureau of Metal Statistics.
Steel values equal tonnage steel ingots and castings, and composite price of finished steel (Iron Age Annual, January 1940).

Silver-production ratios, ounces of world silver production of 1939, per ounce of gold and per ton of copper, lead, zinc, and steel

[1939 silver production=100]

Year	Silver production index	Silver ounces per ounce of gold (1939)	All figures are silver ounces per ton of—			
			Copper	Lead	Zinc	Steel
1913	115.2	11.73	242.2	201.2	233.3	3.459
1914	145.7	11.98	156.8	204.2	268.5	4.369
1915	137.1	11.50	218.8	213.0	281.0	3.963
1916	144.3	11.82	169.8	207.1	238.4	3.376
1917	138.7	12.61	164.5	201.5	235.0	3.218
1918	127.3	14.00	165.6	197.2	284.3	3.420
1919	142.9	14.74	242.9	266.4	356.6	4.514
1920	150.1	16.12	240.0	258.1	320.2	3.646
1921	151.2	16.26	431.7	266.9	527.1	5.975
1922	123.5	16.83	260.9	220.4	327.7	3.841
1923	108.2	14.61	184.1	197.8	245.2	3.379
1924	108.3	13.64	170.8	177.2	231.0	3.366
1925	107.5	13.66	163.5	155.6	205.3	2.921
1926	102.7	13.42	158.8	146.8	188.6	2.830
1927	102.7	13.37	154.5	140.0	177.5	2.596
1928	101.8	13.27	137.4	141.2	165.9	2.409
1929	98.9	13.21	122.7	134.4	160.1	2.195
1930	102.9	12.54	150.0	140.8	166.9	2.791
1931	129.5	11.62	174.7	163.1	233.9	3.800

Silver-production ratios, ounces of world silver production of 1939, per ounce of gold and per ton of copper, lead, zinc, and steel—Continued

Year	Silver production index	Silver ounces per ounce of gold (1939)	All figures are silver ounces per ton of—			
			Copper	Lead	Zinc	Steel
1932	151.8	10.69	260.4	199.6	298.4	5.208
1933	153.2	10.20	226.8	196.6	234.8	3.893
1934	139.3	9.51	185.5	174.1	199.2	3.225
1935	121.2	8.65	160.7	165.8	174.8	2.661
1936	102.4	7.59	140.6	158.4	158.3	2.130
1937	94.5	7.27	103.8	137.1	141.4	1.965
1938	98.9	6.85	119.0	138.3	148.4	2.452
1939	100.0	6.47	110.3	136.4	138.4	1.969

Gold-production ratios, ounces of world gold production of 1939, per ounce of silver and per ton of copper, lead, zinc, and steel

[1939 gold production=100]

Year	Gold-production index	Gold ounces per ounce of silver	All figures are gold ounces per ton of—			
			Copper	Lead	Zinc	Steel
1913	55.10	0.17813	37.47	31.11	36.09	0.5351
1914	53.98	.22544	39.72	31.58	41.53	.6758
1915	56.21	.21201	33.34	32.95	43.46	.6131
1916	54.68	.22319	26.26	32.03	36.88	.5222
1917	51.28	.21451	25.44	31.16	36.35	.4977
1918	46.17	.19686	25.62	30.50	43.98	.5290
1919	43.86	.22110	37.57	41.21	55.15	.6983
1920	40.12	.23211	37.12	39.92	49.53	.5640
1921	39.77	.23384	66.77	41.29	81.53	.9242
1922	38.43	.19099	40.36	34.10	50.69	.5942
1923	44.25	.16735	28.47	30.59	37.92	.5222
1924	47.40	.16835	26.41	27.40	35.73	.5206
1925	47.35	.16631	25.28	24.07	31.75	.4518
1926	48.20	.15883	24.56	22.71	29.28	.4378
1927	48.38	.15883	23.90	21.64	27.46	.4016
1928	48.72	.15750	21.25	21.84	25.66	.3726
1929	48.95	.15300	18.98	20.80	24.77	.3395
1930	61.56	.15919	23.17	21.78	25.82	.4317
1931	55.66	.20031	27.01	25.22	36.18	.5877
1932	60.47	.23481	40.28	30.87	46.15	.8056
1933	63.43	.23690	35.08	30.41	36.31	.6022
1934	47.97	.21555	28.69	26.93	36.81	.4989
1935	74.77	.18741	24.86	25.64	27.03	.4116
1936	85.16	.15847	21.74	24.50	24.48	.3295
1937	88.90	.14613	16.06	21.21	21.87	.3039
1938	94.40	.15292	18.41	21.39	22.95	.3972
1939	100.00	.15469	17.06	21.10	21.41	.3046

TABLE VI.—*Dollars per capita, United States, 1873–1939, gold, silver, merchandise, and public debt (domestic) per capita*

	Gold monetary stock [1]	Silver monetary stock [1]	Production of—		Excess of—		Merchandise excess of export cumulative	Public debt [1]
			Gold monetary value cumulative	Silver monetary value cumulative	Gold import monetary value cumulative	Silver export monetary value cumulative		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1873	3.24	0.44	0.863	0.86	0.868	0.648	2.87	51.62
1874	3.44	.49	1.623	1.71	1.180	1.181	2.35	50.47
1875	2.76	.70	2.344	2.38	2.360	1.559	2.73	49.06
1876	2.88	.84	3.164	3.18	2.810	1.903	.90	47.21
1877	3.61	1.09	4.093	3.95	2.750	2.177	2.38	45.47
1878	4.48	1.72	5.060	4.80	2.590	2.290	7.73	45.37
1879	5.03	2.28	5.919	5.50	2.500	2.346	12.90	47.05
1880	7.01	2.84	.063	6.15	.900	2.311	15.90	41.69
1881	9.32	3.30	6.829	6.86	1.010	2.381	20.60	39.35
1882	9.65	3.76	.073	7.59	1.028	2.494	20.60	35.37
1883	10.11	4.23	7.691	8.28	1.119	2.615	22.00	32.07
1884	9.93	4.65	8.083	8.99	.762	2.766	22.90	29.60
1885	10.48	5.05	8.467	9.70	1.070	3.012	25.30	28.11
1886	10.29	5.44	8.893	10.39	.649	3.149	25.40	27.10
1887	11.15	6.02	9.264	11.08	1.202	3.234	25.40	24.97
1888	11.77	6.45	9.616	11.82	1.602	3.371	24.40	23.09
1889	11.10	2.86	9.946	12.62	.758	3.595	23.80	20.39
1890	11.11	7.30	10.250	13.48	.673	3.742	24.40	17.92
1891	10.13	8.09	7.451	14.41	.407	3.740	24.50	15.70
1892	10.21	8.74	7.817	15.40	.406	3.866	27.20	14.80
1893	9.01	9.28	8.211	16.27	1.717	4.058	26.40	14.40
1894	9.28	9.28	8.637	16.91	1.752	4.529	29.40	15.00
1895	9.23	9.06	9.207	17.63	2.156	4.839	29.90	15.90
1896	8.53	8.93	9.791	18.39	3.237	5.198	30.80	17.40
1897	9.73	8.83	11.100	19.00	2.553	5.542	34.30	17.10
1898	11.81	8.74	11.090	19.62	1.067	5.400	42.10	16.90
1899	12.96	8.59	11.840	20.21	3.552	5.642	48.40	19.30
1900	13.56	8.51	12.570	20.66	5.115	5.842	55.70	16.50

[1] Fiscal years.

TABLE VI.—*Dollars per capita, United States, 1873–1939, gold, silver, merchandise, and public debt (domestic) per capita*—Continued

	Gold monetary stock	Silver monetary stock	Production of—		Excess of—		Merchandise excess of export cumulative	Public debt
			Gold monetary value cumulative	Silver monetary value cumulative	Gold import monetary value cumulative	Silver export monetary value cumulative		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1901	14.46	8.46	13.350	21.20	4.629	6.060	62.10	15.70
1902	15.07	8.43	15.440	21.73	5.581	6.231	66.00	14.80
1903	15.51	8.39	16.090	22.24	8.084	6.329	70.90	14.40
1904	16.22	8.31	16.800	22.77	3.501	6.516	74.80	13.80
1905	16.31	8.20	17.590	23.27	3.893	6.698	79.00	13.60
1906	17.43	8.11	18.410	23.75	1.665	6.778	83.30	13.50
1907	17.04	8.12	19.150	24.20	2.663	6.852	87.80	13.30
1908	18.49	8.80	19.910	24.57	2.266	6.850	93.60	13.40
1909	18.47	8.80	20.720	24.98	1.230	6.864	94.90	12.90
1910	18.11	8.01	21.450	25.37	1.216	6.881	96.80	12.70
1911	18.65	7.74	21.670	25.24	1.385	6.853	99.00	12.30
1912	19.01	7.73	22.260	25.65	1.560	6.977	103.00	12.50
1913	19.22	7.64	22.790	26.09	1.244	7.133	134.00	12.30
1914	19.09	7.58	22.390	26.58	.444	7.274	119.00	12.00
1915	19.71	7.48	23.040	27.12	3.738	7.445	125.00	11.80
1916	23.87	7.39	23.560	27.61	8.853	7.761	154.00	11.90
1917	30.92	7.36	23.980	28.05	10.440	7.761	183.00	28.60
1918	29.87	6.91	24.220	28.40	10.460	9.345	209.00	115.60
1919	29.33	5.19	24.740	29.04	7.690	10.740	246.00	240.00
1920	26.93	4.96	25.150	29.63	8.560	10.949	273.00	228.30
1921	30.23	5.16	25.150	29.71	14.560	10.640	287.00	221.00
1922	34.44	5.94	25.250	29.97	16.500	10.422	289.00	208.90
1923	36.26	6.81	25.310	30.34	18.890	10.236	288.00	200.10
1924	39.47	6.87	25.320	30.55	20.830	10.372	291.00	184.00
1925	37.79	6.98	23.400	30.81	19.360	10.518	293.00	177.80
1926	37.97	7.02	25.420	31.08	19.020	10.559	292.00	167.70
1927	38.67	7.03	25.490	31.35	19.720	10.599	294.00	156.00
1928	34.24	6.99	25.570	31.61	16.220	10.636	299.00	146.60
1929	35.60	6.95	25.630	31.88	17.460	10.762	302.00	139.40
1930	36.80	6.91	25.660	31.97	19.490	10.602	305.00	131.40
1931	39.94	6.84	25.880	32.06	20.530	10.516	305.00	135.30
1932	31.39	6.77	26.140	32.13	16.830	10.409	306.00	155.90
1933	34.35	6.67	26.130	32.14	15.330	10.008	305.00	179.20
1934	62.07	6.62	27.040	32.24	24.180	9.293	307.00	213.60
1935	71.69	9.21	27.900	32.55	37.700	6.573	307.00	225.00
1936	82.61	12.36	28.830	32.87	46.080	5.197	305.00	261.20
1937	95.24	13.46	29.930	33.38	58.000	4.527	305.00	281.80
1938	99.65	15.05	31.500	33.71	72.800	2.782	311.00	285.40
1939	122.82	16.44	34.400	34.00	98.800	2.207	313.00	308.30

Additional silver stock paid for, but not monetized, February 1940—$12.56 per capita.

TABLE III–A.—*Total-value indexes, gold, silver, copper, lead, zinc, steel (1913–39)*

Year	Gold ($20.67=100)	Silver ($1.293=100)	Copper	Lead (1926=100)	Zinc	Steel
1913	112.60	41.23	72.42	37.96	60.72	58.69
1914	112.02	29.85	60.92	33.21	48.44	23.29
1915	116.66	28.79	90.96	38.35	119.60	47.27
1916	113.47	36.15	184.90	53.58	136.60	96.60
1917	106.42	46.61	190.20	76.33	95.88	180.37
1918	95.82	60.39	171.20	65.58	72.46	126.61
1919	91.03	61.70	88.56	37.73	50.57	84.33
1920	83.26	53.44	83.64	53.49	61.86	125.33
1921	82.53	32.89	33.31	26.49	22.74	49.87
1922	79.75	43.43	59.10	39.64	44.79	67.60
1923	92.22	47.62	90.00	64.06	69.33	97.59
1924	98.36	48.73	87.57	79.90	70.79	90.99
1925	98.26	50.49	98.87	101.10	95.35	97.63
1926	100.00	48.02	100.00	100.00	100.00	100.00
1927	100.41	43.61	96.03	84.33	90.68	103.69
1928	101.11	45.37	121.80	77.99	93.95	109.85
1929	101.58	42.55	169.20	89.03	105.20	123.00
1930	106.99	29.39	99.83	68.27	70.28	89.67
1931	115.51	17.60	53.35	51.55	40.08	70.16
1932	125.51	14.59	24.52	27.83	24.82	44.62
1933	191.04	17.98	35.76	34.40	44.21	59.01
1934	238.84	27.35	52.40	38.75	53.80	77.09
1935	262.76	24.14	61.91	42.91	63.81	94.58
1936	299.27	34.95	77.34	25.98	79.81	119.17
1937	312.41	37.74	145.74	76.45	119.30	153.32
1938	331.75	34.70	96.65	59.89	80.00	119.34
1939	351.00	32.21	114.39	64.72	95.08	141.52
1939=100	100.00	9.12	32.60	18.40	27.10	40.30

TOWNSEND BILL STATEMENT OF FINANCIAL ASPECT

The financial and business conditions of the United States are unsatisfactory to all classes of citizens.

The income of the agricultural division is below parity to such an extent that Government subsidies amounting to $1.5 billions per year are necessary to save them from general bankruptcy.

The interests representing industrial production are contending with an average index of 105 (the average for 1939), whereas this index has to be 195 to produce sufficient income to support a parity income for the present population under existing conditions (if national income is to be in accordance with the findings of the National Resources Committee as set forth in their report, entitled "Patterns of Resource Use").

The transportation industry of the United States, represented chiefly by the railroads, is in a general state of financial collapse.

The leading bankers of the country, as well as members of the advisory council of the Federal Reserve System, have expressed unrestrained dissatisfaction with the present financial practices and policies of the Federal Reserve System.

The banks have become supercharged with investments in Government obligations in assuming the responsibility of financing the administration during its course of deficit spending. The banks have had to depart from their primary function of sustaining general business with commercial loans (in order to sustain abnormal Government credit) to the extent that money is scarce and tight in the United States.

Prices are low, and the volume of business is low.

Exporters are shipping goods out of the country at a unit value index of 66 instead of 100. Importers are bringing goods to the United States at a unit value index of 57 instead of 100. The quantity index of imports is 121, a higher quantity index than that of exports and a lower index unit price. The United States has become a dumping ground for foreign commodities and merchandise.

The index of exports is 119 (below that of imports) notwithstanding the abnormal business created by war. Contrary to popular opinion, imports now exceed exports in quantities, but the reduced level of import prices conceals this fact from the general businessman. This condition explains the dumping process now existing and growing in the United States.

Countries of unstable and unsupported money systems are overriding the producers of the United States. The money of the United States is on a fiduciary and confidence basis notwithstanding the fact that the largest stock of gold of all time reposes inactively in the vaults of the country. This gold is being bought at a premium of 69.3 percent, represented by paying $35 per ounce instead of $20.67.

Foreign silver is being purchased at a discount of 72 percent of its monetary value, represented by a purchasing price of 35 cents per ounce, in contrast to its monetary value of $1.2929 per ounce.

The Government has imported, during the 1934–39 period, 11 times more gold than silver in dollars. (See table, p. 4.) The loss suffered by the purchase of gold dollars amounts to four thousand five hundred and fifty-three billions of dollars, and the profit gained by the net importation of silver (average cost at 50 cents per ounce) is one thousand five hundred and eighty-one billions of dollars. One-third of the losses incurred by gold purchases has been compensated by importation of undervalued silver.

Unfortunately, the profit in silver was taken by the Treasury as seigniorage profit which represents an excise tax against the exporters; and, also, unfortunately, the Treasury has not used this silver profit as money. The Treasury has elected to spend borrowed money, gained by the sale of bonds, rather than use national money which has been not only paid for but actually represents a profit at the expense of foreign customers and American exporters. Hence, the reason for the existence in this country of the surplus stocks of wheat, cotton, and all commodities except war materials.

Congress has reached the extreme limit in permitting this country to suffer under a "managed currency" basis, while gold purchases continue at ever-increasing amounts and far in excess of merchandise surplus of exports. Henceforth, the bank should buy all gold entering the United States and deliver it to the Treasury in exchange for either coin or circulatory convertible gold certificates.

All silver purchased by the Treasury should be limited to payments for commodity exports. All silver so acquired should be monetized and paid out by the Treasury to cover Government subsidies.

Unless, and until, both gold and silver are circulated as national money, deficit expenditures must continue to increase as a desperate and futile recourse to compensate shrinking price levels and receding industrial production.

If the currently incoming gold is not to be monetized, the banks, much to their embarrassment, must continue to finance the Government purchases without having free monetary use of the gold. The present practice of increasing Government debt by two billion of dollars for each one billion dollars of gold imported will continue. Bank deposits will become increasingly dormant and interest rates will continue to diminish, until Government bonds will fall below parity.

The banks, after having accepted noncirculatory gold certificates in exchange for deposit credits to the Treasury in compensation for all imported gold purchases, are now forced to redeposit part of these certificates with the Treasury to secure Federal Reserve notes. If the new gold is monetized, the Federal Reserve banks can discontinue their present forced practice of returning gold certificates to Government agencies to obtain Federal Reserve notes.

After having paid the Treasury $16,378,477,000 (Federal Reserve statement, April 24, 1940) to cover the cost of imported gold, the banks have redeposited with the Treasury $5,373,500,000 of the certificates to have issued to them $5,245,738,000 of the Federal Reserve notes.

If this process of returning gold certificates to the Treasury continues, eventually the Government may have all the outstanding

certificates back in their possession and will have delivered to the banks inconvertible Federal Reserve notes of an equal value. By this method the Government will have received $16,000,000,000 of bank credit free and will have repossessed its gold certificates by exchanging for them Federal Reserve notes which can assert no claim against the gold.

The Government will then have taxed bank depositors $16,378,477,000, and will have cleared title to gold of the same value, thus making it available for foreign distribution.

The Congress should immediately monetize all incoming gold, deliver gold certificates in exchange for outstanding Federal Reserve notes, monetize all silver now held inactive, and also the newly acquired silver imported as payment for commodity exports.

The attached table entitled "Foreign Commerce—Gold, Silver, and Merchandise," sets forth for the period 1934–39 the values of excess of imports of gold and silver, excess of merchandise exports, gross gold stocks, gold imports not offset by merchandise exports, and net gold reserves.

The net gold reserve represents the difference between gross gold stock and gold imported which has not been offset by corresponding merchandise exports.

It will be noted that at the end of 1939 the gold stock not offset by merchandise exports amounts to $9,084,337,000. This gold may be considered as subject to export upon the presentation of dollar demand by any foreign central bank but not by any American citizen.

The delivery of gold certificates in exchange for outstanding Federal Reserve notes and the monetizing of currently imported gold, together with the monetization of the inactive silver stocks, will cause immediately the stabilization of the banking system. The banking system is now in an advanced stage of transition into a governmental credit controlled bureau under which money and banking are becoming socialized. This rapidly expanding practice is corroding Government credit and therefore is the direct cause of the loss of business confidence. It is high time for Congress to exercise both its authority and responsibility in reestablishing banking and monetary stability.

Foreign commerce, gold, silver, and merchandise

[In revalued dollars]

Year	(1) Gold excess of imports	(2) Silver excess of imports	(3) Merchandise excess of exports	(4) Gold imports not offset by merchandise exports	(5) Column 4, cumulative	(6) Gross gold stock	(7) Column 6 minus column 5, net gold reserve at end of year	(8) Gross gold stock (annual average by months)	(9) Column 4, cumulative: 100 percent past years, 50 percent current years	(10) Column 8 minus column 9, net gold reserve (annual average)
1934	1,133,912,000	86,174,000	477,745,000	742,341,000	742,341,000	8,237,967,000	7,495,626,000	7,568,000,000	371,170,500	7,196,829,500
1935	1,739,019,000	335,730,000	235,389,000	1,839,360,000	2,581,701,000	10,125,175,000	7,543,474,000	9,135,000,000	1,662,001,000	7,472,999,000
1936	1,116,584,000	170,851,000	33,386,000	1,254,049,000	3,835,750,000	11,257,626,000	7,421,876,000	10,621,000,000	3,208,705,000	7,412,295,000
1937	1,585,503,000	79,835,000	265,499,000	1,399,839,000	5,235,589,000	12,760,000,000	7,524,411,000	12,213,000,000	4,535,669,000	7,677,331,000
1938	1,973,569,000	223,449,000	1,134,012,000	1,063,006,000	6,298,595,000	14,511,225,000	8,212,185,000	13,323,000,000	5,767,314,000	7,555,685,000
1939	3,574,151,000	70,677,000	859,086,000	2,785,742,000	9,084,337,000	17,643,450,000	8,559,113,000	16,194,000,000	7,691,912,000	8,502,083,000
Total	11,122,738,000	966,716,000	3,005,117,000	9,084,337,000						

The basis of stability is national currency, all of which must be convertible into gold certificates or coin. A national currency with full metallic cover and of sufficient volume to support bank deposits, bank loans, and investments necessary to support a parity income of one hundred billions of dollars, will require a currency gold reserve of ten billions of dollars, commercial loans of fifty billions of dollars, and total deposits of one hundred billions of dollars. It will be the responsibility of the Federal Reserve System to restrain the velocity of total deposit turn-over to an annual rate of 10 which means a velocity of gold reserve turn-over of 100.

During 1929, the year of greatest national activity, the annual velocity of gold reserves was 245. The total bank debits were nine hundred and eighty-two thousand, five hundred and thirty-one millions of dollars, substantially one thousand millions of dollars. The corresponding velocity of turn-over of total deposits and currency was 17.79. The gold reserve should have been ten billions of dollars in 1929 instead of four billions of dollars. Total deposits and currency should have been one hundred billions of dollars, with a turn-over of 10 instead of fifty-five and twenty-one one-hundredths billions of dollars with a turn-over of 17.79.

Total bank deposits today should be one hundred billions of dollars with a controlled rate of turn-over of 10. This rate would produce bank debits of one thousand billions of dollars without inflation and cause a national income quite adequate to support the country at a parity economic level. The rate of annual Government expenditures would then be only 10 percent of national income.

The bankers until recently have believed that inflation springs from excess deposits caused by the usual practice of pyramiding loans and deposits. They now recognize that inflation comes from excessive rates of money turn-over. The bankers realize that excessive rates of turn-over arise as a result of uncontrolled loans voluntarily advanced by banks in general and that henceforth inflation cannot occur with properly supervised loan regulations.

In 1933 bank debits reached the low level since the creation of the Federal Reserve System. That year the velocity of turn-over of gold reserve was 75, 25 percent below the parity of 100. The gold reserve that year should have been eight billions of dollars instead of four billions of dollars.

Bank debits have not been above five hundred billions of dollars since 1931, and the rate of turn-over of gold reserve to bank debits has not been at 100 since 1931.

Bank debits for the years 1936, 1937, 1938, and 1939, respectively, were four hundred and sixty-one and nine-tenths, four hundred and sixty-nine and four-tenths, and four hundred and ten billions of dollars from 40 to 46 percent of the amount to meet the needs of the country. The rate of turn-over of gold reserve to bank debits for 1938 and 1939, respectively, were 50.54 and 49.51. The monetary transactions for 2 years have been only one-half the volume required to sustain the Government (free from deficit expenditures) and afford a parity scale of living.

The chart following entitled "Ratio of Bank Debits to Gold Reserve, Deposits, Loans, Etc.," sets up the bank credit items and their relationships to gold reserves and total bank debits. The average gold reserve turn-over for the 21-year period under consideration was 106.53. The parity average gold turn-over should be 100.

Ten millions of dollars gold reserve, having an annual rate of turn-over of 100, would produce bank debits of one thousand millions of dollars, and thereby secure a national income of one hundred billions of dollars.

Ratio of bank debits to gold-reserve deposits, loans, etc.

[Millions of dollars]

Call dates	Bank debits (1)	Net gold reserve (2)	Total deposits and currency (3)	Adjusted demand deposits (4)	Total loans (5)	Total investments (6)	Public debt (7)	Column 1 divided by— Column 2 (8)	Column 3 (9)	Column 4 (10)	Column 5 (11)	Column 6 (12)	Column 7 (13)	Column 4 divided by column 2 (14)
June 30—														
1919	455,293	2,842	35,520	16,980	24,723	11,847	25,482	160.17	12.82	26.81	18.41	38.44	17.87	5.97
1920	483,026	2,581	39,820	19,080	30,839	10,845	24,297	187.12	12.13	25.32	15.66	44.60	19.88	7.39
1921	399,036	3,002	37,840	17,030	28,988	11,012	23,976	132.91	10.54	23.43	13.77	36.24	16.64	5.67
1922	439,363	3,514	39,140	17,990	27,750	12,206	22,964	125.00	11.22	24.42	15.83	36.01	19.13	5.12
1923	463,726	3,773	42,520	18,860	30,398	13,341	22,349	122.89	10.90	24.59	15.26	34.76	20.76	5.00
1924	491,691	4,251	44,620	19,570	31,541	13,639	21,251	115.75	11.02	25.12	15.59	36.07	23.13	4.60
1925	570,064	4,093	48,030	21,150	33,882	14,948	20,516	139.27	11.87	26.95	16.82	38.15	27.79	5.17
1926	607,956	4,165	50,290	21,610	36,176	15,386	19,643	145.91	12.09	28.13	16.80	39.52	30.95	5.19
1927	673,861	4,277	52,480	22,250	37,378	16,373	18,510	157.55	12.84	30.28	13.03	41.16	36.40	5.20
1928	850,522	3,919	54,750	22,340	39,483	17,782	17,604	216.94	15.53	38.07	21.54	47.83	48.32	5.70
1929	982,531	3,995	55,210	22,620	41,513	16,943	16,931	245.93	17.79	43.43	23.65	58.00	58.03	5.66
1930	702,960	4,184	54,530	21,870	40,638	17,471	16,185	168.01	12.89	32.14	17.30	40.24	43.44	5.23
1931	515,320	4,416	52,940	19,910	35,384	19,637	16,801	116.67	9.73	25.88	14.56	26.25	30.67	4.51
1932	347,246	3,952	45,470	15,670	27,834	18,237	19,457	87.85	7.64	22.16	12.48	19.05	17.82	3.96
1933	303,215	4,060	41,720	14,450	22,203	17,872	22,538	74.68	7.27	20.98	13.77	16.96	13.46	3.56

Ratio of bank debits to gold-reserve deposits, loans, etc.—Continued

[Millions of dollars]

Call dates	Bank debits (1)	Net gold reserve (2)	Total deposits and currency (3)	Adjusted demand deposits (4)	Total loans (5)	Total investments (6)	Public debt (7)	Column 1 divided by— Column 2 (8)	Column 3 (9)	Column 4 (10)	Column 5 (11)	Column 6 (12)	Column 7 (13)	Column 4 divided by column 2 (14)
June 30—														
1934	356,612	6,770	45,890	16,650	21,278	21,224	27,053	52.67	7.77	21.42	16.76	16.80	13.18	2.46
1935	402,718	6,554	49,970	20,540	20,272	24,145	28,701	61.41	8.06	19.60	19.87	16.68	14.03	3.13
1936	461,889	6,920	55,170	23,860	20,679	27,779	33,545	66.74	8.37	19.36	22.34	16.63	13.77	3.45
1937	469,463	7,778	57,420	25,260	22,514	27,182	36,427	60.33	8.17	18.58	20.85	17.27	12.89	3.25
1938	405,929	8,031	56,740	24,390	21,130	26,252	37,167	50.54	7.15	16.64	19.21	15.46	10.92	3.04
March 1939	410,000	8,270	59,160	26,140	21,154	27,775	39,982	49.57	6.93	15.68	19.38	14.76	10.25	3.16
21-year average	513,925	4,826	48,535	29,322	29,322	18,186	24,353	106.53	10.59	25.20	17.53	28.27	21.10	4.23
100-billion annual income	1,000,000	10,000	100,000	50,000	56,000	25,000	25,000	100.00	10.00	20.00	20.00	40.00	40.00	5.00

Indexes of purchasing power of the import dollar by economic classes, by quarters, 1929–39

[1923–25=100]

Year and quarter	Total imports: Purchasing power of the import dollar	Total imports: Purchasing power = price of silver	Crude materials: Purchasing power of the crude-materials dollar	Crude materials: Purchasing power = price of silver	Crude foodstuffs: Purchasing power of the crude-foodstuffs dollar	Crude foodstuffs: Purchasing power = price of silver	Manufactured foodstuffs: Purchasing power of the manufactured-foodstuffs dollar	Manufactured foodstuffs: Purchasing power = price of silver	Semi-manufactures: Purchasing power of the semi-manufactures dollar	Semi-manufactures: Purchasing power = price of silver	Finished manufactures: Purchasing power of the finished manufactures dollar	Finished manufactures: Purchasing power = price of silver
1929												
First quarter	113.6	64.2	125.0	70.7	86.2	48.7	158.7	89.7	103.1	58.3	103.1	58.3
Second quarter	112.4	60.8	123.5	66.8	84.7	45.8	161.3	87.2	99.0	53.5	106.4	57.5
Third quarter	116.3	60.5	128.2	66.7	88.5	46.1	161.3	84.0	102.0	53.1	107.5	56.0
Fourth quarter	116.3	57.4	126.6	62.5	94.3	46.5	153.8	75.9	102.0	50.3	108.7	53.6
1930												
First quarter	126.6	54.8	138.9	60.1	111.1	48.1	163.9	70.9	106.4	46.0	114.9	49.7
Second quarter	133.3	52.3	149.3	58.6	112.4	44.1	181.8	71.4	116.3	45.6	119.0	46.7
Third quarter	144.9	51.1	169.5	59.8	111.1	39.2	212.8	75.1	126.6	44.7	117.6	41.5
Fourth quarter	158.7	55.2	196.1	68.2	135.1	47.0	217.4	75.7	133.3	46.4	123.5	43.0
1931												
First quarter	166.7	47.4	208.3	59.3	142.9	40.7	212.8	60.6	137.0	39.0	133.3	37.9
Second quarter	175.4	48.6	227.3	63.0	147.1	40.8	217.4	60.3	144.9	40.2	138.9	38.5
Third quarter	185.2	51.8	250.0	70.0	153.8	43.0	208.3	58.3	153.8	43.0	144.9	40.5
Fourth quarter	196.1	60.1	270.3	82.8	166.7	51.1	217.4	66.6	163.9	50.2	149.3	45.7
1932												
First quarter	217.4	65.0	285.7	85.5	178.6	53.4	263.2	78.7	178.6	53.4	172.4	51.6
Second quarter	222.2	61.9	322.6	89.8	172.4	48.0	263.2	73.3	185.2	51.6	172.4	48.0
Third quarter	243.9	67.1	384.6	105.8	181.8	50.0	263.2	72.4	196.1	54.0	178.6	49.2
Fourth quarter	243.9	64.1	357.1	93.9	185.2	48.7	250.0	65.8	196.1	51.6	188.7	49.6
1933												
Firt quarter	256.4	67.9	370.4	98.0	196.1	51.9	277.8	73.5	204.1	54.0	204.1	54.0
Second quarter	256.4	85.9	384.6	128.8	204.1	68.4	270.3	90.5	196.1	65.7	204.1	68.4
Third quarter	217.4	81.3	294.1	109.9	181.8	68.0	227.3	85.0	163.9	61.3	178.6	66.8
Fourth quarter	208.3	86.6	270.3	112.4	185.2	77.0	227.3	94.5	156.2	64.9	175.4	72.9
1934												
First quarter	208.3	93.9	270.3	121.9	188.7	85.1	232.6	104.9	151.5	68.3	175.4	79.1
Second quarter	200.0	89.7	256.4	115.0	166.7	74.8	232.6	104.3	149.3	67.0	175.4	78.7
Third quarter	200.0	96.5	256.4	123.7	166.7	80.4	232.6	112.3	147.1	71.0	175.4	84.6
Fourth quarter	196.1	105.3	256.4	137.6	166.7	89.5	204.1	109.6	151.5	81.3	181.8	97.6
1935												
First quarter	200.0	112.0	256.4	143.6	169.5	95.0	208.3	116.7	151.5	84.9	181.8	101.8
Second quarter	200.0	142.7	263.2	187.8	181.8	129.7	204.1	145.6	151.5	108.1	181.8	129.7
Third quarter	196.1	130.7	250.0	166.6	192.3	128.2	196.1	130.7	147.1	98.1	178.6	119.1
Fourth quarter	200.0	125.0	238.1	148.8	196.1	122.5	208.3	130.1	147.1	91.9	181.8	113.6
1936												
First quarter	188.7	86.0	222.2	101.3	188.7	86.0	192.3	87.7	147.1	67.0	185.2	84.4
Second quarter	185.2	83.0	217.4	97.5	181.8	81.5	185.2	83.0	149.3	66.9	185.2	83.0
Third quarter	185.2	82.9	212.8	95.2	178.6	79.9	185.2	82.9	147.1	65.8	185.2	82.9
Fourth quarter	181.8	82.1	204.1	92.2	166.7	75.3	188.7	85.3	147.1	66.5	188.7	85.3
1937												
First quarter	169.5	76.2	185.2	83.2	153.8	69.1	178.6	80.2	140.8	63.3	185.2	83.2
Second quarter	161.3	72.7	172.4	77.8	144.9	65.3	178.6	80.5	129.9	58.6	178.6	80.5
Third quarter	163.9	73.3	175.4	78.5	144.9	64.8	188.7	84.4	128.2	57.4	175.4	78.5
Fourth quarter	169.5	75.3	185.2	82.3	158.7	70.5	196.1	87.1	125.0	55.6	172.4	76.6

Indexes of purchasing power of the import dollar by economic classes, by quarters, 1929–39—Continued

Year and quarter	Total imports: Purchasing power of the import dollar	Total imports: Purchasing power = price of silver	Crude materials: Purchasing power of the crude-materials dollar	Crude materials: Purchasing power = price of silver	Crude foodstuffs: Purchasing power of the crude-foodstuffs dollar	Crude foodstuffs: Purchasing power = price of silver	Manufactured foodstuffs: Purchasing power of the manufactured-foodstuffs dollar	Manufactured foodstuffs: Purchasing power = price of silver	Semi-manufactures: Purchasing power of the semi-manufactures dollar	Semi-manufactures: Purchasing power = price of silver	Finished manufactures: Purchasing power of the finished manufactures dollar	Finished manufactures: Purchasing power = price of silver
1938												
First quarter	178.6	79.4	204.1	90.8	175.4	78.0	200.0	89.0	138.9	61.8	163.9	72.9
Second quarter	181.8	77.7	217.4	92.9	181.8	77.7	204.1	87.3	142.9	61.1	163.9	70.1
Third quarter	188.7	81.9	222.2	96.5	181.8	78.9	222.2	96.5	147.1	63.9	166.7	72.4
Fourth quarter	185.2	79.2	208.3	89.0	185.2	79.2	222.2	95.0	147.1	62.9	169.5	72.5
1939												
First quarter	185.2	79.2	208.3	89.0	185.2	79.2	217.4	92.9	144.9	61.9	172.4	73.7
Second quarter	181.8	77.2	200.0	85.0	185.2	78.7	212.8	90.4	144.9	61.6	166.7	70.8
Third quarter	181.8	65.4	192.3	69.1	185.2	66.6	217.4	78.2	147.1	52.9	166.7	59.9
Fourth quarter	175.4	61.6	181.8	63.9	188.6	66.3	208.3	73.2	138.9	48.8	166.7	58.6

Source: Purchasing power indexes computed from official statistics of the U. S. Department of Commerce.

Indexes of purchasing power of the export dollar by economic classes, by quarters, 1929–39

[1923–25=100]

Year and quarter	Total exports: Purchasing power of the export dollar	Total exports: Purchasing power = price of silver	Crude materials: Purchasing power of the crude materials dollar	Crude materials: Purchasing power = price of silver	Crude foodstuffs: Purchasing power of the crude foodstuffs dollar	Crude foodstuffs: Purchasing power = price of silver	Manufactured foodstuffs: Purchasing power of the manufactured foodstuffs dollar	Manufactured foodstuffs: Purchasing power = price of silver	Semi-manufactures: Purchasing power of the semi-manufactures dollar	Semi-manufactures: Purchasing power = price of silver	Finished manufactures: Purchasing power of the finished manufactures dollar	Finished manufactures: Purchasing power = price of silver
1929												
First quarter	114.9	65.0	128.2	72.5	109.9	62.1	106.4	60.1	100.0	56.5	113.6	64.2
Second quarter	114.9	62.1	131.6	71.2	122.0	66.0	105.3	56.9	98.0	53.0	111.1	60.1
Third quarter	114.9	59.8	131.6	68.5	111.1	57.8	103.1	53.7	101.0	52.6	113.6	59.1
Fourth quarter	114.9	56.7	133.3	65.8	107.5	53.0	103.1	50.9	101.0	49.8	113.6	56.0
1930												
First quarter	117.6	50.9	140.8	60.9	111.1	48.1	107.5	46.5	102.0	44.1	114.9	49.7
Second quarter	123.5	48.5	151.5	59.5	117.6	46.2	111.1	43.6	111.1	43.6	117.6	46.2
Third quarter	131.6	46.4	178.6	63.0	129.9	45.8	117.6	41.5	120.5	42.5	119.0	42.0
Fourth quarter	142.9	49.7	200.0	69.6	138.9	48.3	122.0	42.5	129.9	45.2	126.6	44.1
1931												
First quarter	149.3	42.5	208.3	59.3	153.8	43.8	133.3	37.9	135.1	38.4	131.6	37.5
Second quarter	158.7	44.0	222.2	61.6	166.7	46.2	144.9	40.2	137.0	38.0	142.9	39.6

Indexes of purchasing power of the export dollar by economic classes, by quarters, 1929–32—Continued

Year and quarter	Total exports		Crude materials		Crude foodstuffs		Manufactured foodstuffs		Semimanufactures		Finished manufactures	
	Purchasing power of the export dollar	Purchasing power = price of silver	Purchasing power of the crude materials dollar	Purchasing power = price of silver	Purchasing power of the crude foodstuffs dollar	Purchasing power = price of silver	Purchasing power of the manufactured foodstuffs dollar	Purchasing power = price of silver	Purchasing power of the semimanufactures dollar	Purchasing power = price of silver	Purchasing power of the finished manufactures dollar	Purchasing power = price of silver
1931												
Third quarter	175.4	49.1	263.2	73.6	192.3	53.8	149.3	41.8	147.1	41.2	156.2	43.7
Fourth quarter	188.7	57.8	294.1	90.1	192.3	58.9	158.7	48.6	153.8	47.1	163.9	50.2
1932												
First quarter	188.7	56.4	294.1	88.0	204.1	61.0	178.6	53.4	163.9	49.0	158.7	47.5
Second quarter	192.3	53.5	303.0	84.4	200.0	55.7	192.3	53.5	169.5	47.2	161.3	44.9
Third quarter	192.3	52.9	285.7	78.6	217.4	59.8	192.3	52.9	175.4	48.3	158.7	43.7
Fourth quarter	200.0	52.6	303.0	79.7	232.6	61.2	196.1	51.6	175.4	46.1	161.3	42.4
1933												
First quarter	208.3	55.1	312.5	82.7	243.9	64.6	212.8	56.3	185.2	49.0	175.4	46.4
Second quarter	200.0	67.0	277.8	93.0	238.1	79.7	192.3	64.4	175.4	58.7	175.4	58.7
Third quarter	178.6	66.8	238.1	89.0	172.4	64.4	172.4	64.4	158.7	59.3	169.5	63.4
Fourth quarter	169.5	70.5	227.3	94.5	185.2	77.0	169.5	70.5	149.3	62.1	156.2	64.9
1934												
First quarter	161.3	72.7	204.1	92.0	196.1	88.4	169.5	76.4	144.9	65.3	153.8	69.4
Second quarter	161.3	72.4	200.0	89.7	185.2	83.1	169.5	76.0	138.9	62.3	153.8	69.0
Third quarter	153.8	74.2	185.2	89.4	169.5	81.8	156.2	75.4	142.9	69.0	153.8	74.2
Fourth quarter	153.8	82.6	181.8	97.6	166.7	89.5	144.9	77.8	151.5	81.3	158.7	85.2
1935												
First quarter	153.8	86.2	181.8	101.8	178.6	100.1	137.0	76.7	151.5	84.9	153.8	86.2
Second quarter	153.8	109.8	188.7	134.7	163.9	117.0	138.9	99.1	144.9	103.4	153.8	109.8
Third quarter	153.8	102.5	188.7	125.8	169.5	113.0	131.6	87.7	144.9	96.6	151.5	101.0
Fourth quarter	156.2	97.6	196.1	122.5	175.4	109.6	135.1	84.4	140.8	88.0	153.8	96.1
1936												
First quarter	151.5	69.1	188.7	86.0	178.6	81.4	137.0	62.4	138.9	63.3	151.5	69.1
Second quarter	153.8	69.0	188.7	84.6	175.4	78.6	138.9	62.3	138.9	62.3	153.8	69.0
Third quarter	149.3	66.8	185.2	82.9	153.8	68.8	133.3	59.7	137.0	61.3	151.5	67.8
Fourth quarter	147.1	66.5	181.8	82.1	158.7	71.7	126.6	57.2	133.3	60.2	149.3	67.5
1937												
First quarter	142.9	64.2	175.4	78.8	144.9	65.1	126.6	56.9	119.0	53.5	149.3	67.1
Second quarter	137.0	61.8	169.5	76.4	131.6	59.4	123.5	55.7	109.9	49.6	147.1	66.3
Third quarter	138.9	62.2	181.8	81.4	140.8	63.0	122.0	54.6	109.9	49.2	142.9	63.9
Fourth quarter	147.1	65.4	212.8	94.6	166.7	74.1	129.9	57.7	116.3	51.7	140.8	62.6
1938												
First quarter	147.1	65.4	212.8	94.7	169.5	75.4	138.9	61.8	120.5	53.6	144.9	64.5
Second quarter	153.8	65.7	208.3	89.0	185.2	79.2	144.9	61.9	131.6	56.3	147.1	62.9
Third quarter	156.2	67.8	212.8	92.9	204.1	88.6	147.1	63.9	133.3	57.9	149.3	64.8
Fourth quarter	156.2	66.8	217.4	92.9	227.3	97.2	153.8	65.7	129.9	55.5	149.3	63.8
1939												
First quarter	158.7	67.8	222.2	95.0	232.6	99.4	161.3	69.0	131.6	56.3	151.5	64.8
Second quarter	161.3	68.5	222.2	94.4	238.1	101.1	163.9	69.6	135.1	57.4	151.5	64.4
Third quarter	158.7	57.1	217.4	78.2	232.6	83.6	163.9	58.9	133.3	47.9	149.3	53.7
Fourth quarter	151.5	53.2	212.8	74.8	204.1	71.7	144.9	50.9	117.6	41.3	142.9	50.2

Source: Purchasing power indexes computed from official statistics of the U. S. Department of Commerce.
U. S. Tariff Commission, March 1940.

DISCUSSION OF THE HISTORY OF SILVER AND SILVER LEGISLATION

There are no conscientious objectors to the utilization of silver as money.

There are two general classes of people in the United States who are opposed to using silver as money both within the country and internationally. One class of silver objectors wish silver to be reduced to an industrial metal for commercial purposes only. These people deliberately attempt to destroy the monetary value of one of the world's traditional monetary metals. They feel no responsibility whatever as to the resulting distress and impoverishment of a large part of the world's population.

For each and every cent they reduce the price of an ounce of silver a loss is caused in the bullion value of the monetary silver of $50,000,000, and for silver bullion not monetized another $50,000,000. There are many new uses for silver. In 1939 there were 35,000,000 ounces of silver consumed in the United States for purposes other than coinage. The saving to industry by reducing this commercially used silver 1 cent per ounce would be $350,000. The greatest loss in diverting silver from monetary to commercial uses occurs as a result of contracting the world's metallic money supply. The proposition of reducing the price of silver to a fractional part of its monetary value for the selfish purpose of increasing commercial consumption is not worthy of debate.

The other group consists of the "managed currency" advocates, who, like the first class of objectors, wish to destroy silver as a monetary metal. They are a more dangerous group than the first, because they wish also to destroy gold as money except for monetary settlements between nations. There have been so many failures of monetary structures among the important nations of the world due to the application of managed-currency principles that sound-thinking people should banish from their minds all consideration of the contraction of gold and silver. The need for both metals for monetary purposes has been tremendously enlarged because of the many monetary failures in the past 20 years and because of the burdens placed upon the monetary metals by increased national debt throughout the world due to war.

The second group consists of the contemporary economists who have been taught to deprecate silver as a competitive money with gold. These economists were educated in colleges and universities which largely were endowed by individuals who had been opposed to silver since the passage of the first National Bank Act on June 3, 1864. These economists now have decided that both gold and silver are unnecessary as money under their plans of managing everybody's money.

Senator John Sherman first planned to abolish silver as primary money, in cooperation with Samuel G. Ruggles, United States Commissioner to the Paris Exposition in 1867; at which time Senator Sherman also collaborated with Prime Minister Gladstone of England. Senator Sherman and Mr. Ruggles attempted to interest the French Government—and all other European countries—in establishing an international gold-monetary system under which silver was to have been reduced to subsidiary money. The plan was rejected by the United States Congress when submitted for their consideration.

The next attack on silver was dropping the silver dollar from the list of American coins in the act of February 12, 1873, section 15:

"That the silver coins of the United States shall be a trade dollar, a half dollar or 50-cent piece, a quarter dollar or 25-cent piece, a dime or 10-cent piece; and the weight of the trade dollar shall be 420 grains troy, the weight of the half dollar shall be 12 grams and one-half of a gram; the quarter dollar and the dime shall be, respectively, one-half and one-fifth of the weight of the said half dollar; and said coins shall be legal tender at their nominal value for any amount not exceeding $5 in any one payment."

It will be noted that silver was demonetized by the unfortunate and questionable method of failing to give it mention as a silver coin of legal-tender value.

This method of demonetizing silver was accomplished at the final Senate and House conferences on the bill, in spite of the fact that neither the House nor the Senate bills, which were presented to conference report, had any provision whatsoever contemplaing the dropping of the standard silver dollar and thereby demonetizing silver.

President Grant did not realize that silver had been demonetized by the act of February 12, 1873. The members of the Senate and Congress did not realize that silver had been demonetized until after the act of 1873 had been incorporated into the Revised Statutes of 1874.

As a matter of fact, it was not until the latter part of 1875, when the mints of the Latin Unions were closed to the coinage of silver, that American demonetization was realized. This realization lead to an intense interest in the United States during 1876 when, for the first time, the people realized that silver had been demonetized without one word of publicity about the matter either during the time the bill was pending in Congress, or after it had become an act. The newspaper literature of the time did not reveal one single announcement of the demonetization of silver for a period of 2 years following the passage of the act in 1873. Then, in 1876, the leading journals of the country demanded the restoration of the silver dollar to the place it occupied as a legal-tender coin previous to 1873.

Section 254 (March 3, 1863—5) of the Revised Statutes of the United States of 1874 contains the following opening sentence:

"The Secretary of the Treasury is authorized to receive deposits of gold, coin, and bullion, with the Treasurer or any Assistant Treasurer of the United States, in sums not less than $20, and to issue certificates therefore in denominations of not less than $20 each, corresponding with the denominations of the United States notes. * * *."

"The coin and silver bullion deposit for or representing the certificates of deposits shall be retained in the Treasury for the payment of same on demand. * * *."

It will be noted that silver is not mentioned in this section.

Section 3513 of the Revised Statutes of 1874 confirmed the silent dropping of the standard silver dollar in section 15 of the act of February 12, 1873, as follows:

Section 3513 (1873—15):

"The silver coins of the United States shall be a trade dollar, a half dollar or a 50-cent piece, a quarter dollar or a 25-cent piece, a dime or 10-cent piece; and the weight of the trade dollar shall be 420 grains troy, the weight of the half dollar shall be 12 grammes and a one-half of a gramme; the quarter dollar and the dime shall be, respectively, one-half and one-fifth of the weight of said half dollar."

The trade dollars were intended for export use only and had a legal tender at their nominal values for any amount not exceeding $5 in any one payment. The trade dollars could not be paid out at the mints in exchange for gold coins at par on the same basis as all other silver coins which could be secured in sums not less than $100 in exchange for gold.

The following is the first sentence from section 3527 (1873—28) of Revised Statutes:

"Silver coins other than the trade dollar shall be paid out at the several mints and at the assay office in New York City in exchange for gold coins at par, in sums not less than $100. * * *."

"But for 2 years after the 12th day of February, 1873, silver coins shall be paid at the mint in Philadelphia, in the assay office at New York City, for silver bullion purchased for coinage, under such regulations as may be prescribed by the Director of the Mint and approved by the Secretary of the Treasury."

It will be noted by this provision that the Mint would no longer accept silver for coinage. The Secretary of the Treasury authorized the purchase of same at the market price only, as, if, and when the Treasury wanted silver bullion.

The tremendous clamor for the restoration of the silver dollar, conducted by the press of the United States during 1876, led Senator Sherman, of Ohio, to remark in a speech made at Marietta, Ohio, August 12, 1876, reported by the Cincinnati Gazette of August 14, 1876, as follows:

"I do not now, fellow citizens, enter fully upon the great question of the restoration of the old silver dollar, as the money of account, for it has not yet assumed a party aspect. I have given the subject the most careful consideration, and was the first to propose the recoining of the old silver dollar."

In the same speech, Senator Sherman is quoted as follows:

"I was a member of the conference committee of the two Houses on the silver bill. I am not at liberty to state what occurred except as shown by the action of the two Houses. Both Houses were in favor of issuing the old dollar—the dollar in legal existence since 1792, containing 412.8 grains and only demonetized in 1873, when it was worth 2 percent more than the gold dollar. It was then, and for 20 years had been, only issued for export and was not circulating; still, it was a legal standard, as well as gold; always had been, and it was the right of any debtor to pay in silver dollars as well as gold dollars. It was his legal option.

"The relative value of the two metals had often varied before, and still the right remained to the debtor to pay in either dollar, and, therefore, in a cheaper dollar. The mere disuse of the coinage of the silver dollar could not, and ought not, to affect preexisting contracts. And now, when all our domestic contracts have been based upon depreciated paper money, made a legal tender for all debts, public and private, except customs and duties and interest of the public debt, it would seem not only legal, but right, in the broadest sense of the term, that we should avail ourselves of the rapid and remarkable fall of silver bullion to recoin the old silver coins, including the old silver dollar, the oldest of our coins, and with them pay our depreciated notes, and thus restore the old coin standard."

The Senator was talking to his home constituents in Ohio. Previously, he had taken positions against silver in his report on a bill in 1868, entitled "A Bill in Relation to the Coinage of Gold and Silver." He said:

"The single standard of gold as an American idea, yielded reluctantly by France and other countries, where silver is the first standard of value."

This report will be found in the Senate Report of Committee, No. 117, Fortieth Congress, second session, page 4.

The business conditions in the United States in February 1873, when silver was demonetized, were at such a low ebb that it will be positive proof to legislators and businessmen of the year 1940, that, in 1873, the legislators were completely ignorant of the fact of silver demonetization as part of the act of 1873. Certainly no sane person would have had anything to do with the demonetization either of gold or silver under the then existing circumstances of complete noncirculation of either metal. The total monetary stock of silver in 1873 amounted to 44 cents per person, not one cent of which was in circulation. The total monetary stock of gold in 1873 was $3.24 per person, not one cent of which was in circulation.

The United States, fortunately, had become a most important producer of both gold and silver. In 1848, gold was discovered in California, and in that year $10,000,000 was produced. In 1849, $40,000,000 was produced, and by the end of 1872, $1,204,750,000 of gold had been produced which represented $29 per person (in contrast to circulation of $3.24).

The first silver mines in the United States, at Virginia City, Nev., were discovered in 1851, and the total production of silver by the end of 1872 was $157,750,000, which amounted to $3.80 per person (in contrast to circulation of 44 cents).

The United States did not separate the export figures of gold and silver until 1864. For the period 1864–72, the United States had an excess of export of gold amounting to $434,113,000, which amounted to $10.38 per person.

The excess of silver exports for the period 1864–72 amounted to $122,107,000, or $2.93 per person.

The United States had an unfavorable balance of merchandise trade since 1849, with three exceptions, to wit, 1858, when the favorable balance of merchandise trade was $8,672,000, 1862, when the favorable balance of merchandise trade was $1,313,000, and 1866, when the favorable balance of merchandise trade was $85,953,000. The unfavorable balance of merchandise trade for the period 1848–72 was $1,259,635,000, or $30.21 per person.

During this period there was an excess of exports of gold and silver amounting to $1,011,673,000, equal to $24.16 per person.

In 1873, the purchasing power of the gold and silver dollars was equal, at $1.25, so that the general wholesale price level of the day was at 80 (parity being the 1926 level at 100).

The most severe panic of the United States occurred in 1873 because of monetary shortage in the United States, and the contraction of the high price levels of the Civil War period.

In 1873, the United States was dependent upon the circulation of greenbacks and the so-called "shinplasters" (paper fractional currency). In 1873, greenbacks had a gold value of about 90 cents, which prevailed throughout the year 1874, and a value of about 87 cents during 1875.

During the period 1867–76, it was the habit of the Treasury Department to sell gold at auction, accepting greenbacks in payment, which were recirculated by the Treasury, and recycled by the bankers and bullion brokers in payment for additional gold purchases. The selling of gold to the highest bidder by the Treasury Department was a device to circumvent the inconvertibility of greenbacks. With neither gold nor silver in circulation in the United States, the Treasury Department sold five hundred and fourteen and three-tenths millions of dollars of gold during the period 1867–76, during which period the excess of exports of gold was five hundred and sixty-one and four-tenths millions of dollars. The gold production in the United States for that period was four hundred and twenty-one and six-tenths millions of dollars. Eighteen hundred and seventy-three—the year in which silver was demonetized—was the middle of the 10-year period when the country was being stripped of its total gold production with no reserves withheld to cover greenbacks or to build up a metallic currency. The accumulated silver production for that period was two hundred and forty-five and five-tenths millions of dollars of which one hundred and eighty-six and four-tenths millions of dollars was exported regardless of the desperate need for same to enhance the monetary stock.

Both the Government and the people of the United States were hopelessly in debt and their metallic currency was only a fraction of all other countries, including India. On the other hand, the country had become the most prolific producer of both gold and silver, practically all of which was being exported because of the brokerage and commission profits available to the New York bullion brokers. The principal exporters were the various banks of New York, who represented the central banks of Europe.

The first turn toward prosperity came in 1875 as a result of the act of January 14, 1875, entitled "An act to provide for the resumption of specie payments," but the prosperity was not due primarily to the future possibilities of redeeming greenbacks with gold. The immediate prosperity was due to the enacting clause of this act:

"*Be it enacted, etc.*, That the Secretary of the Treasury is hereby authorized and required, as rapidly as practicable, to cause to be coined, at the mints of the United States, silver coins of the denominations of 10, 25, and 50 cents, of standard value, and to issue them in redemption of an equal number and amount of fractional currency of similar denominations, or, at his discretion, immediately issue such silver coins through the mints, the subtreasuries, public depositaries, and post offices of the United States; and upon such issue is hereby authorized and required to redeem an equal amount of such fractional currency until the whole amount of such fractional currency outstanding shall be redeemed * * *."

This act resumed the redemption of greenbacks for the bankers, with certain limitations, immediately upon its enactment, but the public waited 4 years longer for the period of resumption.

The subsequent act of May 31, 1878, forbade further retirement of legal-tender notes and fixed the amount then outstanding at $346,681,016. This repeal of the right of banks to retire greenbacks was in response to objections of the people of the United States to contraction of national currency.

The act of March 3, 1875, authorized the coinage of a 20-cent silver piece of 5 grams weight, legal tender for an amount not exceeding $5.

The act of April 17, 1876, specifically directed the Secretary of the Treasury to issue silver coin in place of fractional currency, under section 2, as follows:

"That the Secretary of the Treasury is hereby directed to issue silver coins of the United States of the denominations of 10, 20, 25, and 50 cents of standard value in redemption of an equal amount of fractional currency, whether the same be now in the Treasury waiting redemption or whenever it may be presented for redemption; and the Secretary of the Treasury may, under regulations of the Treasury Department, provide for such redemption and issue by substitution at the regular subtreasuries and public depositaries of the United States until the whole amount of fractional currency outstanding shall be redeemed. And the fractional currency redeemed under this act shall be held to be part of the sinking fund provided for by existing law at interest to be computed thereon as in the case of bonds redeemed under the act relating to the sinking fund."

The joint resolution of July 22, 1876, provided:

"For the issue of silver coin at any time in the Treasury to an amount not exceeding $10,000,000 in exchange for an equal amount of legal-tender notes; and the notes so received in exchange shall be kept as a special fund, separate and apart from all other money in the Treasury, and be reissued only upon retirement and destruction of a like amount of fractional currency received at the Treasury in payment of duties to the United States; and said fractional currency, when so substituted, shall be destroyed and held as part of the sinking fund, as provided in the act approved April 17, 1876."

It is most interesting to note that these legal-tender notes redeemed in the above-described act were reissued in payment of arrearages of pensions under section 3 of the Legislative, Executive, and Judicial Appropriation Act of June 21, 1879. In effect, $10,000,000 silver money was coined and paid out to cover pension arrearages.

The joint resolution of July 22, 1876, further fortified the earlier legislation as to the replacement of "shinplasters" with silver coin as provided in section 3, as follows:

"That in addition to the amount of subsidiary coin authorized by law to be issued in redemption of the fractional currency, it shall be lawful to manufacture at the several mints, and issue through the Treasury and its several offices, such coin to an amount that, including the amount of subsidiary coin and all fractional currency outstanding, which, in the aggregate, not exceed at any time $50,000,000."

The public have not realized that, immediately after demonetization of silver in 1873, these several acts mentioned providing for the coinage and circulation of silver were the direct means of ending the panic of 1873 and starting the country toward a return to substantial recovery.

The benefits of this minor silver legislation had become so apparent that a country-wide demand exerted itself for the remonetization of silver which culminated in the act of February 28, 1878, known as the Bland-Allison Act.

The Bland-Allison Act of February 28, 1878, was the culmination of silver legislation. On July 17, 1876, Mr. W. D. Kelley introduced in the House a bill to coin the standard silver dollar and to restore its legal-tender character. This was the original of the final Bland-Allison Act.

Mr. Bland introduced House bill 3635 July 25, 1876, providing for the issuance of bullion certificates. This bill was reported from the Committee on Mines and Mining December 12, 1876, sections 1 and 4, as follows:

Section 1:

"That coin notes of the denomination of $50, and multiples thereof up to $10,000, may, in the mode hereinafter provided, be paid by the several mints and assay offices * * * for the net value of gold and silver bullion deposited thereat; and of the bullion thus received not less than 75 percent in coin or fine bars shall at all times be kept on hand for redemption of the coin notes, gold for gold and silver for silver. The gold deposited shall be computed at its coining value and silver at the rate of 412.8 grains standard silver to the dollar."

Section 4:

"That the coin notes issued under the provisions of this act shall be receivable without limit for all dues to the United States; and the coin mentioned in this act shall be legal tender for all debts of the United States, public and private, not specified to be paid in gold coin."

Mr. Bland also proposed a substitute bill, H. R. 4189, which was the same as the Kelley bill of the former session. The enacting clause follows:

"Be it enacted, etc., That there shall be from time to time coined at the mints of the United States silver dollars of the weight of 412½ grains standard silver to the dollar, as provided for in the act of January 18, 1837, and that said dollar shall be a legal tender for all debts, public and private, except where payment of gold coin is required by law."

The substitute bill was passed on December 13, 1876, by a vote of 167 to 53. The bill was not acted upon by the Senate that session. Mr. Bland reintroduced his bill, H. R. 1093, and, under a suspension of rules, was passed without debate November 5, 1877, by a vote of 163 to 34. The bill as passed and sent to the House was as follows:

"Be it enacted, etc., That there shall be coined at the several mints of the United States silver dollars of the weight of 412½ grains troy of standard silver, as provided in the act of January 18, 1937, on which shall be the devices and superscriptions provided by said act; which coins, together with all silver dollars heretofore coined by the United States of like weight and fineness, shall be a legal tender, at their nominal value, for all debts and dues, public and private, except where otherwise provided by contract; and any owner of silver bullion may deposit the same at any United States coinage mint or assay office to be coined into such dollars, for his benefit, upon the same terms and conditions as gold bullion is deposited for coinage under existing laws.

"SEC. 2. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed."

The bill reached the Senate on December 6, 1877, and was made the special order for December 11, 1877. The bill was in charge of Mr. Allison of the Committee on Finance, who reported the bill with an amendment which eliminated from the House bill the provision of free coinage. The amendment was adopted by a vote of 49 to 22 with Senate silver advocates Beck, Davis of Illinois, Garland, Jones of Nevada, Thurman, and Voorhees.

Another amendment was offered by Mr. Booth of California, as follows:

SEC. 3. "That any holder of the coin authorized by this act may deposit same with the Treasurer or any Assistant Treasurer of the United States, in sums not less than $10, and receive therefor certificates of not less than $10 each, corresponding with the denominations of the United States notes. The coins deposited for, or representing, the certificates shall be retained in the Treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes, and all public dues, and, when so received, may be reissued."

This amendment was adopted by a vote of 49 to 15, and the whole bill as amended passed the Senate February 15, 1878, by a vote of 48 to 21. The House passed the bill, as amended by the Senate, by a vote of 203 to 72, February 21, 1878. President Hayes vetoed the bill on the 28th, but it was promptly passed over the veto on the same day by the House with a vote of 196 to 72, and by the Senate with a vote of 46 to 19.

Among the Republicans voting the override of the veto were Representatives Butler, Charles Foster, William McKinley, and Kelley; and Senators Allison, Matthews, and Windom (later Secretary of the Treasury in 1881). Supporting Hayes were Representatives Hale, Reed, Garfield, and Frye; and Senators Blaine, Conkling, Dawes, Hoar, and Morrill of Vermont.

The bill, as it became law on February 28, 1878, passed each House by a two-third vote over the veto of the President, was as follows:

"Act of February 28, 1878: An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character

"Be it enacted, etc., That there shall be coined, at the several mints of the United States, silver dollars of the weight of four hundred and twelve and a half grains troy of standard silver, as provided in the act of January 18, 1837, on which shall be the devices and superscriptions provided by said act; which coins, together with all silver dollars heretofore coined by the United States, of like weight and fineness, shall be a legal tender at their nominal value, for all debts and dues, public and private, except where otherwise expressly stipulated in the contract. And the Secretary of the Treasury is authorized and directed to purchase, from time to time, silver bullion, at the market price thereof, not less than $2,000,000 worth per month, nor more than $4,000,000 worth per month, and cause the same to be coined monthly, as fast as so purchased, into such dollars; and a sum sufficient to carry out the foregoing provision of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated. And any gain or seigniorage arising from this coinage shall be accounted for and paid into the Treasury, as provided, under existing laws relative to the subsidiary coinage: *Provided,* That the amount of money at any one time invested in such silver bullion, exclusive of such resulting coin, shall not exceed $5,000,000: *And provided further,* That nothing in this act shall be construed to authorize the payment in silver of certificates of deposit issued under the provisions of section 254 of the Revised Statutes.

"SEC. 2. That immediately after the passage of this act, the President shall invite the governments of the countries composing the Latin Union, so-called, and of such other European nations as he may deem advisable, to join the United States in a conference to adopt a common ratio between gold and silver, for the purpose of establishing, internationally, the use of bimetallic money, and securing fixity of relative value between those metals; at such time, within 6 months, as may be mutually agreed upon by the executives of the governments joining in the same, whenever the governments so invited, or any three of them, shall have signified their willingness to unite in the same.

"The President shall, by and with the advice and consent of the Senate, appoint three Commissioners, who shall attend such conference on behalf of the United States, and shall report the doings thereof to the President, who shall transmit the same to Congress.

"Said Commissioners shall each receive the sum of $2,500 and their reasonable expenses, to be approved by the Secretary of State; and the amount necessary to pay such compensation and expenses is hereby appropriated out of any money in the Treasury not otherwise appropriated."

"SEC. 3. That any holder of the coin authorized by this act may deposit same with the Treasurer or any Assistant Treasurer of the United States, in sums not less than $10, and receive therefor certificates, of not less than $10 each, corresponding with the denominations of the United States notes. The coin deposited for or representing the certificates shall be retained in the Treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes, and all public dues, and when so received may be reissued.

"SEC. 4. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed."

The defect in this bill was the failure to provide for a coinage at least equal to the annual production of silver in the United States, and the failure to authorize one-, two-, and five-dollar silver certificates which later proved to be a great embarrassment in the circulation of the silver certificates, but was corrected by the act of August 4, 1886, "An act making appropriations for sundry

civil expenses of the Government for the fiscal year ending June 30, 1887, and for other purposes":

"*Be it enacted, etc.*, * * * And the Secretary of the Treasury is hereby authorized and required to issue silver certificates in denominations of one, two, and five dollars, and the silver certificates herein authorized shall be receivable, redeemable, and payable in like manner and for like purposes as is provided for silver certificates by the act of February 28, 1878, entitled 'An act to authorize the coinage of the standard silver dollar, and to restore its legal-tender character,' and denominations of one, two, and five dollars may be issued in lieu of silver certificates of larger denominations in the Treasury or in exchange therefor upon presentation by the holders, and to that extent said certificates of larger denominations shall be concealed and destroyed. * * *

"Transportation of silver coin: For transportation of silver coin, including fractional silver coin, by registered mail or otherwise, $75,000; and in expending this sum the Secretary of the Treasury is authorized and directed to transport from the Treasury or subtreasuries, free of charge, silver coin when so requested to do so: *Provided*, That an equal amount of coin or currency shall have been deposited in the Treasury or such subtreasuries by the applicant or applicants. And the Secretary of the Treasury shall report to Congress the cost arising under this appropriation * * *."

(Similar provisions are contained in succeeding sundry civil appropriation laws.)

It will be noted that the Secretary of the Treasury was authorized and directed to purchase silver bullion at the market price, not less than $2,000,000 worth per month, nor more than $4,000,000 worth per month; but none of the Secretaries of the Treasury, who had charge of the administration of this bill, ever exceeded the minimum amount; therefore, there was a large surplus of silver exported from the country during the life of the act, at decreasing prices which were fixed in London. The actual amount of silver coined under this act, was as follows:

AMOUNT, COST, AND AVERAGE PRICE OF SILVER PURCHASED UNDER THE ACT OF FEB. 28, 1878, AND COINAGE OF SILVER DOLLARS THEREFROM

1878–91:	
Fine ounces	$291,272,018.56
Cost	308,279,260.71
Average price per fine ounce	1.0583
Coinage of silver dollars	378,166,793.00

The average rate of coinage for this period was about $2,200,000 per month. The United States production of silver for the 1878–91 period was 569,896,300 ounces, having a value of $598,526,900, and the excess of exports for the same period amounted to 130,000,000 ounces, having a value of $137,914,347.

The seigniorage profit to the Government for the silver bought under the Bland-Allison Act amounted to $56,939,730.87.

The clearing houses of the United States offered obstacles to the success of the operation of the Bland-Allison Act by refusing to accept silver in settlements.

Rules printed in the Comptroller's report of 1878 disclosed that the clearing houses prohibited the payment of bills (of more than $10 change) in silver or silver certificates.

In the act of August 7, 1882, Congress enacted a provision that no national bank could be a member of a clearing house at which silver certificates were not receivable in payment of balances.

"But the practice continued as before; the Congress could compel a national bank to receive silver, but not to offer it" (The Silver Situation in the United States—Taussig).

Section 12 of this act follows:

"That the Secretary of the Treasury is authorized and directed to receive deposits of gold coin with the Treasurer or Assistant Treasurers of the United States, in sums not less than $20, and to issue certificates therefor in denominations of not less than $20 each, corresponding with the denominations of United States notes. The coin deposited for or representing the certificates of deposits shall be retained in the Treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes, and all public duties, and when so received may be reissued; and such certificates, as also silver certificates, when held by any national banking association, shall be counted as part of its lawful reserve; and no national banking association shall be a member of any clearing house in which such certificates shall not be receivable in the settlement of clearing-house balances: *Provided*, That the Secretary of the Treasury shall suspend the issue of such gold certificates whenever the amount of gold coin and gold bullion in the Treasury reserved for the redemption of United States notes falls below $100,000,000; and the provisions of section 5207 of the Revised Statutes shall be applicable to the certificates herein authorized and directed to be issued."

The monetary stock of the United States practically doubled during the period 1873–78. Silver increased from 44 cents per person to $1.72, and gold increased from $2.24 to $4.48, making a total monetary stock of $6.20 per capita. Tremendous benefits were felt immediately from silver coinage under the Bland-Allison Act. There was a constant increase in silver money, which amounted to $8.09 at the end of 1891. Gold had increased to $10.13, making a total of $18.22 per capita, gold and silver, a 300-percent increase during the life of the Bland-Allison Act.

The per capita debt dropped from $51.62 to $15.37, for the period 1873–78; and to $15.70 in 1891. This was slightly in excess of $1,000,000,000 debt reduction, and at the time was the most rapid rate of debt reduction of this or of any other country in the world.

Individual bank deposits increased from $620,000,000 in 1878 to $1,560,000,000 in 1890. Loans and discounts increased from $840,000,000 in 1878 to $1,990,000,000 in 1890. Bank capital, surpluses, and profits increased from $620,000,000 in 1878 to $96,000,000 in 1890. During the period 1878–91, the excess of gold import was $86,144,000, but the excess of merchandise export was $1,350,357,000.

During this period (1878–91) the foreign countries of Europe and Asia were clamoring for American silver, and the United States dumped the metal at constantly falling prices, which were fixed by the London brokers. The excess of export of silver during 1878–91 had a commercial value of $137,915,000, and a coinage value of $168,478,000. These shipments afforded a seigniorage profit to the foreign buyers of $30,563,000. If this silver had been coined in the United States, the monetary stock would have been increased $2.60 per person, which increase the country very much needed.

The selling of this uncoined silver on the foreign markets at prices controlled outside of the United States caused its world price to drop from $1.15 per ounce in 1878 to 99 cents during 1891.

Because of failure to utilize full American production and the fact that the world price was permitted by the United States Treasury to be fixed in London at the buyers' prices, the bankers were dissatisfied with the Bland-Allison Act because the country was building up a national currency whereas the banks at the time, and ever since, have followed the policy of building credit-bank currencies at the expense of national currency.

On July 15, 1890, the Bland-Allison Act was superseded by the Sherman Act, which contained a clause authorizing the Secretary of the Treasury to purchase monthly four and five-tenths million ounces of silver bullion to be paid for with Treasury notes redeemable in coin (gold or silver). But a "joker" was introduced which limited actual coinage of silver to $2 per month for a limited period of less than 1 year, terminating July 1, 1891. After that date, coinage was to be limited to the amount required to redeem notes.

Sherman's objective in changing from the Bland-Allison to the Sherman Act was to introduce Treasury notes into circulation, representing the silver purchased, instead of issuing silver certificates.

The silver certificates were not legal tender, and not convertible, and not redeemable in gold. The greenbacks were not redeemable in gold; but the Treasury notes of 1890, as defined by the Sherman Act, were legal tender, legal bank reserves, and redeemable in either gold or silver Therefore, the Treasury notes offered a means of siphoning gold out of the Treasury without the retirement of the notes. These notes were recirculated by the Treasury, and then used again to draw gold from the Treasury.

There was a profitable market for gold in Europe during the period; therefore, the yellow metal was shipped by the bullion brokers for profit even when the balance of merchandise shipments was much in favor of the United States. Europe needed gold so badly during their panic that American securities and stocks were liquidated at buyers' prices in order to secure for export the United States gold production, as well as the gold in the Treasury.

The concession to the silver advocates, in raising the silver purchases to four and five-tenths million ounces per month instead of a minimum of $2,000,000 per month, made the change from the Bland-Allison Act to the Sherman Act agreeable because the broad provisions of the latter act, in respect to the Treasury notes, was not realized by them. Neither did they realize that the Secretaries of the Treasury would treat these Treasury notes as redeemable in gold at the election of their owners.

The withdrawal of gold from the Treasury by redeeming Treasury certificates resulted in an accumulation of silver in the Treasury against which no currency was in circulation. This was intended to develop a situation which would cause the repeal of the Sherman Act because of excessive nonactive stocks of silver constantly growing in the Treasury.

The increase in the monetary stock of the United States, which had made such splendid headway under the Bland-Allison Act, was interrupted. The monetary silver stock per capita increased only from $8.09 in 1891, to $9.23 in 1894, after which there was a rapid reduction of silver money to the low point of $4.96 per capita in 1920.

The gold circulation per capita, which was $10.13 in 1891, was reduced to $9.28 in 1894. This was due to gold withdrawals against delivery of Treasury notes, which were issued against silver purchases. The excess of exports of gold for the 1891–94 period was $160,662,000, and the excess of exports of silver for the same period was $72,428,000. The excess of merchandise exports for the period 1891–94 was $460,851,000.

Sherman's idea in reducing both gold and silver monetary stocks was to create a vacuum for national-bank notes. This has always been and continues to be the objective of both the central and large commercial bankers.

The silver purchased under the Sherman Act was not adding to the monetary stock, because the Treasury notes were being cashed for gold and the gold shipped abroad. Silver bullion was being shipped in tremendous quantities.

On March 31, 1940, there was $5,224,000,000 of Federal Reserve notes outside the Treasury and $4,896,000,000 in circulation, representing a $37.12 per capita in contrast to silver certificates in circulation amounting to $11.43 per capita, and no gold in circulation at all.

The Baring Bros. bank failure in London was the direct cause of the panic of 1890, both in Europe and America. The Baring failure was unexpected, but it dovetailed with the premeditated contraction of bank loans in the United States, which was inaugurated as a means of repealing the silver-purchase clause of the Sherman Act.

Gold and silver were withdrawn from the United States by Europe in enormous amounts to counteract the broad panic which developed from the Baring failure, but the gold and silver withdrawals in the United States resulted in stock-exchange panics and a general depression in business throughout the United States, which was the principal cause of the panic of 1893.

During the fiscal-year period of 1891–94, the Treasury Department purchased, under the Sherman Act, 168,674,682.13 ounces of silver at a cost of $155,931,002.25, the average price per fine ounce being 92.44 cents.

During this same period, Treasury notes of 1890 were issued in the amount of $155,931,002. The silver dollars coined during that period amounted to only $36,000,000, and by the end of 1898 the total silver coinage under the Sherman Act was only $72,572,857.

The amount of Treasury notes redeemed in silver and canceled for the period 1891–94 was only $3,346,585, leaving $152,584,417 outstanding at the end of 1894, which were being used to siphon gold from the Treasury with the Treasury notes being reissued. At the end of 1898, $49,582,922 of Treasury notes had been redeemed in silver and canceled, and $106,384,280 in Treasury notes were outstanding, almost entirely held as bank reserves, because they were exchangeable for gold.

President Cleveland kept a campaign promise by calling a special session of Congress for August 7, 1893, to repeal the purchase clause of the act of 1890. The act passed the House by a vote of 239 to 108. Public sentiment had been created against silver because of false charges that silver money had caused the panic. This was ridiculous in view of the fact that both gold and silver were being exported at an enormous rate by the dumping of securities from Europe to meet the panic existing abroad with which the United States had nothing to do. On October 30 the bill passed the Senate by a vote of 42 to 32.

November 1, 1893, the bill became a law. The silver-purchase clause of the Sherman Act was repealed. It is curious to note the tremendous utilization and coinage of silver which followed after the repeal of the purchase clause of the Sherman Act.

In 1893 the total stock of silver coin and bullion was $615,716,000, amounting to $9.28 per capita. In the year 1917 the total silver coin and bullion was $766,545,000, representing only $7.36 per capita. In 1920, owing to the shipment of 208,000,000 ounces of silver to India, under the Pittman Act, the silver money stock fell from $527,712,000, representing $4.96 per capita. The Pittman Act silver was replaced by coinage during the period 1921–27.

As final evidence that silver had nothing to do with the panic in the United States, which was entirely sympathetic, with that of Britain and other European countries, after the Sherman Act was repealed, gold exports continued during 1895 and 1896 in the net amount of $103,968,000. Excess of silver exports increased. For the period 1895–1917 there was an annual excess of export of silver for the period amounting to $536,972,000. During 1918 and 1919 the Government shipped 208,000,000 ounces to India under the Pittman Act.

UTILIZATION OF TREASURY BULLION

Upon every occasion, when the United States Treasury has accumulated silver which was not in monetary use, most valuable uses have been found for same in emergencies. Under the sponsorship of President McKinley the revenue act of June 13, 1898, was enacted to provide funds for the financing of the Spanish-American War. This act had two main provisions: (a) Bonds in the amount of $200,000,000, and (b) coinage of all seigniorage silver held by the Treasury.

Coinage of silver bullion—Section 34:

"That the Secretary of the Treasury is hereby authorized and directed to coin into standard silver dollars as rapidly as the public interests may require, to an amount, however, of not less than one and one-half millions of dollars in each month, all of the silver bullion now in the Treasury purchased in accordance with the provisions of the act approved July 14, 1890, entitled 'An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes,' and said dollars, when coined, shall be used and applied in the manner and for the purposes named in said act."

"It was, in fact, with difficulty that the silver majority in the Senate was restrained from forcing a free-silver amendment to this measure so imperatively demanded by the exigencies of war" (Contest for Sound Money, by Hepburn, p. 401).

This act resulted in the coinage of $108,800,888 of seigniorage silver accumulated under the Sherman Act of July 1891; in fact, for the period 1898–1918, leading up to the Pittman Act, the silver coinage amounted to $301,760,000. All of this silver coinage was authorized by McKinley and his Republican administration, who contemporaneously sponsored the Gold Standard Act of 1900.

THE GOLD STANDARD ACT OF MARCH 14, 1900

Section 5 of this act directed that, as fast as silver dollars were coined from silver obtained under the Sherman Act, that the Secretary of the Treasury was to retire and cancel an equal amount of Treasury notes, whenever received into the Treasury, and to issue silver certificates against the silver dollars so coined. Thus it will be seen that the Republican gold-standard administration reverted from the Treasury notes of the Sherman Act to the silver certificates of the Bland-Allison Act; thus, undoing the damage that had been created in the United States by these "special privilege" Treasury notes issued against and redeemed by the cycle method in gold.

Section 5:

"That it shall be the duty of the Secretary of the Treasury, as fast as standard silver dollars are coined under the provisions of the acts of July 14, 1890, and June 13, 1898, from bullion purchased under the act of July 14, 1890, to retire and cancel an equal amount of Treasury notes whenever received into the Treasury, either by exchange in accordance with the provisions of this act or in the ordinary course of business, and upon the cancelation of Treasury notes, silver certificates shall be issued against the silver dollars so coined."

The following table shows the silver coinage of the United States for the period 1933–39. The rate of silver coinage has been increased to approximately $5,000,000 per month. It will be noted that the coinage in January 1939 was only $466,663. There was a constant increase throughout the year to the high average of more than $5,000,000 for the month of December:

Calendar years:

1933	$895,625.00
1934	22,091,840.00
1935	31,237,223.50
1936	34,656,954.75
1937	22,035,561.60
1938	8,998,493.05

Coinage by months, 1939:

January	466,663.00
February	464,000.00
March	536,814.45
April	318,150.75
May	2,285,855.10
June	2,497,181.55
July	1,577,000.00
August	1,810,301.80
September	3,781,427.55
October	3,737,127.55
November	5,152,855.10
December	5,286,121.00
	27,913,497.85

In his statement on March 18, 1940, before the Senate Committee on Banking and Currency, Senator PITTMAN outlined clearly and definitely the relationship between gold and silver, and the necessity of both metals to regulate purchasing power of the dollar. Senator PITTMAN's statement follows:

"When the price of silver is depressed below parity (coinage value), it has the direct effect of raising export prices of cotton, wheat, and other commodities above the parity price levels to such an extent that foreigners, who wish to purchase American goods by converting silver into dollar exchange, find the prices prohibitive.

"When a silver market exists free from barriers and embargoes, (a) price levels of all international commodities in gold-standard countries, as well as silver-using ones, change with changes in the world price of silver, (b) silver is so universally distributed amongst one-half of the people of the world that changes in its prices react immediately on the price of commodities, and, (c) gold is concentrated to such an extent that price levels of international commodities respond very slowly to changes in the gold price."

Senator PITTMAN has defined the monetary relationship of gold and silver as follows:

"The true measure of the value of silver as monetary metal resides in the fact that, whenever its world price is lowered, the purchasing power of the gold dollar is increased by the same amount; and, conversely, when the world price of silver is raised, the purchasing power of the gold dollar correspondingly is reduced."

The British have understood this simple law thoroughly since silver was demonetized, and for this reason their consistent policy has been to depress the price of silver in order to raise the purchasing power of gold. It has been an Empire policy to invest in gold deposits throughout the world and, after two generations, this policy has resulted in the British Empire producing and marketing 80 percent of the world's gold production in contrast to their 5 percent (less Canada) of the world's silver production.

Markets continuously have to be developed throughout the world by the British for their constantly increasing gold production. The most effective method they have found is to depress the price of silver so that gold, and currencies based on gold, will perform the functions of silver as well as gold.

Until the Great War started in 1914 the British policy, along with the gold-standard groups of the United States, was to keep silver depressed to a ratio of 32 to 1, at about 64.50 cents per ounce. After the Great War, the British policy became ultra-avaricious because of their inability to meet foreign obligations which were created as a result of the war. Their antisilver policy was extended to the point, virtually, of exterminating silver as a monetary metal. Britain was particularly desirous of weaning British India away from silver by replacing it with paper rupees, backed by gold reserves supposedly held in London as British-India reserve.

The Royal Mint Act of 1920 reduced the silver content of British coins from 925 fine to 500 fine. This act raised their coinage rate of silver to its present level of $2.56 per ounce, but resulted in reducing the bullion price of silver to 35 cents per ounce. By this incongruous procedure, monetary silver became worth seven times more as British coin than it was worth as bullion. This process resulted in raising the price of gold from 85 shillings to its present level of 168 shillings per ounce.

The British India Government is now proceeding with a debasement of the fractional rupee coin (4-anna) to 500 fine and, if no serious objections are encountered throughout India, the silver rupees and half rupees will be debased to the same extent. In the meantime, Britain found the exigencies of war so great that both her gold reserves and currently produced gold had to be shipped to the United States to make secure dollar credits with which to acquire necessary materials for the conduct of war.

The raising of the ounce price of gold is an obvious method of increasing the purchasing power of gold, but the most effective method of raising the purchasing power of gold is by the simple art of depressing the world price of silver. This operation is more difficult for the general public to understand, but nevertheless it is their favorite and most effective method. By this means, commodity prices in the United States are kept at "hard time" levels.

When it is said that the purchasing power of gold has been raised, it is just another way of saying that the world price level of commodities has been reduced: as the purchasing power of gold goes up price levels have a corresponding decrease. Price levels decrease as the world price of silver is decreased.

This is plainly observable by studying the price levels of the United States in comparison to the price levels of world silver since 1870. The lines are substantially parallel. When silver drops in value, the general price level drops; and when silver increases in value, the general price level increases.

This is a natural phenomenon for the simple reason that silver (owing to the fact that its ounce price is much lower than that of gold) became metallic money of the great masses of the world's population; and gold, being the more valuable by weight of the two monetary metals, became the reserve metal for banks and governments. Both metals were necessery to a world monetary structure and complement one another when their natural relationship of values is not being tampered with.

Because of many conditions, both natural and artificial, which tend to change the ratio of value between gold and silver, it is quite necessary to have gold fixed as the basis of value (in terms of a fixed number of dollars per ounce of gold) and to let the world price of silver bullion undergo a natural price fluctuation to the extent that such changes regulate and maintain equal purchasing powers of both the gold and silver dollars.

To amplify this statement, it must be recalled, when the price of silver goes up the purchasing power of silver is increased and the purchasing power of the gold dollar is decreased; and when the price of silver bullion goes down the purchasing power of the gold dollar goes up correspondingly; therefore the only positive control that exists over the regulation of the purchasing power of the gold dollar is the existence of a free world market for silver.

If the monetary structure of the world were based upon gold alone, which is largely true today, gold would become concentrated into hoards by governments and central bankers. As a direct result of such hoarding the purchasing power of gold rises to higher and higher levels, without interference, for whatever length of time the natural world price of silver is being artificially depressed. The depression of the silver price is a result of concerted action in the form of various restrictions and import embargoes on the part of those countries who seek to enhance the purchasing power of gold at the expense of the silver-producing countries and those countries which for generations have used silver as their basic medium of exchange.

By permitting the world price of silver to rise above its present manipulated low level, the purchasing power of gold will decline correspondingly (without changing the ounce price) until the purchasing powers of gold and silver meet at a common and natural level of parity. The people of the world, including gold-owning countries, as well as those of silver, will be relieved from the yoke of both monetary and price-level manipulation under which many of the leading nations of the world have been plunged into wars of extermination.

The price of silver bullion, necessary to restore parity-price levels, will be between $1 per ounce and a maximum of $1.29 per ounce, which is the United States coinage rate for silver. As Great Britain seeks to maintain a lower price level than the United States, because of the distinct advantages which accrue to her from a lower price level in world trade, the United States arbitrarily will have to protect its own interests by liberating the artificially imposed world-price level of silver so that internationally used commodities and general merchandise price levels will become relatively uniform between the two great countries. Such a condition would be of as much benefit to Britain as it would to the United States because the volume of world trade increases directly with an increase in price levels. All countries enjoy periods of maximum foreign trade, both imports and exports, when world commodities are at or near parity levels.

The unit values and volumes of United States international commerce change directly with the world price of silver. As an example: In 1919 the value of exports was 12.6 percent of national income, with a unit value index of 144; and the value of imports was 6.36 percent of national income, with a unit value index of 125; whereas, for the year 1939, the value of exports was 4.56 percent of national income, with a unit value index of 64; and imports were 3.2 percent of national income, with a unit-value index of 55.

The average price of silver during 1919 was 111.1 cents per ounce, and for 1939 was 39.1 cents per ounce. Because of low-value indexes during 1939, it required 2.25 times the quantity of exports to yield a return of $1, and 2.27 times the quantity of imports to yield a return of $1, as it did in 1919.

When the price level commences to fall in terms of gold and rise in terms of silver, gold will come out of hoarding and enter circulation, just as it concentrated because of a rising purchasing power for gold and a falling one for silver. There is no other method known that will release hoarded gold into circulation than by the operation of raising price levels. If the movement is a forceful one and directed only toward abolishing excess purchasing power, the gold gets back into circulation at a faster rate than it went into hoarding.

The following table, for the period 1913–19, sets for each year the amount of national income, the value of exports and imports as a percentage of national income, the unit-value indexes annually for both exports and imports:

Values of United States exports and imports, in terms of national income, vary directly with the New York price of silver

Year	National income	Exports (percent of national income)	Export unit-value index	New York price of silver (cents per ounce)	Imports (percent of national income)	Import unit-value index
1913	----------	----------	65	59.8	----------	70
1914	$33,100,000,000	7.03	----------	54.8	5.72	----------
1915	34,500,000,000	7.87	----------	49.7	4.82	----------
1916	40,100,000,000	13.50	----------	65.7	5.95	----------
1917	47,200,000,000	13.00	----------	81.4	6.26	----------
1918	55,100,000,000	10.90	----------	96.8	5.49	----------
1919	61,500,000,000	12.60	144	111.1	6.36	125
1920	67,800,000,000	11.80	156	100.9	7.76	155
1921	55,500,000,000	7.88	102	62.6	4.51	88
1922	58,100,000,000	6.27	94	67.5	5.35	84
1923	66,500,000,000	6.13	101	64.9	5.69	99
1924	67,800,000,000	6.61	99	66.8	5.31	96
1925	71,500,000,000	6.84	100	69.0	6.00	105
1926	74,000,000,000	6.35	92	62.1	5.71	102
1927	74,500,000,000	6.37	86	56.4	5.61	95
1928	77,100,000,000	6.53	88	58.2	5.14	92
1929	80,200,000,000	6.44	87	53.0	5.46	87
1930	74,400,000,000	5.06	78	38.1	4.10	71
1931	62,800,000,000	3.78	60	28.7	3.32	55
1932	49,300,000,000	3.19	51	27.9	2.68	43
1933	49,600,000,000	3.32	54	34.7	2.93	43
1934	52,100,000,000	4.03	63	48.0	2.93	50
1935	55,800,000,000	4.29	65	64.3	3.18	50
1936	64,200,000,000	3.77	66	45.1	3.42	54
1937	70,700,000,000	4.74	70	44.9	4.63	60
1938	65,000,000,000	4.77	65	43.2	3.00	54
1939	69,000,000,000	4.56	64	39.1	3.20	55

The export and import values as reported are illusory for the purposes of comparison to similar values for other years unless they are adjusted to the unit-value indexes of exports and imports of the 1923–25 parities as established by the Department of Commerce. Such an adjustment portrays the parity values of the same quantities reported to have been exported and imported for any given year.

The following example portrays the adjustment of the 1939 exports and imports to the parity unit-price indexes when based on the same quantities exported and imported, as reported:

United States merchandise exports and imports, unadjusted and adjusted to parity indexes (1923–25=100), for the year 1939

	Exports	Imports	Excess of exports
Parity values of quantities shipped	$4,964,000,000	$4,215,015,000	$749,585,000
Values as reported	3,177,344,000	2,318,258,000	859,086,000
Losses to exporters and gains to importers	1,787,256,000	1,896,757,000	----------

By adjusting United States foreign commerce quantities to parity values of 1923–25, the exporters of the United States had to ship an excess of merchandise, representing $1,787,256,000, to realize exports as reported, amounting to $3,177,344,000.

The importers had to ship an excess of merchandise worth $1,896,757,000, in order to receive the value of imports reported at $2,318,258,000. This import figure portrays the enormous amount of dumping that is going on in the United States at the present time under the extremely low unit-value index of 55. The figures also show the tremendous tax on the exporters of the United States in having to ship without compensation practically 50 percent more merchandise to obtain the same dollar yield with the export unit-value index of 64. The value of these extra shipments not paid for, based on parity unit-value indexes, was $1,787,256,000.

The United States has been bled white in its foreign-trade transactions as fully depicted by the fact that excess of merchandise shipments, for one reason and another, have not been settled for either in merchandise, gold, or silver.

The following figures are startling but illuminating:

Since 1873 to the end of 1939, the excess of merchandise exports from the United States have amounted to $313 per person. The excess of silver exports for the same period, including imports under the Silver Purchase Act of 1934, is $1.88 per person. Combining excess of merchandise exports with exports of silver, the amount is $314.88 per person.

To offset these excesses of exports of merchandise and silver amounting to $314.88 per person, there has been an excess of imports of gold for the same period (1873–1939) of $98.88 per person, just 32 percent of the amount due to balance the foreign trade.

The people of the United States have not been paid for merchandise exports amounting to $216 per person, equal to twenty-eight and five-tenths billion dollars. The cost of foreign war, unpaid foreign loans and investments, and multitudinous other conditions have caused this staggering loss to the people of the United States.

Conditions in the United States, broadly represented by a public debt of $308.20 per person (substantially equal to losses in foreign trade), clearly indicate that the time has arrived when foreign commerce must be based on a standard monetary system utilizing the metallic moneys, gold and silver, as the bases of settlement.

The President recommended in 1934 that monetary silver should constitute one-fourth of the United States monetary supply, and gold three-fourths; and this ratio was enacted into law by the Silver Purchase Act of 1934.

This act should be amended to the effect that all foreign countries, when settling trade balances favorable to the United States, should pay with gold and silver at the ratio of 3 to 1, the gold value being based on $35 per ounce, and silver based on a free New York price for silver, with an upper limit price of $1.293 per ounce.

The President should revalue silver from $1.293 per ounce to $2.13, the same rate of revaluation which he established for gold, when the change was made from $20.67 per ounce to $35 per ounce. The silver revaluation profit should be placed in the stabilization fund to augment the gold profit which now constitutes the fund.

The settlement of favorable trade balances of the United States with gold and silver at the 3-to-1 ratio, gold to silver, does not apply to any gold or silver which may be shipped to the United States in excess of the amounts due to settle for the excess of merchandise shipments.

All gold in excess of merchandise export settlement should be purchased by the banks for their own accounts, and they should have legislative authority to deliver such gold to the Treasury and to receive for same circulatory, convertible gold certificates in payment thereof.

Henceforth, the Government should issue circulatory gold certificates for all gold deposited.

Any foreign silver bullion entering the United States over and above one-fourth of the excess of merchandise exports should not be purchased by the Government. Such bullion should be available to all private purchasers of the United States, and all other purchasers of the world.

There should be no transactions taxes on silver in the future. The New York market for world silver should be free and unrestricted so that silver may find its true natural price level, entirely without devices either to raise or lower its natural value as determined by buyers and sellers.

Under this plan of operation, all foreign countries would enter the New York silver market to secure silver bullion which would constitute a free world market for silver, and its bullion value would be determined by all the buyers and sellers of silver throughout every country of the world.

STATEMENT BY SENATOR KEY PITTMAN BEFORE SILVER COMMITTEE

Mr. PITTMAN. I believe that it has been conclusively demonstrated that our domestic industry and our domestic and foreign commerce are more directly affected by our monetary system and the monetary systems of foreign countries and the administration of such systems than from any other cause. We can have no persuasive influence with regard to the monetary systems of other governments or the manner in which such systems are administered. We can, however, through the formulation and administration of our own monetary system, force to a certain extent the modification of the monetary systems of foreign countries to accord with our own.

If we return to the gold standard in the United States it will encourage, at least, if not force, other great commercial countries to return to some form of gold standard.

I know of no sound reason why our Government should not coin and circulate its free gold. I believe that it would be of great advantage to our Government in the purchase of gold bullion to pay for the same with our gold coins. I believe that the time has arrived when our Government should convert its nonnegotiable gold certificates held by the Federal Reserve banks into gold coin or negotiable nonretirable gold notes. This, of course, is intended to result in a free gold market both foreign and domestic.

Mr. Winthrop W. Aldrich, chairman of Chase National Bank, on January 10, 1940, in an address to the stockholders of that bank, urged (1) resumption of gold coinage and circulation of such coins and (2) reestablishment of a free gold market. In that address he said:

"As I see it, our immediate function is to reestablish a free gold market permitting free movement of gold bars and gold currency both inward and outward, so that the price of gold as here established shall constitute a firm and certain base line from which the values of the diverse currencies of the world can be confidently figured.

* * * * * * *

"However much we may deplore the raising of the price of gold in dollars in the first place, time has run too far to permit us to return to the former price. We must keep the price where it now is. But I do not propose that we do nothing. On the contrary, it seems to me that we should proceed to take measures of so firm a nature that we will be able to retain for ourselves and for the world a stable monetary value for gold.

"The wise course seems to me to be the following: We should remove as promptly as possible the present prohibitions and restrictions on the private possession of gold. We should resume specie payments, coining gold again and putting gold coins back into circulation. At the same time gold certificates should be reinstated for the convenience of those who do not wish to use or hold sizable amounts of gold coin. New imports of gold should be paid for in gold coin or negotiable gold certificates and the circulation of gold and gold certificates should be encouraged.

"It is altogether probable that if gold were to be put back in circulation in the manner suggested, much would go out of sight in the private holdings of the people. To the extent that gold, in the form of coin or gold certificates, went out of sight or remained in general circulation, it would form a ready emergency reserve for future use. There have been many instances in monetary history where a gold circulation has proved its usefulness in times of national crisis. And at this time such gold as stayed out of circulation in private possession would reduce proportionately the menace of excess reserves.

"But it cannot be maintained that the procedure outlined above would relieve the American economic system entirely from the impact of further gold imports or from the expansive power of excess reserves. To deal with that danger it may be necessary to take further steps. When we shall have had time to see the effects of our gold stock of revived specie payments, Congress might well consider granting power to the Board of Governors of the Federal Reserve System to raise reserve requirements beyond the limits now authorized by law. But any power so granted should not be susceptible of use to an extent greater than that needed to reduce excess reserves to manageable proportions.

"We must all look forward to the day—and prepare for it—when the world will again find itself at peace. It is too soon to attempt a forecast of the influences which will determine the nature of that peace. But one thing is certain if peace, when it comes, is to have any real permanency, and that is that the multitudinous barriers which at the time of the outbreak of the war prohibited or unduly hampered trade between the nations of the world must be removed, and that a situation must be created in which goods may move freely and in volume over international boundaries.

"We are already the possessors of 60 percent of the world's monetary gold stock. Before peace can be achieved this share may have risen further. In a large sense, we are and will be the conservators of the world's monetary system. It is for this reason, as well as for ample reasons of our own, that we must take action now to preserve the monetary character of gold. As I see it, our immediate function is to reestablish a free gold market permitting free movement of gold bars and gold currency both inward and outward, so that the price of gold as here established shall constitute a firm and certain base line from which the values of the diverse currencies of the world can be confidently figured."

In a letter that I wrote to Hon. Henry A. Wallace, Secretary of Agriculture, under date of January 6, 1940, I stated:

"I contend that a sound monetary system requires a nonretirable national currency equal at least to 10 percent of deposits and national income based upon 100-percent metallic reserves. The Federal Reserve notes should be superimposed upon this nonretirable national currency subject to expansion and contraction as conditions may require. Certainly a 10-percent nonretirable currency is not too much when we realize that such currency in the ultimate is the only thing with which to settle all deposits and other indebtedness. Our entire monetary system is based upon confidence. Confidence by the depositor that he can get money for his deposits when he demands it. Confidence by the bondholder that he can get money for his bonds when they are due. And the only money to meet these demands and sustain that confidence is the $7,598,000,000 of 'circulating' money of the United States. Whenever a depositor thinks he cannot get money for his deposits, there is a run on the banks. There may be runs again in the future. It depends upon confidence. There is a limit to which you can try the confidence even of American people.

"It sometimes occurs to me that bank credits may be developed to the point of danger. We realize, of course, that 95 percent of our business and commercial transactions are carried on through checks, and drafts, and so forth. When banks close, this form of money ceases to circulate. When banks close, a large portion of

this form of money ceases to exist. When banks close, credit contracts, and even the flow of national currency, is retarded. During the bank panic of 1907 national currency was locked up, and all forms of substitutes, such as scrip, and so forth, were adopted. During our great monetary panic of 1929 probably three-fourths of our currency, and all of our credit money, was temporarily out of existence, resulting in a tremendous depression in industry, trade, and commerce. Our citizens were compelled to carry on transactions essential to life through the rapid turn-over of the small portion of the national currency and coins that they fortunately had in their safes, tills, and pockets. Their suffering would have been far less if they had had a larger quantity of national currency and coins in their possession."

I am very pleased to note that Mr. Aldrich in his address to the stockholders of his bank approves of the hoarding of a reasonable amount of gold coin by the citizens of our country. The language that he uses is definite and unequivocal when he says:

"It is altogether probable that if gold were to be put back in circulation in the manner suggested, much would go out of sight in the private holdings of the people. To the extent that gold, in the form of coin or gold certificates, went out of sight or remained in general circulation, it would form a ready emergency reserve for future use. There have been many instances in monetary history where a gold circulation has proved its usefulness in times of national crisis. And at this time such gold having stayed out of circulation in private possession would reduce proportionately the menace of excess reserves."

At the hearings of the special Committee on the Investigation of Silver, United States Senate, Seventy-sixth Congress, April 4, 1939, I raised this question when Mr. Percy H. Johnston, chairman, Chemical Bank & Trust Co., was on the stand. After discussion of the subject I asked Mr. Johnson this question:

"It raises a question as to whether or not you cannot get the credit dollar too high and have too little of the actual things that people keep in their safes, in their pockets, as they do now. Is there something in that?"

To which Mr. Johnston replied:

"I think there is. I think there is, distinctly."

I asked him this question:

"We look back now to the Franco-Prussian War when the German soldiers were in Paris and Germany did not intend that they should leave but said they would leave if France would pay Germany 5,000,000,000 gold francs. There wasn't 5,000,000,000 gold francs in any of the banks nor in the treasury. France did not have one-tenth of it anywhere, in fact much less than that, but the credit system had not arrived at the perfection it has in the United States, and the peasant of France kept gold in the ground and in the walls of adobe houses, and under the manure, and when France called on its peasants to bring in 5,000,000,000 in gold and take their Government notes for it they did. That was one very happy thing for the independence of France. That has been repeated in more or less the same form a number of times, so I just simply suggest if there is not a question of our depending too much on credit dollars and maybe going too far, isn't that true?"

To which Mr. Johnston replied:

"It is. I would say this: I am afraid of 'financial engineers.' They usually ditch their machine somewhere."

In my letter to the Secretary of Agriculture I asked him these questions:

"What, in your opinion, would be the result if the Government today coined dollars, dimes, quarters, and half dollars out of the billion and a half dollars' worth of silver bullion that it has in the Treasury as a profit that it has made out of the purchase of silver, and circulated such coins in actual payment for labor engaged in relief work? And what would be the result if in addition to the circulation of these silver coins, the Government would coin $5 gold pieces to the extent of a billion and a half dollars out of the $2,000,000,000 stabilization fund, and pay these $5 gold pieces out to relief workers? Again, what would be the effect if these things were done and 10 percent of these coins were hid in socks to meet emergency needs instead of being placed in country banks throughout the United States? And would not this process delay at least the concentration of national currency in the speculative centers of the United States? Would not an increase in cash transactions make for a greater monetary security? For one thing Congress would not be called upon to increase the limit of the indebtedness of the United States for some time, if ever. For another thing, possibly people would commence to realize that there is a potential metallic reserve behind our paper currency, behind our bonds, and behind the deposits in the banks of the United States.

"Is the Government to continue endlessly the vicious cycle of selling to the banks of the country interest-bearing bonds which are paid for by the depositors' money and upon which the depositors must pay taxes to pay such interest? Does the expenditure of such credits by the Government upon the great majority of projects result in the creation of enterprises that constitute expansion of industry which is essential to increase in employment and national income?"

Over a year ago with others interested in monetary matters particularly related to gold and silver coinage and reserves, we induced Mr. Walter E. Trent, a distinguished economist, to open in Washington an office for the study of these questions. I have during that period of time sought statistical information from Mr. Trent. He has had access to information of various departments and his statistics are based upon our Government records. I now ask leave to have published as a part of my remarks two letters that I have received from Mr. Trent in reply to information that I have sought. The information contained in these letters bears directly upon the subject under discussion and will be of great value to any person or committee studying these questions. I ask unanimous consent that these remarks together with the data and statistics included be referred to the Banking and Currency Committee of the United States Senate who are now undertaking a study of these questions.

WORLD PRODUCTION OF GOLD, SILVER, COPPER, LEAD, ZINC, STEEL

On pages 10 to 19 tables are given consisting of production, prices, and values, together with corresponding indexes of the world production of gold, silver, copper, lead, zinc, and steel, for the period 1913–39. This period corresponds to the life of the Federal Reserve System and commencing 1 year before the start of the Great War.

These figures portray the wide variations in the production and value relationships between gold and silver on one hand and between gold and silver as monetary metals in relationship to the industrial metals of copper, lead, zinc, and steel; the increase in industrial production normally should keep apace with the increase of monetary metal production. But, of course, this condition can exist only when there are free markets for both gold and silver so that the metals may be utilized at their full monetary values and at a normal rate of turn-over.

It will be observed by inspecting the following tables that gold has increased faster, both in quantity and value, than all other metals. Silver production has remained relatively constant in production, but has decreased more than all other metals in unit value and total value. Lead, which is more closely associated with silver (in natural occurrence) than any other metal, parallels quite closely with silver in tonnage production. But copper, zinc, and steel have increased in quantity production midway between the production of gold and silver. Copper, lead, zinc, and steel all have increased tremendously in unit values and total values in comparison to silver.

Steel production has remained constant with that of silver, except for the boom years of 1928 and 1929 and emergency war-preparation orders of the years 1937, 1938, and 1939. Surprising as it may appear, normally both steel prices and production are closely interlocked with values of world silver production.

Referring to the table entitled "World Production Indexes," page 11, in which the year 1926 is used as the production index of 100, it will be observed that gold production in ounces increased from 100 to 207.4 for 1939. Silver production has remained relatively stationary. Copper production has increased to 143.9, lead to 107.6, zinc to 136.7, and steel to 145.16.

Without reference to the disastrous price disequilibrium variations which occurred between the metals, it is obvious that the abnormal quantity increase in gold has not been paralleled by any of the industrial metals. The hoarding of gold has curtailed its normal monetary efficiency and consequently has retarded industrial production.

The stationary rate of production of silver is equivalent to a 50-percent lag in terms of gold production. The lag in the production of silver, without a commensurate increase in unit price, has caused an increase in the price of gold. This condition has promoted the hoarding of the yellow metal.

The lag in the production and value of industrial metals—which is intermediate between the production and value of gold and silver—clearly indicates the dire results of dropping the world price of silver. The direct result of increasing the price of gold caused its sequestration, and, as a consequence, indirectly caused the present lag in the normal increase of world industrial production.

Referring to the two tables entitled "Metal Values—World Production" and "Total Value Indexes," on pages 14 and 15, it is observable that the value of gold production from 1926 to 1939 was from $400,000,000 to $1,400,000,000, an increase of 368 percent in 13 years. In the case of silver the total values dropped for the same period from $157,200,000 to $101,600,000, a drop of 35.4 percent.

The value of the total silver production of 1926, at an average price of 62.11 cents per ounce, was 48.02 percent of the United States monetary value of silver. In 1939 the production value of silver, at an average price of 39.08 cents per ounce, was only 32.21 percent of the United States coinage value of the silver produced.

The value of copper produced in 1939 was 114.39 percent of the production value of 1926. The value of lead produced in 1939 was 64.72 percent of the production value of 1926. The value of zinc produced in 1939 was 95.08 percent of the production value of 1936. The value of steel produced in 1939 was 141.52 percent of the production value of 1926.

It should be noted that, in the case of steel values, the boom years of 1928 and 1929 were abnormally high, as were the foreign war preparation years of 1937, 1938, and 1939. Neither the business increase of the boom years nor the increase during the war-preparation years, were permanent increases. The business reaction, after the years 1928 and 1929, leveled off the abnormal production profits by losses. With the ending of the European war activities, the reaction will cancel profits of such temporary and uneconomic business unless gold and silver values are brought to a

normal monetary ratio. If they are established at a normal ratio, postwar prices and productions will ascend to normal levels in response to the requirements of world rehabilitation and natural advance in raising world standards of living which have been interrupted with monetary tampering and its inevitable companionship condition—war for subsistence requirements.

Assuming the value of 1939 gold production to have an index of 100, the index value of silver was 7.23 percent, of copper 3.67 percent, of lead 13.7 percent, of zinc 13.6 percent, and of steel 479.

The following table shows the tremendous drop in the index values of silver, copper, lead, zinc, and steel, in terms of the value of gold production, for the years 1920, 1930, and 1939:

Production-value indexes of gold, silver, copper, lead, zinc, steel

[In terms of gold]

Year	Gold	Silver	Copper	Lead	Zinc	Steel
1920	100	50.40	113.4	47.7	37.4	1,790.6
1930	100	22.4	105.3	47.6	33.1	995.7
1939	100	7.23	36.7	13.7	13.6	479.0

It should be noted—that with gold indexes at 100 in 1920, 1930, and 1939—silver indexes, respectively, were 50.4, 22.4, and 7.23; copper indexes were 113.4, 105.3, and 36.7. The index drops in lead, zinc, and steel were in line, steel dropping from 1790.6 percent to 995.7 percent and 479 percent, respectively.

Obviously, the increased value of gold has not performed its monetary functions and its failure to have performed as money is measured by the difference in the above tables of indexes.

The following table shows the drop in index production of gold, copper, lead, zinc, and steel, in terms of silver:

Production-value indexes of gold, silver, copper, lead, zinc, steel

[In terms of silver]

Year	Silver	Gold	Copper	Lead	Zinc	Steel
1920	100	190.4	193.1	90.9	71.3	3,410
1930	100	445.2	468.9	211.0	147.4	4,440
1939	100	1,385.0	508.7	189.5	187.9	6,333

Taking the index value of silver production at 100 for the years 1920, 1930, and 1939, the gold index increases for these 3 years, respectively, were 190.44, 445.2, and 1,385. The respective indexes of copper were 193.1, 468.9, and 508.7. The indexes of lead and steel did not increase as rapidly as gold and copper, but lead showed more than a 100-percent increase, and the steel index almost doubled, increasing from 3,410 in 1920 to 6,333 in 1939.

Again, obviously, silver-production indexes for 1939 are, manifestly, critically low in terms of those of gold, copper, lead, zinc, and steel. The gold index has increased nearly 1,400 percent over silver and industrial metals from 200 to 250 percent.

Taking the two tables together, the failure of world industrial production (represented by industrial metals) in not keeping apace with gold production is due to the fact that since 1920 the silver production has dropped from 50.4 percent of the gold to 7.23 percent in 1939. This calamitous shrinkage of world industrial production was directly caused by the artificial barriers and embargoes which have been created to destroy a national silver bullion market. This forcing down of the price of silver naturally forced up the price of gold and, as long as the price of gold is rising, or, as long as a further rise in the dollar price of gold is considered imminent, it will be increasingly hoarded by governments and central banks.

The value of the world silver production has had a downward trend over a long period of time. Before normal international business can return, silver-production values will have to undergo a constant increase under a long-term policy which is of sufficient solidarity to establish confidence with international businessmen. Gold will continue to go into hoarding and thereby depress world trade unless the silver-production value is increased, and by no other means can gold be brought out of hoarding.

The metal production and value tables numbered from I to IV–a are made up from world figures.

Some United States production figures are given in the table covering gold, silver, copper, lead, zinc, and steel, including projected production figures taken from the report, entitled, "Patterns of Resource Use," a technical report prepared under the direction of Gardiner C. Means, of the industrial committee of the National Resources Committee.

In this table it will be observed that Dr. Means projects United States productions of copper, lead, zinc, and steel to tonnages required to sustain a national income of $100,000,000,000 per year, which amount is now recognized as being necessary to produce a normal scale of living in the United States, and necessary to reduce unemployment to the irreducible minimum:

United States metal production required to sustain and increase national income

Year	Thousands of ounces		Thousands of tons				Annual national income [3]	Corresponding industrial production [3]
	Gold	Silver	Copper [1]	Lead [1]	Zinc [1]	Steel [2]		
1926	2,335	60,918	878	696	639	48,294	58.3	87
1929	2,208	60,180	1,026	688	632	56,433	65.3	92
1933	2,537	20,955	234	293	325	23,232	48.0	68
1939	5,580	57,808	745	462	506	46,750		
			Consumption tonnages [3]					
For $100,000,000,000 national income			2,252	1,585	1,479	108,200	100.0	195

[1] 2,000 pounds.
[2] 2,240 pounds.
[3] Patterns of Resource Use, National Resources Committee.

It will be noted that the industrial consumption of copper, lead, and zinc, in order to support a national income of $100,000,000,000, will have to exceed the 1929 United States production of those metals by an increase of more than 100 percent.

These extraordinary tonnage requirements of copper, lead, and zinc will compel the raising of the production and value parities of silver. The increased production levels of copper, lead, and zinc will have to be preceded by a substantial raise in the price of silver; and, before any $100,000,000,000 national income can be attempted with any possibility of success, gold will have to be brought into circulation to the extent at least of all future gold deliveries to the Treasury.

It definitely has been demonstrated that any sound increase in national income, which inherently must be free from an increase of public debt, cannot occur with the banking and monetary structure operating on a "managed currency" basis, and restrictions which preclude citizen-ownership of gold and the general circulation of monetary certificates convertible into gold.

Silver cannot be raised in value as long as artificial restraints are in force. The United States should remove the silver transactions tax of 50 percent created by the Silver Purchase Act of 1934. This is the most deterrent legislation existing which blockades the world's return to balanced monetary and economic parity.

Great Britain and India should remove import taxes and import restrictions which now retard the importation, possession, and use of the white metal in those countries.

A free world market for silver bullion should be established. It must be established before the true value of silver bullion definitely can be determined. Unless and until there is a world market for silver established by world-wide buyers and sellers of silver, there can be no possible return to normal economic conditions throughout the world. As long as there is an artificial market price for silver, the purchasing power of gold will be correspondingly above parity; and, unfortunately, gold will continue to be hoarded and the world economic stalemate will continue to exist.

The price of gold (per ounce) will not be affected by a rise in the world value of silver production. This price can be $35 per ounce or $41.34 per ounce, provided gold is placed in circulation. The fixing of the price of gold (at any dollar rate per ounce) without returning gold to circulation, will not change the present world depressed state of economy.

The bullion and coinage value of gold must be the same. The bullion price of silver must be a floating price susceptible to price change and adjustment; it must be the result of the transactions of the world-wide buyers and sellers of the metal. The bullion price of silver should be the resultant of open and unrestricted transactions, regardless of coinage rate. The coinage price of silver must remain constant at some point above a normal world price for silver bullion.

With gold at $35 per ounce the coinage price of silver should be adjusted to the average rate of the world's 10 leading countries, at $2.58 per ounce. At this level silver coinages are secure against rises in the price of silver bullion to levels to which it may ascend at any time in the near future when the people of the world realize that gold has been, and may continue to be, removed as a free circulating monetary metal.

People ask, "If gold is not the money, what else?" The answer is, "Silver will become the world's exclusive metallic money until it, too, is hoarded." But hoarding of silver will embrace populations of millions in competition with government treasuries and central banks. After that there can be no basic money until both gold and silver are again monetized and afforded free circulation.

If gold is to be given a free world market, it could be revalued to the limit of present authority, $41.34 per ounce. The price would confer to business otherwise unattainable benefits in contrast to a gold price of $35 per ounce with no gold circulation.

Thirty-five dollars an ounce for gold, or any other price, without circulation is an abortion. Any price for gold without gold circulation is suffocating the world business, peace, and normality.

"The purchasing power of gold varies inversely as the world price of silver, and the purchasing power of silver is its world price multiplied by the rate of purchasing power of the gold dollar" (PITTMAN).

Tables IV and IV–a, entitled "Silver Production Ratios" and "Gold Production Ratios," are tables which give the ounces of silver and gold in terms of the other metals for each year since 1913.

For instance, the silver ounces per ounce of gold for the period 1913–39 are given in terms of silver production of 1939, and the gold ounces per ounce of silver for the period 1913–39 are given in terms of the silver production of 1939.

The silver production has dropped from 13.2 ounces in 1926 to 6.47 ounces in 1939 per ounce of gold. The value of silver, instead of increasing under such circumstances, actually has decreased to the lowest level of all recorded history.

The monetary value of silver relative to gold is 1 to 16. The price ratio today between the two precious metals is 1 to 100. Silver is 35 cents per ounce and gold $35 per ounce.

The United States producers of industrial metals, and all products manufactured therefrom, can observe the growing shortage of silver in terms of its shrinking production compared to copper, lead, zinc, and steel.

Industrial metal producers and manufacturers must naturally understand, when the facts are brought to their attention, that foreign purchasers whose primary money is silver, or when the ultimate customers are silver users, that goods cannot be purchased in the United States because of the abnormally high merchandise prices in terms of devalued silver.

No foreign nation can afford to make external purchases of gold. Britain, France, Russia, Canada, and Australia are now buying externally for gold because of war emergency, but they must suffer later when the time arrives to pay their own mounting internal obligations.

Seventy percent of the world's population have no gold with which to buy. Their silver hoards have been reduced to a starvation level of value. What buying these destitute people are doing is out of pure and unadulterated desperation.

Table VI, entitled "United States Exports and Imports Portrayed as Percentages of National Income," clearly indicates that the value of United States exports varies directly with the world price of silver.

The percentage of exports in 1939 was only 4.56 percent of national income in spite of the large emergency war orders. When silver was at high prices between 1916 and 1920, exports exceeded 10 percent of national income. Because of the production capacity of the United States, its exports now should be of a value at least 15 percent of national income.

A few of the world's most prosperous nations have trafficked in money profits as well as merchandise profits with the result that their international customers were eventually ruined financially. The profits of the exchange profiteers then disappeared because of having been invested abroad in the countries which had become victims of distorted monetary exchanges.

Germany, who inaugurated the plan of devaluing the world's monetary silver, now has neither gold nor silver. She has no financial, social, or political conditions of peace and tranquillity.

Germany and Britain are now victims of a world-wide monetary collapse which was originated by them under theories of national advantage at the expense of other nations. Neither Germany nor Britain, or for that matter no other country, can reestablish itself as a prosperous and self-respecting nation until money is recreated with an international standard of value. The nations of the world have been ruined both financially and politically by those who used their superior positions to force exchange profits on the relatively weaker nations in addition to normal commercial profits.

Table VI, entitled, "Dollars Per Capita—United States," indicates that the United States has $122.82 per capita of gold, all of it being withheld from the use of its citizens. The country has $16.44 per capita in silver money in use and $12.56 per capita withheld from use.

The United States has produced $34.40 per capita of gold and $34 of silver. The United States has an excess of imports of gold of $98.80, but still an excess of export of silver amounting to $2.20. The excess of merchandise exports are $313.06 per person since 1873. The gold imports represent less than 30 percent payment for same. Considering the drain of merchandise the people of the United States should realize the necessity of getting all of its gold and silver money into circulation. The public debt is now $308.30 per capita, and still growing with intensity.

RE PITTMAN ACT OF APRIL 23, 1918

The bill, after being prepared by Senator PITTMAN, in collaboration with the Federal Reserve System and the Treasury Department, was introduced in the Senate by him April 9, 1918. The bill was passed by the Senate on April 18, by the House without change on April 22, and was signed by President Wilson on April 23, 1918.

The price of $1 per fine ounce was fixed as the repurchase price of the silver, and the sales price was fixed at $1.015 per fine ounce, the $1.015 including the allowance for expenses of melting and recoining. The selling price was arrived at after giving consideration to what this reserve silver had cost the Government.

The silver stock consisted of metal purchased under the Bland-Allison Act of 1878, and the Sherman Act of 1890. The net cost, reported by the Director of the Mint, 1894, page 17, was $464,210,262.96 for 459,946,701.09 ounces of silver, the average price being $1.0093. The average price of the bullion value of a silver dollar was $1.07806.

April 1, 1918, was a holiday, but the New York price of silver, 999 fine, was 96.05 cents, bid, and the selling offer was 97.05. On April 2 the buying bid was 96.25 cents, and the selling offer was 97.25 cents, with sales between the two figures.

On April 2 the London price for 925 silver was 45.625 pence, equivalent to 98.6 cents per ounce with the sterling and dollar at parity.

On April 9 the New York silver market for 999 fine silver was 95 cents, and the selling offer was 96 cents. The London price of 925 fine silver was 45.25 pence, equivalent to 97.8 cents per ounce with the sterling and dollar at parity.

On April 24, 1918, the day after President Wilson signed the Pittman Act, silver sold in New York at $1 per ounce for the first time during the period, and the market offer at the close was $1.0075.

The New York market price for silver averaged $1 an ounce for the months of May, June, July, and August. The average price for September was $1.014. The average price in New York during September, October, and November and December 1918 was $1.015. The same figure prevailed for January, February, March, and April of 1919. During May the price averaged $1.08 per ounce. The price then gradually rose to $1.33 for the month of December 1919.

Silver reached its highest average monthly price for the period during January 1920, at $1.338, after which there was a rapid decline to an average of $1.034 for the month of May, with a further steady decline to an average of 65.5 cents per ounce during December 1920.

Prior to January 1918, when legislation was under consideration to fix the price of newly mined silver in the United States at $1 per ounce, the proposal was submitted to the silver producers in the West for their consideration and was formally approved at the January 1918 convention of the Colorado Chapter of the American Mining Congress.

The following is an editorial which appeared in the Mining Congress Journal of April 18, volume 4, page 120:

"Senator PITTMAN'S bill proposes that the silver thus released shall be replaced by the Government by contract for future delivery of silver at $1 per ounce, a tacit agreement having been secured from the silver producers to contract on this basis. Silver producers generally believe that the law of supply and demand will stimulate the price to a point largely in excess of $1 per ounce, but as a patriotic duty under present conditions have been willing to consent to a fixed price in order that the Government's needs may be cared for.

"This plan was endorsed by a resolution adopted by the conference of delegates from various countries in attendance at the January 1918 convention of the Colorado Chapter of the American Mining Congress and also was approved by the Wyoming chapter at a later convention held at Casper. It seems very important that this legislation shall receive prompt consideration, and it is believed that the bill will be favorably considered."

Let it be remembered that the miner got the world price while silver was above $1 an ounce.

NOMINATION OF SENATOR SCHWELLENBACH TO BE UNITED STATES DISTRICT JUDGE

Mr. ASHURST. Mr. President, I purpose, with the indulgence of the Senate, to ask that the Senate as in executive session consider a nomination. The President has honored the Senate by nominating one of its Members, Senator LEWIS B. SCHWELLENBACH, of Washington, to be United States district judge for the eastern district of Washington, vice J. Stanley Webster, retired.

If I may secure unanimous consent, as in executive session, to have the nomination laid before the Senate, I wish then to speak for a moment.

The PRESIDING OFFICER (Mr. MURRAY in the chair). The Chair will lay the nomination before the Senate.

Mr. McNARY. Mr. President, that can be done only by unanimous consent.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. McNARY. I do not intend to interpose an objection. The courtesy requested is usually extended to members of this body. However, it is an unusual privilege to be granted. In cases other than one such as is now before us, I always favor reference to a committee of a nomination as the best practice to follow. But in view of the service of the distinguished Senator from Washington, and the position to

which he has been appointed, I shall interpose no objection, nor will any Member of the Senate on the Republican side, to immediate consideration of the nomination as in executive session.

Mr. ASHURST. Mr. President, language would easily run to superlatives in endeavoring to describe the services Senator CHARLES MCNARY, of Oregon, has rendered to his country, but amongst the greatest has been his steadfast insistence that all nominations should go to the appropriate committees. I am indebted to him for the observance of that rule. But, he chivalrously says, he knows this nominee well, and I am sure he feels with me and others that a reference to the Committee on the Judiciary would disclose no new facts regarding Senator SCHWELLENBACH. I therefore ask that the nomination be laid before the Senate.

The PRESIDING OFFICER. The clerk will state the nomination.

The legislative clerk read the nomination of LEWIS B. SCHWELLENBACH, of Washington, to be United States district judge for the eastern district of Washington.

Mr. ASHURST. Mr. President, the Senate of the United States judges recruits fairly but critically. From the judgment of the Senate as to its Members there is no review and no appeal, and usually that judgment is correct.

Senator SCHWELLENBACH came to the Senate 5½ years ago. We knew, by report, that he was a good soldier, a sound lawyer. He has proved himself to be industrious and fair, of high character, patriotic, and worthy to sit on the district bench of the United States, and I shall ask the confirmation of his nomination.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. ASHURST. I yield the floor to the Senator from Nebraska.

Mr. BURKE. Mr. President, I am one of those Members of this body whose opinion it has been that there is great merit in the rule of having reference made to the appropriate committee in all cases of this kind, and on some occasions in the past I have been glad to join with others in refusing to give unanimous consent to such requests. It happens in this case, however, that, so far as I am concerned, I am perfectly willing to make an exception.

I have known the junior Senator from Washington [Mr. SCHWELLENBACH] very intimately, as Senators all have, during the past 5 years. We have served on committees together. I think his appointment is one which should have, as I am very sure it will have, the unanimous approval of this body. I am certain that it would be a mere matter of formality if we referred the nomination to the Committee on the Judiciary. For that reason I join with the distinguished Chairman of the Committee on the Judiciary and urge that action may be taken by the Senate at this time without the customary reference.

Mr. ASHURST. Mr. President, if I may be indulged another word? I have been seeking for some proper opportunity to say what I am now going to say. The last attitude I wish to occupy is that of suggesting to any State what it ought to do. I do not know who may succeed the Senator from Nebraska [Mr. BURKE], but, after associating with him on the Senate Committee on the Judiciary for 5½ years, I do know that I have learned to depend upon his sagacity and judgment. Again, without the slightest reference to anyone who may succeed him, I assure my colleagues that the Senate is losing an able and patriotic Member when Senator BURKE passes out of these doors.

If there be nothing further to be said, I ask that the Senate now take action on the nomination.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination as in executive session?

The Chair hears none. Without objection, the nomination is confirmed.

Mr. ASHURST. Mr. President, there is another rule of the Senate, a good rule; and the Senator from Oregon [Mr. MCNARY] and the Senator from Nebraska [Mr. BURKE] along with others have insisted upon its observance. I believe for the public good, and that is that the President shall not be notified on the same day that a judicial nomination is confirmed. I am going to presume further upon the graciousness of Senators and ask that that rule be waived, and that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the President will be notified of the confirmation of the nomination.

CIVIL AERONAUTICS AUTHORITY AND AIR SAFETY BOARD

Mr. DAVIS. Mr. President, air-line pilots and their employers have demonstrated the great possibilities of collective bargaining. Their ability to get around the council table and iron out their differences peaceably without loss of worktime has been a matter of public record and praise. They have shown along with many other notable industrial groups that collective bargaining is here to stay. Both pilots and air-line operators believe in the Civil Aeronautics Authority and believe that it should be continued in the way it has carried on so well. The no-accident record of the last 18 months compared with the many disasters previously sustained has upheld this point of view.

I believe we should heartily encourage this triumvirate of economic advancement, the cooperation of labor, management, and the Government in the development of safe air travel. We should rejoice that lives have been saved, that flying has for the first time in this country made an enviable record of efficiency and safety, that millions of dollars have been saved because of the acceptance of the principles of collective bargaining in the aviation industry, and that new fields of manufacturing have been stimulated because of peaceful negotiations that have been established.

I have prepared an article for the Trades Union News on the Civil Aeronautics Authority, published May 3, 1940. I ask unanimous consent to have this brief article, which sets forth my views, printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CIVIL AERONAUTICS AUTHORITY

(By Senator James J. Davis)

The President's fourth reorganization plan is before Congress. It contains a proposal to abolish the new Civil Aeronautics Authority and Air Safety Board. Their air regulatory and investigation duties would be put back under the Department of Commerce.

After much confusion and loss of life the Civil Aeronautics was instituted in 1938. Its work has been highly efficient. There have been no air passenger fatalities in this country for 12 months, and no pilots killed for 16 months. In a little more than a year and one-half the record shows that the Board has investigated 2,947 air crashes, the large majority of which occurred in so-called miscellaneous flying not on the air lines. As a result of these investigations, the Air Safety Board has transmitted 115 air-safety recommendations to the Authority pointing out what should be done to prevent recurrences.

The Authority, under the Civil Aeronautics Act, is a quasi-judicial, quasi-legislative agency of Congress vested with functions covering economic and safety regulation. The Administrator is an independent executive official responsible to the President. He exercises no quasi-judicial or quasi-legislative powers. His functions are the purely executive powers involved in the construction, maintenance, and operation of air-navigational facilities, and in the conduct of developmental and promotional work. The Air Safety Board is an independent accident investigatory body specifically charged with definite duties. Both the Administrator and the Air Safety Board appoint and control their own officers and employees, and in the exercise of their statutory powers act independently of the Authority. Both, however, are specifically required by the act to cooperate with the Authority in the administration of the act.

During the period that the Department of Commerce regulated the country's air-transportation network, 473 persons lost their lives in air crashes, of whom 146 were air-line pilots. The ranks of the pilots were being thinned at the startling rate averaging one every 28 days. Passengers were meeting death averaging one every 15 days. The crash-scared public was afraid to ride. This resulted in large losses of revenue to the industry. Progress was halted.

Safety is the axis around which everything vital to the success of air travel revolves. To get people to rely on air travel requires the development of public confidence in all that relates to safety. The question of safety must be answered conclusively and permanently if air travel is to succeed.

When Congress created the Air Safety Board and the new Air Authority it had a twofold effect. First, it destroyed the psychol-

ogy of fear of air travel on the part of the public. It also replaced this fear with confidence in the safety of air travel.

Real air safety has been established by the Air Safety Board with the cooperation of the new Authority. This combination is paying dividends in lives saved and millions of dollars saved because the no-fatality safety record has built up patronage.

In view of these facts I am opposed to the proposal to abolish the Air Safety Board and to strip the new Air Authority of its identity and independence.

The air-safety record must be increased. The real measures taken to increase safety in private flying have not yet even begun to be felt. This is the time to take a step forward for air safety. The blow at the Civil Aeronautics Authority would be a step backward.

Mr. DAVIS. Mr. President, the Trade Union News is one of labor's newspapers. Its purpose is to promote industrial prosperity through the principle of cooperation between employer and employee, which has been so well demonstrated in the aviation industry. I do not know any Member of the Senate who is opposed to the philosophy of cooperation which this paper seeks to encourage. Now is the time to talk about the good which has already been established and to rejoice in the benefits which have come to labor, management, and the public through the spirit of cooperation shown in the Civil Aeronautics Authority.

Mr. McCARRAN obtained the floor.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	La Follette	Russell
Ashurst	Davis	Lee	Schwartz
Austin	Donahey	Lodge	Schwellenbach
Bailey	Downey	Lucas	Sheppard
Bankhead	Ellender	Lundeen	Shipstead
Barbour	Frazier	McCarran	Smathers
Barkley	Gerry	McKellar	Smith
Bilbo	Gillette	McNary	Stewart
Bone	Guffey	Maloney	Taft
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Townsend
Byrnes	Hayden	Norris	Vandenberg
Capper	Herring	O'Mahoney	Van Nuys
Caraway	Holman	Overton	Wagner
Chavez	Hughes	Pepper	Walsh
Clark, Idaho	Johnson, Calif.	Pittman	Wheeler
Clark, Mo.	Johnson, Colo.	Reed	White
Connally	King	Reynolds	Wiley

The PRESIDING OFFICER. Eighty Senators have answered to their names. A quorum is present.

Mr. McCARRAN. Mr. President, the Reorganization Act provides that the President of the United States may prepare and submit to the Congress for its action plans to reorganize certain agencies.

On April 3 the President submitted plan III, section 7 of which proposes a redistribution of functions under the Civil Aeronautics Act as between the Authority and the Administrator. On April 11 the President submitted plan IV, section 7 of which contains a further redistribution of functions, and transfers the Authority and Administrator and their respective functions to the Department of Commerce.

These plans met with instant protest and criticism. The criticism was based both upon the principles followed and upon the language used. In principle, the plans were wrong because they destroyed the Air Safety Board, and fundamentally impaired the independence of the Civil Aeronautics Authority. The language used was wrong because it was vague and ambiguous, created an artificial division of powers, and would promote friction.

As these plans were more closely studied, the evils in them became more apparent.

Finally the President issued a statement, accompanying it with a heated attack upon his critics, in which he announced that the independence of the Authority would not be impaired by his reorganization.

Nonetheless, the criticism of his proposals continued to grow.

Then the President called to the White House members of the House Committee on Government Organization, and after that conference it was announced that the reorganization was based on the fact that the Authority supervises the expenditure of $108,000,000 a year, and that such functions should be in an executive department.

Still the criticism grew. Indeed, fuel was added to the fire, since the Authority's budget, including that of the Administrator, is considerably less than one-third of this fantastic $108,000,000 figure. The $108,000,000 was computed by adding more than $40,000,000 spent by the Work Projects Administration for airports, more than $3,000,000 spent by the Weather Bureau under the jurisdiction of the Secretary of Agriculture, and the millions spent by the Post Office Department as payments for transporting the mail.

As the next move, Mr. J. Monroe Johnson, an Assistant Secretary of Commerce and formerly the Assistant Secretary charged with responsibility for the Bureau of Air Commerce, was promoted to membership on the Interstate Commerce Commission. In view of the notorious record of the old Bureau of Air Commerce, and of the general feeling that Mr. J. Monroe Johnson could not escape responsibility for the record of the old Bureau, his removal from the Department of Commerce was widely interpreted as a bid for the support of the reorganization plan.

Still the criticism grew. The shift of Mr. J. Monroe Johnson emphasized the fact that the real issue in the case was one not of personalities but of principle.

Finally another White House conference was held, this time with the Chairman of the Civil Aeronautics Authority. After that conference, inspired stories appeared in the press to the effect that certain questions had been submitted to the Attorney General regarding the meaning of the proposed reorganization.

It was obvious that a hastily worded plan, full of ambiguous phrases and based upon the advice of persons unfamiliar with the Civil Aeronautics Act and its operation, was not satisfactory on its face, and was in dire need of a gloss.

The next maneuver was the issuance in mimeographed form on Friday afternoon of a copy of a letter from the Bureau of the Budget to the Chairman of the Civil Aeronautics Authority setting forth at great length "interpretative statements" regarding the proposed reorganization. This euphemism cloaks an elaborate revision of the entire plan, and is over the name of the Director of the Budget.

Released with the letter of the Budget Director was a copy of a letter over the signature of the Attorney General addressed to the Director which in one sentence cryptically states that he agrees with the conclusions reached by the Director.

At the same time there appeared stories to the effect that the Chairman of the Civil Aeronautics Authority would be appointed to the post vacated by Mr. J. Monroe Johnson but would at the same time retain his position as Chairman of the Authority.

We have always regarded Mr. Hinckley, the Chairman of the Authority, as an honorable man, and it would be inconceivable that he could lend himself to any such move.

These stories do not, however, diminish in importance the position which Mr. J. Monroe Johnson is about to vacate. They confirm the significance which an Assistant Secretary of Commerce will have in the future regulation and development of civil aeronautics if the proposed reorganization is permitted by Congress.

This series of maneuvers, with the Director of the Budget presenting an entirely revised plan, confirms every doubt entertained concerning the ill-conceived character of the plans which have been presented to Congress.

While the Director's letter is, of course, not before the Congress, and while the President is the only person vested with power under the Reorganization Act to prepare a reorganization plan, this letter from the Director merits analysis and comparison with the terms of the plans before Congress, because it clearly shows how seriously defective are the terms of the plan which Congress must act upon.

The letter itself begins with a self-conscious statement of the reasons for sending it. It is stated that it has been sent

in order to establish a basis for the disposition of the available appropriation balances of the Authority in the event Congress takes no adverse action on the reorganization plan. But the contents of the letter show that it goes far beyond an effort to establish a basis for distributing available appropriation balances. What, for example, does paragraph 6 of the letter, explaining that the new Board and the Administrator will be called "the Authority," have to do with a basis for distributing appropriation balances?

Actually, the letter is a desperate effort to set forth another plan of reorganization, a gloss upon the plans pending before Congress, and to draw a red herring across the path of Congress in an effort to distract attention from the faults and ambiguities of the confused plans pending for action.

The letter consists of 16 numbered paragraphs, each dealing with a separate phase of the reorganization problem.

The first paragraph states that under plan III the Administrator will have those functions which are "essentially of an administrative character" as distinguished from the functions of economic regulations, of providing safety rules, and of suspending and revoking certificates after a hearing. Under plan III it was provided that the Administrator would have the functions of aircraft registration and of safety regulation in titles 5 and 6 of the act, except for the function of providing safety rules and of suspending and revoking certificates after hearing.

We now find that the Director of the Budget proposes to give to the Administrator not only the power of handling aircraft registration under section 501 of the act but also the power of handling the recording of conveyances under section 503 of the act, a matter not mentioned in plan III. Likewise unmentioned in plan III, and again overlooked by the Director of the Budget, is the function of registering engines, propellers, and appliances under section 502 of the act, a function different from that of registering aircraft under section 501. This function will go, it seems, to the new Civil Aeronautics Board, although there is obviously no reason why one agency should handle registration of aircraft and another agency should handle registration of engines, propellers, and appliances. This anomaly is due to the fact that even after further study the Director of the Budget is unfamiliar with the details of the Civil Aeronautics Act.

The Director likewise states in his letter that the Administrator will have charge of the enforcement of safety rules. What this means is not clear.

One of the powers of enforcement granted by the act to the administrative agency is found in section 1002C, which gives the present Authority the power, after notice and hearing, to enter orders requiring compliance with the act or any requirement thereunder. Apparently the Director means that the Administrator will now enter such orders with respect to safety rules. But in paragraph 3 of his letter he quite definitely states that the functions vested in the Authority by section 205A of the act, which gives the general power to enter orders, and by title 10 of the act, in which appears section 1002C, just referred to, will remain in the Civil Aeronautics Board and are not conferred upon the Administrator.

Another function conferred by the act which may possibly be construed as that of enforcement of safety rules is the function specified in section 605B, giving to the present Authority power to employ inspectors who shall make inspections of aircraft and equipment. Under plan III it was stated that the Administrator would receive the functions of safety regulation set forth in title 6. The power of inspection would appear to be the power not of regulation but of investigation; but now we find another general term used in the Director's letter; that is the function of "enforcement," which the Administrator is to exercise. So in determining who is to exercise the power of inspection, we are still left in doubt.

If in the reorganization plan the President had come out clearly and stated what he meant, Congress might know what will happen. But even the letter of the Director of the Budget Bureau, despite its greater pains to spell out his conception of what should be done in a reorganization, leaves uncertain very vital functions.

We also find in the Director's letter that the Administrator is to be charged with the issuance and amendment of airmen, aircraft, and air-carrier certificates. Apparently the Director concludes that this will be true because of his statement that functions of an "administrative character" are to be transferred to the Administrator.

Before an air carrier may operate to any particular point, it must secure a safety operating certificate as well as a certificate of convenience and necessity. Under the reorganization, the new Board will issue certificates of convenience and necessity, but the Administrator will issue safety operating certificates. This will mean that both the new Board and the Administrator will have to pass upon the fitness of an air carrier to operate, and the possibility of conflict between them is obvious. The granting of an operating certificate is a vitally important function, quasi-legislative in nature. The Director of the Bureau of the Budget, by calling it a mere administrative function, seeks to disguise the importance of the power conferred upon this single official.

Paragraph 2 of the Director's letter states that plan III divests the Authority of all control over the personnel and expenditures of the Administrator. This is true. Under section 204A of the present act, the present Authority is empowered to make such expenditures as may be necessary in the exercise of its powers as well as the powers of the Administrator. By thus centering in the Authority control over all expenditures, the present act assures coherence of administration and furnishes a check upon the Administrator. Plan III, as the Director's letter points out, will completely divorce the Administrator from the new Board. Hereafter, if the Administrator desires to erect air-navigation facilities at points where the new Board finds it unsafe to use such facilities, it will have no power to veto the expenditure. It will only be able, by regulation, to prevent those operating aircraft from using such facilities.

Paragraph 3 of the Director's letter states that under plan III the new Board will have such of those functions described in title 5 of the act as relate to the prescribing of safety rules and the suspension and revocation of certificates after hearing. It contains the gratuitous statement that a waiver of a hearing would not operate to deprive the new Board of its jurisdiction. This is a helpful explanation, not included in the terms of the plan, and it is to be hoped, if the plan shall be adopted, that the Director is correct. But it is a poor plan which leaves to the gratuitous explanation of a Director of the Bureau of the Budget a point of such importance.

This paragraph of the Director's letter likewise states that plan III leaves the Authority with all the functions vested in it by section 205A and title 10. Included in title 10 are the functions of issuing subpenas, taking evidence through examiners and through depositions, requesting district attorneys to institute proceedings to enforce the act, participating in proceedings under the act upon request of the Attorney General, applying to the courts for process to compel obedience to the act or any of its provisions, and numerous other functions and provisions relating to the administration of the law. The plans presented to Congress by the President leave the status of title 10 entirely uncertain. However, we are now informed in the letter of the Director of the Budget Bureau that all these matters will be vested in the new Board.

Thus we find, according to the Director of the Bureau of the Budget, that although the Administrator will have very important powers to hold hearings concerning the granting of airman, aircraft, and air-carrier certificates, the Board will have the various powers under title 10 to compel testimony, hear cases through examiners, and so forth. Likewise, although paragraph 1 of the letter of the Director of the Bureau states that the Administrator will have the power of enforcing safety rules, paragraph 3 of the letter states that all functions under title 10 will be in the new Board, includ-

ing the power of applying to a court for mandatory process to compel compliance with the act.

Thus, in his gloss upon the reorganization plan submitted to Congress, the Director of the Bureau still has not cleared up an absolutely fundamental question. He has created a further division of power. Under paragraph 1 of his letter he gives the Administrator the power to enforce the safety rules adopted by the new Board. But we find under paragraph 3 of his letter that the numerous powers of enforcement conferred by title 10 of the act will be possessed by the new Board. Of the several possible interpretations of this confusing treatment, one of the more reasonable is that the Administrator will have the power to enforce the safety rules promulgated by the Board, but that the Board will have the power to enforce compliance with the certificates issued by the Administrator.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. CLARK of Missouri. Does it not follow, from the very confused letter of the Director of the Budget, that in all probability we would have such a situation that the enforcement of the safety rules for aviation would be in the hands of the Administrator, without the Administrator having any process, or any legal method whatever, by which to enforce his own decisions?

Mr. McCARRAN. The Senator is entirely correct; but even worse than that, the Administrator would find himself with rules promulgated by a different body and a different board, without power to enforce what they had promulgated. Thus bad begins and worse remains behind, and thus confusion follows confusion. That is all we can find in this set-up.

Mr. President, coming to paragraph 4 of the Director's letter we find a most amazing statement. It is that in performing his air-safety work the Administrator will be bound by the rules of the Authority—or the new Board—and the extent of his administrative discretion will be entirely dependent upon these rules. Again what we have is a very interesting gloss by the Director of the Bureau of the Budget upon the plans submitted to Congress. Does the Director mean that the Administrator will be subordinate to the new Board, and will have to perform all his air-safety work in accordance with any directions which the Board may issue in the form of rules? If so, neither plan III nor plan IV means what it says.

In the first place, plan III states that the Administrator shall exercise all functions of safety regulation except those of making rules and suspending and revoking certificates after a hearing. Included in these functions are those of granting safety certificates and prescribing terms and conditions therein. If the Administrator has this power, then obviously he can prescribe terms inconsistent with rules adopted by the new Board. But the Director informs us that his discretion will be limited by these rules.

Then, turning to plan IV, we find that the Administrator is to be subject to the direction and supervision of the Secretary of Commerce with respect to all his functions. This means, according to the interpretation of this language given by the Supreme Court of the United States, that the Secretary of Commerce has the power to annul or revise or review all action which he takes. *Knight* v. *United States Land Association* (142 U. S. 161, 178). But we are now told by the Director that the Administrator will be subordinate, not to the Secretary of Commerce, but to the Authority, in performing his safety work.

In addition, the power to prescribe procedures, the very general power conferred in section 205A of the act upon the present Authority, is said by the Director in paragraph 3 of his letter to be retained by the new Board, although the reorganization plan itself does not mention the subject. This statement of the Director, coupled with his statement in paragraph 4 that the Administrator will be entirely dependent upon the Authority, is open to the possible interpretation that the Administrator, even in the procedure he follows in his own hearings, will have to follow the directions of the Board, despite the provision in plan IV that the Administrator will be subject to the direction of the Secretary of Commerce.

In any case, if we are to believe the director, the Administrator will be serving two masters, and if we are to believe the terms of the plan itself, he will simply be serving the Secretary of Commerce. If the reorganization plan itself were less confusing, perhaps the Director of the Budget Bureau could make his own plan clearer.

Paragraph 5 of the Director's letter gives us a hint of what we may expect under the reorganization. It starts out by recognizing that the Administrator will submit recommendations to the Board as to safety rules. It then hastily adds that it is anticipated that the Board will have adequate technical facilities for arriving at its own determination as to the soundness of the Administrator's recommendations, and also for developing "such material" upon its own initiative. It will be recalled that the Brownlow report recommended that regulatory agencies be divided into two sections, one a judicial section and one an administrative section. The administrative section was to have responsibility for preparing records and also for submitting findings, and the committee recommended that the judicial section would simply sit in judgment upon matters presented by the administrative section. Of the two sections only the judicial section would be independent.

The fundamental danger in this recommendation of the Brownlow committee was that the administrative section, by controlling the records made up and recommendations made, is, in effect, to be able to guide decisions reached by the allegedly independent judicial section.

The Director's letter in the paragraph just referred to indicates that he anticipates that plan III will in effect make of the Administrator what the Brownlow committee called an administrative section, and will leave the Board in a position corresponding to the judicial section. This impression is confirmed by the statement in the first paragraph of the Director's letter that the Administrator will have all functions of an administrative character.

In his letter the Director states that it is anticipated that the Board will have adequate facilities for arriving at its own determinations and for developing material on its own initiative. The Administrator is likewise to have the functions of submitting and supporting recommendations for action by the Board. And there is nothing either in the reorganization plan or in the Director's gloss to prevent budgetary control over the Board from being so exercised as to limit its personnel and technical facilities in a manner which will prevent it from being more than the Brownlow Committee's judicial section. It will be remembered that the study of independent regulatory agencies made for the Brownlow Committee suggested that a judicial section need have no attorneys or examiners of its own.

If this reorganization is permitted we may expect that a President impressed with the recommendation of the Brownlow report, and those exercising direct budgetary control over the Board will soon be paring the Board's appropriations on the plea that the Administrator, with his extensive duties of an administrative character, is able quite adequately to handle the function of gathering and presenting the data necessary for the Board to determine what regulatory action it should take and when that day arrives the Administrator, under the direction and supervision of the Secretary of Commerce, will be in the driver's seat.

Under the present act any such eventuality is out of the question because under section 204A the Authority has the ultimate power to make expenditures. Under the reorganization, both as set forth by the President and as glossed by the Director of the Bureau of the Budget, such an eventuality would be virtually upon us.

In paragraph 6 of the Director's letter he explains that the present Authority shall be known as Board, and the term Authority shall be employed to designate both the

Administrator and the Board. This contribution to reorganization is explained on the ground that there is an existing confusion in terminology.

Paragraph 7 simply states that the Board will receive the functions of the present Air Safety Board, which means of course that we are once more to have a system of accident investigation where the investigator investigates himself.

Paragraphs 8, 9, and 10 of the letter argue that the Board will be independent of the Department of Commerce and of the Secretary of Commerce. The Director states that plan IV will make available to the Board departmental services in connection with budgeting, personnel, and other functions. This is an ingenuous explanation of the provision of plan IV, which states that budgeting and personnel functions must be performed under the direction and supervision of the Secretary of Commerce, through facilities he designates. In other words, not only is it true that these departmental facilities will be available to the Board, but it is also true under the terms of the plan that they must be used for all budgeting and personnel functions, and that those functions must be performed under the direction and supervision of the Secretary.

The Director seeks to explain away these plain terms of the plan by stating that the Board will have the power to appoint and control all its personnel. Doubtless it will, but this power must, under the plan, be exercised under the direction and supervision of the Secretary of Commerce. The Director does not have the temerity to say that the power to appoint and control personnel will be independent of the Secretary of Commerce or of the Department of Commerce. The Director merely states, after discussing the various regulatory functions which the Board will have, that these functions will be independent of the Secretary and the Department. But when the Director proceeds to discuss the power to appoint and control personnel his letter carefully refrains from a statement that that power is to be exercised independently of the Secretary and the Department. Obviously he can make no such statement because the very words of plan IV preclude him. The Board must exercise its function of appointment and control of personnel, subject to the direction and supervision of the Secretary of Commerce.

The same conclusion must be reached with regard to authorization of expenditures.

As to the budgetary matters, the Director states that the Board will have authority to determine and support Budget estimates that are submitted to the Bureau, but once more the terms of the plan are clear that budgeting functions are to be exercised under the direction and supervision of the Secretary, and the Director carefully refrains from making the statement in his letter that in exercising its power respecting Budget estimates the Board is to be independent of the Secretary.

Paragraph 10 of the letter states that the Board's personnel will be relatively small in number. Again the recommendation of the Brownlow committee must be borne in mind. The Director is preparing the way for making of this new Civil Aeronautics Board a judicial section of the Civil Aeronautics Authority without the personnel adequate to perform an independent and aggressive regulatory job. If the reorganization succeeds the next step will be simple enough. It will be the determination by the Secretary of Commerce, the President, and the Bureau of the Budget, that the Board's personnel can be cut to a minimum, and that the personnel of the Administrator who, according to the Director, is to exercise functions of an administrative character, can be availed of for the purpose of doing all the work which the Brownlow committee recommended should be vested in an administrative section.

Paragraph 11 states that the Board shall have full authority to make contracts with other agencies of the Government and with State governments and foreign governments. Again, however, there is a significant foreshadowing of events to come, for the Director states that it is reasonable to assume that the Board will make the necessary arrangements with the Secretary of Commerce so as to coordinate its contacts with those made by the Administrator, and thereby minimize duplication of effort. Euphemism once more is employed in a broad hint that the Board will be expected to remain passive, humbly to work through the Secretary of Commerce and facilities designated by him, to secure clearances and approvals from Assistant Secretaries and other functionaries, and to leave to the Administrator, admittedly an officer completely subordinate to the Secretary of Commerce, the performance of more and more of the duties of the Authority.

In paragraph 12 the Director states that the maintenance of dockets and the keeping of minutes cannot be regarded as routine management functions, and will therefore remain under the Board. Otherwise it seems the Secretary of the present Authority will have no functions whatever.

Of course a future Director of the Bureau of the Budget may take the view that the keeping of minutes likewise is a routine management function.

Paragraph 13 states that the Board will have its own legal and other technical facilities and that any other interpretation would directly conflict with the asserted independence of the Board's power to reach determinations. Since the Board in exercising its budgetary and personnel functions will be under the direction and supervision of the Secretary of Commerce, this power to assemble and to continue to maintain an adequate staff will be entirely dependent upon him. The Director admits that without a staff the Board could not independently exercise its regulatory functions, which means simply that the Secretary of Commerce will have the power to direct and supervise the function which is basic to the Board's regulatory work.

Paragraph 14 provides that in connection with accident investigation the Board will furnish the Administrator with copies of any reports or recommendations relating to the Administrator's functions. Again the impression is confirmed that the Administrator and not the Board is to become the important agency in the new Civil Aeronautics Authority.

In paragraph 15 there is a further confirmation of the Director's view of the importance of the Administrator because here he states that the Administrator will have the power to compromise civil penalties involving violations of safety rules adopted by the Board, or violations of certificates issued by the Administrator. This is a matter covered by title 9 of the act concerning which there is no mention whatever in the plan submitted to Congress. The Director's contribution is another illustration of the inadequacy of the plans themselves. Those plans say nothing whatsoever about the function of enforcement of safety regulations, yet the Director by main force has conferred another function upon the Administrator, that of safety enforcement, and then reaches into a portion of the act not even mentioned in the President's plans, in order to find that still further functions have been conferred upon the Administrator.

Paragraph 16 of the letter states that the Administrator will be under the direction and supervision of the Secretary of Commerce.

Mr. President, I have brought this entire matter in a detailed form to the attention of the Senate, not so much with the thought that the Senate is to consider these small matters of detail, but to show that after a symmetrical and uniform system has been worked out by the Congress, after 5 years of study, we now find about to be torn down and destroyed that entire system which brought about greater safety in air transportation than was ever brought about in any form of transportation known to humanity, whereby 86,000,000 plane-miles and 821,000,000 passenger-miles were flown during the past year without a single fatality of any nature, either to pilots or to the traveling public. After a uniform system has brought about a record such as that, we are now confronted with a plan submitted to Congress whereby that symmetrical working system is to be torn down and destroyed, and not only does the President fail to find a reason for the new system suggested, but the Bureau of the Budget itself cannot find a reason for it, and cannot explain it. So we find confusion piling upon confusion.

I ask the Senate of the United States, after its study extending over 5 years, involving a most important matter of

government, and after providing a system which is workable and effective, which is economical, and which the country reveres and respects, after having accomplished that result, are we now going to tear it down for a system that cannot even be explained by those who advocate it?

When did the Bureau of the Budget become the legislative agent of this Government? When did the Bureau of the Budget attain the authority to say what the law is, and make the law by its own dictates? If the Bureau of the Budget is to create the law of the land, would it not be more economical and better to abolish the constitutional provision for making law, set Congress aside once and forever, and let the Bureau of the Budget make the law? Such a plan would be much cheaper. It would not be as plain. It would not speak as much for the will of the people; but it would speak for a dictatorial form of government, which is rapidly approaching. I hope some Congress in the not far distant future will so repudiate such a suggestion that it will never again be offered to a free people.

Mr. McCARRAN subsequently said: Mr. President, I ask unanimous consent to have inserted in the body of the RECORD in connection with and immediately following the remarks which I made earlier this afternoon an editorial from the Washington Post of May 3 in reference to the transfer of the Civil Aeronautics Authority. The editorial is entitled "A Weak Defense."

I also ask unanimous consent to insert in the RECORD a very able comment on the proposed transfer of the Civil Aeronautics Authority by Mr. Frank C. Waldrop, published in the Washington Times-Herald of May 6, 1940.

I further ask to have inserted in the RECORD a statement of the National Aeronautic Association, as expressed through its executive committee in session at Tulsa, Okla., April 25, 1940. In this connection I desire to say that the National Aeronautic Association is the largest and most far-reaching group of American citizens who are interested in the welfare of civil aviation.

I also ask unanimous consent to have inserted in the RECORD—all these matters to be placed in the body of the RECORD, to follow my remarks—an editorial from the Washington Star of May 2, 1940, entitled "A Poor Solution."

The PRESIDING OFFICER. Is there objection to the several unanimous-consent requests submitted by the Senator from Nevada?

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

[Editorial from the Washington Post of May 3, 1940]

A WEAK DEFENSE

President Roosevelt's defense of his plan to abolish the Air Safety Board and shift the Civil Aeronautics Authority to the Department of Commerce is exceedingly weak. He does not strengthen his case by intimating that opposition to this proposal comes either from uninformed sources or from persons selfishly interested in preservation of the status quo.

Since the air-line pilots and air-line managements are leading the fight against the reorganization order, the opposition is certainly not ignorant. But, it undoubtedly has a very immediate interest in the maintenance of a regulatory system that has made an admirable record for prevention of air accidents.

Senator McCARRAN, who is leading the fight in the Senate for rejection of the proposed changes, effectually demolishes the President's argument that it is essential to give the Civil Aeronautics Authority representation at the Cabinet table. Mr. McCARRAN points out that the old Bureau of Air Commerce had more than enough of such direct representation. It had so much, indeed, that Congress passed legislation establishing an independent agency which would no longer be "noticed only at the pleasure of a busy Secretary of Commerce."

The President's suggestion that the C. A. A. needs to be brought into closer relationship with the Weather Bureau and the Coast and Geodetic Survey is hardly a valid excuse for making that agency a subordinate unit of the Department of Commerce. There are many agencies outside of Secretary Hopkins' domain with which the C. A. A. needs close contacts.

It is true that the C. A. A. would continue to exercise its functions of rule making, adjudication, and investigation independently of the Secretary of Commerce. But, otherwise it would be subject to his control. For the reorganization order states that "the budgeting, accounting, personnel, procurement, and related routine management functions of the Civil Aeronautics Board shall be performed under the direction and supervision of the Secretary of Commerce through such facilities as he shall designate or establish." It seems impossible to reconcile the terms of the order with the President's assurance that the Board would continue to appoint and control its own personnel and submit its own budget.

The strongest objection to merging the functions of the C. A. A. and the Air Safety Board has been entirely ignored in the President's formal statement. That is the danger of making the agency which promulgates rules for air safety the official investigator of the causes of air accidents. The new set-up, instead of preserving the present independence of accident investigation, would restore the conditions that prevailed under the old Bureau of Air Commerce.

It is reported that one of the major reasons for the proposed changes was a Budget Bureau indictment of "structural inadequacies of the C. A. A." Rumored friction and jealousy among Board members may call for some sort of remedial action. But, it certainly would not warrant abandoning an arrangement which has produced excellent results from the viewpoint of the public.

[From Washington Times-Herald of May 6, 1940]

THE PRESIDENT FOXES HIMSELF—WHY SHIFT HINCKLEY FROM C. A. A. IF AVIATION CONTROL IS TO STAY INDEPENDENT?

(By Frank C. Waldrop)

Mr. Roosevelt is undoubtedly the artful algazel in any encounter on public issues. He delights to leap and cavort before his plodding adversaries, confuse them, make them accuse him falsely, and finally fox them into batting their heads against the wall of truth so hard they let him lead them into his corral while they catch their breath.

But sometimes, as in the Supreme Court fight, he has shown that he can be too artful for his own good.

He becomes so foxy he outfoxes himself because he overestimates the foxiness of his foxing and underestimates the solid common sense of the foxed.

Consider, for instance, this matter of his proposal to abolish the Air Safety Board, put the personnel of the Civil Aeronautics Authority back under control of the Secretary of Commerce, and convert the C. A. A. into a Civil Aeronautics Board to execute functions of the C. A. A. and A. S. B.

The C. A. A. and A. S. B. were established in 1938 by Congress as independent agencies responsible solely to it and the President, who had authority to appoint the members.

The reason for all this independence was that sad experience had shown aviation to be a complex, dangerous, expensive system of travel needing complete freedom from political termites, yet needing also a strict hand of government.

And it was shown that the only way to get government that would be strict, sound, and free of termites was to make a regulatory agency, the C. A. A., utterly free to hire its own personnel, make and enforce its own rules. And as a counterbalance another independent agency, the A. S. B., was authorized to investigate any airplane crashes to see whether the pilots, plane makers, plane operators, or the C. A. A. were to blame.

This system has proved itself by the end product of 12 months' air-line flying on the heaviest schedules in the country's history absolutely free of fatalities. That had never happened before.

And the public wants the system which has proved itself to stand. But Mr. Roosevelt, in his plans III and IV for reorganization of the executive, proposed to abolish the Air Safety Board, telescope its duties with those of the Authority, and put the whole personnel for executing and reporting on the Authority's regulations under the Secretary of Commerce.

When challenged on the ground that this was reversion to the old system of the Bureau of Air Commerce which was so deadly and disgraceful, Mr. Roosevelt began to fox.

First, he said the criticism was all "spinach." But that didn't work. So he denounced the critics as ignorant, political, or gullible, or all three. But that didn't work, either.

So he trotted his tame Budget Director, Harold D. Smith, out with a letter to Chairman Hinckley, of the C. A. A., purporting to show there is no loss of independence to the C. A. A. in this change. He had his Attorney General, Robert H. Jackson, to say that whatever Mr. Smith said in the letter was so.

Then he shifted Assistant Secretary of Commerce, "Rowboat" Johnson, over to the Interstate Commerce Commission, and let it be known that he intended to put Chairman Hinckley into the Department of Commerce in his place just as soon as Congress realizes the changes in the Aeronautics Authority are all to the good.

This appointment, he intimated, ought to quiet all fears, for Hinckley has been going a good job on the C. A. A., and obviously will continue the same way as an Assistant Secretary of Commerce.

And there, ladies and gentlemen, our distinguished fox foxed himself. By his own strategy he has shown his critics to have read him right the first time. He does want to subjugate the C. A. A.

For the criticism all this time has been that the changes proposed in plans III and IV would destroy the independent character of the C. A. A. and put it under the Department of Commerce, where it has been shown that the control of aviation should not be.

And all the arguments the President and supporters have offered, up to the point of proposing Hinckley for Assistant Secretary of Commerce, have been that the independence would not be lost.

But at last the Presidential argument has come out to read not that the independence will be preserved but that with Hinckley in charge everything will be all right, regardless.

It won't be all right at all, Mr. President. Those who oppose the change do not believe the present system has worked just because

Mr. Hinckley is a good man but because the system is a good system.

Mr. Eugene Vidal, the former Chief of the Bureau of Air Commerce, was a good man. He tried hard. But his administration failed because the system was bad.

Under the system you propose, Mr. President, it is true the members of the rule-making Civil Aeronautics Board would be independent of the Assistant Secretary of Commerce. But personnel and finances would all be under an administrator, and the letter your Budget Director wrote to Mr. Hinckley plainly says:

"As contrasted with the Civil Aeronautics Board, the Administrator will be under the direction and supervision of the Secretary of Commerce."

So that the Board would be a mere dependency, unable to investigate to see whether its rules were countermanded elsewhere or its personnel up to a standard satisfactory for efficient enforcement of the rules.

Would the regulation of aviation continue its present independence and high standard in such a case?

Surely, Mr. President, you don't think people are going to believe that? This proposal to shift Hinckley gives the whole play away. This reorganization plan would wreck an independent system of aviation control built on experience and wisdom. Let's have none of it.

STATEMENT OF THE NATIONAL AERONAUTIC ASSOCIATION AS EXPRESSED THROUGH ITS EXECUTIVE COMMITTEE IN SESSION IN TULSA, OKLA., APRIL 25, 1940

The formation of the Civil Aeronautics Authority came as a result of deep study by the Congress of the United States in an effort to correct past weaknesses in the governmental aid to aeronautical development and to foster and develop civil aeronautics. It is the belief of the National Aeronautic Association that the Congress evolved legislation which provided adequate ways and means of correcting past deficiencies and providing for efficient future development of aviation in this country. The National Aeronautic Association further believes that the Civil Aeronautics Authority has gone far, during its short existence, to justify the faith placed in it by the people of the United States through its representatives in Congress. Therefore, the National Aeronautic Association, in reiteration of its historic position in support of an independent agency to handle all civil aeronautical matters, regards the proposed Reorganization Order No. 4 as detrimental to the continued safe and efficient development of aviation in the United States.

[Editorial from the Washington Star of May 2, 1940]

A POOR SOLUTION

President Roosevelt has stated that one of the purposes of his reorganization plan shifting the Civil Aeronautics Authority to the Commerce Department was to cut down the burden of work laid upon his shoulders.

The proposed transfer would result in the C. A. A. submitting its reports through the Secretary of Commerce rather than directly to the President, he pointed out. Mr. Roosevelt said that he already receives reports from about 45 Federal agencies and that a reduction of this burden was one of the motivating reasons behind the C. A. A. transfer.

An inspection of the Aeronautics Act of 1938, creating the Authority, however, reveals that the agency is required by law to make an annual report "to the Congress" and, in addition, that it also may transmit recommendations as to legislation to the Congress—not to the President. In accordance with the law, the Authority does submit its reports directly to Congress and they constitute no burden on the President.

There are certain types of reports, however, which the C. A. A. does make to the President. These reports deal with such matters as international air-line service, national defense, or the need for coordination of work of two or more Government departments—matters which inevitably would go to the President or his Cabinet regardless of whether the C. A. A. is an independent agency or a dependency of the Commerce Department.

It does not appear, therefore, that the proposed transfer of the C. A. A. to the Commerce Department would in any way lessen the amount of work required of the President. In fact, it would increase his work, since under the new set-up the annual and special legislative reports of the Authority no longer would go directly to Congress but would go to the Secretary of Commerce and from him to the White House for transmittal by the President to Congress. In this connection there is a further consideration.

If the President is overburdened and it should become necessary to lighten his load, it would not seem sensible or necessary to sacrifice the independence of so essential an agency as the Civil Aeronautics Authority merely to save the handling of reports. Certainly some other means can be found to lessen the President's paper work. Reorganization Plan No. IV is not a good solution for this problem. And if economy was the primary reason for proposing the change, the $22,500 which it is said would be saved by the plan, as Senator McCARRAN stated in the Senate yesterday, is a "paltry sum" to weigh against the possible risks to air safety and progress involved in the shift.

PROHIBITION OF FOREIGN-SILVER PURCHASES

The Senate resumed the consideration of the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes.

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an editorial from the Baltimore Sun of May 3, 1940, entitled "Time To Halt the Absurdity of the Silver-Purchase Plan."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of May 3, 1940]

TIME TO HALT THE ABSURDITY OF THE SILVER-PURCHASE PLAN

The report of the Senate Banking and Currency Committee on the Townsend bill to suspend purchases of foreign silver was devastating in its analysis of the purchase program. It gave the Senate a chance to take the first long step toward the suspension of that program, and the chance is still available, despite the expostulations of the silver-bloc Senators.

For, as the committee suggested, it is easier now for Members of Congress to see the flaws in the silver arguments. During the original debate on the bill which became the Silver Purchase Act of 1934 these arguments achieved plausibility in the minds of the men who passed the act.

Led, as usual, by the representatives of domestic silver producers, the silver blocs were able to mask their direct and commercial stake in silver programs behind a variety of more theoretical propositions. On general principles, they argued that a little inflation wouldn't do any harm. It was easy to persuade those who hold that high prices in themselves are a panacea, regardless of the economic relationships which those prices represent.

Nor were the silver cohorts insensitive to the possibilities of topical variation on their basic theme. China was still on the silver standard; they argued that a great new market for American goods could be opened if China's money standard could be increased in value. China's money standard was increased in value, true enough. But the increase was so great and so explosive that China straightway went off the silver standard. In other countries where silver was used heavily in the coinage it became profitable to melt the coins down for sale to the United States as bullion.

These damaging impacts of the silver-purchase policy led to immediate shifts in the strategy of those who want the Treasury to buy silver. It next became fashionable to argue that the silver purchased abroad gave foreign peoples producing silver (as against foreign peoples using the silver standard) buying power with which to enter American markets. The foreign-purchase program was nourished on this argument through an almost successful attempt to suspend it a year ago; and that is the argument now being offered in opposition to the Townsend bill.

The Senate committee makes the obvious response to this argument when it suggests that, if the argument is good, then we ought to increase such foreign purchasing power still further by increasing our price for foreign silver, say 5 or 10 times. The friends of silver do not make such a suggestion; they do not dare to, more than 2,200,000,000 ounces of silver having been purchased since 1934 without appreciable benefit to the American taxpayers who ultimately pay the bill. What the case for the silver purchases now boils down to is the bald assertion that Americans ought to supply money to foreigners to buy American goods.

It is now obvious, in brief, that the silver-purchase plan hasn't a reasonable leg to stand on. Senator THOMAS' threat that a complete suspension might precipitate a revolution in Mexico is countered by the Banking Committee's reminder that our silver purchases in Mexico have brought us little good-neighborliness to date. Domestic producers are against the suspension of foreign purchases because they fear (a) that such suspension might further widen the gap between the market price and the arbitrary price of 71.11 cents an ounce which the Treasury now pays for silver; and (b) that it would thus wedge open the path toward suspension of the domestic purchase program as well. But most observers will feel that these are arguments, not against, but in favor of the Townsend bill.

Mr. TOWNSEND. I call attention to one sentence in the editorial:

What the case for the silver purchases now boils down to is the bald assertion that Americans ought to supply money to foreigners to buy American goods.

I ask also that an editorial from the Reno Evening Gazette of May 2, 1940, entitled "The Townsend Silver Bill," and an editorial from the Wilmington Morning News of May 2, 1940, entitled "The Silver Folly," be printed in the RECORD as a part of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Reno (Nev.) Evening Gazette of May 2, 1940]

THE TOWNSEND SILVER BILL

Now the supporters of the Foreign Silver Purchase Act, principally Senators PITTMAN, THOMAS of Utah, and THOMAS of Oklahoma, want the farmers of the country to come to its rescue. Through an amendment requiring foreign nations to spend for American agricultural products the money which we pay them for foreign silver, which we do not need, they would have the country's agricultural interests save the act, and thus continue to have this Nation subsidize foreign countries and foreign silver traders and producers at the expense of the American people.

This is far from the reason which the advocates of such foreign purchases first put forward. Then they represented to the country and to the silver-purchasing States that if this country would go into the world markets and buy up virtually all of their silver, its price in the world markets would take a very high level and remain there. Nothing of the kind has happened. Instead this country has bought 1,000,000,000 ounces of the foreign metal, and still the world price is but 38 to 39 cents an ounce. And in this absurd enterprise this country has piled up in its vaults almost 2,000,000 ounces of this foreign silver, which will stand for years as a menace to the silver produced in this country.

The Nation and the silver producers of the West have nothing to gain from the purchases of foreign silver, which would be stopped by the Townsend bill. The price of domestic silver is fixed by act of Congress, and the pending Townsend bill does not propose to change it. Not a single domestic producer would be injured by its enactment. Instead they would be helped by stopping the accumulation of this vast hoard of foreign silver in this country.

Nor have the farmers of America anything to gain in the long run from subsidizing alien purchases of American farm products. If these alien peoples want our farm products, they will buy them. And even if this foreign silver buying should stimulate for a time the purchase of American farm products, this country cannot forever keep up this stimulation by the unsound method of taking in exchange a commodity which it does not need and which eventually will injure its own silver-producing industry.

[From the Wilmington (Del.) Morning News of May 2, 1940]

THE SILVER FOLLY

There is every reason in the world why the Senate should approve promptly and decisively the bill which Senator TOWNSEND, of Delaware, has placed before it to end the foreign silver buying farce.

As Senator TOWNSEND reiterated in the opening debate, the 7-year-old program has been a costly mistake without a shadow of excuse. It is wasteful and unnecessary; it pours American dollars into foreign pockets without any appreciable return to us. We have no conceivable use for the vast stock of monetary silver the Government already owns, let alone the new supplies of the white metal which are constantly flowing in.

The provisions of the measure are perfectly simple and absolutely clear. It was approved by the Senate once before last June and it requires no extended debate. It has the endorsement of the great majority of financial experts, of the general public, and, finally, of the Federal Advisory Council of the Federal Reserve Board, representing all 12 Federal Reserve districts.

If the foreign silver buying powers are repealed as they should be, the largest share of the credit for this highly constructive action will belong to the Senator from Delaware. He has fought, in season and out, to put an end to this financial folly. Year after year he has battled in committee, on the Senate floor, and in public speeches against the program. His one-man crusade has been more responsible than anything else for bringing the matter to public attention and in arousing public sentiment against a senseless and costly procedure. Congressional approval of his bill will be a personal triumph for Senator TOWNSEND and one that he richly deserves.

Mr. TOWNSEND subsequently said: Mr. President, this morning it was stated on the floor of the Senate that there was gold back of the pound sterling. I wish to say that the pound sterling actually has no gold behind it today. The Bank of England has turned over all its gold to the equalization fund, and Canada has done the same thing.

FOREIGN INSULAR POSSESSIONS

Mr. REYNOLDS obtained the floor.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. AUSTIN. On May 2, 1940, the Senator who now occupies the floor had inserted in the RECORD—and it appears at page 5407 of the RECORD—what purported to be a dispatch from Amsterdam, Holland, which included, among other things, the following:

AMSTERDAM, April 22.—A high Government official has completely punctured for me the bubble of possible Japanese intervention in the Dutch East Indies.

"We are victims of our own busybody friends," he told me. "England would like nothing better than to drag America into war through the back door."

Again:

With astonishing candor this important official also restated the Netherlands' determination to run her own affairs. He said:

"Even if we are invaded by Germany, and Britain and France were to become our allies, we would not permit them to have anything to do with our islands."

At another point—

Then he slyly added:

"Of course, if the situation regarding Japan should be dangerous—which we do not look for at present—then America by a total two-way embargo alone could bring tremendous pressure against Japan.

"We are not telling America her business. She is quite able to take care of herself, but she must understand how much the Allies would like to involve her in a Japanese war and thus into the European war by way of the back door."

That is the end of what I intend to quote. I should like to add that I am entirely satisfied that the distinguished Senator from North Carolina knew nothing about the facts respecting the source of that information.

As an evidence of good will toward a treaty power which is a friend of the United States, and with which the United States is on peaceful terms, and as an evidence of our confidence in that great country, the Netherlands, I ask unanimous consent to have printed in the RECORD an article published in the Washington Post of April 25, 1940, entitled "Holland Denies Story of British Agitation on Indies."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of April 25, 1940]

HOLLAND DENIES STORY OF BRITISH AGITATION ON INDIES

Dr. A. Loudon, Minister from the Netherlands, last night issued the following statement in connection with a story by Frazier Hunt which appeared in Monday's issue of the Washington Post:

"The Netherlands Minister has been authorized to state that Mr. Frazier Hunt had no interview with any high responsible Netherlands official, and that his statement to the effect that the Netherlands blamed the Indies issue on the British and called the agitation over Japan an attempt to get the United States into war in no way represents the views of the Netherlands Government."

Mr. REYNOLDS. Mr. President, I am very happy indeed to have the opportunity of yielding to my distinguished friend and colleague. I assume that he has reference to an article which was printed in the RECORD several days ago, from a newspaper correspondent in Amsterdam, Holland.

M. AUSTIN. Yes. I thank the Senator for his courtesy.

Mr. REYNOLDS. I may add that the clipping was supplied to me, and after having read it I had it inserted in the RECORD at the point mentioned by my colleague.

Mr. TOWNSEND. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Delaware for the purpose of suggesting the absence of a quorum?

Mr. REYNOLDS. I yield.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	La Follette	Russell
Ashurst	Davis	Lee	Schwartz
Austin	Donahey	Lodge	Schwellenbach
Bailey	Downey	Lucas	Sheppard
Bankhead	Ellender	Lundeen	Shipstead
Barbour	Frazier	McCarran	Smathers
Barkley	Gerry	McKellar	Smith
Bilbo	Gillette	McNary	Stewart
Bone	Guffey	Maloney	Taft
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Burke	Harrison	Minton	Thomas, Utah
Byrd	Hatch	Murray	Townsend
Byrnes	Hayden	Norris	Vandenberg
Capper	Herring	O'Mahoney	Van Nuys
Caraway	Holman	Overton	Wagner
Chavez	Hughes	Pepper	Walsh
Clark, Idaho	Johnson, Calif.	Pittman	Wheeler
Clark, Mo.	Johnson, Colo.	Reed	White
Connally	King	Reynolds	Wiley

The PRESIDING OFFICER (Mr. BARBOUR in the chair) Eighty Senators have answered to their names. A quorum is present.

At this point Mr. REYNOLDS yielded to Mr. BONE, who asked and obtained leave to have printed in the Appendix of the RECORD an article by the Carnegie Peace Library on the cost of war in general, which article appears in the Appendix.

COST OF WAR

Mr. REYNOLDS. Mr. President, I am particularly happy to have had the opportunity of yielding to my distinguished colleague the senior Senator from the State of Washington [Mr. BONE] to enable him to ask unanimous consent—which was given—to have published in the Appendix of the CONGRESSIONAL RECORD an article in reference to the cost of war,

for I am of the opinion that the more thoroughly the American people are advised and convinced of the cost of war, and particularly of their participation in the last World War, in which we unfortunately had a part, the less will be our chances of entering the present world war. I feel it the duty of every American citizen, when the opportunity is presented, to take advantage of that opportunity to advise his listeners, or to advise his constituents if he happens to be a Member of the Congress of the United States, relative to the enormous cost of war.

In that connection I may add that we all recall that a number of years ago, when Mr. Calvin Coolidge was in the White House, he predicted that before we should have finally liquidated the obligations resulting from our brief participation in the World War from April 6, 1917, to November 11, 1918, we should have paid out $100,000,000,000. I understand that to date the taxpayers of this country have been occasioned to pay the sum of approximately $68,000,000,000 as a result of that participation, and no doubt before we shall have liquidated all the debts incurred by us in the last war we shall have paid out not less than $100,000,000,000. I may add that at this time, 22 years after the end of the last war, we have not sufficient hospitals to provide hospitalization for the veterants of that war who are entitled to hospitalization. As the distinguished senior Senator from the State of Washington knows, right now—at least, that has been my experience after handling many veterans' claims, as I have done in the past and do now daily—it is almost impossible, in many instances, to find facilities sufficient to provide treatment, care, and hospitalization for the men who are entitled to it even 22 years after the end of the World War.

As I said, I believe that the more thoroughly we can impress upon our respective constituents—the American people—the cost of war, the less likelihood there is that we shall become involved in it; and when I speak of cost I have in mind not only the cost in dollars and cents, the destruction wrought, but I have particularly in mind—and this observation I direct to my colleague from Washington, who is here—the fact that the real cost of American participation in a war is paid by the mothers of America. They pay in misery, in unhappiness, and in tears.

So I say I am very happy indeed to have been provided the opportunity of yielding to my colleague from Washington, who has always evinced a great interest in the mothers of America and in their flesh and blood, their sons, who would be called upon to serve in case we should unfortunately be sucked into the present wars that are raging in Europe and in Asia.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 258) to amend section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The message further announced that the House had passed a bill (H. R. 9381) to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 62) to provide for printing additional copies of hearings held by the Committee on Appropriations, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 8475. An act to limit the interpretation of the term "products of American fisheries"; to the Committee on Commerce.

H. R. 9381. An act to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes; to the Committee on Interstate Commerce.

PRINTING ADDITONAL COPIES OF HOUSE APPROPRIATIONS HEARINGS ON WORK RELIEF AND RELIEF

Mr. HAYDEN. Mr. President, by direction of the Committe on Printing, I ask unanimous consent that the Senate consider and concur in House Concurrent Resolution 62, just messaged over from the House of Representatives.

There being no objection, the concurrent resolution (H. Con. Res. 62) was considered and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Appropriations of the House of Representatives is hereby authorized and empowered to have printed, with illustrations, for its use 2,000 additional copies of each part of the hearings held before a subcommittee of such committee, during the current session, pursuant to the resolution (H. Res. 130) directing the Committee on Appropriations to make an investigation and study of the Work Projects Administration as a basis for legislation, and 1,000 additional copies of the hearing held before a subcommittee of such committee during the current session on the estimates of appropriations for work relief and relief for the fiscal year ending June 30, 1941.

PROHIBITION OF FOREIGN SILVER PURCHASES

The Senate resumed the consideration of the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes.

Mr. REYNOLDS. Mr. President, I turn to the pending subject, which interests itself in Mexico and silver, which interests itself in the purchase of silver throughout the silver-producing countries of the world, but I believe particularly in our sister Republic to the south of us, Mexico, for it is my recollection that this country annually purchases approximately $30,000,000 worth of silver from Mexico. My recollection further is that we are buying annually about $70,000,000 worth of silver from Mexico and Peru and China and Canada and other silver-producting sections of the hemisphere. Frankly, I cannot understand why we are desirous of continuing to buy silver from other countries of the world, in view of the fact that I am informed that we have now 1,000,000,000 ounces of silver buried near West Point in the State of New York.

In this connection, I understand that we have issued certificates upon about 2,000,000,000 ounces of silver, making a total of 3,000,000,000 ounces. The first billion ounces I mentioned is sterile, according to my information. Therefore, when we have silver mines and facilities for mining and unemployed miners in this country looking for work, I cannot understand why we do not mine our own silver in quantities sufficient to meet our demands, instead of providing employment for the nationals of other countries of the world. I think we should utilize every possible opportunity and means to give work to the unemployed in this country, and, in addition thereto, to make use of the available silver mines in this country, rather than buy silver from Mexico, Peru, China, Canada, and other silver-producing countries.

Mr. KING and Mr. LUNDEEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Carolina yield, and if so to whom?

Mr. REYNOLDS. I yield first to the Senator from Utah, then I shall be glad to yield to the Senator from Minnesota.

Mr. KING. If the Senator will visit the Western States, where minerals are found—gold, silver, copper, lead, and other precious and semiprecious minerals—he will find that there is the utmost earnestness upon the part of the citizens of the Western States to discover the minerals hidden in the ground. There is no lack of interest or zeal in mining silver. The only difficulty is that we cannot find as much as we would like.

I may say further that it is important to mine silver because, to use a common expression, it "sweetens" other

minerals which are mined, and which, standing alone, perhaps would not pay for the cost of extracting and processing them. So I assure the Senator that if he can find any way by which we can get more silver out of the mines in the West, we shall be very happy to discover the method to be employed. We are employing all the men in the mines who are justified by the situation, and we are extracting all the mineral we can get at the prices which are paid at the present time.

The Senator will recall that a number of years ago the price of copper fell to 4 cents a pound. It is impossible to mine it at that price. I was the one who cast the deciding vote in the effort to impose an excise tax on copper, which enabled us to continue the operation of some of the copper mines, as well as the silver mines, which "sweeten" the cost in the development of the copper mines.

I assure the Senator that we are very anxious to get all the silver we can; yet some of us are not averse to getting silver from other countries. I am one who has never abandoned his belief in bimetallism. I have believed, and history has demonstrated that I was correct in my belief, that nature planted in the ground gold and silver in about the proportion of approximately 16 to 1, and whenever gold and silver have been employed as the monetary base in the countries of the world, there has been a measurable degree of prosperity. When silver was demonetized there was a very great injury done the American people, as well as the people in other sections of the world. I hope that the day will come when we will have a dual base, if I may use that expression, gold and silver, upon which will rest our paper money, and our whole financial system.

Mr. REYNOLDS. Does not the Senator think that first we should mine to the limit those available spaces of the United States subject to the production of silver, with its alloyed metals?

Mr. KING. If I interpret the Senator's interrogatory correctly, I answer "yes." We are doing all we can to develop copper, lead, zinc, and silver to meet the monetary and industrial demands of the people of the United States. We have not, of course, reached the limit of production, but mines do not last forever. If the Senator should visit the West, he would find many ghost cities, many places where the minerals have been exhausted in various mines, and the miners have moved away, trying to find other places where they could extract from the ground minerals for the benefit of the people.

Mr. REYNOLDS. In reference to the Senator's employment of the words "limit of production," I am very happy indeed to find that we are in accord with one another on that point, and I hope that we may go to the full limit of production not only of silver but of copper and other metals, some of which we find in abundance in the United States, before we make purchases from other countries of the world.

Mr. President, I may add at this juncture that I know that the people of the Senator's great State of Utah are daily busily engaged in the operation of some of their great mines. The Senator a moment ago spoke of the development of the copper mines in his State. I recall that on several occasions when I have had the pleasure to visit the beautiful capital city of Salt Lake, in his Commonwealth, I have gone out to one of the large mines near the city and viewed the great amphitheaters that have been established by the hands of men in the side of the mountains there.

What I am interested in is to see that all our resources, from the standpoint of the production of metals, precious metals and otherwise, in whose utilization we in the United States are interested, shall be developed to the limit before we go to foreign fields to make purchases of minerals of any description, because by so doing we shall provide employment for our own people, whereas now we are neglecting our own laborers in the United States. We recall in that connection that unfortunately we have more unemployed employables than are to be found elsewhere throughout the entire world.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. REYNOLDS. I gladly yield to my colleague from Minnesota.

Mr. LUNDEEN. I have been very much interested in the remarks of the able Senator from North Carolina, and I wish to say that it is generally understood that we are paying a premium of $12 or $13 an ounce on the gold that is being purchased. I am wondering if there is not a similar premium on silver, and how much that premium is? I am also wondering how much of a total premium on each metal has been paid to foreign countries, and what the total of both gold and silver premiums might be? I wonder if the able Senator from North Carolina has information on that subject?

Mr. REYNOLDS. Mr. President, I am exceedingly regretful that I cannot answer the Senator's question. I have understood that we are now paying about $38 an ounce for gold, and I know that we are buying a great deal of gold from countries outside of the United States, and that a great portion of those purchases are made from the Soviet Union. From time to time when visiting in various portions of Russia, I have been told by those who live there, and who are conversant with this particular subject, that the Russians can mine gold at a cost of from $3.50 to $10 an ounce. I have understood that the profit upon gold mining in Soviet Russia is so tremendous that the present Soviet Government has encouraged many of those from the western portion of the Soviet Union to proceed westward to the gold fields, and in order to encourage such movement, the Stalin Government has been providing its miners with a premium.

As to the profits derived by the various countries or their nationals from the production of silver or gold, I will very frankly and without hesitation state that I am not an expert upon that subject or thoroughly familiar with it. But I see on his feet now my distinguished colleague, the Senator from Oklahoma [Mr. THOMAS], whom I consider the finest authority upon those matters in the Senate, without casting reflections upon my other colleagues, and in order that he may be provided with the opportunity to answer the inquiry directed by the Senator from Minnesota. I am delighted to yield to the Senator from Oklahoma, because I should like to have that information myself.

Mr. THOMAS of Oklahoma. Mr. President, I desire to ask a question, but first I wish to suggest that the price of gold is $35 per ounce. The reason the price of gold is $35 per ounce is as follows: By law we have fixed the gold content of the dollar at $15\frac{5}{21}$ grains of gold nine-tenths fine. The weight of an ounce of gold is divided by $15\frac{5}{21}$, nine-tenths fine, which means it is necessary to add 10 points of alloy to the ounce to get the total. When the amount of gold in the ounce is divided by the amount that is in the dollar we get a quotient of 35. That is how we find the price of gold to be $35 per ounce, because an ounce of gold will coin 35 gold dollars. So we are not paying $35 an ounce for gold. We have fixed the content of the dollar at such a weight that an ounce of gold will make $35 in coin.

It is obvious to all who try to understand this question that gold is worth just as much by weight as it is by being stamped. The stamp adds nothing to the value of the gold coin. The only thing the stamp does add is to certify that a certain sized coin contains so much gold, and that the gold is 0.9 fine. So we are not paying $35 an ounce for gold. We are exchanging our commodities for gold on the basis of its weight.

Mr. President, if the Senator will yield still further, I will say that gold is the one thing that is the basic primary money of the world. Until a few years ago the moneys of all nations were based upon gold and redeemed in gold. Of course, that is not true today, for the reason that other nations do not have the gold on which to base and with which to redeem their money. We have ample gold upon which to base our money, and our money is based on so much gold to the dollar.

When we come to discussing gold, it would be well if those who want to pay a less price for gold than $35 per ounce, understood what that meant. It would mean that their constituents back home would receive less money for the things they produce. The Senator from a farm State who wants to pay less for gold than we are paying would

be asking his farmers to produce wheat for less than they are getting for it today. He would want his farmers to produce cattle and hogs for less money than they are getting for those products today. The same thing is true of all domestic production, especially of raw materials. If you cheapen the price of gold it means that you put more gold in the dollar, you make the dollar larger, and as the dollar becomes larger in gold content it is worth more, and it buys more as prices fall.

I am sorry that this question is not understood by Senators. If it were, we would do nothing until we had solved the money problem. But the money of America, along with the money of the world, is in a chaotic condition today. Yet we are doing nothing about it. A year ago the Senate authorized the Committee on Banking and Currency to make a study of the question and, after a year, all I can learn that has been done is that a questionnaire has been submitted, and to whom I do not know. It occurs to me that the importance of this question is such that the committee, after having been granted the authority to do so should have made the study. No doubt good reasons exist for not having made it to date. I hope the study will be made and that we shall have a report submitted to the Senate for our consideration at the earliest possible date.

Mr. REYNOLDS. In other words, as I understand the Senator's explanation, when we pay, so to speak, $35 or $36 or $37 or $38 per ounce for gold we are giving that much for commodities that we exchange, and if the price were reduced our producers in this country would receive less for their labors?

Mr. THOMAS of Oklahoma. There is no doubt about that. On the suggestion made by one Senator that some nations are producing gold at a lower price, so-called, than $35 per ounce, let me say that that may be true in some places, but one must take into consideration the place where the gold is being produced. In Russia there is no standard. The Russians do not work for wages. They work as they are directed. In Russia there is a sort of prescribed economy. Even the officials of Russia do not receive very much. I cannot say how much they receive today, but a few years ago, I think they received only 250 rubles a month. At that time the ruble was worth 51 cents. So, 10 years ago, the highest officials in Russia received only about $125 a month, in terms of our money, or in terms of gold.

Mr. REYNOLDS. In that connection, I may say that I have read, and have likewise been told, that when the present Government of Russia decided to endeavor to mine more gold, it put on a campaign to send miners into the gold-producing regions of Russia, and the miners were offered premiums, which, of course, is a very rare thing in that country.

Mr. THOMAS of Oklahoma. If the Senator will further yield, under the Russian system it would be possible for the Russian dictator to send an army of men into the gold fields and have them produce gold. If they were given a place to live and subsistence, that would be about all they could expect to receive. Under those circumstances it might be true that they could produce gold for a fraction of the price which we pay for it.

However, the price of gold, throughout the world, is not determined by the cost of mining the gold in some areas, because in some new fields a vast amount of gold might be found, and possibly it could be produced with a small amount of labor. In other sections gold is very expensive to produce. I can illustrate that point in a sentence or two. In my section of the country when oil fields are first discovered, sometimes the wells produce 10,000, 20,000, or even 40,000 barrels a day. That is called flush production. With such wells the owners could produce oil at 3, 5, or 10 cents a barrel, and make money. However, that is not the rule. Sooner or later the flush wells cease to be flush, which means they cease to flow, and they have to be pumped. After the production of the well goes down to a very few barrels per day, the oil is very expensive to produce. So the history of gold production is like that of oil. More money has been spent in trying to produce gold than the value of the gold produced.

Mr. REYNOLDS. I have frequently heard that statement.

Mr. THOMAS of Oklahoma. Flush production of gold here and there should not be taken as a criterion of the value of the yellow metal.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. BARKLEY. I wish merely to correct what seems to be a misunderstanding with respect to the purchase of silver and gold. Many persons use the term "buying gold" or the term "buying silver" on the part of the United States, under the impression that the United States goes over the world in search of gold to buy, and pays money for it. That is not what happens. What is true of gold is also true of silver. Take silver as an example. The silver comes to us in payment for goods. It first goes to an assay office or to a mint, and finally reaches the Treasury. The Treasury does not pay for the silver in tax money, or money which has gone into the Treasury as the result of tax laws, except that in some instances the Treasury may give a check on a deposit which the Government has in some Federal Reserve bank. The amount is reimbursed by the issue of silver certificates, so the silver which our Government takes over in this process is paid for, not in money, not in Treasury receipts, not in revenues of the Government, but by the exchange of a silver certificate for each dollar's worth of silver. The silver certificate becomes a part of the money used by the people.

With respect to gold, the Government does not own all the gold it holds. It does not own even the larger portion of it. Most of the $18,000,000,000 in gold at Fort Knox belongs to the Federal Reserve banks. Some of it is earmarked as the property of foreign governments and foreign interests. I am not sure what that amount is. It fluctuates. The great bulk of the gold has come in in exchange for our goods. The gold has likewise found its way into the Federal Reserve banks; and under the law the Federal Reserve banks turn it over to the Government, and the Treasury issues gold certificates, or certificates of ownership on the part of the Federal Reserve banks. Those gold certificates, or certificates of ownership, unlike the silver certificates, do not become a part of the circulating medium. The paper money issued on the basis of a dollar's worth of silver becomes a part of the circulating money of the country; but the certificates of ownership on the part of the Federal Reserve banks in the gold do not. They go back to the Federal Reserve banks and are held by the Federal Reserve banks as evidence of their ownership in the gold which is being held by the Government. In some circumstances the gold may be used interchangeably among the Federal Reserve banks, but it does not get out among the people to circulate as money.

There is much misinformation about the process through which the Government obtains possession of silver and gold. It is not true, as many persons believe, that the Government buys gold and silver as we buy groceries or clothes, or something of that sort. The gold comes to us in exchange for trade, and if either silver or gold were cut off so that it could not come into the United States, to that extent not only our trade, but the economy of the entire world, would be crippled.

Mr. BONE. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. BONE. By what process does the Government acquire ownership in gold which comes into the United States? I am referring to a case in which the Government itself takes the gold.

Mr. BARKLEY. Under the law the Government may, and does, purchase a certain amount. Of the $18,000,000,000 worth of gold held in the United States at Fort Knox, I think a little more than $2,000,000,000 is owned by the Government. I may be mistaken; if so, the Senator from Oklahoma can correct me. The rest of it is owned principally by the Federal Reserve banks, and some of it by foreign interests. The Senator from Oklahoma can correct the figures if I have not stated them accurately.

Mr. THOMAS of Oklahoma. Practically every day a sheet entitled "Daily Statement of the United States Treasury" is laid on our desks. I have the one for April 30, 1940, which is the latest one I find on my desk. This sheet shows that on that day we had in this country monetary gold to the value of $18,769,874,616.49. That is the amount of gold in the country. The ownership of this gold is prorated as follows:

Gold certificates outstanding, outside the Treasury, $2,000,000,000 plus. That means that when we called in the gold 7 or 8 years ago it did not all come in. Many certificates are still in circulation somewhere. Some are in foreign countries; some have been hoarded; some have been lost; and some have been destroyed. Certificates in the amount stated have not been delivered to the Treasury.

The next item is "Gold certificates fund, Board of Governors, Federal Reserve System," which is the gold about which the Senator from Kentucky [Mr. BARKLEY] was speaking. It is the gold which has been delivered to the Federal Reserve banks and by them sent to the Treasury, and for which the Treasury has issued gold certificates. The gold certificates are held as evidence that, under the law, the Federal Reserve banks may obtain that gold if they need it. The amount of the gold thus held is $13,602,000,000 plus. That is the gold which the Federal Reserve System claims it owns; and as evidence of its alleged ownership it has gold certificates delivered to it by the Treasury Department.

The next item is "Redemption fund, Federal Reserve notes," in the sum of $9,640,951.14.

The gold reserve item is $156,000,000 plus. That is the gold reserve back of the United States notes. We have in circulation some $346,000,000 United States notes, and both gold and silver are back of those notes. There is $156,000,000 plus of gold directly back of those notes.

The exchange stabilization fund is $1,800,000,000. Originally that fund was $2,000,000,000, but $200,000,000 has been taken from the fund and set over as an active working account for the Treasury Department, leaving $1,800,000,000 intact in the fund.

Then we have the gold in the general fund, which belongs without obligation to the United States. Gold comes in from day to day. Some gold is sold, and gold goes out from day to day. The fund is a general revolving fund. The total amount on the date mentioned was $318,000,000 plus.

All these sums to which I have referred make up the total to which I referred in the first instance.

Mr. BONE. Mr. President, will the Senator further yield?

Mr. REYNOLDS. I yield.

Mr. BONE. I am still not advised how the United States, if it acquires gold, pays for it. Has the United States gone into debt to pay for it? If not, how has it acquired the gold?

Mr. THOMAS of Oklahoma. Mr. President, years ago some people paid their taxes in gold, and the Government acquired a considerable amount of gold through that means. We had something like $5,000,000,000 in gold when we went off the gold standard in 1933. Since that time we have acquired $2,800,000,000 through devaluation; and, as I said, we still have a good part of that in the stabilization fund. The only way the Government can acquire gold is through the purchase of gold in the open market with funds in the General Treasury, or through the delivery of gold to the Treasury in payment for taxes. The gold would then be set aside in the Treasury as unobligated United States property.

Mr. BONE. My question was asked primarily because I was curious to know whether or not we purchased the gold with tax funds, funds of the Treasury created through taxation, or whether in any instance we went into debt and issued bonds to acquire the gold.

Mr. THOMAS of Oklahoma. If the Senator from North Carolina [Mr. REYNOLDS] will further yield, let me say it is not now the policy of the Government to spend a single dollar of its money for gold. All the gold which comes to the United States comes in settlement of balances or is sent here for safety. When the gold arrives it is turned over to the Treasury, and in turn the Treasury gives gold certificates to the Federal Reserve banks to the value of the gold.

Mr. REYNOLDS. How much gold is there in the United States which unquestionably belongs to the Treasury of the United States, and upon which certificates have not been issued?

Mr. THOMAS of Oklahoma. I can furnish the Senator with that figure.

Mr. REYNOLDS. I should like to know approximately. I know that the Senator is thoroughly familiar with the subject, and I wanted merely an approximate idea, upon which to base a statement.

Mr. THOMAS of Oklahoma. We own the stabilization fund. That is $2,000,000,000 in gold. There are no certificates against that gold. It is unquestionably the property of the United States, and no certificates are issued against it.

Mr. REYNOLDS. How much gold is buried in Kentucky upon which the Treasury of the United States is not issuing any certificates?

Mr. THOMAS of Oklahoma. That is a financial secret. I was in Kentucky and had the privilege of going through the vault, but I saw no gold. I believe there is gold there, but I did not see it. With guards on all sides one can go down into the ground and walk around a corridor, in which there is a large square or vault, and it is presumed that the vault inside the corridor underground contains the gold. How much I cannot say. The authorities know, but that is not information that the public should have.

Mr. REYNOLDS. Then we do not know whether we have a billion dollars or $10,000,000,000.

Mr. THOMAS of Oklahoma. I do not know.

Mr. BANKHEAD. Mr. President, the Senator stated that the gold that unquestionably belongs to the United States is $1,800,000,000 in the stabilization fund. Is that in gold bullion?

Mr. THOMAS of Oklahoma. Yes; it is in gold bullion. All our gold is in bullion form.

Mr. BANKHEAD. Where does that go?

Mr. THOMAS of Oklahoma. The Treasury Department could tell where it is located. Information about the location of our gold is not given to the public. Obviously a large percentage of it is in Kentucky; other gold is in the mint in Philadelphia; still additional gold is in the Federal Reserve bank at New York; more gold is in the mint at Denver; and still other gold is in the mint at San Francisco; but the mints and the Federal Reserve banks are merely depositories of our Treasury.

Mr. BANKHEAD. How did the United States acquire that $2,000,000,000 of gold?

Mr. THOMAS of Oklahoma. I thought I had heretofore made that plain.

Mr. BANKHEAD. I understand about the reserve certificates, but I assume that this was a different kind of gold.

Mr. THOMAS of Oklahoma. When we devalued the gold dollar in 1933–34 the effect of the revaluation was like this: The President called in all the gold, and, in effect, under the law, he took 40 percent of the weight of each gold dollar from the gold dollar.

The President called in the gold before he devalued it, but after he got the gold in the possession of the Treasury, then the President's order was issued, which had the effect of taking each gold dollar and chipping out of that dollar 40 percent of its weight.

Mr. BANKHEAD. When that gold came in, did the Treasury issue certificates?

Mr. THOMAS of Oklahoma. It issued only paper money to the value of the gold under the old order.

Mr. BANKHEAD. And not gold certificates?

Mr. THOMAS of Oklahoma. No; they called in the gold certificates and new money was issued, namely, Federal Reserve notes. Then, when the gold was in the strong box of the Treasury, we, in effect, took 40 percent of the weight of

each gold dollar, leaving 60 percent which was to be the weight of the new dollar. The 40 percent chipped out of the dollar was then placed in the profit pile, and when this profit pile came to be valued the 40 percent taken from the old dollar became 69 percent of the new dollar, because, under the new valuation, 40 percent of the old dollar became 69 cents of the new dollar. In other words, the 40 percent chipped out of the old gold dollar became, under revaluation, sixty-nine one-hundredths by weight of the new smaller dollar. So these chips, taken from the clipping of each gold dollar in the profit pile, when revalued on that basis made a profit of $2,800,000,000 for the Federal Treasury; and that, unquestionably, is the property of the United States.

Mr. BONE. Mr. President, will the Senator from North Carolina yield?

Mr. REYNOLDS. I yield.

Mr. BONE. I should like to ask the Senator from Oklahoma whether any of the gold that was turned in by the private banks to the Federal Reserve System of this country and thereafter devalued as indicated in the Senator's statement, resulted in the profit accruing to the Federal Government or did it reflect itself in a profit to the banks? Did they keep it or did the Federal Government get it?

Let us take a definite amount of money value and follow it through. Here is a bank in New York which turns in, let us say, $1,000,000 in gold. What is the status of that bank? It has gold certificates. I turned in some gold—I had a little of it—but I did not get gold certificates. The New York bank got certificates. Nothing happened to the small amount of gold which I, as a private citizen, turned in; it was not worth sufficient to talk about it. Nevertheless I got some paper bills for it, and was satisfied. The New York bank, we will say, has a million dollars in gold; an order comes to turn it in. How was the New York bank treated? That being merely a corporate entity and I a citizen of the Republic, what was the difference between the treatment of the two?

Mr. THOMAS of Oklahoma. The matter is very simple. If the Senator from Washington turned in, say, for illustration, a thousand dollars of gold, he got a thousand dollars in credit or checks or a thousand dollars in paper money. That is what he received. If a bank, not a Reserve bank, in New York or any other place turned into a thousand dollars, such bank received the same kind of payment. Federal Reserve banks, however, received gold certificates for their gold, but on the same basis as to value. The Senator received money that he could spend with his friends or in the market place, but the Federal Reserve banks that turned in gold, received gold certificates which are nothing more nor less than receipts for the gold delivered.

Mr. BONE. What I am getting at is, if there was any increased value accruing, the Federal Government, then, was the beneficiary of that?

Mr. THOMAS of Oklahoma. The Federal Government was the only beneficiary.

Mr. BONE. That is what I want to know. If we make plain that the Federal Government was the only beneficiary, then, in effect, every citizen and every corporation was placed in the same status. That has been so shrouded in obscurity because of the legal principle involved, as all my brethren will agree, that many questions have been asked—if I remember correctly they were asked in the last session—indicating an absence of knowledge by the Senate as to how much gold there was in Kentucky, and I believe that millions of Americans think the United States Government owns all this gold; they are not aware that it is privately owned. They think the gold in Kentucky is owned by the United States Government.

Mr. THOMAS of Oklahoma. It is unfortunate that this matter is not better understood. The facts are that under the law the Federal Government owns every ounce of this gold. The law is plain and under it the title of all this gold is vested in the Government of the United States, but, as a practical proposition, the Government has issued gold certificates, which are a sort of receipt. The banks can only get this gold by making application to the Treasury and showing that they have a demand for the gold to settle international balances, and that they must get gold or else the public credit might suffer. That is the exact situation.

One further statement, if I may make it. No one has profited by this gold policy save the Government of the United States unless it be persons or corporations that took their gold, melted such gold into bullion, and later surreptitiously brought the gold into the United States as melted gold or as newly mined gold and exchanged it on the new basis of $15\frac{5}{21}$ grains to the dollar. If people have been honest and turned in their gold as provided by the law, then no one has profited save the Treasury of the United States.

Mr. BONE. I should like to ask one more question, if I may. When this transaction occurred in 1933 the United States Government was not possessed of a great amount of gold. Therefore, we may assume that the present ownership of approximately $2,000,000,000 of gold, free of encumbrance, which is vested in the United States Government, is the result of financial operations under the Gold Act. Am I correct in that assumption?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. HOLMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Oregon?

Mr. REYNOLDS. I yield.

Mr. HOLMAN. If the Senator will permit me, I desire to put into the RECORD a few very elementary questions on the subject of buying gold and silver. I am asking the questions in good faith, because I do not know the answers. I have an idea that perhaps I am not the only man in the Congress who does not know the answers to these questions. If that be so, I think there are 129,999,570 people in the United States who do not know the answers to these very elementary questions. I wish some of the authorities on the money question would prepare answers so simple that he who runs may read.

The first question is: What is the justification for the present policy of buying the gold and silver of the world at the prices now fixed, as advanced by its proponents?

Second. Why do we buy both or either from foreign nations?

Third. Why is the present price paid for each metal?

Fourth. Why do we bury both metals after we have obtained possession of either or both of them?

Fifth. Are we going to leave either or both metals buried forever?

Sixth. Are we going to use part or any of our hoards of either gold or silver for coin or for any other purpose?

Seventh. What is the planned ultimate disposition of the buried metals?

Mr. REYNOLDS. Mr. President, I am indebted to the Senator from Oregon for having propounded those questions. I, too, shall be very much interested in reading the written answers thereto.

Mr. TOWNSEND. President——

Mr. REYNOLDS. I will yield to the Senator from Delaware in a moment. It is my understanding that we have buried in the State of New York, near West Point, about 1,000,000,000 ounces of silver upon which certificates have not been issued. I also understand that the Treasury of the United States has buried in Kentucky several billion dollars worth of gold upon which certificates have not been issued. I have been told this afternoon that we do not buy any silver; that we do not buy any gold; but that we merely make an exchange of our manufactured goods and other products for the minerals of the other countries.

In other words, when we pay so many cents per ounce for silver we do not purchase the silver in the direct sense of exchanging for it the money of our country, but we give to the country producing the silver and shipping it here an equal value of the goods and the products of the United States. Likewise, when we get gold, which is valued at $35 an ounce, the present rate at which we are making payment therefor, we do not purchase the gold in the direct sense of exchanging for it the money of the country, but we give to the country producing the gold and shipping it here $35 worth of our goods. In other words, we in this

country are giving to the countries of the world from which we are buying their gold and silver our products in exchange therefor, and the gold and the silver which we get from them we are burying in Kentucky and New York.

If that process continues, I argue that it will not be long before we shall have all the gold and all the silver of the world buried in New York and in Kentucky, and the peoples of the world will have all the results of the labors of our people in the form of manufactured products.

I now yield to the Senator from Delaware.

Mr. TOWNSEND. I thank the Senator; and I agree with him that that is just exactly what will happen if we continue to buy silver with our goods.

Mr. REYNOLDS. Mr. President, I desire to say to the Senator from Delaware that, so far as I am concerned, I would it were possible that all the goods we are sending to Mexico and Peru and China and Canada we might be able to keep here and distribute to the millions of undernourished and needy and those in want in this country. I would rather have the stomachs of American citizens filled with food, and their backs covered with raiment, than to have the bowels of the earth filled with the gold and the silver we are purchasing from foreign countries.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I am glad to yield.

Mr. BARKLEY. The Senator suggests that if this process is kept up we shall have all the gold in the world, and all the rest of the world will have everything else we produce. The Senator hardly meant that. Of course, we are selling to other nations only what we ourselves do not use or need. We are selling them our surplus products.

It is all very well to say that we wish all the hungry could be fed and all the naked could be clothed; but the Government of the United States does not own the goods which we are exchanging for gold and silver. The only way in which it could own them would be to pay money for them and then distribute them among the people, which is not being done. Besides that, the exchange of gold and silver for our products is not taking away from us anything that the people have the means to purchase unless the Government itself is going into the business of taking money out of its Treasury to buy these things and distribute them among the people. In that case, of course, we might be able to absorb all our surplus products, although we could not absorb all the cotton we produce. We might absorb more wheat. We could not absorb all the tobacco we produce, certainly of the types which find their market in other nations.

So it is impossible to bring about a situation in which our surplus products would be used in the United States unless the Government itself is going into the business of buying up the surplus products and distributing them free among the people, or at less than their cost. Therefore, when we talk about the importation of gold and silver in exchange for our surplus products resulting in hoarding in this country all the gold and silver in the world, with the consequent result of all that we need to eat and wear and use going out of the country and leaving us naked and starving it simply cannot happen. It just cannot be true.

Mr. REYNOLDS. I will say that something is wrong when we are burying silver and gold in the bowels of the earth here in our portion of the Western Hemisphere, when there are millions of men and women in America who are undernourished and are not properly clothed.

Mr. SCHWARTZ. Mr. President——

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from North Carolina yield to the Senator from Wyoming?

Mr. REYNOLDS. I gladly yield.

Mr. SCHWARTZ. I am wondering if the Senator will not agree with me that the proposition is not quite so naked as he states it. At a time when we manifestly do not have employment for large numbers of our people, to the extent that we employ the otherwise unemployed to manufacture goods that are sent abroad, we are doing some good to them, are we not? And is it not also true that while the silver we are acquiring may not at all times be worth what we pay for it, still it is a commodity which has always had value and now has some value, and that possibly by reason of furnishing employment at this time, when we are not yet able to learn how we can do it otherwise, to the extent that we employ people to manufacture the goods which we send away and thereby make consumers out of them, and to the extent that the metals we get in exchange have value, to that extent the present program is not wholly unwise?

Mr. REYNOLDS. Not wholly.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield to the Senator from Delaware.

Mr. TOWNSEND. The gold problem was not included in the silver bill which the Committee on Banking and Currency reported. The Senator from Minnesota [Mr. LUNDEEN] asked how much silver we had bought from foreign countries. We have bought from foreign countries over a billion dollars' worth. We have paid out, in our good money, a billion dollars for it.

Mr. REYNOLDS. Within what period of time?

Mr. TOWNSEND. Since 1934, since the law was passed. We have exchanged for that silver our goods.

The question is a very simple one. We have exchanged our goods to the extent of $1,000,000,000 for silver for which we have no use, and which is largely buried up at West Point; and, at the present rate of $23,000,000 a year, that silver would have paid the cost of Congress for 44 years. Just think of the extravagance of wasting our substance on silver when with the same amount we could pay the expenses of Congress for 44 years!

Mr. REYNOLDS. The Senator will agree that we could very well get along for a while without purchasing any more silver.

Mr. TOWNSEND. I certainly do; and I fully agree with the Senator that if we are going to waste our goods in buying foreign silver I should much prefer to give the goods to our own needy people at home.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. REYNOLDS. I yield to the Senator from Kentucky.

Mr. BARKLEY. The process referred to by the Senator from Delaware would require that we pass a law doing what we are not now doing—take money out of the Treasury of the United States, put there by the taxes of the people, in order to buy these goods and give them to the people—or else quit manufacturing.

The Senator states that we have bought a billion dollars' worth of foreign silver since 1934. It is not quite that much. It is about $900,000,000 worth. If it had not been for the importation into this country of that $900,000,000 worth of silver the manufactured products which were exchanged for it would not have been produced, and thousands of American workingmen would have been unemployed, because they would not have had any opportunity to dispose of the $900,000,000 worth of goods that we sent abroad in exchange for silver.

It may be all well and good to say that we ought to have gone down into the Treasury of the United States for $900,000,000 to buy those goods in order to keep our workers employed and then to have given them to the people; but we did not do so, we are not doing so, and nobody now proposes to do so. There is no law that requires it or permits it.

The question that I seem to be bothered about frequently and perpetually is this: Senators talk about this silver not being needed. Of course, we can get along without it for the time being. It is not all being coined into money. There are a number of things that we can do without temporarily that may be useful to us sometime in the future. We shall either have to keep on producing these goods and selling them to other nations and taking silver in payment or we shall have to quit producing; and if we quit producing these goods we shall throw out of employment hundreds of thousands of our employees who will become a burden on the Government of the United States or on local government.

In all the history of the world silver has been regarded as a valuable metal; and as the Senator from Oklahoma [Mr.

THOMAS] and the Senator from Nevada [Mr. PITTMAN] have already explained, more countries are now using silver as money than are using gold as money. But if it be true that for the time being this silver is not needed, and we have to decide which is the more useless—silver, which has always been recognized as a valuable and precious metal, which throughout the world is a medium of exchange, or the surplus products which we are turning out in our factories, which we cannot sell—I think silver will be more useful to us in the future than the unsalable surplus products that are to be turned out, unless we are to close our factories and throw out of employment other thousands of employees.

Mr. REYNOLDS. Mr. President, as I understand the Senator from Kentucky, he agrees that we have a billion ounces of silver in this country buried in New York, against which certificates have not been issued at the present time.

Mr. BARKLEY. I am not sure of the amount.

Mr. REYNOLDS. Approximately that.

Mr. BARKLEY. That does not all represent foreign silver. Every time anyone produces silver in the United States and takes it to the Government, he gets back about 60 percent of it in coin, and the Government keeps about 40 percent.

Mr. REYNOLDS. That is correct.

Mr. BARKLEY. And that 40 percent also goes into the accumulation of the silver bullion. Some of it may be used in the coining of money and some of it may not be. So, when we talk about a billion ounces of silver being buried at West Point, we are not talking about silver which comes here from other countries; we are talking about silver a part of which at least has been produced in the United States and has been brought to the mint and been coined; or a part of it has been coined and the Government keeps a certain percentage as a toll, or, as it is called, seigniorage, for the privilege of having it coined into money.

Mr. REYNOLDS. To use the argument which the Senator employed a moment ago, we have in this country at the present time both silver and gold for which we have no immediate use.

Mr. BARKLEY. That is, we have no immediate need to have it coined into money.

Mr. REYNOLDS. Quite so.

Mr. BARKLEY. I do not say it is of no use. The gold is a basis for our circulating medium, of course, or a part of it is.

Mr. REYNOLDS. I understood the Senator to say in his argument that our supply of silver and gold at the present time is sufficient for us to get along on if we did not make any immediate purchase of gold or silver.

Mr. BARKLEY. Probably so.

Mr. REYNOLDS. I therefore assume, from the Senator's argument, that, in order for us to continue to give employment to our working people, those who turn out the manufactured goods which are exchanged for the silver and gold, we must continue to buy silver and gold from foreign countries.

Mr. BARKLEY. The Senator uses the term "buy." I say we have to continue to exchange our goods for gold and silver, and the contention is that the gold and silver are more useful, even now, than warehouses full of unsalable tobacco, warehouses full of unsalable cotton, warehouses full of unsalable automobiles and machinery of various kinds, as well as textiles, which we cannot sell unless we can take this medium of exchange.

Mr. REYNOLDS. Then, I ask the Senator, what will happen when the day arrives when we have the silver and the gold of the world? What will then become of our workingmen, what will become of our factories?

Mr. BARKLEY. The problem of what we will do with that silver and gold, when the time comes to settle that question, is one about which great economists are now writing pamphlets and books. I am not posing as an expert on money, I am not posing as an economist, and I hope that my pose will be accepted at face value, but if the time ever comes when we have all the silver and gold—and we cannot ever have all the silver, though we may get most of the gold, and we have most of it now—when the war is over, and the world finds itself in economic chaos, the possession of that gold and silver on the part of the United States may be a very powerful lever of influence in the settlement of the economic conditions of mankind, and in settling the terms of peace upon which men may be permitted to transact business throughout the world.

Mr. REYNOLDS. Will we not always keep this gold and always keep this silver?

Mr. BARKLEY. Not necessarily.

Mr. REYNOLDS. Then how will other countries of the world ever get the gold and silver which we have? Today we have seven-tenths of all the gold in the world. Will not the first method they will have to employ in order to get it be by sending us goods?

Mr. BARKLEY. That is the only way.

Mr. REYNOLDS. And will not that put our laboring men out of employment in this country?

Mr. BARKLEY. Not necessarily.

Mr. REYNOLDS. Or at least it will furnish competition for them?

Mr. BARKLEY. There are services nations can render us for which that gold will be used as payment.

Mr. REYNOLDS. What services?

Mr. BARKLEY. Shipping is one service upon which we have always relied. We never have had a sufficient number of merchant vessels to carry our commerce to the world. We have from time to time subsidized shipping, or provided subventions.

Mr. REYNOLDS. If we continue to sell our merchant marine to the foreign nations of the world——

Mr. BARKLEY. We are not selling to the foreign nations of the world any merchant marine that we have been using.

Mr. REYNOLDS. A great many of our companies have transferred title.

Mr. BARKLEY. There have been many old ships tied up in port from the time of the World War, which before the present war were selling for $5 a ton, but are now bringing $35, $40, or as high as $60 a ton because of the scarcity of ships. But they were not ships we were using; they were not ships which were in trade. Some of our active ships have been transferred to other lines, because we have prohibited them going to belligerent ports carrying American commerce or American passengers. Some of them have gone to the Mediterranean. They may be driven out of the Mediterranean if the war extends to that area. This is a subject about which no one can be dogmatic or prophetic. No one knows what the future will bring in the way of economic rearrangement of the commerce and financial situation of the world.

So far as I am personally concerned, I am not afraid that the possession of this gold and silver will be a disadvantage to us when the time comes for the reestablishment of economic and trade relationships among the nations of the world.

Mr. SCHWARTZ. Mr. President, will the Senator from North Carolina yield?

Mr. REYNOLDS. I yield.

Mr. SCHWARTZ. The situation is not so dark as many people seem to think. We are increasing our manufactures; we are increasing our national income. Only last year practically a million men went off W. P. A. on their own volition in order to accept private employment. I think conditions will work out so that in a little while we will not have the present great mass of unemployed. While I am not an economist or scientist, I think the situation is working out, and will work out satisfactorily, and I believe that in the end we will come to a time when we will contribute less of our national income and earnings to the value of machinery and more to the value of labor, and thereby add to the shortening of hours of labor, and thereby give permanent work to more of our citizens.

Mr. REYNOLDS. Mr. President, I am very happy to have had that observation from the distinguished Senator from Wyoming, because the subject of unemployment is one in which I am now very much interested.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. THOMAS of Oklahoma. It has been admitted by all that we have paid approximately $900,000,000 for silver during the past 6 years, let us say.

Mr. REYNOLDS. Since 1934.

Mr. THOMAS of Oklahoma. That is in the neighborhood of $200,000,000 a year. It is admitted that this money has been paid for American goods, raw products of the field and farm and factory.

Mr. REYNOLDS. That is, this silver has been paid for by American goods.

Mr. THOMAS of Oklahoma. We have exchanged cotton and wheat and manufactured products for this silver. If that be true, it means that each year $200,000,000 worth of goods have been exchanged for silver, which means that our people have been relieved to the extent of $200,000,000 in labor and in productive enterprise. If I understand the situation, it is the same as if we had appropriated that amount of money from the Federal Treasury and put it out among the people to tide them over. As it is, the people have had the benefit of $200,000,000 and we have the $200,000,000, in silver, in the Treasury. To me, that is a satisfactory method of affording relief. We have the silver in the Treasury. It is admitted that we have approximately 3,000,000,000 ounces of silver. We have issued certificates against that silver on the basis of its cost, and not on the basis of its monetary value. The monetary value of silver is $1.29 an ounce. I will state how that figure is arrived at. We can take an ounce of pure silver and coin one silver dollar and have 29 cents worth of silver left over. So an ounce of silver may be coined into a silver dollar of the kind which I exhibit to the Senator. Then we have 29 cents of silver to go toward the coining of a new dollar. So that if the 3,000,000,000 ounces of silver were coined into silver dollars, they would make 3,870,000,000 silver dollars. The monetary value of that silver is $1.29 an ounce, which would make 3,870,000,000 silver dollars, and we have issued against that silver only $1,800,000,000 in silver certificates, which means that if we need to do so, we can coin silver dollars, or we can issue certificates against the silver at its monetary rate, and put in circulation $2,000,000,000 more of silver certificates, which would be based on silver dollars of the kind I hold in my hand. So that if times should get hard, or if the Government should find itself in need of money, it could issue against the surplus silver approximately $2,000,000,000 in new silver certificates, and have behind each of those new dollars a silver dollar of the kind I now exhibit to the Senator.

Mr. REYNOLDS. Mr. President, after having listened to these gentlemen I am more optimistic than I have been for many years. I admit in perfect candor that these gentlemen are entirely persuasive, and particularly with their very delightful personalities it is almost impossible for one not to listen.

My distinguished friend the Senator from Kentucky tells us that we are burying this gold in Kentucky, that for it we are giving a lot of goods, and that without it the goods manufactured would have to be put in storehouses and warehouses here and would not be of a particle of use.

Mr. President, I am persuaded by the argument of my beloved and distinguished colleague the Senator from Oklahoma [Mr. THOMAS] that if we continue to do as we have been doing it will result in our getting all the gold and all the silver of the world, and we will not be getting a thing in the world for it. If that can be continued to our advantage, of course, I am in favor of it.

But looking at this matter from a layman's standpoint I see it in this way: We are buying gold, we are buying silver, and it is admitted that billions of dollars of that gold and silver are buried in the bowels of the earth, for which no certificates have been issued, and billions of dollars' worth that we have buried in the United States we do not now need, and have no use for. Perhaps we may never have use for it. What are we doing with it? We are burying the gold and the silver of the world here, and we are giving to those countries from which we buy the gold and the silver that which they are desirous of, and which millions of persons in the United States are desirous of. In other words, we are favoring other countries by the continuous purchase of gold and silver. For the life of me I cannot see how we are favoring ourselves by continuing to buy metals for which it has been admitted in this Chamber we now have no earthly use.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. TOWNSEND. As a matter of fact, through these purchases we are helping pay for all the wars of the world. Did not Russia, a month of two ago, send over here a ship, the *Kim*, which carried to San Francisco nothing except $5,000,000 in gold?

Mr. REYNOLDS. And the ship was in the harbor at San Francisco.

Mr. TOWNSEND. Yes. Immediately after unloading the gold the ship was sent down the coast of Mexico and southern California and loaded with copper and other minerals to be taken back to Russia. And what was to be done with it? Presumably it was used in whipping Finland or in helping Germany.

Mr. REYNOLDS. Mr. President, as a matter of fact, we are not only in part maintaining Russia's war supplies, but right at our own back door we are maintaining the Government of Mexico, which, according to the press, is entirely unfriendly to our country. Why should we continue—I am not going to say "purchase"—but why should we continue to ship $30,000,000 worth of goods to Mexico, which Government is now entirely unfriendly to the United States of America?

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. THOMAS of Oklahoma. Does the Senator not recognize that if we should become involved in an emergency in the nature of war that this gold and silver would constitute a fine war chest?

Mr. REYNOLDS. Mr. President, it would be difficult for me to answer the Senator now because I cannot possibly envision in my mind this country becoming involved in any war across the Atlantic or the Pacific.

Mr. THOMAS of Oklahoma. Mr. President, does not the Senator suppose that Finland and Norway and Sweden 6 months ago held the same opinion?

Mr. REYNOLDS. Finland and Norway and Sweden do not occupy the enviable geographical location which we occupy.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further?

Mr. REYNOLDS. I yield, certainly.

Mr. THOMAS of Oklahoma. The Senator has just stated that we are buying gold and silver that we do not now need. Is it not a fact that we are spending a billion dollars a year for an army, and a billion dollars a year for a navy, a total of two billion dollars for an army and a navy that we do not need now?

Mr. REYNOLDS. I shall be perfectly frank. Do I understand the Senator to infer that he does not believe that we should spend a billion dollars a year for our Army, and that he does not believe that we should spend a billion dollars a year for our Navy?

Mr. THOMAS of Oklahoma. Most certainly not, Mr. President.

Mr. REYNOLDS. I want to answer a question predicated upon the Senator's opinion relative to national defense, as it embodies our Army and Navy.

Mr. THOMAS of Oklahoma. If for no other reason I would put the gold and the silver we have here in the same category as a war chest. I am in favor of spending sufficient money for our Army and for our Navy to protect our interests. But while we are doing that, I also hope we can increase our own production and pay our own people proper

wages for producing and manufacturing. To my mind gold and silver in a war chest is not a bad thing to have.

Mr. REYNOLDS. I wish to say to the Senator that I do not see how we can continue to purchase gold and silver when it is admitted that we have billions of dollars' worth of both precious metals in this country for which we have no immediate use, and I see no immediate emergency requiring its use.

Mr. President, a while ago I made mention of our neighbor, Mexico. I repeat that I am not going to use the word "purchase." As our distinguished leader said, we are not purchasing gold, we are not purchasing silver; we are merely giving to those countries manufactured goods and products developed in this country in exchange for their gold and silver. If we are giving them goods, and all they are giving us is gold and silver, we are favoring them. If we should quit the purchase of gold and silver today in the United States, the world price of both metals no doubt would drop, and when the price dropped we would be disfavoring the nations from which we are buying these precious metals, silver and gold. It has been stated that we are delivering to Mexico $30,000,000 worth of goods every year for the silver they are sending to us, and which we have buried, and for a large portion of which it is stated and admitted we have no immediate use.

Mr. President, I am of the opinion that the continued purchase of these metals should cease. If we were in a sense obligated to buy from the world, the question would be a different proposition; but I cannot envision in my mind any obligation on our part to buy silver from Mexico, to buy silver from Peru, to buy silver from Canada, or to buy silver from China. No country in the world ever contributes anything to us unless such contribution means a favor to them. In other words, they are looking out for their own interests, and the United States never gets a favor from any country unless the country granting the favor is doubly favoring itself.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. TOWNSEND. Following the suggestion made by the able Senator from Oklahoma and the leader, the Senator from Kentucky, that we build up a war chest of silver and gold, did the war chest of silver and gold help Norway or Finland? They had gold and silver, but war supplies would have been much more helpful to them. If the Senators would instead agree to building up a war chest of strategic and essential foreign war matériels, I would certainly agree.

Mr. REYNOLDS. It does not seem to have aided them materially. I understand that some of the Scandinavian countries were in very much of a hurry to get out their precious metals, and that they sent them immediately to this country for protection and for the sake of safety.

Mr. President, Mexico is very unfriendly to us, as we know. She has treated us very badly. We have endeavored, as best we can, to continue the good-neighbor policy, and Mexico has not a better friend on the face of the earth than we have proved ourselves to be. Despite that fact, Mexico is treating our nationals very badly. She is confiscating farm lands, ranches, mines, and oil fields owned by Americans. For more than 20 years Mexico has carried on as she is carrying on now in the confiscation of our property, and up to this time—20 years since the commission of the first offenses—we have never been able to get a clean, full money settlement from Mexico. So why continue to aid that country in operating its Government for the benefit of the Mexicans at the expense of the people of the United States of America?

I said we have been very friendly to Mexico. Let us see whether we have. First, we buy $30,000,000 worth of silver from Mexico annually. Secondly, we send millions upon millions of American dollars into Mexico annually through the seaports of Tampico and Veracruz and other ports on the east coast, while on the west we send a great many dollars through Acapulco and other seaports similar to those on the Atlantic. Across the border from Laredo, Tex., to Mexico City, on that great highway last year there motored about 400,000 American citizens bent upon visiting the colorful country of Mexico.

In addition, many thousands fly there annually from Cuba, from Florida, from California, and from Texas. Thousands go there by train from the United States. The result is that annually we are sending to our sister republic millions upon millions of American dollars, thereby very pleasingly aiding the Government of Mexico itself.

We were largely responsible for the development of the highway from Laredo, Tex., to Mexico City, a distance of about 700 miles. It will be one of the links in the chain which will constitute the Pan American Highway leading from Seattle, Wash., southward through Mexico, Guatemala, Salvador, Nicaragua, Costa Rica, and Panama, and down the western coast of South America through the Republics of Colombia, Equador, and Peru, turning leftward just north of Chile into Argentina to Buenos Aires.

If we have not been friendly to Mexico, no country in the world has ever been friendly. What do we get as a result thereof? We get a "kick in the pants," and have 1,000,000 Mexicans in the United States to be employed by American industry and individuals in preference to American workingmen. We receive hundreds of thousands of Mexicans to be supported by the citizens of the United States.

That leads me to the subject of stopping Mexican immigration into this country, and stopping it now.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. TOWNSEND. We have spent approximately $80,000,000 for Mexican silver.

Mr. REYNOLDS. In what period of time?

Mr. TOWNSEND. Since the law was passed in 1934. That amount would have supported 135,000 Americans on relief.

Mr. REYNOLDS. Mr. President, I did not intend to enter into a lengthy argument or debate in regard to this matter. As a matter of fact, to be perfectly honest, I was merely using the subjects of silver and Mexico to discuss the subject of immigration. I have now arrived at that point.

A moment ago I stated that it has been said that there are 1,000,000 Mexicans in this country. They are usurping the jobs of American citizens. Many thousands of them are being supported by the taxpayers of this country.

Only a few days ago I introduced in this body a joint resolution providing that the number of Mexicans gainfully employed in the United States shall not be in excess of the number of Americans likewise employed in Mexico. As a result of introducing the joint resolution I have received innumerable letters from many States of the Union, a large number from the Southwest, from Texas, Arizona, New Mexico, California, Louisiana, Colorado, Utah, Wyoming, and Oklahoma. I have selected from my files one letter which I should like to read in reference to the joint resolution which has to do with deportation and immigration. This letter is dated April 11, 1940. It comes from a gentleman who lives in San Antonio, Tex. In view of the fact that I have not his consent to use the letter I shall not reveal his name. I read:

> DEAR SENATOR REYNOLDS: I am writing you to let you know that a large group of representative citizens of this city are greatly interested in the news dispatches of recent date stating that you proposed legislation toward restriction of the number of Mexicans resident in this country to the number of Americans living in Mexico.
>
> Do you know, Senator REYNOLDS, that there are more alien Mexicans working, on relief, and in business in this city of San Antonio, Tex., than there are Americans in the whole Republic of Mexico? If you doubt this, make arrangements for an honest, impartial census in this district, and it may surprise you at what the Mexicans are getting by with. * * *
>
> Do you know that no American can enter Mexico to work for a salary, even for an American company?

I did not know that Americans could not enter Mexico to work for a salary, even for an American company; but I have heard that Mexican laws prohibit the employment by any individual, association, company, or corporation of more than 10 percent of Americans. In other words, Mexico takes care

of her nationals. She takes care of Mexican citizens. If 10 men are employed, 9 of them must be Mexican citizens. If a corporation employs 100 men, 90 of them must be citizens of Mexico. I am sorry indeed that we have not a law of that sort in this country. If we had such a law, the American laboring man would not now be so unfortunate. I fear that many hotels in the country would have to go out of business if we had a law prohibiting the employment of more than a certain percentage of foreigners in the United States.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. That would never do, because we must save the world.

Mr. REYNOLDS. I thank the Senator.

Continuing to read from the letter from the gentleman in San Antonio, Tex.:

Do you know that in order to engage in business in that country he must prove an investment of from 20,000 pesos outside of the federal district to 100,000 pesos anywhere within the federal district, and that at no time can he draw a salary nor engage in any other business activity, only that specified by his original investment, and that it must be a strictly Mexican company, compelling the investor to waive any and all rights to diplomatic intervention in his behalf?

Yet thousands of Mexicans are all over this country, enjoying all our benefits, while Americans are discriminated against in Mexico, their properties confiscated, and nothing done about it. * * *

Just why the administration is all excited about American interests in China, 5,000 miles away, and at the same time sits around twiddling its thumbs and writing note after note of protest to the Mexican Government, but at the same time gives them the go-ahead signal to continue mistreatment of American resident investors in that country, no one here can understand.

The so-called "good neighbor" policy is all in favor of Mexico. * * * This "good neighbor" is right now trying to organize all Latin-American countries against "Yankee imperialism." They are holding mass meetings all over the country to show their displeasure because Cordell Hull politely begs them to do something about paying for the hundreds of millions of dollars in confiscated American property.

Yet we are buying their silver, paying them a bonus to work up sentiment in Latin-American countries against us. It is indeed a sorry state of affairs.

There are less than 10,000 American citizens resident in Mexico. An American citizen can no longer go into Mexico to work for a salary, in spite of the fact that they would work for American firms and not Mexican.

Yet Mexico allowed over 6,000 Spanish Communists to enter Mexico during the past year, gave them residence status, permitted them to join Mexican labor unions on an equal basis with Mexicans, and even went so far as to obtain employment for them. These facts can easily be verified.

Won't you try and do something about helping American residents in Mexico so they will no longer be considered as men without a country?

I sincerely trust your secretary will permit you to read this letter personally, as the "good neighbor" situation is serious and demands attention.

Mr. President, in reference to the situation in Mexico, I happen to have before me a clipping from the New York Times, dated Washington, April 13, 1940. The headlines are:

DIES SAYS MEXICO IS RED-NAZI TARGET—GERMANY AND RUSSIA PLOT REVOLUTION TO SET UP PUPPET REGIME, HE DECLARES—WARNS OF AID STEPS HERE—CALLS FOR BAN ON RECRUITING AND SUGGESTS REVISION OF THE MONROE DOCTRINE

WASHINGTON, April 13.—Chairman DIES, of the House Committee to Investigate Un-American Activities, stated today that he had received information that Germany and Russia were conspiring to set up, by means of revolution, a puppet government in Mexico.

So I say, let us not contribute to that revolution by continuing to aid them financially by the purchase of $30,000,000 annually of silver from Mexico.

The article continues:

He said that he would ask the State Department to interrogate the Mexican Government regarding Nazi and Communist activities in Mexico and he called on the Department of Justice to prevent "any attempt to recruit for this Mexican campaign."

Asserting that his informants included Mexican elective officers and several United States Senators, Mr. DIES said he had been told that 10,000 Communists had already moved into Mexico from France and Spain.

Communists' organizations in the United States, he added, were preparing to organize for a Mexican coup a force here similar to the Abraham Lincoln Brigade, which fought for the loyalist cause in Spain.

SAYS MOVE HINGES ON VOTE

If they failed to win the national election in Mexico this summer, he declared, Nazi and Communist plotters would move to overthrow President Lazaro Cardenas by force and set up a puppet regime. They wanted Mexico, he said, because it had gold, oil, silver, and other resources and still more because they wanted to build up a force next door to the United States as a threat in case this country should ever contemplate entering the European war.

The situation, Mr. DIES asserted, seemed to call for revision of the Monroe Doctrine, because when that doctrine "was formulated the modern Nazi plan of setting up puppet regimes by means of revolutions was never conceived."

"We may have to inform the world," he added, "that the United States will not tolerate such schemes of circumvention and penetration."

He proposed to ask his committee to approve a resolution requesting Secretary of State Cordell Hull to ask the Mexican Government for detailed information concerning persons who had entered Mexico in the past 6 months. He would also consult the Secretary regarding the possibility of obtaining witnesses from Mexico to testify regarding the alleged plot. Arms and amunition were being smuggled into Mexico from the United States, Germany, and other nations, he charged.

The problem confronting the United States in Mexico, he declared, confronted her potentially in all South America.

Communists to the south of us, Communists in the midst of us, Communists everywhere here. The "reds" are making tremendous headway in the United States. One witness before the Dies committee asserted that so thoroughly organized are the Communists in New York City—with their men in key positions—that the "reds" could control all transportation facilities, black out the metropolis, and wreck other public utilities. The traitors are not merely on their way; they are already here.

That is the end of the article from the New York Times pertaining to the observations made by Hon. MARTIN DIES, chairman of the committee in the House delegated to investigate un-American subversive activities.

Mr. President, in reference to communistic activities in Mexico, we see from the headlines in virtually every newspaper almost daily what is taking place in that country. We learn of the plots and the difficulties in various States of the Mexican Republic; and we have recently heard of many American tourists who have recently returned from that country who, I understand, have advised their neighbors and friends not to venture into Mexico on account of the fact that it is unsafe. It has even been suggested that warning be given to American tourists not to venture into that country at the present time on account of bandits and on account of the ill feeling existing south of the Rio Grande, within the confines of America, against the United States, although this country has proved itself to be the best friend Mexico ever had.

Here is a very interesting article by the United Press, which comes from Santa Barbara, Calif. It is headlined:

California sheriffs warned of border "reds."

The "reds" are not coming; they are already here; but I say that more "reds" from Mexico are bound northward into the United States.

The article is dated April 26, 1940, and reads:

SANTA BARBARA, April 26.—California sheriffs were advised today to be alert to prevent trouble from a "definite Communist-front organization" working assertedly along the Mexican border.

Sheriff Chris Fox, of El Paso County, Tex., told the Forty-sixth Annual California State Sheriffs' Association convention that a "serious condition" exists along the border between Texas and Mexico. He warned California officers to be on the watch.

The organization has paid organizers who are working with Mexican nationals on both sides of the border, Sheriff Fox said.

"Recognize this as a Communist movement of the most vicious kind," he said.

"I am uninformed as to whether the movement has extended to California, but I advise you sheriffs to keep your eyes open. Alertness on your part may save a great deal of trouble, not only for Americans, but for Mexicans who have settled in this country and wish to remain here."

Sheriff Grat Hogin, of Stanislaus County, Calif., president of the association, also spoke on subversive practices. He said "we must recognize that there are groups who have accepted the hospitality of California, yet deliberately are trying to overthrow American ideals and American form of government."

He said the alleged subversive groups were able to work unmolested because of the liberal nature of American laws.

That is what the sheriffs of Texas and California had to say at the sheriffs' convention, Mr. President.

I happened to notice a very timely little letter addressed by Mr. Peter Venos to the New York Daily News public forum column, entitled "Bolster the Border?" which I clipped

for the purpose of bringing it here and reading it to the Members of the Senate. It reads:

Manhattan: How about building a Maginot Line on our Mexican border as a measure of sanity and to round out the good-neighbor policy?

PETER VENOS

Mr. President, thousands of Mexicans, many of whom are Communists, are annually crossing the border from Mexico into the United States; and, as the sheriffs were advised at their convention, they are doing everything they possibly can to destroy the American form of government. We not only should guard the great "melting pot" of the world at its port in New York, where thousands upon thousands of aliens are entering our ports annually, but we must guard every port of the Atlantic and every port of the Pacific; and, in addition thereto, we should particularly give our attention to the Mexican and Canadian borders, and above all to the Mexican border now, because, as the sheriffs of California were told in their annual convention, aliens are pouring into this country, and are preaching un-American doctrines.

The time has come when we should stop by legislative enactment the influx of those who reside in the countries to the south. The time has arrived when we should bring about the enactment of laws applying the quota system to the republics to the south of us. At the present time the quota system has not been applied to the Western Hemisphere. Now, of all times, it should be applied to the West Indies and to the countries of Central and South America. Why? Because the aliens of the world are emigrating from the countries of the world, and particularly Central Europe, to South America, where they can become citizens without great difficulty, and after having obtained their citizenship they can thereafter enter this country without being restrained as a result of the quotas which apply to the countries of Europe.

Mr. LUNDEEN. Mr. President, I wonder if the Senator has any information as to how many aliens from various countries there are in this country at the present time. How many are coming in year by year? I have been inquiring about that matter for some time. I have never received any reliable statistics on that subject.

Mr. REYNOLDS. I only wish I were able to answer the question. No one can answer it.

Mr. LUNDEEN. Why not?

Mr. REYNOLDS. For the reason that in this country we have not a registration and fingerprinting law. We are the only country in all the world which does not know where to find the aliens within its borders. Every other country in the world keeps close track of foreigners who come across its borders, but we do not. We have the weakest and poorest immigration and deportation laws among all the countries upon the face of the earth.

I contend that we should enact legislation which would apply the quota system to the countries of South America, because many foreigners are coming into Mexico. Six thousand aliens from Loyalist Spain, the great majority of whom, I understand, are Communists, have entered Mexico within a very short period. Already we have too many Communists in this country to have added the Communists who come from Spain and Russia and Mexico and all the other parts of the earth. It is an extremely difficult matter to impress that on the American people. The Communists in this country, according to the reports of the investigations of the Dies committee, are getting into key positions.

Speaking of Mexican and American Communists, let me read something which to me seems appalling. I have here an article dated April 23, under the Associated Press byline, which reads as follows:

DIES WITNESS SAYS "REDS" COULD TIE UP NEW YORK TRANSPORTATION

WASHINGTON.—Thomas Humphrey O'Shea, former New York city subway worker, told the Dies committee today that Communists had power at the present time to paralyze the city's transport system. He added that members of the transport union, "dominated" by Communists, had organized gun clubs for target practice.

O'Shea, now a W. P. A. worker, was asked whether the Communists could paralyze the city's transport system under present conditions.

He replied "yes."

"The Communist leadership with its control in the union," he added, "could stampede the men into a strike."

"They have the absolute power, if they see fit to exercise it."

In replying to questions by J. B. Matthews, committee aide, concerning "revolutionary activities in the transport workers' union," O'Shea asserted that gun clubs had been organized by union members for regular target practice.

Here is another newspaper clipping regarding testimony before the Dies committee as to what Communists are planning to do in the United States:

DIES HEARS COMMUNISTS AIM AT GENERAL STRIKE

WASHINGTON, D. C.—Ezra Chase, former Los Angeles Communist organizer, told the Dies committee that the Communist Party is seeking to organize basic industries in the United States so it can start a general strike.

"It is easy to convert a general strike into civil war, and that is but a step to revolution," Mr. Chase testified. "The Communist Party is an organization with revolutionary intent; with the purpose of changing this form of government. If through labor organization they can take over the basic industries at will, they will be in a position to call a general strike throughout the Nation."

A slight bespectacled man, Mr. Chase said that in California, Communists "especially are interested" in aircraft plants and that aircraft workers are a fertile field for Communist activity, because they are not so highly paid as popularly believed.

The C. I. O. gave the Communists a "foothold in the basic industries," Mr. Chase testified. Communists' control of labor groups began to "take hold in a big way" in 1935 when the C. I. O. was opening its organizing campaign, he said without elaborating.

Mr. Chase said the Communist Party urged its members to steal utility services after they were cut off for nonpayment. He said that because he acted under party directions in this respect he spent 6 months in jail in Los Angeles.

"Our purpose was to show that the utilities were the property of the people," he explained.

Mr. President, that information was revealed before the Dies committee here in the Capital of our country. It is appalling to me to learn that the Communists are so thoroughly organized in the largest city in the United States as to have absolute control, at their will, of our transportation facilities. If that be true of transportation, it is true of other public utilities, of the distribution of water through the water works, and of the distribution of light through the wires into the city.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. I am not quite so alarmed as is the writer of this article about our transportation system. I believe that the railroad brotherhoods are good American Federation of Labor people, and I do not think anyone can interfere with our transportation system to any great degree.

Mr. REYNOLDS. This article refers to the transportation facilities in the city of New York.

Mr. LUNDEEN. It may be true as to that particular locality. However, the question occurs to me, How many "reds" or Communists would we have in the United States if we gave jobs to our citizens? I believe they would disappear overnight, with the exception of a few paid agents, and I understand we have them card-indexed; we know who and where they are. Their number is not great. The cry about the "reds" and the Communists would disappear if we would furnish jobs and employment to our people. I believe the able Senator agrees with me.

Mr. REYNOLDS. I thank the Senator for his suggestion.

Communism is produced by hardship and disease and sickness and unemployment and lack of educational facilities, and that kind of thing. Wipe those things out, and we will not have any Communists in the country.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8319) making appropriations for the Departments of State, Commerce, and Justice, and for the Judiciary, for the fiscal year ending June 30, 1941, and

for other purposes, and that the House receded from its disagreement to the amendments of the Senate numbered 28 and 29 to the bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

RIVER AND HARBOR AUTHORIZATIONS—CONFERENCE REPORT

Mr. BAILEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 17, 51, and 100;

That the House recede from its disagreement to the amendments of the Senate numbered 1 to 16, inclusive; 18 to 50, inclusive; 52 to 63, inclusive; 65 to 77, inclusive; 79 to 184, inclusive; 186 to 201, inclusive; and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows:

In lieu of the language inserted by the Senate amendment insert the following:

Guadalupe River, Texas: The construction of the 9-foot navigation channel from the Intracoastal Waterway to a point about 3 miles above Victoria as recommended in subparagraph (a) of paragraph 2, page 2, in House Document Numbered 247, Seventy-sixth Congress, first session.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows:

After the word "Harbor", insert the word "California;"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 185, and agree to the same with an amendment as follows:

Strike out the word "Michigan" and insert in lieu thereof the word "Wisconsin"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 202, and agree to the same with amendments as follows:

In lieu of the figures "$144,754,450" insert the figures "$109,985,450", and after the word "herein", strike out the words "over the seven-year period beginning July 1, 1941" and insert in lieu thereof the word "adopted"; and the Senate agree to the same.

JOSIAH W. BAILEY,
MORRIS SHEPPARD,
CHAS. L. MCNARY,
Managers on the part of the Senate.

J. J. MANSFIELD,
JOSEPH A. GAVAGAN,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

The report was agreed to.

PROPOSED CIRCUIT COURT OF APPEALS FOR PATENTS

Mr. BONE. Mr. President, on the calendar is a bill which was sent to the calendar some time ago, and has been there for a number of months. It is No. 810 on the calendar, Senate bill 2687, to establish a circuit court of appeals for patents. It is one of the conceptions of the patent law which was under discussion by the committee upon which this body had two or three representatives, including the Senator from Utah [Mr. KING].

There has been some discussion among Senators who were interested regarding the desirability of having the Judiciary Committee of the Senate examine the bill. Personally, I have no objection to that course. The bill came to the Committee on Patents, of which I am chairman, and was favorably reported by that committee; but since it involves the creation of a new court, I found in my heart no legitimate objection to having the matter referred to the Judiciary Committee, so that the bill might there be examined. I am going to ask—I hope I shall not embarrass the able chairman of the Judiciary Committee by the request—that the bill be given prompt consideration by his committee, and, in that connection, that a subcommittee be appointed to examine it.

I desire to say to my brethren of the Senate that the bill provides for virtually an orthodox circuit court of appeals. Many features which were originally suggested for the bill, such as a committee of experts to advise with the court, have been deleted from the bill. It differs from the orthodox circuit court of appeals only in two respects: First, the court is ambulatory, and it was regarded as being desirable to make it somewhat ambulatory. Second, it has exclusive appellate jurisdiction in patent cases, because so many cases involving the same patent have resulted differently in different circuits.

Every well-informed lawyer knows that the courts are not to blame for that condition. Perhaps a case is well presented in one court, and goes off on a different state of facts in another; but, nevertheless, we have here the incongruous and inept picture of a man having a patent, or a claim to a patent, and getting three or four conflicting decisions in the United States. So some very able lawyers conceived this bill as one legitimate approach to a solution of the problem.

I do not say that the bill possesses all the virtues which have been claimed for it, but I am also convinced that it does not possess all the evils which a few folks have attributed to it; but I think it is the part of wisdom to have my brethren on the Judiciary Committee examine the bill, and I hope they will be generous enough to dispose of it by making either a favorable or an unfavorable report or giving to all of us of the Senate their best judgment on what should be done.

The patent situation in the country is an unfortunate one. It is horribly complicated by a number of conflicting decisions which I think unjustly have been regarded as a reproach to the courts; and yet every Member of this body knows that the courts are not responsible for some of the mess created by the inability of lawyers to see through the same spectacles regarding the problem.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Utah?

Mr. BONE. I yield.

Mr. KING. Let me say to my able friend from Washington that this question has received much attention at the hands of the so-called Economy Committee, of which I am a member. The testimony before the committee was not by any means unanimous in favor of the establishment of a court of patent appeals. Personally I have not favored the establishment of such a court, and when the bill came up for consideration, when Senator McAdoo was chairman of that committee, I objected to its consideration. Many persons, lawyers as well as others, interested in obtaining patents, who have spoken to me, have indicated that they were quite satisfied with the present system, and the volume of differences of opinion on the part of the courts is not so great as many think. Some time ago I had my secretary examine the decisions of the circuit courts of appeal to ascertain the frequency with which diverse opinions were brought to the attention of the respective courts, and, in view of the complaints which had come to me, I was amazed to find that such a limited number of appeals had been taken to the circuit courts of appeals based upon different interpretations of the same case or the same facts by various courts of appeal.

However, as a member of the Committee on the Judiciary—and I am sure the chairman of the committee, who is present, will join me—I assure the Senator that the matter will receive very prompt consideration.

Mr. BONE. Mr. President, I should like to add one other statement. It may be that those who favor the approach to this problem sought to be relieved by the bill have been too ardent in their support of the principles embodied in it, but as to that there probably may be a genuine difference of opinion. In the hearings we tried to have presented as complete a presentation of the viewpoints of the various interested parties as possible. A great many lawyers are sympathetic with the proposal, and, as the Senator from Utah has so well pointed out, a great many lawyers are not only doubtful about it but object to it generally. However, it is something which I think we might well consider, and I believe it is entirely proper to have the Committee on the Judiciary consider the bill. It is a simple bill.

Mr. ASHURST. Mr. President, though I listened closely to what the able Senator from Washington stated, my attention was diverted at the beginning of his remarks. I assume he is speaking regarding Senate bill 7424.

Mr. BONE. No; I refer to Senate bill 2687, No. 810 on the calendar, a bill to establish a Circuit Court of Appeals for Patents.

Mr. ASHURST. What was the request of the Senator?

Mr. BONE. I am asking now that the bill, which is on the calendar, be referred to the Committee on the Judiciary. My particular request was that the chairman of the committee and his colleagues give the bill as prompt attention as I hope they will find it in their hearts to do, so that we may have the best judgment of the committee on the bill. It has interested a great many people, and I have had much correspondence about it. My personal thought is that it is a wise piece of legislation, although many have differed with me in that respect.

Mr. ASHURST. While it is true that we have before the Committee on the Judiciary nearly 300 bills, some of which require us to make very fine distinctions and search many pages of the lawbooks, if the bill to which the Senator from Washington refers should be sent to the Committee on the Judiciary the chairman will name a subcommittee to consider it and will take pleasure in conferring with the able Senator from Washington as to whom he would prefer to have on the subcommittee. I shall be very glad to do that. While we are driving ahead with many other bills, I assure the Senator that any request he may make will not be disregarded.

Mr. BONE. I thank the Senator.

The PRESIDING OFFICER. The Senator from Washington asks unanimous consent that Senate bill 2687 be referred to the Committee on the Judiciary. Without objection, it is so ordered.

TELEVISION IN THE UNITED STATES

Mr. LUNDEEN. Mr. President, I should like to protest, in a very few words, against the delay in the matter of the F. C. C. decision on television. We have read much in the press in these last days on that subject. There is much unemployment in the television industry and much idle capital. I do not see why there should be long extensions of time for filing briefs, and why officials who have the power to decide should be absent. Great Britain is progressing after nearly 4 years of television. Germany is in the front ranks of television. We have made considerable progress in this country, and I think we should go ahead with it.

Mr. President, may I at this time draw attention of the Senate and the people of the United States to the apparent unconcern of certain people to the deplorable unemployment situation in this country today. I know there is considerable controversy over just how many unemployed people we have, but the fact that the President asks a tremendous sum for relief is ample evidence that the situation is deplorable. You cannot laugh off 12,000,000 unemployed.

Late in March I was astounded to read that the Federal Communications Commission had far exceeded its authority in arbitrarily stopping the development of the television industry, because some members of the Commission did not like certain advertising copy placed in New York newspapers. I thought it was a very flimsy excuse, and when I read a score or more of editorials condemning this bureaucratic seizure of power, I thought the best way to secure intelligent action was to have the Senate look into the matter. Accordingly, I introduced a resolution April 1 asking that the Senate Committee on Interstate Commerce investigate the actions of the Federal Communications Commission in connection with the development of television and, in particular, to ascertain whether the Commission exceeded its authority and whether it had interfered with the freedom of the public and of private enterprise.

CHAIRMAN FLY AND COMMISSIONER CRAVEN

That same day I learned in the press that the Chairman of the Federal Communications Commission, James Lawrence Fly, was to deliver an address the next night over the National Broadcasting Co. red network and the Mutual Broadcasting System. I listened to that address and, frankly, it did not give me adequate reason for this unusual action by the Commission. I had read in the newspapers where one of the commissioners, the Honorable T. A. M. Craven, had dissented from this action by the Commission, and so I addressed a letter to him and asked him if he would give me his reasons. I considered it an official communication from a United States Senator to a member of a commission the Congress had created.

Commissioner Craven replied to me, and from his communication I was more than ever convinced that the action of the Commission, in stopping the development of television was entirely unjustified.

LUNDEEN RESOLUTION ON TELEVISION AND HEARING

On Monday, April 8, the Interstate Commerce Committee met and spent an entire day considering the resolution. At that hearing the president of one of the manufacturers of television sets said that television would surpass sound broadcasting with a billion-dollar turn-over, as compared to $600,000,000 in present-day radio. He said that television would pave the way for more than 500,000 jobs. A small manufacturer approached me after the hearing and told me that in his case he would put 60 men to work at once if the Commission lifted its ban.

The hearing was adjourned the next day when Commissioner Craven was unable to attend because the Commission had reopened hearings on the television situation, and that afternoon President Roosevelt stated in a press conference, according to the newspapers, that the situation would be adjusted later this spring, or this summer. I have since learned that when the hearings before the Federal Communications Commission were adjourned on Friday, April 12, some of the interested parties asked permission to file briefs and the Commission granted them 2 weeks for this purpose.

HALF A MILLION JOBS IN TELEVISION

Now, here was the situation in brief—

Thousands of men could be taken into private employment at once and eventually a half million men could be given jobs if a bureau here in Washington would abandon an entirely illegal and arbitrary position. So far as legality is concerned, the F. T. C. has the authority to supervise advertising and not the F. C. C. The chairman of the Interstate Commerce Committee said publicly that the various factions involved could get together and give this promising industry the green light.

Now, everyone at all connected with television was here in Washington. They could have prepared their briefs in 48 hours and had intelligent action by the Commission immediately. Instead of that, so as to accommodate a few attorneys and perhaps because the chairman of the Commission was leaving on a vacation trip, all these jobs in private industry were held up for weeks. I think it was ridiculous, for I believe Chairman Fly should have stayed on the job, ordered the attorneys to get their briefs in by the following Monday morning, and have a decision out of the Commission that very day.

FEDERAL TRADE COMMISSION REGULATES ADVERTISING, NOT THE F. C. C.

I know that in trying to get away from the barrage of criticism for its arbitrary action, the administration dragged in a red herring by talking about the delay being necessary to prevent monopoly. I just want to read to you an editorial from the last edition of Broadcasting, the national radio magazine published here in Washington, which is entitled "Locks and Keys, Railroad Tracks and Television." Here it is:

[From Broadcasting, the national radio magazine]

Behind the hue and cry over television, which, despite President Roosevelt's information, cannot possibly become a monopoly unless the Government wills it so, lies a gnawing fear in the broadcasting industry that the F. C. C., far from cooperating with radio progress, is being impelled by a crack-down if not a giant-killer complex. The whole television uproar, the expense of needless hearings, the frayed nerves might have been avoided had the F. C. C. majority shown a keener sense of public as well as industry relations.

Going far out of bounds in basing their suspension order in R. C. A.'s promotional activities, properly a subject for Trade Commission scrutiny, if misleading, they more easily might have called in the principals and, across the table, employed the powers of amicable persuasion. Or they might simply have issued a statement warning the public that television standards are not yet established and that buyers should beware lest sets become obsolete or require later radical changes.

To us the argument falls flat that a few thousand sets, sold in one restricted area between now and the time the F. C. C. might get around to establishing standards, might freeze standards at the R. C. A. (and R. M. A.) levels. R. C. A. was frankly straining at the leash to get started. It had $10,000,000 invested in television; it had the transmitting equipment, the production facilities, and the men. Through R. M. A. some of the best brains in the art had agreed to certain scanning and framing methods, subject to later change at relatively small expense. It quite properly did not want to wait for others not yet ready or not yet authorized to broadcast their own systems before its New York television pictures were made available to a wider audience.

R. C. A. finds itself on the popular side of its issue with the F. C. C. in the preponderant editorial opinion of the press and among subtantial bipartisan congressional elements. Mr. Roosevelt need have no fear of monopoly so long as the F. C. C. has the authority to license competing telecasting stations and systems and exercises the authority to fix standards, which no one disputes. The fact remains, however, that only one system was ready for public introduction; that few other stations are operating; that no standards have been fixed, and the F. C. C. report itself stated they should remain flexible; and that no date for official standards had even been hinted until all this uproar.

The fact also remains that R. C. A.-N. B. C., not to forget C. B. S., Don Lee, Farnsworth, and other responsible elements were willing to go ahead (we think wrongly) with limited commercial operation, whereby the sponsor might pay only program costs, implying the right of the F. C. C. to check income records and perhaps indirectly control rates. The television interests, as did the F. M. advocates, should have demanded full commercial privileges or none.

The whole episode seems to have been born of pique and nurtured by truculence. Yet out of it all we have every hope that good will come. The Commission has disclaimed any authority over marketing and promotion, which is none of its affairs; it has deftly avoided an issue over attempts to exert program control; it has been shown that the industry, though fearful of its very life because of the vast reprisal powers residing in the Commission, can get up on its hind legs and command public and official attention when aroused.

Nevertheless, it is apparent that some sort of check and balance over commissions and commissioners with prejudices and predilections is needed—perhaps the administrative court sitting over independent agencies envisioned in the Logan-Walter bill, slated for action in Congress this session.

I want to tell the Senate that I agree particularly with that observation by the editor of Broadcasting when he said:

The whole episode seems to have been born of pique and nurtured by truculence.

LET TELEVISION ADVANCE

I take the time of the Senate today to demonstrate such tactics, and I do so in behalf of the unemployed men and women who could be working at jobs in private industry today if Chairman Fly had stayed on the job and the wishes of a few attorneys were not respected when it comes to the matter of filing briefs. I am frank to confess that it is very confusing to me that this administration can ask for such a tremendous relief appropriation, while at the same time bureaucrats keep people out of work. I think the unemployed throughout the land should know this, and I am sure that I am speaking for the men and women of America who want jobs, not charity, when I demonstrate it and demand that President Roosevelt communicate with Chairman Fly, get him back on the job where he belongs in this crucial period, and insist that the throttling burden of bureaucratic pettiness be lifted from the back of private industry. Half a million jobs are involved, and it is time for action.

There is a summary of the February 29 order, as well as the March 22 and March 23 orders, which I should like to have placed in the RECORD at this point in my remarks.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

REPORT OF THE FEDERAL COMMUNICATIONS COMMISSION OF FEBRUARY 29, 1940

By the Commission:

As a result of study of the general problems involved, and after consideration of the record made during the hearing in the above matter, the attached rules governing the television service have been determined upon for substitution in place of the present sections 4.71–4.76 of the Commission's rules and regulations.

It will be noted that the rules being promulgated do not contemplate the issuance at this time of any standards of engineering performance. That research should not halt and that scientific methods should not be frozen in the present state of the art is fairly to be deduced from the engineering testimony of representatives of the companies represented at the hearing. Actual demonstrations to members of the Commission indicate the need for further improvement in the technical quality of television. The evidence before the Commission reveals a substantial possibility that the art may be on the threshold of significant advances.

Research in fact does and should continue in significant phases of the field. Some of this experimentation involves changes in both the number of lines and the number of frames per second. In connection with this work consideration is being given to developing the retentive quality of screens. Other research involves improvements in the mechanics of scanning, as well as various methods of propagation and reception. It is certain that improvement in the quality of television will result from these experiments and from other developments. In addition there is considerable experimentation directed toward the possibility of various screen sizes, including some much larger than exist at present. The Commission is of the opinion that the public should have available various sizes of screens. There is an admitted need to increase the size of screens, a goal which will be aided as a greater definition of image is attained and which the Commission regards as essential before widespread public endorsement of television will be realized.

Studies are being made of polarization and the related question of antennas. Various methods of synchronization are likewise being given attention. A generally accepted scheme of adequate synchronization seems essential. At present no system is generally regarded as completely acceptable; further effort is indicated. The hearing also brought into the spotlight the meagerness of data on the usefulness in this field of the higher frequencies. Research in this matter is certainly essential before embarking on any comprehensive television broadcast service. Television consumes broad bands in the ether and there is every reason why research in this field should continually climb into the higher frequencies to make adequate room for itself and to avoid further crowding of the lower-frequency channels. Opinion is quite uniform also that continued experiments in the staging and studio aspects of television performances are necessary.

Enough has been said to indicate the present state of flux of television and the fact that its progress still continues. The issuance or acceptance of transmission standards by the Commission, especially in combination with the more expensive experimental program service which will in all probability develop under these rules, would have a tendency to stimulate activity on the part both of manufacturers and the public in the sale and purchase of receivers for home use. It is inescapable that this commercial activity inspired and then reinforced by the existence of Commission standards would cause an abatement of research. To a greater or less extent the art would tend to be frozen at that point. Even more important, nothing should be done which will encourage a large public investment in receivers which, by reason of technical advances when ultimately introduced, may become obsolete in a relatively short time. The Commission has not overlooked the significant sums invested by pioneers in making possible our present knowledge of television, and it is not unsympathetic with their desire to recoup their investment in the process of bringing television's benefits to the public. It will be realized, however, that the loss to the public by premature purchase in a rapidly advancing field might in a relatively short period exceed many times the present total cost of research. Such an economic loss in the long run can rebound only to the harm of the industry. In view of the apparent proximity of improvements and of the resolution of disputed technical questions, these risks should not be taken. The Commission is, therefore, reserving the matter of issuing standards for consideration at some future time.

The same considerations which demonstrate the unwisdom of the Commission's promulgating standards at this time dictate the undesirability of the industry itself attempting to impose such a code on all points. The Commission therefore recommends that no attempt be made by the industry or its members to issue standards in this field for the time being. In view of the possibilities for research, the objectives to be attained, and the dangers involved, it is the judgment of the Commission that the effects of such an industry agreement should be scrupulously avoided for the time being. Agreement upon standards is presently less important than the scientific development of the highest standards within reach of the industry's experts.

Under the rules now being issued class II stations (those authorized to engage in a regularly scheduled program service) will be licensed only upon a showing that the equipment proposed to be employed will be technically adequate to render a service satisfactory for public reception and will conform with good engineering practice in regard to the suppression of spurious emissions, carrier noise, etc. It is recognized as essential that standards of engineering performance ultimately be issued, for without such a foundation of stability the conversion of the art to the public service will most certainly be hindered. At the appropriate time the Commission will endeavor to issue standards promptly. In the interim it is hoped that the members of the industry will make every effort to maintain among themselves a free exchange of ideas and scientific information so that their

now proven valuable assistance may be available to the Commission in serviceable form. In this connection the Commission hopes that attention may be directed toward designing, building, and distributing receivers capable, insofar as is consistent with reasonable cost, of receiving or of being adjusted to receive any reasonable change in methods of synchronization or changes in number of frames or lines which may be found to be practical and licensed in the future in the operation of class II transmitting stations. Such a practice will keep to a minimum the economic loss to those acquiring receivers at this stage of the art and for that reason alone would seem to be required by the public interest. Even more important, however, this method will enable the Commission in ultimately laying down television-transmission standards to have the benefit of an adequate public trial of a variety of technical methods.

It is important that nothing said by the Commission herein be construed as an expression of a lack of confidence in the future of television. It is a mighty achievement. The pioneers in the field have made great advances. We feel that potentially television is of tremendous value to the public generally. Even now, there is no reason apparent why those members of the public to whom regular television programs are available, who are conscious of the fluid state of the art, and who are willing to assume the financial risks involved for the obvious benefits of current programs, should not acquire receivers. Nor is it suggested that television broadcasters should be barred from going forward in program production and sponsorship. The progress made by the industry is worthy of recognition, and the present state of the art renders appropriate the further steps permitted by the rules being established.

In view of the fact that certain groups in the industry wish to stress technical research and others program experimentation, one class of experimental stations is created for each of these problems, being designated as class I and class II stations, respectively. Class I stations will carry forward technical investigations and may be assigned more than one channel, while each class II station is to be designed to experiment in program production and technique and will be permitted to operate on one channel only. A license may incorporate provision for both class I and class II operations in appropriate cases upon a proper showing, particularly where the technical research proposed is to be conducted on the higher frequencies allotted to the television service.

The rules further require that there be added to each station identification announcement the following statement:

"This is a special television broadcast made by authority of the Federal Communications Commission for experimental purposes."

Beginning September 1, 1940, class II stations may begin limited commercial operations under which advertising will be permitted in connection with programs, the cost of which is borne by sponsors. The rules stress, however, that emphasis on the commercial aspects of the operation at the expense of program research is to be avoided.

At this time no change is being made in the channels assigned to television by the present rules and regulations. This general question is being held open until after consideration of the evidence adduced at the hearing on aural broadcasting on frequencies above 25,000 kilocycles.

In other respects the new rules are based substantially on those proposed by the Television Committee but some revisions have been made. Recommendations of the Television Committee which are not reflected in the rules or report now being issued have not been acted upon by the Commission.

FEDERAL COMMUNICATIONS COMMISSION,
T. J. SLOWIE, *Secretary*.

PART 4. RULES GOVERING BROADCAST SERVICES OTHER THAN STANDARD BROADCAST—VISUAL BROADCAST SERVICE

TELEVISION BROADCAST STATIONS

Sec. 4.71. Defined: The term "television broadcast station" means a station licensed for the transmission of transient visual images of moving or fixed objects for simultaneous reception and reproduction by the general public. The transmission of synchronized sound (aural broadcast) is considered an essential phase of television broadcast and one license will authorize both visual and aural broadcast as herein set forth.

(a) There shall be two types of experimental television stations, namely, "Experimental research stations" and "Experimental program stations," which shall be known as class I and class II stations, respectively.

Sec. 4.72. Licensing requirements, necessary showing:

(a) A license for a television class I station will be issued only after a satisfactory showing has been made in regard to the following, among others:

1. That the applicant has a program of research and experimentation in the technical phases of television broadcasting, which indicates reasonable promise of substantial contribution to the development of the television art.

2. That the transmission of signals by radio is essential to the proposed program of research and experimentation.

3. That the program of research and experimentation will be conducted by qualified personnel.

4. That the applicant is legally, financially, technically, and otherwise qualified to carry forward the program.

5. That public interest, convenience, or necessity will be served through the operation of the proposed station.

(b) A license for a class II station will be issued only after a satisfactory showing has been made in regard to the following, among others:

1. That the applicant has a definite plan of experimentation in the television broadcast program service which indicates reasonable promise of substantial contribution to the advancement of television broadcasting as a service to the public.

2. That the program of experimentation will be conducted by qualified personnel.

3. That program material is available and will be utilized by the applicant in rendering broadcast service to the public.

4. That a minimum scheduled program service of 10 hours per week will be maintained throughout the license period.[1]

5. That the applicant will install and operate transmitting and studio equipment technically adequate to render a service suitable for reception by the public.

6. That the operation with respect to the suppression of spurious emissions and carrier noise, safety provisions, and so forth, will be in accordance with good engineering practice.

7. That the applicant's technical facilities will be adequate to serve an area appropriate for the program of experimentation.

8. That a competent engineering study has been made of the nature, extent, and effect of interference which may result from the simultaneous operation of the proposed station and other class II television stations.

9. That the applicant is legally, financially, and otherwise qualified to render a satisfactory service to the public.

10. That public interest, conveniences, or necessity will be served through the operation of the proposed station.

SEC. 4.73. Charges:

(a) No charges, either direct or indirect, shall be made by the licensee of a television station for the production or transmission of either aural or visual programs transmitted by such station, except as provided in subsection (b).

(b) Beginning September 1, 1940, class II television licensees may make charges against program sponsors to cover the cost of programs produced for the respective sponsors; and such sponsored programs, including advertising material, may be transmitted as part of the station's experimental program service but without charge for such transmission.

(c) The limited commercialization permitted under subsection (b) above shall not take precedence over the experimental service, but shall be subordinated to it.

SEC. 4.74. Reports by class II stations:

Quarterly reports on forms prescribed by the Commission shall be made by class II television broadcast stations of their charges and costs as well as of other pertinent information which may be of assistance to the Commission in evaluating the economic feasibility of television broadcasting as a regular service to the public on a commercial basis.

SEC. 4.75. Announcements:

At the time station identification announcements are made, there shall be added the following:

"This is a special television broadcast made by authority of the Federal Communications Commission for experimental purposes."

SEC. 4.76. Scope of experimentation, limitations, and restrictions:

(a) Class I stations shall operate to conduct research and experimentation for the development of the television broadcast art in its technical phases but shall not operate to render a regularly scheduled television broadcast service to the public.

(b) No class I station shall operate when objectionable interference would be caused by such operation to the regularly scheduled broadcast service of a class II station.

(c) Class II stations shall operate to conduct television broadcast research and experimentation for the development of the art in its program phases and in connection therewith may carry out experiments with respect to power and antenna requirements for a satisfactory service to the public.

(d) Class II stations shall make all equipment changes necessary for rendering such external transmitter performance as the Commission may at any time require.

(e) Class II stations shall maintain a minimum scheduled program service of 10 hours per week throughout the license period.

SEC. 4.77. Frequency assignment:

(a) The following groups of channels are allocated for assignment to television-broadcast stations licensed experimentally:

Group A: Channel No. 1, 44,000–50,000 kilocycles; channel No. 2, 50,000–56,000 kilocycles; channel No. 3, 66,000–72,000 kilocycles; channel No. 4, 78,000–84,000 kilocycles; channel No. 5, 84,000–90,000 kilocycles; channel No. 6, 96,000–102,000 kilocycles; channel No. 7, 102,000–108,000 kilocycles.

Group B: Channel No. 8, 156,000–162,000 kilocycles; channel No. 9, 162,000–168,000 kilocycles; channel No. 10, 180,000–186,000 kilocycles; channel No. 11, 186,000–192,000 kilocycles; channel No. 12, 204,000–210,000 kilocycles; channel No. 13, 210,000–216,000 kilocycles; channel No. 14, 234,000–240,000 kilocycles; channel No. 15, 240,000–246,000 kilocycles; channel No. 16, 258,000–264,000 kilo-

[1] This provision modifies section 4.4 (d) insofar as that section applies to class II television broadcast stations.

cycles; channel No. 17, 264,000–270,000 kilocycles; channel No. 18, 282,000–288,000 kilocycles; channel No. 19, 288,000–294,000 kilocycles.

Group C: Any 6,000-kilocycle band above 300,000 kilocycles excluding band 400,000 to 410,000 kilocycles.

(b) Each class II television-broadcast station will be assigned only one channel. Class I television stations may be assigned one or more channels as the program of experimentation requires. Both aural and visual carriers with side bands for modulation are authorized for both class I and class II stations but no emission shall result outside the authorized channel. The assignment of a channel to a class II television-broadcast station does not preclude the assignment of that channel for use by class I stations, but such a class II television station shall have priority for the use of the channel for its scheduled program service. Licenses for both a class I and a class II station may be issued to a single licensee only upon a showing that the development of the television art will be assisted thereby, particularly where authority to operate on channels in Group B or C is requested for the class I operations.

(c) Channels in groups B and C may be assigned to television stations to serve auxiliary purposes such as television relay stations. No mobile or portable station will be licensed for the purpose of transmitting television programs to the public directly.

(d) For the present no class II television broadcast station will be assigned a channel for time-sharing operation.[2]

SEC. 4.78. Power: The operating power of a class I station shall not be in excess of that necessary to carry forward the program of research, and in no case in excess of the power specified in its license.

SEC. 4.79. Supplemental report with renewal application: A supplemental report shall be filed with and made a part of each application for renewal of license and shall include comprehensive reports on the following:

(a) For class I television broadcast stations:

1. Number of hours operated.
2. Full data on research and experimentation conducted, including the power employed.
3. Conclusions, tentative and final.
4. Program for further developments of the television broadcast service.
5. All developments and major changes in equipment.
6. Any other pertinent developments.

(b) For class II television broadcast stations:

1. Number of hours operated during which programs were transmitted classified as studio performances, special events (with appropriate description), films, etc.
2. Studio equipment used and any developments made during the license period.
3. Progress made in the advancement of television broadcasting as a service to the public.
4. Financial data on cost of operation during the license period.
5. Power employed, field intensity measurements and visual and aural observations to determine the service area of the station.

ORDER NO. 65 OF MARCH 23, 1940

Whereas the Commission on January 15 to 23, 1940, held extensive public hearings preliminary to the promulgation of rules and regulations governing television-broadcast stations; and

Whereas on February 29, 1940, as a result of study of the general problems involved and after consideration of the record made during said public hearings, the Commission issued a report regarding the present state of the art of television; and

Whereas in said report, the Commission found as follows:

"Actual demonstrations to members of the Commission indicate the need for further improvement in the technical quality of television. The evidence before the Commission reveals a substantial possibility that the art may be on the threshold of significant advances. Research in fact does and should continue in significant phases of the field. * * * The issuance or acceptance of transmission standards by the Commission, especially in combination with the more extensive experimental program service which will in all probability develop under these rules, would have a tendency to stimulate activity on the part both of manufacturers and the public in the sale and purchase of receivers for home use. It is inescapable that this commercial activity inspired and then reinforced by the existence of Commission standards would cause an abatement of research. To a greater or less extent the art would tend to be frozen at that point. Even more important, nothing should be done which will encourage a large public investment in receivers which, by reason of technical advances when ultimately introduced, may become obsolete in a relatively short time. * * * It will be realized, * * * that the loss to the public by premature purchase in a rapidly advancing field might in a relatively short period exceed many times the present total cost of research."

Whereas on February 29, 1940, accompanying said report, the Commission also issued rules governing television broadcast stations, providing for two types of experimental television stations; and

Whereas since the issuance of said report and rules, certain promotional activities in connection with the sale of television transmission and receiving equipment have been engaged in by the Radio Corporation of America in collaboration with, for, or on behalf of a subsidiary or subsidiaries of said corporation which are licensees of experimental television broadcast stations; and

Whereas said promotional activities may be detrimental to the public interest by unduly retarding research and experimentation and the achievement of higher standards for television transmission; and

Whereas additional rules and regulations or revision or amendments of the rules adopted February 29, 1940, may be necessary in order to promote experimental uses of frequencies for television service and to encourage the larger and more efficient use of radio for television service in the public interest; now, therefore,

It is ordered that a further hearing be held beginning April 8, 1940, to determine whether research and experimentation and the achievement of higher standards for television transmission are being unduly retarded by the action of the Radio Corporation of America or its subsidiaries, or any other licensee, requiring any additions, modifications, revisions, or amendments of the rules adopted February 29, 1940, governing television broadcast stations, or other action by the Commission; and whether the effective date for the beginning of limited commercial operations set forth in section 4.73, subsection (b), of the Commission's Rules and Regulations should be changed from September 1, 1940, to some subsequent date.

It is further ordered that section 4.73, subsection (b), of the Commission's Rules and Regulations be suspended pending further order of the Commission.

Dated March 22, 1940.

By the Commission.

T. J. SLOWIE, *Secretary.*

TELEVISION HEARING REOPENED

Television promotional activities on the part of the Radio Corporation of America has prompted the Federal Communications Commission to order a further hearing, beginning April 8, to determine whether research and experimentation and the achievement of higher standards of television transmission are being unduly retarded by this company, its subsidiaries, or other licensees, and whether the effective date for the beginning of limited commercial operation should be changed from September 1 to some subsequent date. Meanwhile, that section of the new rules permitting restricted commercialization is suspended pending further order.

The current marketing campaign of the Radio Corporation of America is held to be at variance with the intent of the Commission's television report of February 29. Such action is construed as a disregard of the Commission's findings and recommendations for further improvement in the technique and quality of television transmission before sets are widely sold to the public.

The question of the present status of television transmission and the feasibility of its general reception by the public was the subject of the recent extensive hearings before this Commission. Because of the fluid state of the art and the continuance of research and experimentation, the Commission declined, for the time being, to establish television-transmission standards. Authority to issue such standards is of course vested only in the Commission. Recommendations to insure that the standards, when issued, would be based upon a sufficiently advanced technical state of the art were incorporated in the report of February 29.

"Actual demonstration to members of the Commission," the report pointed out, "indicates the need for further improvement in the technical quality of television." The Commission stressed the need of continued research in various significant phases of the field involving the number of lines and the number of frames per second, the retentive quality of screens, the mechanics of scanning, the problem of various screen sizes with particular reference to larger screens, the problem of polarization and the related question of the type of antennas, and various alternative methods of synchronization. Inherently this research and experimentation has potentialities of great value to the public.

The intent of the Commission was to give the industry further opportunity to move forward in an orderly manner and upon a sound scientific basis without causing injury to the public and resultant injury to the new industry itself, particularly to other manufacturers cooperating in seeking to bring about video improvements through experimentation rather than crowding the market with present-day receivers which may soon become obsolete. Economic loss to the public, the report warned, would be occasioned by "premature purchase in a rapidly advancing field."

Not all types of television transmission can be received by any receiver. In the present state of the art it is impossible to decide what type of transmitter will be made standard. More research and experimentation will be necessary, and is being conducted, before any such standardization can be achieved. Receiving sets constructed or on the market today may not be capable of receiving television programs from standardized television transmitters when the art has sufficiently advanced to permit such standardization. Public participation in television experimentation at this time is desirable only if the public understands that it is experimenting in reception and not necessarily investing in receiving equipment with a guaranty of its continued usefulness. Television is here to stay, but conceivably present-day receivers may for practical purposes be gone tomorrow.

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[2] This provision modifies section 4.4 (a) insofar as it applies to television broadcast stations.

Promotional activities directed to the sale of receivers not only intensify the danger of these instruments being left on the hands of the public, but may react in the crystallizing of transmission standards at present levels. Moreover, the possibility of one manufacturer gaining an unfair advantage over competitors may cause them to abandon the further research and experimentation which is in the public interest and may result in crowding them into the market with apparatus at present efficiency levels. Rapid advance is desirable—but television is of great and permanent significance to the public. It is therefore of greater importance that the task be done thoroughly and with an eye to television's potential usefulness to the public. These are the goals which the Commission deems the public interest to require.

[Editorial from Broadcasting of April 15, 1940]

THIRD DEGREE

The F. C. C. has just written a new chapter to a running story that might well be titled "Bureaucracy in Action." Its new application form for standard broadcast stations (covering also modifications of licenses of existing stations) marks a new high in what is viewed in some quarters as an all-front crusade to crack business.

We cannot fathom the F. C. C.'s object in propounding 42 pages of questions, some of which border on the impossible, ridiculous—and possibly unlawful in the light of the Supreme Court opinion in the Sanders case, which seems to have stripped it of authority over business and program operations. Right now we hazard the prediction that the new form requirements, if enforced, will discourage new capital from entering radio and perhaps have the effect of deadlocking development.

No one will protest the right of the licensing authority to ascertain the citizenship, financial responsibility, character, and standing of new station applicants. The law requires that the F. C. C. satisfy itself on these scores. Similarly, the F. C. C.'s apparent aim of eliminating unnecessary hearings is all to the good. But when it essays to eliminate all hearings, which appears its intent, and grant licenses or modifications on a sort of correspondence-school basis (provided the applicant can pass the new I. Q. test), there is room for question.

To answer its multifarious questions would require a composite of Philadelphia lawyer, clairvoyant, genealogist, certified public accountant, and engineer. Some of the questions are literally impossible to answer. Others are utterly improper on their face. All in all, it would take months for a group of men to get together and provide the requested data covering financial and personal matters only. Totally aside from questions relating to earnings of applicants during preceding years, litigation from traffic violations to divorce cases in which they may have been involved, relatives who may have been in radio, conversations they may have had about the radio project, and future arrangements they might make if they get the station—aside from all these, the application form is depressing.

In the Sanders case the Supreme Court said flatly that Congress gives the F. C. C. no supervisory control of programs, business management, or station policy. Yet the new form requests a complete break-down of proposed service, both commercial and sustaining, together with percentages to be devoted to each. And beyond that it wants the names and full particulars about the citizenship, experience, salaries, and duties of each of the station's personnel. It wants to know about all conversations concerning network affiliations, and about recorded programs to be broadcast.

How the F. C. C. can reconcile this all-inclusive fishing spree with the Supreme Court opinion, or with its avowed policy of encouraging competition in broadcasting is beyond us. We thought the F. C. C., in the light of the Sanders case, would really become a supertraffic cop of the ether. Instead, the first shot out of the box following that ruling, it seems to strike at every phase of private industry operation which the Court held was forbidden to it.

[From Radio Week of April 3, 1940]

F. C. C. BUNGLING

The television industry was dealt a severe blow by the drastic order of the Federal Communications Commission suspending its previous decision authorizing the limited sponsorship of television programs after September 1, and announcing that hearings on the video art will be reopened next week. The F. C. C. took this action because it did not approve of a television-set merchandising campaign inaugurated by the Radio Corporation of America, "since television is in a fluid state and present-day receivers might soon become obsolete."

The brief history of radio itself, from the crystal-set days to the present, has been a period of rapid scientific advancement with resultant obsolescence. The crystal set was replaced by the battery model, which, in turn, made way for the $500 deluxe radios with B eliminators. Then followed all-electric receivers, completely housed console radios with dynamic speakers, superheterodyne sets, and now the all-in-one instruments offering complete home entertainment. Still, there has never been a public cry of obsolescence. Both the automobile industry and aviation have passed through similar periods of rapid development, and scientific improvements in these and other fields will continue as long as engineering ingenuity and the desire for new and better things exist.

There will always be obsolescence as long as enterprising pioneers continue their research and as long as the public retains its desire for the latest in engineering development. The wireless machine that Marconi developed and the incandescent lamp invented by Edison are obsolete.

In launching its television campaign, R. C. A. stated that:

"It is now possible for the R. C. A. to announce the extension of its plans, to provide, first, a regular television program service in the New York area; second, the offering to the public of receiving sets at moderate prices within the reach of the average American family; and third, the initial step in the construction of a television radio relay system as a means of inter-connecting television transmitters for simultaneous service to and from other communities."

Not only is the F. C. C. decision unsound, in our opinion, but more important still, it is an abuse of its powers. The F. C. C. was established by Congress to allocate wave lengths for radio and television transmission so as to prevent interference that the public interest might be served. The United States Supreme Court, in an opinion rendered only last week by Justice Owen Roberts, defined clearly the powers of the Commission. The Supreme Court held in discussing the issuance of licenses for broadcasting that:

"The act (Communications Act) does not essay to regulate the business of the licensee. The Commission is given no supervisory control of the programs, of business management, or of policy. In short, the broadcasting field is open to any one provided there is an available frequency over which he can broadcast without interference to others, if he shows his competency, the adequacy of his equipment and financial ability to make good use of the assigned channel."

This certainly does not give the F. C. C. the authority to regulate the merchandising of television receivers, radio sets, frequency modulation sets or what have you. Nor does it give the Commission the right to decide whether some sets will become obsolete. Last week's Supreme Court ruling further stated that "the Communications Act recognizes that broadcasters are not common carriers and are not to be dealt with as such. Thus the act recognizes that the field of broadcasting is one of free competition."

This usurpation of power has directly affected the jobs of thousands of workers engaged in manufacturing and merchandising television, and has upset the immediate plans of at least a half-dozen producers of television receivers for the home.

The few thousand owners of television receivers have been more than satisfied with the quality of the pictures available with their sets and with the type of visual programs presented by the New York station. Reports from set owners reveal this. At the reduced prices announced 2 weeks ago, the F. C. C., even if merchandising methods were within the scope of its authority—and it certainly is not—would not have been justified in acting as it did. The average purchaser would be glad to pay a couple of hundred dollars, or perhaps less, even if he knew it might become obsolete later on. One program, such as the Baer-Nova fight, might be worth the price of a set for some owners.

Not only have television manufacturers voiced their protests over the Commission's act, but metropolitan New York dealers who have acquired stocks of merchandise and were beginning to move sets at an excellent pace have denounced the ruling. "The F. C. C. not only wrecked our television campaign but is likely to cut deeply into radio-set sales, which were expected to boom along with television," was the criticism made by the head of the dealers' group of the Electrical & Gas Association of New York, while the comment of an executive of a leading chain of retail stores was that "it killed a good business."

It should not be overlooked that the F. C. C. decision on television issued on February 29, authorizing limited sponsorship of programs but refusing to "freeze" standards, met with the approval of both factions in the television controversy. Advocates of 441-line pictures and proponents of other systems both hailed the February 29 decision as "a forward step in the development of television." This ruling was a compromise decision which met with approval of all sides.

If the F. C. C. is to serve the public welfare, it should first of all rescind its latest order and restrict its activities to its delegated powers.

RESOLUTION INTRODUCED BY SENATOR LUNDEEN APRIL 1, 1940, AND REFERRED TO THE COMMITTEE ON INTERSTATE COMMERCE

Whereas the Federal Communications Commission on February 29, 1940, issued an order permitting limited commercial sponsorship of television beginning September 1, 1940; and

Whereas television interests immediately launched a manufacturing, advertising, and sales-promotion campaign; and

Whereas the Federal Communications Commission on March 22, 1940, rescinded its order of February 29, 1940, with resultant confusion in the minds of the public and causing abandonment of manufacturing, advertising, and sales programs which had, in effect, been authorized by the Commission's earlier ruling: Therefore, be it

Resolved, That the Senate Committee on Interstate Commerce is hereby requested to investigate the actions of the Federal Communications Commission in connection with the development of television and, in particular, to ascertain whether the Commission has exceeded its authority, and whether it has interfered with the freedom of the public and private enterprise.

TELEVISION IN GREAT BRITAIN AND GERMANY

Source: Whitaker's Almanac, London, 1940.

While it has undoubtedly been marking time in the important aspect of its development as a public service, television in Britain has made big strides technically during the past year. So far, only one British Broadcasting Corporation television transmitter has been in operation. The vast proportion of our population have never seen a moving image on the television screen. Only for a relatively small proportion of that population have regular transmissions so far been provided. All the provincial areas of Britain are still patiently expectant, awaiting the long-promised official announcement which will indicate the method of approach to the great task of spreading a television network over Britain when peace comes.

For the past 2 years it has been the proud boast that Britain has led the world in television. At the moment that lead is still maintained. In no other country could one see an exhibition of television receivers, all available for purchase by the public, such as that which created so much interest at Radiolympia in August. This remarkable display of what British manufacturers are already doing in the sphere of television was sufficient proof that they at least are giving a lead to the world. The number of radio manufacturers selling television receivers at Radiolympia in 1939 was at least 50 percent greater than in the previous year. Many of them showed a much wider range of television apparatus. The cheapest television receiver was priced at about 26 guineas. A receiver capable of reproducing the ordinary wireless program on three wave bands, as well as the television program from Alexandra Palace, can now be bought for about 35 pounds. Luxury instruments, incorporating an auto-radio receiver and a television unit, are offered at prices in the region of 130 pounds. Probably it will not be long before an enterprising manufacturer of this type of instrument also incorporates in it means for showing home movies on the television screen, thus embracing in one instrument the four main facilities for home entertainment.

The British radio manufacturers have made considerable efforts during the past year to speed up the development of the British Broadcasting Corporation television service. Realizing the technical and economic problems standing in the way they signed to provide a second transmitter to cover a considerable area in the midlands and the north. A rapid extension to cover these and other thickly populated areas would stimulate the television boom for which the manufacturers were waiting and for which they were obviously well prepared. It is equally clear, on the other hand, that those who control the development of the service have been weighing their decisions well.

Both the theatrical managers and the cinema magnates are divided in their views on what the future of television may mean to them. While the executives of some cinema companies express fear of television, others have announced their intention to adapt themselves to the changing circumstances it will introduce. For instance, Mr. Isidore Ostrer, of the Gaumont British Corporation, has announced that his company will install television receiving apparatus and screens in a large number of cinemas in their extensive circuit. This announcement was a recognition of the success of the first public occasion on which television was actually demonstrated on a cinema screen, when all the details of an important boxing contest were clearly seen by an astonished audience.

In the United States of America television is rapidly being developed with extensive experimental work, in which the results of the pioneer work in British have played a useful part. Public demonstrations have caused much interest.

In Germany it had been planned to begin regular television transmissions similar to those of the British Broadcasting Corporation next year. It had been expected that the first transmitters would be erected in Berlin and on the Brocken. The German wireless industry had been invited to design a standard receiver, which would sell at something over £30. As in Britain, however, the war has put a temporary end to television development in the Reich.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HATCH in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing the nomination of Eli R. Diller, to be postmaster at Paradise, Pa.), which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. MILLER, from the Committee on the Judiciary, reported favorably the nomination of Herbert F. Goodrich, of Pennsylvania, to be a judge of the United States Circuit Court of Appeals for the Third Circuit, vice Francis Biddle, resigned.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers for transfer or promotion in the Regular Army.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Calendar.

POSTMASTERS (NOMINATION REPORTED ADVERSELY)

The legislative clerk read the nomination of Frank K. Barnhart, to be postmaster at Linwood, Pa., which had been reported adversely.

Mr. McKELLAR. I ask that that nomination be rejected.

The PRESIDING OFFICER. Without objection, the nomination is rejected.

POSTMASTERS (NOMINATIONS FAVORABLY REPORTED)

The legislative clerk proceeded to read sundry nominations of postmasters which had been favorably reported.

Mr. McKELLAR. I ask that the nominations of postmasters which have been favorably reported be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. BARKLEY. I ask that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the Calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, May 7, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received May 6 (legislative day of April 24), 1940

WORK PROJECTS ADMINISTRATION

Carl W. Smith, of Washington, to be Work Projects Administrator for Washington.

UNITED STATES DISTRICT JUDGE

Hon. LEWIS B. SCHWELLENBACH, of Washington, to be United States district judge for the eastern district of Washington, vice Hon. J. Stanley Webster, retired.

JUDGE OF THE JUVENILE COURT FOR THE DISTRICT OF COLUMBIA

Hon. Fay L. Bentley, of the District of Columbia, to be judge of the Juvenile Court for the District of Columbia. Judge Bentley is now serving in this post under an appointment which expired February 23, 1940.

UNITED STATES MARSHALS

Mr. Bernard Fitch to be United States marshal for the district of Connecticut. Mr. Fitch is now serving in this post under an appointment which expired February 12, 1940.

Wayne Bezona, of Washington, to be United States marshal for the eastern district of Washington. Mr. Bezona is now serving in this office under an appointment which expired February 20, 1938.

Artis J. Chitty, of Washington, to be United States marshal for the western district of Washington. Mr. Chitty is now serving in this office under an appointment which expired June 16, 1938.

COAST GUARD OF THE UNITED STATES

The following-named officers in the Coast Guard of the United States:

TO BE LIEUTENANT COMMANDERS, TO RANK AS SUCH FROM MAY 25, 1939

Lt. Philip E. Shaw
Lt. Earle G. Brooks
Lt. Henry T. Jewell
Lt. Gordon A. Littlefield
Lt. Frank Tomkiel

TO BE LIEUTENANTS, TO RANK AS SUCH FROM MAY 25, 1939

Lt. (Jr. Gr.) Reinhold R. Johnson
Lt. (Jr. Gr.) Garland W. Collins
Lt. (Jr. Gr.) John R. Henthorn
Lt. (Jr. Gr.) Emil A. Pearson
Lt. (Jr. Gr.) Hollis M. Warner
Lt. (Jr. Gr.) Walter B. Millington
Lt. (Jr. Gr.) Walter W. Collins
Lt. (Jr. Gr.) John P. German
Lt. (Jr. Gr.) Oscar C. Rohnke
Lt. (Jr. Gr.) Karl O. A. Zittel
Lt. (Jr. Gr.) Gilbert I. Lynch
Lt. (Jr. Gr.) George R. Leslie
Lt. (Jr. Gr.) Joseph A. Bresnan
Lt. (Jr. Gr.) Carl R. Stober
Lt. (Jr. Gr.) John R. Kurcheski

TO BE A LIEUTENANT, TO RANK AS SUCH FROM JULY 1, 1939

Lt. (Jr. Gr.) Frederick C. Wild

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS, WITH RANK FROM APRIL 30, 1940

Lt. Col. John Griffeth Booton, Ordnance Department.
Lt. Col. Frederick Gilbreath, Cavalry.
Lt. Col. George Richmond Hicks, Infantry.
Lt. Col. James Blanchard Crawford, Coast Artillery Corps.
Lt. Col. Haig Shekerjian, Chemical Warfare Service.

TO BE COLONELS, WITH RANK FROM MAY 1, 1940

Lt. Col. Benjamin Curtis Lockwood, Jr., Infantry.
Lt. Col. Harrison Henry Cocke Richards, Air Corps (temporary colonel, Air Corps).
Lt. Col. Carroll Armstrong Bagby, Infantry.
Lt. Col. Arthur Bayard Conard, Cavalry.
Lt. Col. Gregory Hoisington, Infantry.
Lt. Col. Jesse Amos Ladd, Infantry.
Lt. Col. Paul William Baade, Infantry.

TO BE LIEUTENANT COLONEL, WITH RANK FROM APRIL 26, 1940

Maj. Frank Curtis Mellon, Field Artillery.

TO BE LIEUTENANT COLONELS, WITH RANK FROM APRIL 30, 1940

Maj. Donald Wilson, Air Corps (temporary lieutenant colonel, Air Corps).
Maj. John Derby Hood, Cavalry.
Maj. Claude Greene Hammond, Infantry.
Maj. James Patrick Moore, Infantry.
Maj. Dorris Aby Hanes, Quartermaster Corps.
Maj. Frank Austin Heywood, Quartermaster Corps.
Maj. John Jacob Bethurum Williams, Field Artillery.
Maj. William Henry Halstead, Infantry.
Maj. Randolph Gordon, Infantry.
Maj. Charles McDonald Parkin, Infantry.
Maj. Philip Coleman Clayton, Cavalry.
Maj. William Hays Hammond, Infantry.
Maj. Theodore Russell Maul, Quartermaster Corps.

TO BE LIEUTENANT COLONELS, WITH RANK FROM MAY 1, 1940

Maj. John Amos Nelson, Quartermaster Corps.
Maj. Joseph Leonard Tupper, Infantry.
Maj. William Francis Heavey, Corps of Engineers.
Maj. Robert Marks Bathurst, Field Artillery.
Maj. Daniel Noce, Corps of Engineers.
Maj. Willis Edward Teale, Corps of Engineers.
Maj. Clark Kittrell, Corps of Engineers.

TO BE MAJOR, WITH RANK FROM APRIL 26, 1940

Capt. Clarence Page Townsley, Field Artillery.

TO BE MAJORS, WITH RANK FROM APRIL 30, 1940

Capt. Robert Hilton Offley, Infantry.
Capt. John Mesick, Field Artillery.
Capt. Francis Parker Tompkins, Cavalry.
Capt. John Arthur Weeks, Quartermaster Corps.
Capt. Frederick William Gerhard, Chemical Warfare service.
Capt. Cornelius Comegys Jadwin, Cavalry.
Capt. Jacob Gunn Sucher, Ordnance Department.
Capt. Howard Harvey Newman, Coast Artillery Corps.
Capt. Richard Gray McKee, Infantry.
Capt. William Lillard Barriger, Cavalry.
Capt. Frederick Williams Fenn, Cavalry.
Capt. Joseph Charles Kovarik, Infantry.
Capt. Jonathan Lane Holman, Ordnance Department.
Capt. Wynot Rush Irish, Infantry.
Capt. Francis Earle Rundell, Quartermaster Corps.
Capt. Royal Adam Machle, Infantry.
Capt. Leonard Randall Nachman, Infantry.
Capt. Clark Hazen Mitchell, Field Artillery.
Capt. William Maynadier Miley, Infantry.
Capt. George Baird Hudson, Cavalry.
Capt. Harry Clay Mewshaw, Cavalry.
Capt. Alfred Armstrong McNamee, Infantry.
Capt. Francis Joseph Achatz, Field Artillery.
Capt. Leon Calhoun Boineau, Infantry.
Capt. Harold Wilbert Gould, Infantry.
Capt. George Bittmann Barth, Field Artillery.
Capt. Harry Benham Sherman, Infantry.
Capt. Frank Thorpe Turner, Cavalry.
Capt. Thomas Quinton Donaldson, Jr., Cavalry.
Capt. Philip Edward Gallagher, Infantry.
Capt. Carroll Kimball Leeper, Infantry.
Capt. Charlie Quillian Lifsey, Quartermaster Corps.
Capt. Hugh McCalla Wilson, Jr., Quartermaster Corps.
Capt. Robert Trueheart Foster, Infantry.

TO BE MAJORS, WITH RANK FROM MAY 1, 1940

Capt. Frederick von Harten Kimble, Air Corps (temporary Major, Air Corps).
Capt. William Jones Hanlon, Air Corps (temporary Major, Air Corps).
Capt. John Harold McFall, Finance Department.
Capt. Howard Arnold Craig, Air Corps (temporary Major, Air Corps).
Capt. Barney Leland Meeden, Quartermaster Corps.
Capt. David Robert Stinson, Air Corps (temporary Major, Air Corps).
Capt. Joseph Theodore Morris, Air Corps (temporary Major, Air Corps).
Capt. George Wald, Quartermaster Corps.
Capt. Don Elwood Lowry, Quartermaster Corps.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 6 (legislative day of April 24), 1940

UNITED STATES DISTRICT JUDGE

LEWIS B. SCHWELLENBACH to be United States district judge for the eastern district of Washington.

PROMOTIONS IN THE NAVY

MARINE CORPS

George T. Hall to be lieutenant colonel.
Howard N. Stent to be lieutenant colonel.
Perry K. Smith to be major.
Walter I. Jordan to be major.
Andy C. Ramsey to be chief quartermaster clerk.

POSTMASTERS

MISSISSIPPI

Joseph L. Brown, Hattiesburg.
Mrs. Willie M. Windham, Lena.
Nannie Stuart, Morton.
Myra P. Varnado, Osyka.

NORTH CAROLINA

Carl V. Bundy, Jamestown.
Woodrow McKay, Lexington.
Fred H. Holcombe, Mars Hill.

James H. McKenzie, Salisbury.
Charles O. Cooper, Saluda.
William H. Shannon, Spencer.

PENNSYLVANIA

Frank K. Myers, Alexandria.
Earl T. Zerby, Bernville.
William C. Storer, Brownsville.
Albert Van Horn, Dawson.
John C. Ellenberger, Dayton.
Frank J. Barrett, Jersey Shore.
Cecil E. Bell, Mapleton Depot.
George C. Dietz, Mechanicsburg.
Howard J. McIntyre, New Cumberland.
Stafford W. Parker, Wallingford.

RHODE ISLAND

Edgar J. Peloquin, Manville.
Ina M. Gwynn, Warwick Neck.

TEXAS

Homer Dewey Thompson, Devine.
Nellie G. Magowan, Mathis.
Frank P. McCabe, Rio Hondo.
John W. Ledbetter, Round Rock.
Grover C. Stephens, Sierra Blanca.
Robert O. Rockwood, Wharton.

VERMONT

Richard Harlie Standish, Montpelier.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 6 (legislative day of April 24), 1940

POSTMASTER

PENNSYLVANIA

Eli R. Diller to be postmaster at Paradise, in the State of Pennsylvania.

REJECTION

Executive nomination rejected by the Senate May 6 (legislative day of April 24), 1940

POSTMASTER

PENNSYLVANIA

Frank K. Barnhart to be postmaster at Linwood in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 6, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, Father of our spirits, we come to Thee in the name of Him who unites our hopes and seals our love; judge us not in Thy displeasure; look upon our infirmities and remember us in mercy. Bear with us in the pity of Thy heart and in the strength of Thy grace. Truly Thou art a sun and a shield, and no good thing dost Thou withhold from Thy children; be pleased to accept the grateful offerings of our hearts. Enable us always, in every situation, to honor ourselves by keeping our tongues from evil and our lips from speaking guile. "Know ye not that ye are the temple of God and that the spirit of God dwelleth in you?" Thou hast revealed Thyself in light and riches of grace; may we listen to the teaching of Thy word: "I beseech you, therefore, brethren, by the mercies of God that ye present your bodies a living sacrifice, holy acceptable unto God, which is your reasonable service, and be not conformed to this world, but be ye transformed by the renewing of your minds that ye may prove what is that good and acceptable and perfect will of God." We praise Thee, gracious Father, that Thy merciful providence has returned to us our beloved Speaker in good health and increased strength. In the holy name of Jesus. Amen.

The Journal of the proceedings of Friday, May 3, 1940, was read and approved.

EXTENSION OF REMARKS

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include four brief addresses I made on agriculture over WMBS.

The SPEAKER. Is there objection?

There was no objection.

KIND TO DUMB ANIMALS WEEK

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks by including two brief letters.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LUDLOW. Mr. Speaker, I hope that this will be Kind to Dumb Animals Week in the Congress of the United States.

I hope that the joint congressional committee created to investigate the Barlow liquid-oxygen bomb will be touched by the spirit of kindliness and humaneness and will not permit the week to end without rescinding its decision to use live animals in testing that terrible bomb which is heralded as the most deadly instrument of death and destruction ever invented.

Goats, which have been specially singled out for this cruel test, are friends of the human race, just as are horses and dogs. Many a person has been helped through a period of invalidism and convalescence to perfect health on a diet of goat's milk. Why should these poor, dumb creatures be made to suffer the unspeakable agony of being blown to bits or frightfully mangled when such a sacrifice is not at all necessary or desirable, in the opinion of the ordnance experts?

In a letter to Maj. Gen. C. M. Wesson, Chief of Ordnance of the War Department, dated May 1, I told him that, in my opinion, this sort of test would be highly revolting to the people of our country, and I invited him to express his opinion in regard to it. I have just received his reply, which is as follows:

Hon. LOUIS LUDLOW,
House of Representatives, Washington, D. C.

MY DEAR MR. LUDLOW: I wish to acknowledge receipt of your letter of May 1, 1940, relative to the use of live animals in connection with the proposed test of the Barlow liquid-oxygen bomb. This procedure was directed by the joint congressional committee created to investigate the bomb, if and when the demonstration is conducted.

Neither the War Department nor the Navy Department considers the use of animals either desirable or necessary, as both of these services feel that the required information can be obtained from instruments which have been developed for the measurement of explosive effect.

Sincerely yours,

C. M. WESSON,
Major General, Chief of Ordnance.

I also wish to make public a letter from Maj. Nevil Monroe Hopkins, an officer on the Reserve list of the United States Ordnance Bureau and an internationally known authority on the use of high explosives. It is addressed to President Coleman, of the American Humane Association, and is as follows:

Mr. SYDNEY H. COLEMAN,
President, American Humane Association, New York, N. Y.

DEAR MR. COLEMAN: I have your letter of April 29, and I am very glad to comply with your request for a statement at this time for use in your campaign for the prevention of cruelty to animals in connection with high-explosive tests.

I am of the opinion, as a result of 35 years' work in both industrial and military explosives, together with all known ways and means of testing them, that the use of live goats or other living animals is wholly unnecessary and scientifically worthless for the purpose.

I was for 20 years assistant and later professional associate of the late Dr. Charles E. Munroe, explosive expert for the United States Bureau of Mines and the Newport Torpedo Station, United States Navy, and I have also been engaged in high-explosive development for the United States Army, Ordnance Department, and have never seen or resorted to, throughout a long term of service, the use of live animals to test or measure the force of explosive blasts.

The United States Bureau of Mines, as well as the United States Army and United States Navy, are all, to my definite knowledge, well equipped to measure and compare high explosives upon a scientific and therefore accurately set quantitative basis.

Blast meters, ballistic mortars, pressure gages, and detonation wave-velocity recorders are all standardized upon an international basis at our proving grounds and arsenals, and I can see no application of live animals to the testing of explosives, old or new, of any class, except for staging a sensational show, without the least scientific value.

Yours sincerely,

NEVIL MONROE HOPKINS.

In the light of these expert opinions, it seems to me the joint congressional committee should give up its intention to use live animals for this experiment. I hope that Senator SHEPPARD, chairman of the joint committee, will reconvene his associates and make this really and truly a Be Kind to Dumb Animals Week. I am sure the entire Nation would applaud the rescinding of this decision. [Applause.]

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAYBURN. Mr. Speaker, the program for this week was announced to the House on last Friday, but in making up the printed program there was a mistake made by somebody, probably by me, in giving it to the clerk to the whip.

It was announced that the Consent Calendar would be called today and would be followed by the conference report on the river and harbor bill. I notice by this memorandum that the conference report will be taken up on Tuesday. On Tuesday rules for the consideration of the continuation of appropriations for the New York World's Fair and the San Francisco World's Fair, which those people say they must have by the 11th or the Federal buildings will not open. On Wednesday there will be taken up the Department of Agriculture conference report. That is left off of this printed memorandum entirely. On Thursday the conference report on the transportation bill will be taken up. If the conference report on the Department of Agriculture appropriation bill is not completed on Wednesday, it would go over until Friday and be taken up then.

That is the program that was announced, but there was some mistake made in translating it to the sheet.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. MANSFIELD. Then the rivers and harbors conference report will be taken up today?

Mr. RAYBURN. Immediately after the call of the Consent Calendar; yes.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a report and a letter written by the Director of the Budget.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the question of sugar refining.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that on tomorrow, after the disposition of the business of the day, I may be privileged to address the House for 1 hour.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that on tomorrow, after the completion of the special orders heretofore made, I may have permission to address the House for 45 minutes on the subject of unemployment.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by me as chairman of the Democratic State convention at Omaha on May 2, 1940.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a radio address delivered by myself.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an editorial from the St. Louis Post-Dispatch.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address by the Postmaster General, Mr. Farley, to the Democratic Women's Club.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks and include certain telegrams received in connection with the transportation bill.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, reserving the right to object, are we going to permit the RECORD to contain all the requests that Members of Congress receive in reference to any particular bill? It seems to me if we did, we would have the RECORD full of matter which may be vital to the welfare of individual Members, but I question very much whether we ought to include all such requests.

The SPEAKER. Does the gentleman object?

Mr. RICH. How many letters are we going to have?

Mr. HARRINGTON. These are my own remarks and there are two brief telegrams, not over five or six lines, which I am including in the body of my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my remarks and include an address made by Mrs. Emma Louise Warren in Washington on May 1.

The SPEAKER. Is there objection?

There was no objection.

Mr. GEARHART. I also ask unanimous consent, Mr. Speaker, to extend my remarks and include an address delivered by Hon. Louis Johnson, Assistant Secretary of War, delivered at Pittsburgh on the same day.

The SPEAKER. Is there objection?

There was no objection.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the Thomas Jefferson Memorial and to include therein a brief newspaper article descriptive of the monument.

I also request permission to extend my remarks in the RECORD on the bill S. 3509, and to include a brief statement by the Farmers' Union.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CIVIL AERONAUTICS AUTHORITY

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SECCOMBE. Mr. Speaker, according to the press, after a White House conference, it was stated that the Civil Aeronautics Authority should be placed in an executive department because it supervises the expenditure of $108,000,000 annually.

In itemizing this sum it was disclosed that it included airport appropriations, Weather Bureau appropriations, and Post Office appropriations.

The W. P. A. controls all airport expenditures. The Department of Agriculture controls all Weather Bureau expenditures. In the case of airports, the Administrator of the Authority has only the power to veto a project which is not needed. In the case of the Weather Bureau the Administrator can only make recommendations to the Secretary of Agriculture.

As to payments for the mail, the Post Office Department has full control over the mail service. The Authority only sets the rate of compensation just as the I. C. C. does in the case of the railroads.

And as everyone in the House knows, for 3 years postage revenue and payments to the domestic air lines have approximately balanced.

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject of the refunding of invalidated taxes and to include therein a summary of payments that have been made under decisions of the United States Supreme Court.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a radio speech made by Fred Brinkman, the Washington representative of the National Grange, on the subject of our farm credit system.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks on two subjects: First, the Bonneville project, and to include therein a short editorial; the other on the subject of loans and payments on selected Federal agencies and to include therein a short table.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PRINTING ADDITIONAL COPIES OF W. P. A. HEARINGS

Mr. CONNERY. Mr. Speaker, from the Committee on Printing, I report back favorably a privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Concurrent Resolution 62

Resolved by the House of Representatives (the Senate concurring), That, in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Appropriations of the House of Representatives is hereby authorized and empowered to have printed, with illustrations, for its use 2,000 additional copies of each part of the hearings held before a subcommittee of such committee during the current session pursuant to the resolution (H. Res. 130) directing the Committee on Appropriations to make an investigation and study of the Work Projects Administration as a basis for legislation, and 1,000 additional copies of the hearing held before a subcommittee of such committee during the current session on the estimates of appropriations for work relief and relief for the fiscal year ending June 30, 1941.

Mr. RICH. Mr. Speaker, reserving the right to object, that request was made by the chairman of the Appropriations Committee?

Mr. CONNERY. By the chairman of the Committee on Appropriations, the gentleman from Colorado [Mr. TAYLOR].

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE DEMOCRATIC SCHOOL FOR WOMEN

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. TABER. Mr. Speaker, last week 4,000 women attended the Democratic School for Women. The net result of their operations was that, after listening to Mrs. Roosevelt tell why we should not have peace or why we might not have peace, they all declared in favor of peace. After observing the absolute failure of the New Deal administration to recommend getting rid of any of those obstructive measures that have prevented the people of this country from being reemployed for the last 7 years, they all decided that the most important thing in the world that they could have was jobs in private industry. These accomplishments of that school make a criterion for the campaign that is coming. [Applause.]

[Here the gavel fell.]

FARM TENANCY

Mr. JONES of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 258, to amend section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended, with a Senate amendment and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 8, strike out "reduction" and insert "reduction. Such action of local committees shall be subject to approval or disapproval by State committees."

Mr. HOPE. Mr. Speaker, reserving the right to object, will the gentleman explain the amendment?

Mr. JONES of Texas. The gentleman from Kansas understands that the bill itself is intended to protect tenants in connection with the farm program in this way. If the landlord or owner reduces the number of tenants below the average of the last 3-year period, or reduces the number of acres that he operates through tenants, he shall not be entitled to any increase in benefit payments. There was a provision put in the House bill that the reduction should be automatic, that is the prohibition against increased payment should be automatic unless the county committee affirmatively found that the change was justified, such as not being able to secure tenants or for some reason satisfactory to the county committee.

The Senate makes this simple change, that the action of the county committee if taken shall be appealable to the State committee. That is the only change from the House provision; and I will state to the gentleman, and I believe he will agree, that this measure will go far toward protecting the tenants in their rights.

Mr. PATMAN. Mr Speaker, will the gentleman yield?

Mr. JONES of Texas. I yield.

Mr. PATMAN. Does this include the landlord although he may not be a landowner the same as if he were?

Mr. JONES of Texas. Yes. This was worded so as to include any landlord whether he is the owner of the property or not.

I used the word "landowner," but the term "landlord" is used and under the interpretation that would include anyone who is operating the land.

Mr. PATMAN. The gentleman is familiar with the evasion of the law that has been going on?

Mr. JONES of Texas. I understand that and we have tried to word this in such a way that it will take care of the situation.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. JONES]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. CREAL. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. CREAL]?

There was no objection.

Mr. CREAL. Mr. Speaker, it is the privilege of any Member to sign a petition to take a bill from a committee. I presume it is unnecessary even to say that a Member in fairness to himself and in fairness to the other Members of the House and to the committee should first read the bill, which is only a small requirement, before they vote to discharge a committee. After having read the bill and learning what is in it, instead of by hearsay, they might perhaps find something in there to change their opinion.

[Here the gavel fell.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. VOORHIS]?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I would like to reply in 1 minute to what the gentleman from New York said about the meeting of the 4,500 Democratic women which took place in Washington recently. Of course it is true that those women found that what they wanted more than anything else to accomplish in this country was jobs, but I would like to say that in contrast to some of those who oppose their work they at least got down to business and considered and faced the real problem which confronts the country today. It is a difficult problem and it is not going to be set aside by the wave of a hand. For my part, it seems to me from what I know of the deliberations of this group that they were very much worth while, they were very vital, and a great deal was accomplished by those women. Their work will bear fruit and it will be good fruit, too. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. HENNINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the St. Louis Post-Dispatch on the wage-hour question.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. HENNINGS]?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein the opinion of United States District Court Judge George A. Welch, of the eastern district of Pennsylvania, with regard to the activities of the Dies committee.

Th SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MARCANTONIO]?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution of the Massachusetts Schoolship Club of Washington, D. C.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech made by J. Francis Smith, chairman of the Democratic Committee of the State of Connecticut.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut [Mr. SHANLEY]?

There was no objection.

Mr. HARTER of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a resolution on the Social Security Act.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. HARTER]?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

FUNDS FOR COOPERATION WITH WAPATO SCHOOL DISTRICT NO. 54, YAKIMA COUNTY, WASH.

The Clerk called the first bill on the Consent Calendar, H. R. 3824, to provide funds for cooperation with Wapato School District No. 54, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

Mr. RANKIN. Mr. Speaker, reserving the right to object, the Consent Calendar is becoming cluttered up with bills that have been passed over without prejudice day after day. I am going to suggest to the gentleman from Michigan if he is going to ask that this bill be passed over without prejudice that it ought to go to the foot of the calendar and not just have it passed over without prejudice from one week to another. If it is passed over without prejudice, it will retain its place on the calendar and take up the time of the House in the future. These bills that have been passed over without prejudice again ought by all means to go to the foot of the calendar.

Mr. WOLCOTT. So far as I am concerned they may be removed from the calendar altogether. The reason I made the request I did was to enable the legislative committee to bring the bill out on the floor again without the stigma of objection being attached to it. The gentleman may object, and I may say that the bill necessarily goes to the foot of the calendar anyway.

Mr. RANKIN. No; I shall not object.

Mr. WOLCOTT. What is at the head of the calendar now will be at the foot of the calendar when we complete it today, because we expect there will be something like 50 or 60 bills passed on the calendar today.

It just so happens that all through this session we have called every bill on the Consent Calendar every time the Consent Calendar has been called, so it would not make much difference.

Mr. RANKIN. All right; then I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request?

There was no objection.

PASSAMAQUODDY BAY

The Clerk called the joint resolution (S. J. Res. 57) authorizing the Secretary of War to cause a completion of surveys, test borings, and foundation investigations to be made to determine the advisability and cost of putting in a small experimental plant for development of tidal power in the waters in and about Passamaquoddy Bay, the cost thereof to be paid from appropriations heretofore or hereafter made for such examinations.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

OSAGE TRIBE OF INDIANS

The Clerk called the next bill, H. R. 6314, authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

NATIONAL MISSISSIPPI RIVER PARKWAY

The Clerk called the next bill, H. R. 3759, to authorize a National Mississippi River Parkway and matters relating thereto.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

NATIONAL LAND POLICY

The Clerk called the next bill, H. R. 1675, to establish a national land policy, and to provide homesteads free of debt for actual farm families.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CLAIMS OF THE KIOWA, COMANCHE, AND APACHE TRIBES OF INDIANS IN OKLAHOMA

The Clerk called the joint resolution (H. J. Res. 290) referring the claims of the Kiowa, Comanche, and Apache Tribes of Indians in Oklahoma to the Court of Claims for finding of fact and report to Congress.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

BRIDGE ACROSS THE MISSOURI RIVER, OMAHA, NEBR.

The Clerk called the next bill, H. R. 7069, authorizing Douglas County, Nebr., to construct, maintain, and operate a toll bridge across the Missouri River at or near Florence Station, in the city of Omaha, Nebr.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OF CROP LOAN LAW

The Clerk called the next bill, H. R. 7878, to amend the crop loan law relating to the lien imposed thereunder, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DELAWARE TRIBE OF INDIANS

The Clerk called the next bill, H. R. 6536, authorizing an appropriation for payment to the Delaware Tribe of Indians on account of permanent annuities under treaty provision.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PRICES AND GRADES OF COTTONSEED AND COTTONSEED PRODUCTS

The Clerk called the next bill, H. R. 8642, to establish and promote the use of standard methods of grading cottonseed, to provide for the collection and dissemination of information on prices and grades of cottonseed and cottonseed products, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Reserving the right to object, Mr. Speaker, I frankly do not know enough about the bill to object to it or let it go over. I do not believe any of the Members of the House know what the bill is about. This is a bill which establishes an entirely new policy. There is an indeterminate amount authorized under the bill. For the reason that so few Members seem to know what the bill is about, I ask unanimous consent that it be passed over without prejudice in the hope that the Committee on Agriculture will bring it in on a calendar Wednesday, if they have the call, or by a rule, so that we may at least find out what the bill is about.

Mr. DOXEY. Mr. Speaker, will the gentleman withhold his request

Mr. WOLCOTT. I withhold the request, Mr. Speaker.

Mr. DOXEY. I may say that, of course, we reported this bill out of the Committee on Agriculture and our committee is in favor of it. I appreciate the fact that what the gentleman from Michigan is objecting to is a general authorization of appropriation. I am prepared to say to the gentleman that we feel this plan will not cost anything and will be self-sustaining. If that is the only objection the gentleman has to the bill, I should be perfectly willing to strike out that section authorizing the appropriation. If the gentleman insists that the Committee on Agriculture bring it up, there is no way to bring it up now except by a rule or under suspension, and that time has not arrived. The Committee on Agriculture has already been called under the calendar. I introduced this bill and reported it to the House.

There is another bill similar to this on the calendar, and I want to see if the gentleman will object to it—putting soybeans under the Standard Grading Act, which I believe is eminently proper. Soybeans and cottonseed are two products that do not have the benefit of a standard grading act. We feel that these two commodities should have the benefit of such an act. I want the best bill possible in the interest of these two commodities.

As far as an explanation is concerned, I should be delighted to make one in detail, but I do not care at this time to take up the time of the House in doing so, because I will agree to strike out the section making the general authorization in my bill, if the gentleman will let the bill pass.

Mr. WOLCOTT. I may say to the gentleman I would not insist upon that because, undoubtedly, there is much merit in the bill and, of course, the situation is controlled by the Appropriations Committee and I have confidence in the Appropriations Committee to check the situation when the proper time comes. My principal reason for reserving the right to object was to call attention to the fact that the Members did not understand this bill any more, perhaps, than I did, and to suggest that some time should be given for its consideration. It is a long bill of 14 pages and establishes a new policy. I notice there is no minority report and there does not seem to be any objection in committee to it and I do not want to assume the responsibility of stopping it because, frankly, I see some merit in it. If the gentleman thinks that the bill is all right and the committee thinks it is all right I certainly am not going to stop it. It is a House bill and must go to the Senate and it is one of those cases where, perhaps, we will let the Senate work on it and I therefore withdraw my reservation of objection.

Mr. DOXEY. I appreciate that and I am sure it can be worked out satisfactorily. The gentleman from Michigan [Mr. WOLCOTT] has shown a fine spirit regarding his attitude on this bill. I thank him.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the Cottonseed Grading Act.

SEC. 2. (a) As used in this act—.

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "cottonseed" means the seed of the cotton plant, untreated by either chemical or mechanical process other than the ordinary processes of cleaning, drying, or ginning, or such sterilization as may be required by the Secretary for quarantine purposes.

(3) The term "cottonseed products" means the primary products processed from cottonseed, namely, crude cottonseed oil, cottonseed cake, cottonseed meal, linters, and hulls.

(4) The term "market" means any place or establishment at which cottonseed or cottonseed products are bought or sold.

(5) The term "person" includes partnerships, associations, and corporations, as well as individuals.

(6) The term "interstate commerce" means commerce between any place in a State, Territory, or possession of the United States, or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession of the United States, or the District of Columbia, but through any place outside thereof, or within any Territory or possession of the United States, or the District of Columbia.

(b) For the purposes of this act, but not in anywise limiting the foregoing definition of interstate commerce, a transaction in respect to cottonseed or cottonseed products shall be considered to be in interstate commerce if such cottonseed or cottonseed products are part of that current of commerce usual in the cottonseed industry whereby cottonseed or cottonseed products are sent from one State with the expectation that they will end their transit, after purchase, in another, including, in addition to cases within the above general description, all cases where purchase or sale is either for shipment to another State or for manufacture within the State and shipment outside the State of any of the products resulting from such manufacture. Cottonseed normally in such current of commerce shall not be considered out of such commerce through resort being had to any means or device intended to remove such transactions in respect thereto from the provisions of this act. For the purposes of this subsection, the term "State" includes a Territory or possession of the United States, the District of Columbia, or a foreign nation.

SEC. 3. It is hereby declared that transactions in cottonseed and cottonseed products involving the purchase and sale thereof as commonly conducted on markets are affected with a national public

interest; that the analyzing, evaluating, and grading of cottonseed according to its physical condition, the amount of the products which can be manufactured therefrom, and other characteristics affect the prices received therefor by producers; that without uniform standards of classification and the widespread dissemination of market prices, market information, and grade information, the transactions in and prices of cottonseed and cottonseed products are susceptible to speculation, manipulation, and control, and unreasonable fluctuations and variations in prices and in quality determinations occur which are detrimental to producers and consumers generally and to persons engaged in the business of ginning, buying, selling, and processing cottonseed and cottonseed products in interstate commerce; and that such fluctuations and variations constitute a burden upon interstate commerce and make imperative the use of uniform standards of classification and the widespread dissemination of market prices, market information, and grade information for the protection of producers, consumers, and persons engaged in interstate commerce in cottonseed and cottonseed products and the public interest therein.

SEC. 4. The Secretary is hereby authorized and directed to investigate the handling, transportation, and grading of cottonseed; to establish standard specifications or methods for the sampling and grading of cottonseed; and to alter or modify any such standard specifications or methods whenever in his opinion experience indicates the need for such action. The standard specifications or methods so established, and any such alterations and modifications thereof, shall be known as the Official Cottonseed Standards of the United States and shall become effective on a date specified in the order of the Secretary establishing, altering, or modifying the same, but the date so specified shall be not less than 90 days after the date of such order.

SEC. 5. (a) The Secretary is further authorized to issue to competent persons licenses to sample and certify samples of cottonseed, to grade and certify the grades of cottonseed, and he may designate officers and employees of the Department of Agriculture to perform any of such services: *Provided,* That persons licensed under this provision shall not be connected with or employed by cottonseed crushing mills, buyers or sellers of cottonseed.

(b) Any such license may be suspended or revoked by the Secretary whenever he is satisfied that the licensee is incompetent; that he has knowingly or carelessly sampled or graded cottonseed improperly; that he has violated any provisions of this act or of any regulation prescribed thereunder; or that he has used his license or allowed it to be used for any improper purposes; but no such license shall be revoked until the licensee shall have been informed of the charges against him and afforded an opportunity to be heard.

(c) The Secretary may prescribe by regulation the conditions under which such licenses shall be issued and may require any licensee to give bond for the faithful performance of his duties and for the protection of persons affected thereby.

SEC. 6. (a) The Secretary is further authorized to establish sampling and marketing areas within the cotton-growing States.

(b) The Secretary may prescribe by regulation the conditions, standards, and methods under which cottonseed shall be sampled and graded by such licensees and by the officers and employees of the Department of Agriculture designated to perform such services.

(c) Any person who has custody of or a financial interest in any cottonseed may submit the same or samples thereof, in accordance with regulations prescribed by the Secretary, to any such licensee or to any officer or employee of the Department of Agriculture designated for the purpose, for the determination of the true grades of such cottonseed or samples.

(d) The Secretary is further authorized to fix and collect such fees or charges in connection with the issuance of licenses and the sampling and grading of cottonseed pursuant to this section as he may deem reasonable, and all moneys collected from such fees and charges shall be covered into the Treasury as miscellaneous receipts.

(e) Any owner of cottonseed may appeal from any certification made under this section in accordance with such regulations as the Secretary may prescribe.

(f) The Secretary shall provide by regulation for such resampling or regrading of cottonseed as he may deem necessary for the confirmation or invalidation of any certification made by a licensee or an officer or employee of the Department of Agriculture under this section. Any certification which supersedes any certifiation invalidated pursuant to this subsection shall be final.

(g) Each certification made pursuant to this section shall be binding on all officers and employees of the United States and shall be accepted in all courts of the United States as prima facie evidence of the truth of the statements contained therein.

SEC. 7. (a) The Secretary is authorized and directed to collect, authenticate, publish, and distribute, by telegraph, radio, mail, or otherwise, such timely information, including statistical information and summary reports as he deems necessary with respect to the market prices of cottonseed and cottonseed products, the volume of trading in cottonseed and cottonseed products, and the market supply and demand, location, movement, condition, and other factors affecting the prices of cottonseed and cottonseed products, and with respect to the qualities and grades of cottonseed: *Provided,* That in the collection and dissemination of such information, duplication of the activities of other agencies of the Government shall be avoided so far as possible.

(b) For the purpose of collecting and disseminating accurate information with respect to the qualities and grades of cottonseed, the Secretary is authorized to designate cottonseed-producing areas according to the qualities or grades of cottonseed sold or produced therein and is authorized and directed to provide for collecting and grading samples of cottonseed sold or produced therein.

(c) The Secretary is further authorized to collect and disseminate such quality of grade information as he may deem necessary with respect to individual lots of cottonseed showing point of origin.

SEC. 8. (a) Any information furnished to the Secretary by any person under the provisions of this act, except of section 6 with respect to individual lots of cottonseed quality or grade information furnished under subsection (c) showing point of origin, shall be considered as strictly confidential and shall be used only for the purpose for which it is supplied.

(b) Any officer or employee of the Department of Agriculture who without written authority of the Secretary shall publish or communicate any confidential information given into his possession by reason of his employment under the provisions of this act shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

SEC. 9. (a) It shall be the duty of every individual and of every owner, operator, director, officer, or agent of any corporation, association, or partnership, operating any cottonseed-crushing mill, cotton gin, or other place or establishment where cottonseed or cottonseed products are bought or sold or held in storage, when requested by the Secretary or by any agent or employee of the Department of Agriculture acting under the instructions of the Secretary, to furnish completely and correctly, to the best of his knowledge, information concerning the prices and the grades of cottonseed and the prices of cottonseed products, owned, held, bought, or sold by such person in connection with transactions in interstate commerce or directly affecting interstate commerce, and, when so requested, to permit such agent or employee of the Department of Agriculture to examine the purchase and sales records of such transactions and to examine, sample, or grade any cottonseed involved in any such transactions.

(b) The request of the Secretary for any such information may be made in writing or by personal call by an agent of the Secretary designated by him and, if made in writing and forwarded by registered mail, the registry receipt of the Post Office Department shall be accepted as evidence of such demand.

(c) Any person who shall refuse or willfully neglect to furnish any information requested under this section, or who shall refuse to permit the examinations of purchase and sales records or the examination, sampling, weighing, or grading of cottonseed, requested under this section, shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $1,000.

SEC. 10. (a) It shall be unlawful—

(1) For any person, in or in connection with any transaction or shipment in interstate commerce made on and after the effective date of the Official Cottonseed Standards of the United States promulgated under this act, or in any grading for the purposes of or in connection with a transaction or shipment in interstate commerce, to indicate for any cottonseed a grade which is of or within the Official Cottonseed Standards of the United States in effect under this act, by any name, description, or designation not used in said standards; or to issue any report or invoice, showing the grade of cottonseed except according to an official certificate issued by a grader of cottonseed employed or licensed as such under this act.

(2) For any person falsely to make, issue, alter, forge or counterfeit, or aid, cause, procure, or assist in or be a party to the false making, issuing, altering, forging, or counterfeiting of any certificate, stamp, tag, seal, label, or other writing issued under the authority of this act.

(3) For any person licensed by the Secretary as a sampler or grader of cottonseed under this act knowingly to sample or grade cottonseed improperly, or to make any false certification under this act, or to accept money or other consideration, directly or indirectly, for any neglect or improper performance of his duty as a sampler or grader.

(4) For any person improperly to influence, or to attempt improperly to influence, or to forcibly assault, resist, impede, or interfere with, any person licensed by the Secretary as a sampler or grader in the execution of his duties under this act.

(5) For any person falsely to represent or otherwise indicate that he is authorized by the Secretary to sample, weigh, or grade cottonseed under this act.

(6) For any person to substitute or attempt to substitute other cottonseed for cottonseed actually sampled or graded under this act.

(7) For any person falsely to represent that cottonseed has been sampled or graded under this act, or knowingly to make or cause to be made any false representation concerning cottonseed sampled or graded under this act, or knowing that cottonseed is to be offered for sampling or grading under this act, to load, pack, or arrange such cottonseed in such manner as knowingly to conceal foreign matter, or cottonseed of inferior grade, quality, or condition, or, knowing that such cottonseed has been so loaded, packed, or arranged, to offer it for sampling or grading without disclosing such knowledge to the sampler or grader before the sampling or grading takes place.

(b) Whoever violates any provision of this section shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

SEC. 11. The Secretary is authorized to publish the facts regarding any violation of this act.

SEC. 12. In construing and enforcing the provisions of this act, the act, omission, or failure of any agent, officer, or other person acting for or employed by an association, partnership, or corporation, within the scope of his employment, shall be deemed to be the act, omission, or failure of the association, partnership, or corporation as well as that of such officer, agent, or other person.

SEC. 13. The Secretary shall have access to the records of the Bureau of the Census hereafter compiled to the extent necessary to obtain the names and addresses of cotton gins and cottonseed-crushing mills.

SEC. 14. (a) The Secretary is authorized to make such rules and regulations as he may deem necessary to effectuate the purposes of this act and for such purposes may cooperate with any other department or agency of the Government, with any State, Territory, or possession of the United States, or any department, agency, or political subdivision thereof.

(b) The Secretary is authorized to appoint and fix the compensation of such officers and employees as may be necessary to carry out this act, but samplers and graders employed under this act on a seasonal basis and working for periods of 6 months or less during any 12-month period may be appointed without regard to the provisions of the Classification Act of 1923, as amended.

(c) The Secretary is authorized to make such expenditures for rent, in the District of Columbia and elsewhere, and for printing, binding, telegrams, telephones, books of reference, publications, furniture, stationery, office and laboratory equipment, travel, passenger automobiles, cottonseed or cottonseed products for use in preparing methods and standards, and other supplies and expenses, including reporting services, as may be necessary for the administration of this act and as may be appropriated for by Congress.

SEC. 15. (a) In carrying out this act the Secretary, or any officer or employee designated by him for such purpose, is authorized to hold hearings, administer oaths, sign and issue subpenas, and examine witnesses. Upon the refusal by any person to appear and testify in response to a subpena so issued, the proper United States district court shall have power to compel obedience thereto.

(b) Any of the powers and duties of the Secretary under this act may be delegated to and executed by any officer, agent, or employee of the Department of Agriculture designated by the Secretary for the purpose.

SEC. 16. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the administration of this act.

SEC. 17. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons and circumstances, shall not be affected thereby.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMISSION TO CITIZENSHIP OF CERTAIN ALIENS

The Clerk called the next bill, H. R. 6381, for the admission to citizenship of aliens who came into this country prior to February 5, 1917.

The Clerk read the title of the bill.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. LESINSKI. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TABER, Mr. MOTT, and Mr. KEEFE objected.

AMENDMENT OF MOUNT RUSHMORE MEMORIAL ACT

The Clerk called the next bill, H. R. 8357, to amend the Mount Rushmore Memorial Act of 1938.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of the Mount Rushmore Memorial Act of 1938, approved June 15, 1938, is amended as follows:

Strike out the words "fifteen hundred acres" and insert in lieu thereof the words "eighteen hundred acres."

Mr. CASE of South Dakota. Mr. Speaker, at the request of the gentleman from Pennsylvania [Mr. RICH], I offer an amendment, which is at the desk. The amendment was drawn to meet problems created by objections to Rushmore legislation previously expressed by the gentleman, was submitted to him today, and by him was gone over with a member of the committee of objectors on this side, the gentleman from New Jersey [Mr. KEAN], and the author of the bill, the gentleman from Illinois [Mr. KELLER], to whom and to me he stated that the amendment was satisfactory, and with its adoption he would have no objection to the passage of the bill.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: Strike out the period and quotation marks and insert the following: "*Provided*, That while appropriations necessary to complete the memorial as authorized by law may be made, no part of any funds appropriated to the Rushmore Memorial Commission may be used for the development of the 300 acres herein proposed to be added to the memorial reserve, and no part of any funds appropriated under any act may be used to pay a royalty or percentage to the sculptor for any work other than that necessarily incident to the sculpturing project."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMISSION FOR THE CELEBRATION OF THE TWO HUNDREDTH ANNIVERSARY OF THE BIRTH OF THOMAS JEFFERSON

The Clerk called the next business, House Joint Resolution 445, to establish a Commission for the Celebration of the Two Hundredth Anniversary of the Birth of Thomas Jeffereson.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That there is hereby established a Commission to be known as the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of Thomas Jefferson (hereinafter referred to as the Commission), and to be composed of 19 commissioners, as follows:

The President of the United States; presiding officer of the Senate; and the Speaker of the House of Representatives, ex officio; eight persons to be appointed by the President of the United States; four Senators by the President pro tempore of the Senate; and four Representatives by the Speaker of the House of Representatives. The Commissioners shall serve without compensation and shall select a chairman from among their number.

SEC. 2. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to be expended by the Commission in accordance with the provisions of this joint resolution.

SEC. 3. That it shall be the duty of the Commissioners, after promulgating to the American people an address relative to the reason of its creation and of its purpose, to prepare a plan or plans and a program for the signalizing of the event, to commemorate which they are brought into being; and to give due and proper consideration to any plan or plans which may be submitted to them; and to take such steps as may be necessary in the coordination and correlation of plans prepared by State commissioners, or by bodies created under appointment by the Governors of the respective States and by representative civic bodies; and if the participation of other nations in the commemoration be deemed advisable, to communicate with governments of such nations.

SEC. 4. That when the Commission shall have approved of a plan of celebration, then it shall submit for their consideration and approval such plan or plans, insofar as it or they may relate to the fine arts, to the Commission of Fine Arts in Washington, for their approval, and in accordance with statutory requirements.

SEC. 5. That the Commission, after selecting a chairman and a vice chairman from among their members, may employ a secretary and such other assistants as may be needed for clerical work connected with the duties of the Commission and may also engage the services of expert advisers; and may fix their respective compensations within the amount appropriated for such purposes.

SEC. 6. The Commissioners shall receive no compensation for their services, but shall be paid their actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties, out of the amount appropriated.

SEC. 7. The Commission shall, on or before the 1st of January 1941, make a report to the Congress in order that enabling legislation may be enacted.

SEC. 8. That the Commission hereby created shall expire within 2 years after the expiration of the celebration, April 13, 1945.

SEC. 9. This joint resolution shall take effect immediately.

With the following committee amendment:

Page 2, line 8, strike out "$10,000" and insert "$5,000."

The amendment was agreed to.

Mr. WOLCOTT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 3, line 20, after the word "expire", strike out the remainder of the paragraph and insert in lieu thereof the following: "upon the completion of its duties, but not later than April 13, 1945."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMANENT TENURE FOR STAR-ROUTE CARRIERS

The Clerk called the bill (S. 1214) to provide for a more permanent tenure for persons carrying the mail on star routes.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. BURCH. This is the third time, Mr. Speaker, that the gentleman has asked that the bill be passed over without prejudice. This bill comes before the House with the unanimous report and recommendation of the Committee on the Post Office and Post Roads. It is a bill that has been agreed on by the star-route mail carriers and the Post Office Department and there is no contention about it. I hope that the gentleman will not ask that the bill be passed over without prejudice.

Mr. SECCOMBE. Mr. Speaker, will the gentleman yield?

Mr. BURCH. Yes.

Mr. SECCOMBE. Being a member of the subcommittee, I call the gentleman's attention to the fact that this bill does not increase the appropriation and there is no expenditure of money.

Mr. BURCH. That is correct.

Mr. TABER. But it gives an opportunity for the Post Office Department to do a lot of manipulating in connection with these contracts.

Mr. BURCH. Oh, I think the gentleman is mistaken there.

Mr. TABER. I shall be obliged to insist upon my objection.

The SPEAKER. Is there objection?

Mr. BURCH. I object.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. TABER. I object.

ADDITIONAL COMPENSATION TO SPECIAL ASSISTANTS TO THE ATTORNEY GENERAL

The Clerk called the bill (H. R. 4366) to authorize the payment of additional compensation to special assistants to the Attorney General in the case of United States against Doheny Executors.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

UNIFORM ADMINISTRATION OF VETERANS' LAWS

The Clerk called the bill (H. R. 8930) to amend section 202 (3), World War Veterans' Act, 1924, as amended, to provide more adequate and uniform administrative provisions in veterans' laws, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Public Law No. 484, Seventy-third Congress, approved June 28, 1934, as amended, is hereby amended by adding a new section thereto numbered 6, to read as follows:

"SEC. 6. There shall be no recovery of payments heretofore or hereafter made under the provisions of this act from any person who, in the judgment of the Administrator, is without fault on his part, and where, in the judgment of the Administrator, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience. No disbursing officer and no certifying officer shall be held liable for any amount paid to any person where the recovery of such amount from the payee is waived under the provisions of this section. This section shall be deemed to be in effect as of June 28, 1934."

SEC. 2. (a) That paragraphs II, III, and IV of Veterans Regulation No. 9 (a), as amended, be further amended to read as follows:

"II. Where an honorably discharged veteran of any war, or a veteran of any war in receipt of pension or compensation dies after discharge, the Administrator, in his discretion and with due regard to the circumstances in each case, shall pay, for burial and funeral expenses and transportation of the body (including preparation of the body) to the place of burial, a sum not exceeding $100 to cover such items and to be paid to such person or persons as may be prescribed by the Administrator. The Administrator may, in his discretion, make contracts for burial and funeral services within the limits of the amount herein allowed without regard to the laws prescribing advertisement for proposals for supplies and services for the Veterans' Administration. No deduction shall be made from the burial allowance because of any contribution from any source toward the burial and funeral (including transportation) unless the amount of expenses incurred is covered by the amount actually paid for burial and funeral (including transportation) purposes by a State, county, or other political subdivision, workmen's compensation commission, State industrial accident board, employer, burial association, or Federal agency: *Provided*, That no claim shall be allowed for more than the difference between the entire amount of the expenses incurred, and the amount paid by any or all of the foregoing agencies or organizations: *Provided further*, That nothing herein shall be construed to cause the denial of or a reduction in the amount of the burial allowance otherwise payable because of a cash contribution made by a burial association to any person other than the person rendering burial and funeral services: *And provided further*, That nothing herein contained shall be construed so as to cause payment of the burial allowance or any part thereof in any case where specific provision is otherwise made for payment of expenses of funeral, transportation, and interment under any other act.

"III. Where death occurs in a Veterans' Administration facility within the continental limits of the United States, the Veterans' Administration will (a) assume the actual cost (not to exceed $100) of burial and funeral, and (b) transport the body to the place of burial within the continental limits of the United States or to the place of burial in Alaska if the veteran was a resident of Alaska and had been brought to the United States as beneficiary of the Veterans' Administration for hospital or domiciliary care. Where a veteran dies while hospitalized under authority of the Veterans' Administration in a Territory or possession of the United States the Veterans' Administration will (a) assume the actual cost (not to exceed $100) of burial and funeral, and (b) transport the body to the place of burial within the Territory or possession.

"IV. Claims for reimbursement must be filed within 2 years subsequent to the date of burial of the veteran. In the event the claimant's application is not complete at the time of original submission, the Veterans' Administration will notify the claimant of the evidence necessary to complete the application and if such evidence is not received within 1 year from the date of the request therefor no allowance may be paid: *Provided*, That the Administrator is authorized and directed to adjudicate any unpaid claim filed within 2 years after the enactment of this act where death occurred on or after March 20, 1933, and claim was not filed within the regulatory period, and to grant burial allowance under the laws and regulations in effect on the date of adjudication after the enactment of this act, if all other requirements are met."

(b) That paragraph III of Veterans Regulation No. 6 (a), as amended, be further amended to read as follows:

"III. To persons unable to defray the cost thereof, transportation and other necessary expenses incidental thereto will be supplied to cover travel to a Veterans' Administration facility for domiciliary or hospital care; to cover return travel to the place from which the person proceeded to the facility, when he is regularly discharged upon completion of such care; and to cover travel involved in a transfer, deemed necessary, from one Veterans' Administration facility to another. All such travel will be subject to grant of prior authorization therefor. In the event of death of any such person within the continental limits of the United States prior to his discharge from such care, transportation expenses (including preparation of the body) for the return of the body to the place of burial within the continental limits of the United States, or to the place of burial in Alaska if the veteran was a resident of Alaska and had been brought to the United States as a beneficiary of the Veterans' Administration for hospital or domiciliary care, may be paid in the discretion of the Administrator of Veterans' Affairs, when deemed necessary and as an administrative necessity. In the event of death of any such person in a Territory or possession of the United States transportation expenses (including preparation of the body) for the return of the body to place of burial within the Territory or possession may be paid."

(c) This section shall be applied to any claim for burial benefits pending in the Veterans' Administration on the date of its enactment.

SEC. 3. Where a disabled person, entitled to pension, compensation, or emergency officers' retirement pay under laws or regulations administered by the Veterans' Administration, and his wife are not living together, or where the child or children are not in the custody of the disabled person; or where, in death cases, the child or children are not in the custody of the widow, the amount of the pension, compensation, or emergency officers' retirement pay may be apportioned as may be prescribed by the Administrator of Veterans' Affairs.

The act of March 3, 1899 (30 Stat. 1379, ch. 460; U. S. C., title 38, secs. 45, 46, 47, and 49), with the exception of the last proviso (U. S. C., title 38, sec. 192), paragraph VII of the Veterans Regulation No. 6 series (U. S. C., title 38, ch. 12, appendix), and all other provisions of law or regulation in conflict with the foregoing are repealed or modified to conform with the provisions of this section.

SEC. 4. That paragraph IV, Veterans Regulation No. 6 (a), as amended (U. S. C., title 38, ch. 12, appendix), is hereby amended to read as follows:

"IV. No person shall be entitled to receive domiciliary, medical, or hospital care, including treatment, who resides outside of the continental limits of the United States or its Territories or possessions: *Provided*, That in the discretion of the Administrator of Veterans' Affairs necessary hospital care, including medical treatment, may be furnished to veterans who are citizens of the United States and who are temporarily sojourning or residing abroad, for disabilities due to war service in the armed forces of the United States."

SEC. 5. That section 3 of Public Law No. 262, Seventy-fourth Congress, approved August 12, 1935, is hereby amended by adding at the end thereof the following sentence: "From and after the date of approval of this amendatory act this section shall be con-

strued to prohibit the collection by set-off or otherwise out of any benefits payable pursuant to any law administered by the Veterans' Administration and relating to veterans, their estates, or their dependents, of any claim of the United States or any agency thereof against (a) any person other than the indebted beneficiary or his estate; or (b) any beneficiary or his estate except amounts due the United States by such beneficiary or his estate by reason of overpayments or illegal payments made under such laws relating to veterans, to such beneficiary or his estate or to his dependents as such: *Provided, however,* That if the benefits be insurance payable by reason of yearly renewable term or of United States Government life (converted) insurance issued by the United States, the exemption herein provided shall be inapplicable to liens existing against the particular insurance contract on the maturity of which the claim is based, to secure unpaid premiums or loans on such contract or interest on such premiums or loans: *Provided further,* That nothing in this amendatory act shall be construed to modify or repeal section 7 of Public Law No. 425, Seventy-fourth Congress, enacted January 27, 1936 (38 U. S. C. 687–b; 49 Stat. 1101)."

SEC. 6. That on and after the date of enactment of this act, World War veterans otherwise entitled to the statutory award under the provisions of the last paragraph of section 202 (3), World War Veterans' Act, 1924, as amended, for the loss of the use of one or more feet or hands, shall be paid $35 per month additional compensation in lieu of $25 per month previously authorized.

SEC. 7. Section 1 of Public Law No. 196, Seventy-sixth Congress, July 19, 1939, is hereby amended by striking therefrom the words "and who was in receipt of compensation therefor on March 19, 1933" and by substituting for the second proviso thereof the following: "*Provided further,* That where a World War veteran dies or has died, and service connection for any of the foregoing conditions is or would have been established under the provisions of this amendment, the surviving widow, child, or children, if otherwise eligible thereto, shall be awarded death compensation under Public Law No. 484, Seventy-third Congress, as amended".

SEC. 8. Public Law No. 196, Seventy-sixth Congress, July 19, 1939, is further amended by adding thereto a new section to be known as section 3, as follows:

"SEC. 3. Payments to veterans and their dependents under the provisions of this amendment shall be effective the date of application for benefits thereunder."

SEC. 9. That when disability compensation or pension based upon service-connected disability has been forfeited by a veteran under section 504 of the World War Veterans' Act, 1924, as amended (43 Stat. 1312; U. S. C., title 38, sec. 555), or section 15 of Public Law No. 2, Seventy-third Congress (48 Stat. 11; U. S. C., title 38, sec. 715), compensation or pension payable except for the forfeiture, from and after the date of suspension of payments to the veteran, shall be paid to his wife, child or children, and/or dependent parents, such payments not to exceed the amount payable in case such veteran had died from such service-connected disability: *Provided,* That no compensation or pension shall be paid to any dependent who has participated in the fraud for which the forfeiture was imposed.

The provisions of section 504, World War Veterans' Act, 1924, as amended, or section 15 of Public Law No. 2, Seventy-third Congress, shall not be construed to prohibit reimbursement on account of expenses incurred in the burial of such veteran otherwise authorized by law, or to prohibit payments of death compensation benefits for service-connected death or under Public Law No. 484, Seventy-third Congress, as amended.

Benefits authorized by this section shall not be paid for any period prior to the date of this enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ANTIETAM BATTLEFIELD SITE

The Clerk called the bill (S. 1780) to authorize the Secretary of the Interior to acquire property for the Antietam Battlefield site in the State of Maryland, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized, in his discretion, to acquire in behalf of the United States, through donations or by purchase at prices deemed by him reasonable, or by condemnation in accordance with the act of August 1, 1888 (25 Stat. 357), lands, buildings, structures, and other property, or interests therein, which he may determine to be of historical interest in connection with the Antietam Battlefield site, the title to such property or interests to be satisfactory to the Secretary of the Interior: *Provided,* That payment for such property or interests shall be made solely from donated funds. All such property and interests shall be a part of the Antietam Battlefield site and shall be subject to all laws and regulations applicable thereto.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

UNIFORM RULE FOR NATURALIZATION OF ALIENS

The Clerk called the bill (H. R. 2176) to amend subsection 10 of section 4 of the act of June 29, 1906 (34 Stat. 596; U. S. C., title 8, sec. 377).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection 10 of section 4 of the act of June 29, 1906 (34 Stat. 596; U. S. C., title 8, sec. 377), entitled "An act providing for a uniform rule for the naturalization of aliens throughout the United States, and establishing the Bureau of Naturalization," as amended and supplemented, is further amended to read as follows: "Any person not an alien enemy, who resided uninterruptedly within the United States during the period of 5 years next preceding July 1, 1925, and was on that date otherwise qualified to become a citizen of the United States, except that he had not made a declaration of intention required by law, and who during or prior to that time, because of misinformation regarding his citizenship status, erroneously exercised the rights and performed the duties of a citizen of the United States in good faith, may file the petition for naturalization prescribed by law without making the preliminary declaration of intention required of other aliens, and upon satisfactory proof to the court that he has so acted may be admitted as a citizen of the United States upon complying in all respects with the other requirements of the naturalization law."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

RELIEF OF NEEDY INDIANS

The Clerk called the bill (H. R. 8937) to authorize an appropriation for the relief of ill-clothed, ill-fed, and ill-housed needy American Indians through utilization of surplus American agricultural and other commodities.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

Mr. O'CONNOR. Mr. Speaker, will the gentleman withhold that request? It is necessary that this bill be passed because many of these Indians in the western country and in the southern country also are in want. It is more necessary to pass this bill than any other similar bill that we know of. If it is not passed, there will be suffering among the Indians not only in the Northwestern States but in the Southern and Western States. This bill provides for the purchase of livestock, farming equipment for Indians, and building of other necessary improvements, as well as furnishing relief. I hope the gentleman will not object to the bill but will permit it to be passed. I cannot object, however, if the gentleman asks that the bill go over without prejudice, because, of course, he will then object to its passage.

Mr. WOLCOTT. The Department makes no recommendation, and the matter apparently has not been presented to the Bureau of the Budget.

Mr. O'CONNOR. No; it has not.

Mr. WOLCOTT. The Department of the Interior apparently makes no recommendation on it whatsoever.

Mr. O'CONNOR. But the Commissioner of Indian Affairs has approved the bill as being necessary to prevent the condition that I have spoken of.

Mr. WOLCOTT. There is nothing in the report to show that the matter has ever been referred to the Indian Bureau or the Bureau of the Budget.

Mr. O'CONNOR. It is in the nature of an emergency bill.

Mr. WOLCOTT. Let me read the first sentence:

There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the sum of $10,000,000, to be immediately available.

Mr. Speaker, over a year ago I announced that the policy of the objectors on this side of the aisle would be that any bill carrying more than a million dollars would be scanned with a great deal of interest, inasmuch as we did not think, as a matter of general policy, that we should pass bills authorizing appropriations of large amounts of money by unanimous consent.

Here we have this situation: This bill authorizes $10,000,000. There is no report from the Indian Bureau and there is no report from the Bureau of the Budget. I think that before we authorize $10,000,000 more out of the Treasury of the

United States we should at least let the people know that we are giving adequate consideration to our action. My principal objection to the bill and my principal reason for wanting it to go over without prejudice, because I do not know that I would vote against the bill if it were considered on the floor, is the amount of money involved. I do not think that we should pass bills by unanimous consent authorizing large amounts of money such as this bill provides for.

Mr. O'CONNOR. I think if the gentleman understood the conditions and had heard the evidence that was offered before the Committee on Indian Affairs he would not oppose this bill.

Mr. WOLCOTT. The reason I am asking that the bill go over is that all Members who have the responsibility of their constituents and taxpayers in their districts should have an opportunity to study those hearings and have them discussed here on the floor, so that we will know what we are doing before we will spend $10,000,000.

Mr. O'CONNOR. This money would be used to purchase surplus commodities such as cotton, grains, and materials of that kind for the use of these people. So it would serve a very good purpose to people who have a surplus of any kind of goods that could be used as well as other materials.

Mr. WOLCOTT. Do the relief acts which we have passed exempt Indians? Cannot the President use the money which we have authorized for relief to feed the ill-fed Indians?

Mr. O'CONNOR. Apparently they are getting very little of it.

Mr. WOLCOTT. Then we are establishing this precedent: We are appropriating $10,000,000 for the relief of a particular class of our citizenry, because they are our citizens, for all practical purposes. Why should I not come here and ask that $10,000,000 be appropriated for the relief of the poor and needy in the Seventh Congressional District of Michigan?

Mr. O'CONNOR. The reason why it is necessary to pass this legislation is because the United States Government, at various times, and the white men at various times during the past 75 years, have taken all of the good lands that the Indians had, and the only thing they have now is what the white man did not want. The only thing the Indians have left is the poor land that is no good.

Mr. WOLCOTT. I may say to the gentleman that because of ill-advised investments on the part of those who were in power, hundreds of my citizens find themselves in very dire circumstances. If we are going to attempt to relieve this situation in respect to the gentleman's Indians, then of course reserve the right to offer an amendment for another ten or twelve million dollars for the relief of my people, and so on ad infinitum all over the United States.

Mr. O'CONNOR. The difference between the gentleman's people and the Indian is that the Indian has already been robbed by the Government and the white man. The only thing he has left is what the white man did not want. That is why he has to come here for relief.

Mr. WOLCOTT. My white and colored citizens have possibly been robbed by other white and colored citizens, so I cannot see the difference.

Mr. O'CONNOR. Well your people have not yet been made wards.

The regular order was demanded.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TIME OF APPOINTMENT OF PRESIDENTIAL ELECTORS AND ELECTION OF SENATORS AND REPRESENTATIVES IN CONGRESS

The Clerk called the next bill, H. R. 8700, to change the time of the appointment of Presidential electors and the election of Senators and Representatives in Congress.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, this is probably one of the most important and far-reaching bills which has been on the floor for months, at least, and possibly years. It will necessitate changing the election machinery in all of the States and Territories of the United States. There is a great deal of merit in the bill. I am in sympathy with the objectives of the bill as far as they go, but I wonder if we can justify passing a bill by unanimous consent without giving consideration to the effect of this bill on the election machinery of the 48 States and Territories. Understand that if this bill is enacted it is going to cause the legislatures of the 48 States between now and 1944 to amend their State laws in respect to the date of election. It advances the date of the general election 30 days, so that the general election will come the first Tuesday after the first Monday in October, and that will necessitate changing the primary date in many of the States. For example, in my own State of Michigan, if I may be pardoned for using that as an example, our primary is late. It is in September. If we advance the date of the general election we have to advance the date of the primary election. In our particular case it would bring the primary election into the very hot and sometimes disagreeable month of August. So we have to give consideration to that situation.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. ROBSION of Kentucky. I wish to call the attention of the gentleman from Michigan to the fact that the gentleman from Ohio [Mr. LEWIS] is necessarily absent, and I wish the gentleman would ask that the bill go over until he can be present.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield for me to make that request?

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield to me?

Mr. WOLCOTT. I yield to the gentleman from Texas first.

Mr. SUMNERS of Texas. Mr. Speaker, I would like very much to have the attention of the gentleman and the attention of the committee to what is proposed by this bill. It is something tremendously important, in so far as the responsibility of this House is concerned, and it is not a difficult thing to understand. Otherwise I would not take the time of the House now.

It is not difficult. Here is the proposition, and it is just as plain as it can be. Before we passed the "lame duck" amendment we inaugurated the President in March. When we passed the "lame duck" amendment we moved the time for the inauguration of the President from March up to January and we left the time for the election of the electors exactly as it was before. Prior to the passage of the "lame duck" amendment we had an average of 120 days intervening between the election and the inauguration. By the "lame duck" amendment we cut off something like 47 days from this time and in addition we injected the possibility of another contest, namely, the contest with reference to the organization of the House. I understand there was one time when it took 22 days to organize the House. Before the "lame duck" amendment, the "lame duck" Congress—the old Congress already organized—of course, functioned with regard to counting the vote, and so forth. Since the "lame duck" amendment the new Congress must be organized before there is any Congress to function. We are in the ridiculous position of having injected an additional possibility of contest, which would require time, of course, and at the same time cutting the time from 120 days, where only two contests were possible, to 73 days, when three contests are possible.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield at that particular point?

Mr. SUMNERS of Texas. I yield.

Mr. WOLCOTT. This bill does not correct that evil, because Congress will still meet on the 3d of January.

Mr. SUMNERS of Texas. Why, of course.

Mr. WOLCOTT. And the President will still take his oath of office on the 20th. So there is nothing in this bill to correct that evil.

Mr. SUMNERS of Texas. Oh, the gentleman is wrong.

Mr. WOLCOTT. The only evil this bill will correct, and rightfully so, is in respect to the contests of the Members of the House and the Senate, and the contests in respect to the election of Presidential electors. Congress will still meet on the 3d of January, and the President will still take his office on the 20th. Those dates are established in the Constitution.

Mr. SUMNERS of Texas. That is the very reason for this bill, I suggest to my friend from Michigan.

Mr. WOLCOTT. Let me understand the gentleman. He called attention to, or at least implied, that this bill would correct a situation where the House found itself unable to organize.

Mr. SUMNERS of Texas. No; my friend permitted his attention to wander for a minute; he did not follow me quite fully.

Mr. WOLCOTT. Do I understand, then, that the gentleman does not contend that this bill changes the date for the convening of Congress or the inauguration of the President?

Mr. SUMNERS of Texas. Why, of coure not.

Mr. WOLCOTT. We are to understand that this bill does not cover that situation at all?

Mr. SUMNERS of Texas. No; of course not. I said the gentleman permitted his attention to slip for a moment; I do not like to have to go back over my statements, but I must.

We cannot, of course, change the time for the inauguration of the President; everybody knows that. That is just as fixed as a stake driven in the ground. Two dates are fixed unalterably, and it can be well represented by this lectern in front of me. The left side of this desk, my left hand, represents the time of electing electors. The right side of this lectern, or my right hand, is the time for the inauguration of the President. When we passed the "lame duck" amendment, to continue the metaphor, we moved my right hand over toward my left hand; we cut 47 days off the intervening interval of 120 days. Anybody with sense is bound to know that we did not have any too much time the way it was before the "lame duck" amendment between the election of electors and the inauguration of the President to determine questions of the honesty of the election of electors, for instance. That was 120 days. Now we have only 73 days, with the possibility of another contest over the organization, and we do nothing about it.

We have actually brought about a situation in this country under which it is possible to elect a President by fraud and not one thing could be done about it. Why? Because there is not a State in the Union that can gear up its judicial machinery fast enough to try the question of fraud in an election of Presidential electors in the time now provided. We have resting on our shoulders a pretty big responsibility to the country, as I see it, and I am trying my best to discharge my part of it. I have been introducing this bill for years. Twice this session I have called attention to its necessity. In addition to the cutting off of the 47 days we have injected the necessity of organizing a new House that has to pass on the election of the President. That did not obtain under the old situation.

What do I propose? I propose to do the practical, horse-sense thing, to put back a part of that time which we cut off. I am trying to put back part of it. We cannot disturb the time when the President is inaugurated, because that is fixed in the Constitution. That end is fixed. We can move up the time of the election of the electors by statute. That end is not fixed. This bill will only give us 30 days. I drafted the bill by which we bring these returns here by mail instead of by messenger. Out of an abundance of caution, I overprotected that then. In the light of experience I can rework the bill and give us another week. That would give us about 37 days. Even then we would still be 10 days short of the old time.

We do not propose by this bill to affect the coming elections, but we want to get it through as soon as we can so the legislatures will have plenty of time to change the time of their elections. It provides it shall not go into effect until 1944. I have been 6 years trying to get the House to do something about this thing. One of these days this inexcusable neglect of duty may cause this country to face a mighty dangerous crisis.

Mr. BREWSTER. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Maine.

Mr. BREWSTER. I am thoroughly in accord with taking this step back to the first Monday in October. I think it is a long step in the right direction. But I wonder why the gentleman does not complete it and come back to the second Monday in September, to which the State of Maine has always and wisely adhered?

Mr. SUMNERS of Texas. They say that the Nation follows Maine, but I just did not have that in mind. I do not want to take the time of the House further. I know other gentlemen are trying to get their bills through.

Mr. COCHRAN. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Missouri.

Mr. COCHRAN. We are going to be required in a great many States of the Union to change our State laws in order to comply with this proposal.

Mr. SUMNERS of Texas. This gives you 4 years in which to do that. You are going to have to do it anyway or we will have a situation where you can elect a President by fraud and we can do nothing about it.

Mr. COCHRAN. The gentleman from Texas must remember that we have 48 States in the Union.

Mr. SUMNERS of Texas. Yes; I heard about that.

Mr. COCHRAN. They are going to be required to change their State laws or have two elections.

Mr. SUMNERS of Texas. Yes.

Mr. COCHRAN. What does it cost to have an election in a State?

Mr. SUMNERS of Texas. How much does the gentleman think it would cost the Nation to know that a President had been elected by crookedness and the National Legislature had not provided any way to avoid it?

Mr. COCHRAN. Would it not be better to consider the advisability of amending the Constitution, then when the States ratified it they would automatically take care of the situation in their States?

Mr. SUMNERS of Texas. I am not personally willing to assume the responsibility of sitting in my place in this House and knowing that because of my failure to legislate a President could be elected by fraud and I did nothing about it, and then excuse myself by talking about a constitutional amendment; and I say that in all respect.

Mr. WOLCOTT. It seems to me this debate we have just had proves the importance of this subject. We will have to take into consideration in addition to these statements the fact that some of the State constitutions might have to be changed, because if a State constitution provides that an election shall be held in November, then a constitutional amendment will be necessary to change the date. So we have to proceed with caution or we will find ourselves in a position where many of our States will be holding their elections in October and some of them holding their elections in November. For the reason that I think we should spend a great deal of time to debate this bill so that the delegations representing the several States may be heard on this question, I ask unanimous consent that the bill may be passed over without prejudice.

Mr. SUMNERS of Texas. May I suggest to the gentleman that he object to the bill?

Mr. WOLCOTT. I do not want to object to the bill because I do not know that I am opposed to it.

The SPEAKER pro tempore (Mr. McCORMACK). Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

Mr. SUMNERS of Texas. I object.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. The gentleman leaves me no other recourse than to object.

Mr. SUMNERS of Texas. Mr. Speaker, I withdraw my objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT] that the bill be passed over without prejudice?

There was no objection.

PROCUREMENT WITHOUT ADVERTISING

The Clerk called the next bill, H. R. 8152, providing for procurement without advertising.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama [Mr. SPARKMAN]?

Mr. CASE of South Dakota. Mr. Speaker, I wonder if the gentleman would not withdraw that objection. I have talked this bill over with its author, and I think the amendment which he has pending on the desk and which I have pending on the desk will meet all objections. I think it is time that the bill be considered.

Mr. COSTELLO. I understand those amendments merely refer to the procurement of horses and polo ponies as far as the War Department is concerned. It is my understanding those are only a minor part of the cases in which the War Department makes purchases of amounts up to approximately $500. If this bill goes through requiring the War Department to make those purchases by giving formal notice and taking bids, it is going to offset their established policy, and I may say there are approximately 37,000 cases now pending.

Mr. COCHRAN. I may say to the gentleman from California that this bill is brought about because of the dozens of exemptions that have been placed on appropriation bills in the last few years. The exemptions provide the statute does not apply to the purchase of certain material. For instance, in the Navy and Army you can spend all the money that we appropriate for the medicine, if they desire, without advertising. The Agriculture Department can buy all the poison they need to destroy insects, and so forth, without advertising. Do you say that is sound business?

The businessmen in this country who sell standard supplies have complained that under these exemptions it is possible to give the business to some one firm. I do not say there is anything wrong, but the opportunity is there. If we do ever find that there is something wrong, then the Congress as well as the procurement officer will be to blame for having a statute that will permit them to do something wrong if they desire to do it.

I have gone into this matter with the War Department officials and with the Navy Department and other officials and I know that some of them are not satisfied. They do not want to give up a thing that they have. I believe that this bill in its present form takes care of what the gentleman from Minnesota is interested in, but I am willing to accept his amendment. However, I can tell you there is going to be a day when we shall look into the purchase of stallions, horses, and mules. We have about 700 stallions now and they are buying 50 to 70 more a year. What are they doing with all of them?

This is a bill the Comptroller General says will save money. It liberalizes the situation to some extent when we are making the uniform amount $100. I think it is sound legislation, and I hope the gentleman will not object.

Anything that is fundamentally right, that sets up standard specifications for procurement should not be objected to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama that the bill be passed over without prejudice?

There was no objection.

FILLING OF ALL VACANCIES IN POSITION OF ASSISTANT POSTMASTER IN FIRST- AND SECOND-CLASS POST OFFICES

The Clerk called the next bill, H. R. 8171, to require the filling of all vacancies in the position of assistant postmaster in first- and second-class post offices.

Mr. WOLCOTT. Reserving the right to object, Mr. Speaker, this bill is not recommended by the Department. There are 80 vacancies which have not been filled in the office of assistant postmasters. This bill provides for the creation of 2,038 new jobs at an annual cost of $4,627,700.

Mr. BURCH. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Virginia.

Mr. BURCH. I am satisfied the gentleman is not correct in his statement. This bill does not provide for 2,038 special or extra jobs, it simply provides that assistant postmasters shall be appointed by the Post Office Department. Quite often, as is now the case, a vacancy occurs and a clerk is named to fill that position and does fill the position, thus not increasing the personnel or reducing the personnel. The bill provides that someone shall be made the assistant postmaster. Often a clerk is named to act in that place. He has to assume the responsibility and he has to give an additional bond, but he is not the assistant postmaster, and if the postmaster should die there is always some trouble and embarrassment.

Mr. WOLCOTT. May I quote to the gentleman and for the RECORD from the letter of the Honorable James A. Farley, Postmaster General:

> There are 4,809 first- and second-class post offices and under present law 8 of the largest first-class post offices are entitled to 2 assistant postmasters. Thus a total of 4,817 assistant postmasters would be required. At the present time, we are carrying on the rolls a total of 2,699 assistant postmasters and there are 80 vacancies where the position has been authorized but at the present time it is not filled. This bill would require that we appoint 2,038 additional assistant postmasters.

There are 80 cases where the position has been authorized but at the present time the vacancy has not been filled. This bill would require that we appoint 2,038 additional assistant postmasters. The difference, as I see it, is that at the present time they may do so but this bill requires that they do so.

Mr. BURCH. The bill does require them to appoint assistant postmasters, but if the gentleman will read a little further he will see that this bill will not increase the personnel. The bill simply provides that assistant postmasters shall be appointed instead of a clerk being substituted as the assistant postmaster.

Mr. WOLCOTT. Let me quote to the gentleman the next paragraph, then. If the gentleman does not believe this bill will create 2,038 additional assistant postmasters, then the Postmaster General must be wrong in his statement when he states:

> This bill would require that we appoint 2,038 additional assistant postmasters.

With reference to the cost, may I call attention to the next paragraph of the Postmaster General's letter:

> If all of these positions were filled; that is, if an assistant postmaster were authorized at each of the first- and second-class offices, it would require an appropriation of $11,769,700. The appropriation bill now before Congress carries an item for assistant postmasters for the fiscal year 1941 of $7,142,000. In filling all of these positions, it would require an addition of $4,627,700 to the amount carried in the bill now pending before Congress. In other words, the increased cost in this particular appropriation would be $4,627,700.

Mr. BURCH. No.

Mr. WOLCOTT. I do not believe that this House or this Congress should force the Postmaster General to appoint over 2,000 assistant postmasters whom he apparently does not need, because he has not fulfilled all the requirements we have provided for at the present time.

Mr. BURCH. If the gentleman will read a little further in the Postmaster General's letter, he will find this:

> The authorization of an assistant postmaster at a second-class office would not necessarily mean any increase in the personnel.

Further, the Postmaster General states that the net cost of this bill would be $347,900. The gentleman will find that about the middle of page 2 of the committee report.

The object of this bill is to have assistant postmasters appointed. The law provides that assistant postmasters shall be appointed. I will be frank with you and say that the Postmaster General and the Post Office Department will be glad to do this. The trouble has been that they have not been

given sufficient appropriations to appoint these assistant postmasters.

Mr. WOLCOTT. In answer to the gentleman, let me quote the last three paragraphs of the Postmaster General's letter, in which he states:

This bill would make the appointments mandatory, which would automatically require a sufficient appropriation.

Mr. BURCH. That is correct.

Mr. WOLCOTT. Continuing:

The bill requires that all vacancies be filled within 60 days after they occur and to this provision the Department must object for the reason that it has long been the policy to require an employee to serve a 90-day probationary period in a supervisory position before he is actually promoted in salary. To make the appointment within 60 days would nullify the 90-day probationary period now required.

Mr. BURCH. The committee amendment provides for 120 days.

Mr. WOLCOTT. The letter concludes:

It has been ascertained from the Bureau of the Budget that the proposed legislation is regarded as unnecessary and that its enactment would not therefore be in accord with the program of the President.

The Department does not want the bill, so why should we force it upon them? For that reason, I object to the consideration of the bill, Mr. Speaker.

AUTHORIZATION OF CONVEYANCE TO COMMONWEALTH OF VIRGINIA OF PORTION OF NAVAL RESERVATION IN PRINCE WILLIAM COUNTY, VA.

The Clerk called the next bill, H. R. 4229, authorizing the conveyance to the Commonwealth of Virginia a portion of the naval reservation known as Quantico in Prince William County, Va.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized and empowered in the name and on behalf of the United States of America to convey to the Commonwealth of Virginia, upon such terms and conditions as he may prescribe, all right, title, and interest of the United States of America in and to that portion of the Quantico Naval Reservation, Prince William County, Va., upon which the State of Virginia has been granted permission to construct and maintain a State highway designated as Route No. 1 by an instrument dated : *Provided*, That the Secretary of the Navy is authorized to make such deviations in the description of the land involved as may be necessary to carry out the purposes and intent of this act.

SEC. 2. This act shall be in force from the date of its passage.

With the following committee amendment:

On page 2, in line 2, after the word "dated", insert "February 10, 1933."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GIFT OF THE YACHT "FREEDOM"

The Clerk called the next bill, H. R. 8983, authorizing the Secretary of the Navy to accept on behalf of the United States a gift of the yacht *Freedom* from Sterling Morton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to accept on behalf of the United States, without expense to the Government, the yacht *Freedom* and her equipment as a gift from her owner, Sterling Morton, to the United States Naval Academy.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRANT OF CERTAIN REAL ESTATE BY THE CITY OF MIAMI, FLA.

The Clerk called the next bill, H. R. 7543, to authorize the Secretary of the Navy to accept real estate granted to the United States by the city of Miami, Fla., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to accept on behalf of the United States the real estate granted to the United States by the city of Miami, Fla., in manner provided by and in accordance with provisions of resolution No. 15635, adopted by the Commission of the City of Miami, Fla., on September 20, 1939.

With the following committee amendment:

Line 9, strike out the period, insert a comma in lieu thereof, and insert the following: "as amended by resolution No. 16087, adopted by the Commission of the City of Miami, Fla., on April 5, 1940."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTABLISHMENT OF HOT SPRINGS DIVISION OF THE WESTERN JUDICIAL DISDRICT OF ARKANSAS

The Clerk called the next bill, H. R. 7811, to establish the Hot Springs division of the western judicial district of Arkansas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsections (a), (b), (c), (d), (e), (f), and (g) of section 71 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, sec. 144), are amended to read as follows:

"SEC. 71. (a) The State of Arkansas is divided into two districts, to be known as the western and eastern districts of Arkansas.

"(b) The western district shall include five divisions constituted as follows: The Texarkana division, which shall include the territory embraced on July 1, 1920, in the counties of Sevier, Howard, Little River, Hempstead, Miller, Lafayette, and Nevada; the El Dorado division, which shall include the territory embraced on such date in the counties of Columbia, Ouachita, Union, Ashley, Bradley, and Calhoun; the Fort Smith division, which shall include the territory embraced on such date in the counties of Polk, Scott, Logan, Sebastian, Franklin, Crawford, Washington, Benton, and Johnson; the Harrison division, which shall include the territory embraced on such date in the counties of Baxter, Boone, Carroll, Madison, Marion, Newton, and Searcy; the Hot Springs division, which shall include the territory embraced on such date in the counties of Pike, Clark, Garland, Grant, Hot Springs, Montgomery, and Saline.

"(c) Terms of the district court for the Texarkana division shall be held at Texarkana on the second Mondays in May and November; for the El Dorado division, at El Dorado on the third Mondays in April and October; for the Fort Smith division, at Fort Smith on the second Mondays in January and June; for the Harrison division, at Harrison on the first Mondays in April and October; and for the Hot Springs division, at Hot Springs on .

"(d) The clerk of the court for the western district shall maintain an office in charge of himself or a deputy at Texarkana, Fort Smith, El Dorado, Harrison, and Hot Springs. Such offices shall be kept open at all times for the transaction of the business of the court.

"(e) The eastern district shall include four divisions constituted as follows: The eastern division, which shall include the territory embraced on July 1, 1920, in the counties of Desha, Lee, Phillips, St. Francis, Cross, Monrce, and Woodruff; the northern division, which shall include the territory embraced on such date in the counties of Fulton, Independence, Cleburne, Stone, Izard, Sharp, and Jackson; the Jonesboro division, which shall include the territory embraced on such date in the counties of Crittenden, Clay, Craighead, Greene, Mississippi, Poinsett, Randolph, and Lawrence; the western division, which shall include the territory embraced on such date in the counties of Arkansas, Chicot, Cleveland, Conway, Dallas, Drew, Faulkner, Jefferson, Lincoln, Lonoke, Perry, Pope, Prairie, Pulaski, Van Buren, White, and Yell.

"(f) Terms of the district court for the eastern division shall be held at Helena on the second Monday in March and the first Monday in October; for the northern division, at Batesville on the fourth Monday in May and the second Monday in December; for the Jonesboro division, at Jonesboro on the first Monday in May and the fourth Monday in November; and for the western division, at Little Rock on the first Monday in April and the third Monday in October.

"(g) The clerk of the court for the eastern district shall maintain an office in charge of himself or a deputy at Helena, Batesville, Jonesboro, and Little Rock. Such offices shall be kept open at all times for the transaction of the business of the court."

SEC. 2. The act of April 21, 1926 (ch. 168, 44 Stat. 304), is hereby repealed.

With the following committee amendments:

Page 2, line 14, strike all of said line 14 and insert in lieu thereof "Grant, Hot Springs, and Montgomery."

Page 2, line 22, after the word "on", insert "the third Mondays in March and September: *Provided*, That accommodations for holding terms of court at Hot Springs shall be furnished free of cost to the United States."

Pages 2 and 3, subsection (d), strike out the first sentence of said subsection (d) and insert in lieu thereof "The clerk of the court for the western district shall maintain an office in charge of himself or a deputy at Texarkana, Fort Smith, El Dorado, and Harrison."

Page 3, line 16, after "Pulaski", insert "Saline."

The committee amendments were agreed to.

Mr. McLAUGHLIN. Mr. Speaker, I offer the following committee amendments:

The Clerk read as follows:

Amendments offered by Mr. McLAUGHLIN:

On page 1, line 10, strike out "five" and insert in lieu thereof "six."

Page 2, line 9, strike out "Washington, Benton,"

Page 2, line 12, strike out "Madison,"

Page 2, line 12, after the semicolon insert "the Fayetteville division, which shall include the territory embraced on such date in the counties of Benton, Madison, and Washington; and"

Page 2, line 23, after the semicolon insert "for the Fayetteville division at Fayetteville on the second Mondays in March and October: *Provided*, That suitable rooms and accommodations for holding court at Fayetteville are furnished without expense to the United States: *And provided further*, That nothing in this section shall be construed to prevent the provision of quarters for the officers of said court and appropriate courtrooms for the holding of the sessions of said court in any new Federal building which may be constructed in Fayetteville;"

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

SALE OF CERTAIN LANDS TO THE CONCONULLY CEMETERY ASSOCIATION

The Clerk called the next bill, H. R. 8316, authorizing the Secretary of the Interior to sell certain land to the Conconcully Cemetery Association.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I would like to have the author of this bill explain the measure.

Mr. LEAVY. Mr. Speaker, this bill involves the acquisition of 30 acres of land at an ancient white cemetery established when that part of the State of Washington was part of the Territory of Oregon. This land is public domain now, but has been withdrawn from acquisition of title by reason of being held for an irrigation reservoir, but this tract of 30 acres lies above any possible flooding and the descendants of the folks who are buried there are still using it as a burial ground and desire to acquire title to it. They will pay the Government the customary price.

Mr. O'CONNOR. It will not cost the Government anything?

Mr. LEAVY. It will bring the Government some money.

Mr. O'CONNOR. I do not object to the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subject to Executive Order No. 1032 of February 25, 1909, withdrawing lot 5, section 7, township 35 north, range 25 east, Willamette meridian, Okanogan County, Wash., and other lands, and setting them apart for the use of the Department of Agriculture as preserves and breeding grounds for native birds, the Secretary of the Interior, upon payment therefor at the rate of $1.25 per acre shall cause a patent to issue to the Conconcully Cemetery Association, for cemetery uses, for all of lot 5, section 7, township 35 north, range 25 east, Willamette meridian, Okanogan County, Wash., except the 300-foot strip along the westerly border of such lot, heretofore determined by the Commissioner of Reclamation to be necessary for reclamation purposes, which shall be reserved from such grant. Except for the uses herein authorized, neither this act nor the patent that may issue thereunder shall be construed as abrogating or in any manner affecting the aforesaid Executive order of February 25, 1909, which order shall otherwise remain in full force unless and until revoked by the President or by act of Congress.

With the following committee amendments:

Page 1, line 9, strike out the word "shall" and insert in lieu thereof the word "may."

Page 1, line 10, strike out the word "Conconcully" and insert in lieu thereof the word "Conconully."

Page 2, line 5, strike out the word "reserved" and insert in lieu thereof the word "excepted."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill authorizing the Secretary of the Interior to sell certain land to the Conconully Cemetery Association."

WITHDRAWAL OF NATIONAL-FOREST LANDS FOR PROTECTION OF WATERSHEDS

The Clerk called the bill (S. 229) to authorize the withdrawal of national-forest lands for the protection of watersheds from which water is obtained for municipalities, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. CASE of South Dakota. Mr. Speaker, I reserve the right to object. This bill is a rather sweeping bill. It would authorize the withdrawal of national-forest lands from all forms of location. It authorizes the Secretary of Agriculture to prescribe rules and regulations necessary in his opinion to protect the watersheds, including a regulation forbidding persons other than forest officers and representative of a municipality from even going on the lands. Under the circumstances I think the bill is pretty far reaching. I ask unanimous consent that it be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PENSIONS FOR CHILDREN OF DECEASED VETERANS, SPANISH-AMERICAN WAR

The Clerk called the bill (H. R. 2874) to provide that pensions otherwise payable for a child of a deceased veteran of the Spanish-American War, Boxer Rebellion, or Philippine Insurrection shall continue until the child reaches the age of 21 where he is attending accredited school, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

Mr. SMITH of Washington. Mr. Speaker, I reserve the right to object. I hope that the gentleman will not ask that the bill be passed over without prejudice, because if it is to be acted on by the Senate after having passed the House, before adjournment, we have not time to lose. The bill changes the eligibility ages of children of veterans of the Spanish-American War from 16 years to 18 years and to 21 years, if the child is attending an accredited school, approved by the Administrator of Veterans' Affairs. That would make the ages correspond with the ages of children of veterans of the World War under existing law. That is all the bill does. It was favored by General Hines when he appeared before the Pensions Committee at the hearings which were held February 8, 1939. General Hines before the committee advocated the passage of this bill to eliminate the inequality now existing, but the Budget has made the usual objection. It will affect 5,900 children of veterans of the Spanish-American War. The President, under paragraph 6 of Veterans Regulation No. 10, provided that the ages should be uniform as applied to children of veterans of the Spanish-American War, the Regular Establishment, and the World War. That regulation, however, was superseded by the passage of the act, Public Law 269, Seventy-fourth Congress, in which we restored the pensions and reenacted the act of 1926. Consequently, we have this existing disparity and inequality in the ages as compared with children of the veterans of the World War and the Regular Establishment.

Mrs. ROGERS of Massachusetts. And this does not involve many children, does it?

Mr. SMITH of Washington. It does not. It is an inequality it seems to me which should be corrected. The following letter sets forth the views of the Veterans of Foreign Wars in support of this legislation:

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Washington, D. C., May 6, 1940.

Re H. R. 2874.

The Honorable MARTIN F. SMITH,
Chairman, House Committee on Pensions,
House Office Building, Washington, D. C.

MY DEAR MR. SMITH: Very probably, H. R. 2874, "a bill to provide that pensions otherwise payable for a child of a deceased veteran of the Spanish-American War, Boxer Rebellion, or Philippine Insurrection shall continue until the child reaches the age of 21, where he is attending accredited school, and for other purposes," will be called up for consideration on the House floor from its position on the Consent Calendar this afternoon.

It will be remembered that when hearings were held before your committee about a year ago concerning this bill and others, Gen. Frank T. Hines, Administrator of Veterans' Affairs, during the course of his testimony, stated to the assembled members of the com-

mittee that he was in favor of the provisions of this bill on the ground that it would bring about the same eligibility for the receipt of pensions on the part of children of deceased Spanish-American War veterans up to the age of 18, or up to the age of 21, if attending an accredited school, in the same manner as now payable to the eligible dependent children of deceased World War veterans, and thus to bring about a greater uniformity as between the two groups, so far as eligibility on the basis of age is concerned.

It seems to me that it ought to be emphasized that continued payment of pensions otherwise payable to the child of a deceased veteran of the Spanish-American War, Boxer Rebellion, or Philippine Insurrection, until the child reaches the age of 21, where he is attending an accredited school, thus, in effect, means that such continued pension payments will be used primarily for educational purposes, for the 5,900 children of deceased Spanish-American War veterans who would be affected during the first year after the enactment of such bill. The cost, after the first year, would be a decreasing cost. It will be noted that the formal report of the Administrator of Veterans' Affairs indicates that the estimate of "approximate cost of $794,000 for the fiscal year 1940" to affect 5,900 children, "may be considered the maximum cost." It is altogether probable that a considerably lesser number of children of deceased Spanish War veterans will avail themselves of the opportunity to continue to go to an accredited school and thus to be entitled to the continuance of the pension payable to them under present law, up to the age of 16, rather than to the smaller amounts to which they are entitled after that age, under the provisions of the regulations of Public Law No. 2.

It seems a very unfair proposition that the amount of pension payable to these children of deceased Spanish-American War veterans should be drastically reduced after they have attained the age of 16, because of the fact that they are entitled to pensions thereafter up to the age of 18, or up to the age of 21, if attending an accredited school, on the basis of the lesser amounts of pension payable under the provisions of Public Law No. 2. It would seem to be in the interest of justice that the same amounts of pension payable to them prior to the age of 16 should continue to be paid up to the same ages as if they were the children of deceased World War veterans.

In the interest of greater uniformity and simple justice to those children affected, as well as in the interest of encouraging such children to pursue their educational courses, the Veterans of Foreign Wars earnestly believes that this proposed legislation ought to be enacted into law by this Congress.

With kind regards, I am,

Respectfully yours,

MILLARD W. RICE,
Legislative Representative.

Mr. COSTELLO. Mr. Speaker, does not this bill provide for greater benefits than we now grant to the World War children? Does not the age go on further, from 18 to 21, and is not that a new policy, so far as veterans' legislation is concerned?

Mr. SMITH of Washington. No; not from the ages 18 to 21 it is not a new policy, because the children of veterans of the World War have received benefits between those ages. There is some difference in the rate, but the World War Veterans' Committee has reported out a bill, H. R. 9000, which will come before the House shortly, which provides for the same eligibility benefits for children of veterans of the World War as now received by children of the veterans of the Spanish-American War. By this change in the ages we are merely correcting and equalizing and Congress undoubtedly will correct the inequality in rate as to children of the World War veterans. We can best do one thing at a time. Let us equalize and make uniform the ages under this bill and make the rates uniform later. We will probably accomplish the latter by the passage of H. R. 9000, as I have suggested. It seems to me that that is no reason why we should not act on this bill.

Mr. COSTELLO. That apparently is the difficulty that comes up in all veterans' legislation. As soon as an inequality is created, then legislation has to be passed for some other group in order to eliminate the inequality, and it has been the experience in the House that every time the committee eliminates one inequality they create another, and in their effort to remove one inequality nearly always go beyond the requirements of that inequality by providing additional benefits. That creates a new situation and requires the committee to come in again and pass other legislation to eliminate this new inequality. If an inequality is created as to one group, then another group will come in and try to get extra benefits for itself and use as an excuse for it the fact that some minor inequality does exist.

Mr. SMITH of Washington. Of course, that is not true as far as this particular group of children is concerned, because they would only receive the same consideration, according to age, as the children of veterans of the Regular Establishment and the World War at the present time. That is, we are correcting a present inequality in ages. In view of the fact that the children take benefits which would otherwise go to widows, their deceased mothers, they are certainly a most deserving group, and the money would go to pay for their education. There certainly could not be any more worthy purpose than that.

Mr. COSTELLO. I agree with the gentleman as to the worthy purpose, but we have this very definite statement in the conclusion of the letter of the Administrator of Veterans' Affairs:

> The Director, Bureau of the Budget, has advised "inasmuch as enactment of H. R. 2874 would exaggerate still further the inequalities now existing between the Spanish-American and World War groups, the bill would not be in accord with the program of the President."

In other words, in an attempt to try to eliminate one inequality you are creating a greater inequality between this group and the World War group, which undoubtedly the World War group will demand be eliminated.

I think for the present the bill should be passed over, and we should have further consideration of it and not create these additional inequalities.

The gentleman has referred to the bill H. R. 9000. There, again, is a similar case of trying to eliminate certain inequalities. The World War veterans, in attempting to get equal treatment for widows and orphans in the World War group, are going 'way beyond and bringing in the parents of World War veterans. It has been the experience in all this legislation that we are passing that each time another group of inequalities is created, and I do not think we should do so.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. I yield to the distinguished gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Of course, the gentleman realizes there is a dependency clause in the so-called Rankin bill for dependent mothers and fathers and also a dependency clause for widows and orphans. That has never been in any Spanish War veteran bill or in any other World War veteran bill. You have a totally new conception there. In this case, however, does not the gentleman feel it is so difficult to secure employment that it is very important to allow these boys and girls to complete their education? It is only a short time longer that they would be on the pay roll anyway.

Mr. COSTELLO. As far as this particular bill is concerned, it is not so much the amount of money that is concerned, but it is the fact we are creating these inequalities.

The regular order was demanded.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California that the bill be passed over without prejudice?

Mr. SMITH of Washington. Mr. Speaker, I feel constrained to object.

The SPEAKER pro tempore. Objection is heard. Is there objection to the present consideration of the bill?

Mr. COSTELLO. Mr. Speaker, under the circumstances, I must object.

WARTIME PENSION RATES FOR SERVICE-CONNECTED DISABILITY FOR SPANISH-AMERICAN WAR VETERANS

The Clerk called the next bill, H. R. 5180, to provide Spanish War veterans wartime pension rates for service-connected disability or death of certain veterans of the Spanish-American War recognized by veterans regulations as "veterans of any war," and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Veterans Regulation No. 1 (a), as amended (U. S. C., 1934 ed., title 38, ch. 12, appendix), is further amended by adding to paragraph 1 of part II the following subparagraph:

"(d) Any veteran or the dependents of any deceased veteran who served in the military or naval service of the United States

between August 13, 1898, and July 4, 1902, both dates inclusive, and who left the continental United States under orders for military or naval service in Guam, Cuba, or Puerto Rico between such dates who is otherwise entitled to pension under the provisions of part II of this regulation, based upon such service shall be entitled to receive the rate of pension provided in part I of this regulation."

With the following committee amendment:

Page 2, line 6, after the word "regulation", insert "and amendments thereto, and subject to the conditions and limitations prescribed therefor."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZED ENLISTED STRENGTH OF MEDICAL DEPARTMENT OF THE REGULAR ARMY

The Clerk called the next bill, S. 3654, to amend section 10, National Defense Act, as amended, with relation to the maximum authorized enlisted strength of the Medical Department of the Regular Army.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 10 of the National Defense Act, as amended by the act of June 4, 1920 (41 Stat. 766), be, and the same is hereby, amended so as to provide that hereafter the authorized maximum number of enlisted men of the Medical Department of the Regular Army shall be in each fiscal year such number as shall equal 7 percent of the average annual pay strength of the active list of the Regular Army and the average strength of all other military personnel on extended active duty with the Regular Army during such fiscal year: *Provided*, That in event of actual or threatened hostilities involving the United States the President may, within the limit of the total authorized strength of the Regular Army, authorize additional enlistments in the Medical Department to such number as he may deem necessary.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ENLISTMENTS IN THE ARMY IN TIME OF WAR, ETC.

The Clerk called the next bill, S. 3470, to amend the National Defense Act of June 3, 1916, as amended, to provide for enlistments in the Army of the United States in time of war, or other emergency declared by Congress, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 127a, added to the National Defense Act of June 3, 1916 (39 Stat. 166), by section 51 of the act of June 4, 1920 (41 Stat. 785), as amended, be, and the same is hereby, further amended by inserting after the concluding paragraph thereof a new paragraph to read as follows:

"In time of war or other emergency declared by Congress, all enlistments in the active military service of the United States shall be in the Army of the United States without specification of any particular component or unit thereof and shall be for the duration of the war or other emergency plus 6 months, subject in each case to earlier discharge at the discretion of the President or otherwise according to law. Eligibility for such enlistment shall be limited to persons not less than 18 years of age and otherwise qualified under such regulations as the Secretary of War shall prescribe. The oath or affirmation of enlistment set forth in Article of War 109 shall be used and may be taken before any officer of the Army of the United States. All persons enlisted at any time in the Army of the United States or any component thereof, as long as they continue in the military service, shall, in time of war or other emergency declared by Congress, be available for assignment to duty with any unit of the Army of the United States and may be freely transferred from one unit to another, regardless of the component status of the units involved."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REQUIREMENTS FOR APPOINTMENT IN DENTAL CORPS, UNITED STATES ARMY

The Clerk called the next bill, S. 3633, to amend section 24e, National Defense Act, as amended, so as to add an alternative requirement for appointment in the Dental Corps.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the next to the last sentence of section 24e, of the National Defense Act, as amended by section 7 of the act of April 3, 1939 (Public, No. 18, 76th Cong.), be, and the same is hereby, amended to read as follows: "To be eligible for appointment in the Dental Corps, a candidate must be a graduate of a recognized dental college, and have been engaged in the practice of his profession for at least 2 years subsequent to graduation, or must have, after such graduation, satisfactorily completed a dental internship of not less than 1 year in a hospital or dispensary."

The bill was ordered to be read a third time, was read the third time, and passed. A motion to reconsider was laid on the table.

ESTABLISHMENT OF BOUNDARY LINES OF WILMINGTON NATIONAL CEMETERY, N. C.

The Clerk called the next bill, H. R. 9121, to authorize the establishment of boundary lines for the Wilmington National Cemetery, N. C.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that the bill S. 3675, a similar bill, be substituted for the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to enter into and execute an agreement or agreements with the owners or claimants of adjoining land to fix and establish the location of the boundary lines of the Wilmington National Cemetery, N. C., and he may, if he deems it advisable, give to or receive from such owners or claimants appropriate releases, by way of quitclaim deeds or otherwise.

The bill was ordered to be read a third time, was read the third time, and passed. A motion to reconsider was laid on the table.

A House bill (H. R. 9121) was laid on the table.

AMERICAN NEGRO EXPOSITION

The Clerk called the next bill, H. R. 8826, to authorize an appropriation to assist in defraying the expenses of the American Negro Exposition to be held in Chicago, Ill., during 1940.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is authorized to be appropriated the sum of $75,000 out of any funds in the United States Treasury not already otherwise appropriated, to assist in defraying the expenses of the American Negro Exposition to be held in Chicago, Ill., from July 4, 1940, to September 2, 1940, for the purpose of celebrating the seventy-fifth anniversary of the emancipation of the Negro and of showing the progress, advancement, and achievements of the Negro race during the past 75 years. Such sum shall be expended by an auxiliary commission composed of three persons to be appointed by the President of the United States, one of whom shall be a Member of the House of Representatives, one a Member of the United States Senate, and a third to be selected by the President, which auxiliary commission shall work in conjunction with the Afra-Merican Emancipation Exposition Commission appointed by the Governor of the State of Illinois under the direction and supervision of the Governor of the State of Illinois.

With the following committee amendment:

Page 2, line 2, insert "in the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES GRAIN STANDARDS ACT

The Clerk called the next bill, H. R. 7696, to amend the United States Grain Standards Act, to provide for the grading of soybeans, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Grain Standards Act is amended as follows:

(a) By inserting after "flaxseed", in the first sentence of section 2 thereof, the following: "soybeans."

(b) By striking out in the second sentence of section 7 thereof the following: ": *Provided*, That in any State which has, or which may hereafter have a State grain-inspection department estab-

lished by the laws of such State, the Secretary of Agriculture shall issue licenses to the persons duly authorized and employed to inspect and grade grain under the laws of such State."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEFINING AND CLASSIFYING INDIAN GRATUITY EXPENDITURES

The Clerk called the next business, Senate Joint Resolution 101, defining and classifying gratuity expenditures allowable as offsets in favor of the United States and against the Five Civilized Nations or Tribes of Indians.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this resolution may be passed over without prejudice.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, this is a bill that defines and classifies the gratuity expenditures allowable as offsets in favor of certain Indians. I have a long report on this bill. I will not take the time of the House now to go into it at length but I merely state that we had better keep our eyes open, for this legislation sets a precedent. While there are many classes of gratuities that are affected by this legislation I will tell you of one only, that is, a class of gratuities that amounts to $12,000,000 with interest for 100 years.

The point I want to impress upon you is that if you pass such a bill for the Five Civilized Tribes you will be required to pass the same kind of a bill for every Indian tribe in the United States, which will result in the provision in the Deficiency Act of 1935 being worthless. That provision is what has saved the taxpayers of this country hundreds of millions of dollars.

Mr. Speaker, I therefore object to this bill going over without prejudice.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COCHRAN. Mr. Speaker, I object to the consideration of the bill. I think it should go off the calendar.

SCHOOL DISTRICT NO. 13, FROID, MONT.

The Clerk called the next bill, S. 1450, to provide funds for cooperation with school district No. 13, Froid, Mont., for extension of public-school buildings to be available to Indian children.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I want to call the gentleman's attention to the condition which resulted in the bill's passage by the Senate and its being reported out by the Committee on Indian Affairs of the House. The present structure in which the school is housed was built in 1911 with an addition in 1918. It is cold, dreary, and in a deplorably crowded condition. In fact, it is in such condition that it is only a question of time before it must be condemned for use of any kind. Its safety is questionable at the present time. It is an extreme fire hazard in actual danger of collapsing. They are unable to offer either domestic science or agricultural courses on account of lack of space for these courses. This places the school at a disadvantage with the neighboring schools that are able to give these courses, yet the Froid School has always ranked high scholastically.

I call the gentleman's attention to the fact that there are 175 or 176 white children accommodated in this school and 28 Indians. The average cost per child for housing and school facilities in that country is approximately $1,500. If we were to build a separate school for the 28 Indian children it would cost the Government in the neighborhood of $42,000. The expenditure of the $30,000 provided in this bill would complete the job and furnish school facilities not only to the Indian children but to the white children as well.

I call attention to the further fact that the bill provides for repayment over a period of 30 years. Under the present population the income based on what is paid by Indians would amount to $810 per annum. This, of course, would not take care of amortizing the principal but it would take care of nearly all of the interest. We can safely assume, of course, that there will be an increase in the Indian population as well as in the white population, necessitating eventually the construction of a larger building such as is provided by the pending bill.

Before asking the gentleman to withdraw his request, I wish also to call his attention to the fact that nearly one-half of the land in this school-district area is owned by the Indians and is nontaxable. The district therefore is in the position that it is difficult to bond the district; in fact, they cannot bond themselves beyond $11,000, as stated in the report. We are therefore unable to provide the improvements required to take care of these children; and I appeal to the gentleman, in justice to these Indians and in justice to that school district, not to ask that this bill go over but to let the bill be passed by the House as it was passed by the Senate.

Mr. WOLCOTT. I may say to the gentleman that the balance reported on hand at the beginning of the fiscal year was $5,993.22. It is reported that the district had an indebtedness in October 1938 amounting to $6,615.18. In other words, they are within about $700 of being free of debt. It does not seem to me that we should establish a precedent here whereby the Federal Government, under the guise of educating 28 Indian children, should virtually give this district a free school to house 176 white children. I have many school districts in my congressional district which find themselves embarrased because of lack of funds.

We would like to help every school district in the United States if it were possible, but we have on this calendar now three or four bills of this nature. I understand the purpose, of course, and I am in sympathy with giving all the help we can; but when the Secretary of the Interior, who has control over Indian affairs, and who has the responsibility of educating the Indian wards, recommends against the bill, I do not believe we should force on the Department something the Department does not want. For this reason, of course, I shall have to insist on my request that the bill go over without prejudice.

Mr. O'CONNOR. Still reserving the right to object, Mr. Speaker, I call the gentleman's attention to the fact that the local debt limit is $17,000. They cannot, therefore, bond the district for more than $11,000 without exceeding the debt limit. Therefore their hands are tied so far as making this improvement is concerned.

Mr. WOLCOTT. The mere fact there is a debt limit in the State does not justify our passing this bill. That is a State obligation and responsibility and the debt limit could be removed.

Mr. O'CONNOR. But the debt limit is there and they are unable to increase it. There appears in the report the real need of a new school building, and I hope the gentleman will not object.

Mr. CHURCH. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT] that the bill be passed over without prejudice?

Mr. O'CONNOR. Mr. Speaker, I object.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

COOPERATION WITH PUBLIC SCHOOL DISTRICT NO. 37, M'CURTAIN, OKLA.

The Clerk called the next bill, S. 2523, to provide for the construction, extension, equipment, and improvement of public-school facilities at McCurtain, Okla.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

AMENDING SECTION 301 (A) OF THE SUGAR ACT OF 1937

The Clerk called the next bill, S. 3237, to amend section 301 (a) of the Sugar Act of 1937.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object, it seems to me very clear that these farmers have violated the Sugar Act of 1937 regarding child labor, and, therefore, I am constrained to object. Children must be protected.

UNIFORMITY IN PAY OF ALL CIVILIAN EMPLOYEES OF NAVY DEPARTMENT

The Clerk called the next bill, S. 3014, to amend the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902 (32 Stat. 662), so as to provide uniformity in the pay of all civilian employees of the Navy Department appointed for duty beyond the continental limits of the United States and in Alaska.

Mr. WOLCOTT. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WOLCOTT. Mr. Speaker, I may say that the point of order would also apply to the next two bills on the calendar, Nos. 670 and 671. Those of us who are asked to supervise this calendar, both on the Republican and Democratic sides, of necessity work long hours on these bills. I think the three gentlemen on the Democratic side as well as the three of us on the Republican side are reconciled to the fact that every other Sunday we must put in our time at the office or in our studies at home working on this calendar. We find it very embarrassing, at least inconvenient, when the Ramseyer rule is not complied with.

My point of order is that the Ramseyer rule has not been complied with so far as these three bills are concerned. I do not know that there is any point in striking the bills from the calendar because the rule has not been complied with and I am willing to withhold my point of order and ask unanimous consent that they go over without prejudice, if the gentleman from Georgia [Mr. VINSON] will supply in a supplemental report the information which is required under the Ramseyer rule.

Mr. VINSON of Georgia. I may say to the gentleman that my committee is very punctilious in reference to carrying out the provisions of the Ramseyer rule. I did not know it had not been complied with. Of course, we can ask unanimous consent to pass the bill over without prejudice with permission to file a supplemental report, but as a rule this committee as well as every other committee carries out the Ramseyer rule and points out what the present law is and what change is made.

In view of the fact that nothing will be gained except an additional expense in the Printing Office, I am wondering if the gentleman will not permit the bill to be considered, with the assurance that if any other bills from this committee come in without complying with the Ramseyer rule that it will let the ax fall?

Mr. WOLCOTT. There will be something gained. There will be an assurance to the House at least that we have studied the bill in the light of existing law. I may say to the gentleman that when I did not find the existing law in the report I happened to be out of the office with no opportunity whatsoever to refer to the code. So I have not studied this bill, nor the next two, in the light of existing law.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice and that the committee may have permission to file a supplementary report in compliance with the Ramseyer rule with reference to Calendars Nos. 670 and 671.

The SPEAKER pro tempore. The gentleman's request covers Calendars Nos. 669, 670, and 671?

Mr. VINSON of Georgia. Yes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object in order to clear the RECORD. I withdraw my point of order and I shall not object to the gentleman's request.

There was no objection.

AUTHORIZING SALE OF FUEL, ELECTRIC CURRENT, ICE, AND WATER AT ISOLATED NAVAL STATIONS

The Clerk called the next bill, S. 3065, authorizing the sale of fuel, electric current, ice, and water at isolated naval stations.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. SCHAFER of Wisconsin. Mr. Speaker, I object.

AUTHORIZING SECRETARY OF NAVY TO ACCEPT ON BEHALF OF UNITED STATES A BEQUEST OF THE LATE DUDLEY F. WOLFE

The Clerk called the next bill, S. 3098, authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dudley F. Wolfe.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to accept on behalf of the United States the personal property bequeathed to the United States Naval Academy by the terms of the will of the late Dudley F. Wolfe.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to effectuate the purposes of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOOKS FOR THE ADULT BLIND

The Clerk called the next bill, H. R. 9236, to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the act entitled "An act to provide books for the adult blind," approved March 3, 1931, as amended (U. S. C., 1924 ed., Supp. IV, title 2, sec. 135a), is amended by striking out the figures "$275,000," wherever occurring therein, and inserting in lieu thereof the figures "$350,000," and by striking out the figures "$175,000" and inserting in lieu thereof the figures "$250,000."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFERRING JURISDICTION ON THE STATE OF KANSAS OVER OFFENSES COMMITTED BY OR AGAINST INDIANS ON INDIAN RESERVATIONS

The Clerk called the next bill, H. R. 3048, to relinquish concurrent jurisdiction to the State of Kansas to prosecute Indians or others for offenses committed on Indian reservations.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That concurrent jurisdiction is hereby relinquished to the State of Kansas to prosecute Indians and others for offenses by or against Indians or others, committed on Indian reservations in Kansas, including trust or restricted allotments, to the same extent as its courts have jurisdiction for offenses committed elsewhere within the State in accordance with the laws of the State; and section 328 of the act of March 4, 1909 (35 Stat. 1151), as amended by the act of June 28, 1932 (47 Stat. 337), and sections 2145 and 2146 of the United States Revised Statutes (U. S. C., title 18, sec. 548, title 25, secs. 217, 218) are modified accordingly insofar as they apply to Indian reservations or Indian country in the said State of Kansas.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That jurisdiction is hereby conferred on the State of Kansas over offenses committed by or against Indians on Indian reservations, including trust or restricted allotments, within the State of Kansas, to the same extent as its courts have jurisdiction over offenses committed elsewhere within the State in accordance with the laws of the State: *Provided, however*, That nothing herein contained shall deprive the courts of the United States of jurisdiction over offenses defined by the laws of the United States committed by or against Indians on Indian reservations."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to confer jurisdiction on the State of Kansas over offenses committed by or against Indians on Indian reservations."

RED LAKE BAND OF CHIPPEWA INDIANS

The Clerk called the next bill, H. R. 8369, authorizing a per capita payment of $12.50 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. I object, Mr. Speaker.

Mr. BUCKLER of Minnesota. Mr. Speaker, will the gentleman withhold his objection?

Mr. WOLCOTT. I withhold it temporarily, Mr. Speaker.

Mr. BUCKLER of Minnesota. Does not the gentleman know that this bill went through Congress twice? Of course, it was vetoed by the President each time, but I have some pretty good authority to the effect that the President will not veto it this time. In 1935 a bill was passed providing for a per capita payment of $15 for these Indians. There are about 2,000 of them, so the payment would have amounted to $30,000. At that time the Indians had in the United States Treasury $211,000, and this payment would of course have reduced the fund to $181,000. This fund has increased until they now have $405,000.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Is it not a fact that this bill provides for an appropriation of the Indians' own money, and it will reduce the expenditures of the Federal Treasury because when the Indians get this money they will not have to have so much money from W. P. A. and other Federal relief agencies?

Mr. BUCKLER of Minnesota. It is their own money, and they have $405,000 now. I hope the gentleman will not object.

Mr. WOLCOTT. I believe we should at least have the benefit of an opinion by the Bureau of Indian Affairs, in view of the fact that the President has previously vetoed the bill. There is no opinion from the Office of Indian Affairs. We do not know what authority the Secretary of the Interior has now over the payment of these moneys. I surely am not assuming that I, as a Member of Congress, am in a better position to know the needs of these Indians than the Bureau of Indian Affairs or the Secretary of the Interior. At least, until this bill has been referred to the Bureau of Indian Affairs and we have at least their opinion on it, I am not constrained to go along and assume that I know more about it than they do. We created that Bureau down there for the purpose of supervising situations such as this. I believe I know the purpose of the bill and I am in sympathy with the objective of the gentleman, but after all, I have a duty that perhaps the gentleman does not have in respect of these Indians.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SCHAFER of Wisconsin. It is true that the Indian Bureau has been created by Congress. The Committee on Indian Affairs has been created by Congress to study legislation which is referred to it by the Congress. I happen to be a humble member of the Republican minority on the Committee on Indian Affairs. I assure the gentleman that this committee has given a great deal of consideration to this bill and has favorably reported it by a unanimous vote. I sincerely hope that the gentleman on my side will not object to these poor Indians getting $12.50 of their own money in their pockets.

Mr. CHURCH. Mr. Speaker, I call for the regular order.

The SPEAKER pro tempore. The regular order is demanded. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. I object, Mr. Speaker.

TRANSFERRING CERTAIN INDIAN LANDS TO THE GRAND RIVER DAM AUTHORITY

The Clerk called the next bill, H. R. 7901, to transfer certain Indian lands to the Grand River Dam Authority, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby granted to the Grand River Dam Authority, a public corporation of the State of Oklahoma, all the right, title, and interest held by the United States and by individual Indians and tribes of Indians in Indian lands located in Ottawa, Delaware, Craig, and Mayes Counties, Okla., lying below an elevation of 750 feet above mean sea level, which may be required for the Grand River Dam Reservoir, subject, however, to the consent of the respective individual Indian owners or tribes as the case may be, the approval of a map of definite location by the Secretary of the Interior, and the payment of such compensation as he may determine: *Provided*, That should any individual owners or tribes refuse their consent, condemnation is hereby authorized, in the appropriate Federal district court, the United States to be made a party defendant with the Indians.

SEC. 2. The Secretary of the Interior is hereby authorized to prescribe necessary rules and regulations for carrying out this act, and in his discretion to utilize the compensation received hereunder in the purchase of lieu lands, to be held in like manner as may be appropriate in each case, subject where applicable to the provisions of the act of June 30, 1932 (47 Stat. 474).

Mr. DISNEY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DISNEY: On page 2, line 8, after the last period, insert the following: *"Provided further*, That the consent of the Cherokee Nation shall be given by and through a principal chief to be appointed under section 6 of the act of April 26, 1906 (34 Stat. 137, 139): *Provided further*, That as to the lands of the Seneca Indian School the interest conveyed hereby shall be a flowage easement only."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 79 OF THE JUDICIAL CODE

The Clerk called the next bill, H. R. 8373, to amend section 79 of the Judicial Code, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the eleventh sentence of section 79 of the Judicial Code, as amended (U. S. C., 1934 ed., Supp. IV, title 28, sec. 152), is amended by striking out the colon after the word "December" and the following: *"Provided*, That facilities for holding court at Benton are furnished free of expense to the United States."

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That section 79 of the Judicial Code, as amended (U. S. C., 1934 edition, Supp. IV, title 28, sec. 152), is amended to read as follows:

" 'The State of Illinois is divided into three districts, to be known as the northern, southern, and eastern districts of Illinois. The northern district shall include the territory embraced on the 1st day of July 1910 in the counties of Cook, De Kalb, Du Page, Grundy, Kane, Kendall, Lake, La Salle, McHenry, and Will, which shall constitute the eastern division; also the territory embraced on the date last mentioned in the counties of Boone, Carroll, Jo Daviess, Lee, Ogle, Stephenson, Whiteside, and Winnebago, which shall constitute the western division. Terms of the district court for the eastern division shall be held at Chicago on the first Mondays in February, March, April, May, June, July, September, October, and November, and the third Monday in December; and for the western division, at Freeport on the third Mondays in April and October. The clerk of the court for the northern district shall maintain an office in charge of himself or a deputy at Chicago and at Freeport, which shall be kept open at all times for the transaction of the business of the court. The marshal for the northern district shall maintain an office in the division in which he himself does not reside and shall appoint at least one deputy who shall reside therein. The southern district shall include the territory embraced on the 1st day of July 1910 in the counties of Bureau, Fulton, Henderson, Henry, Knox, Livingston, McDonough, Marshall, Mercer, Putnam, Peoria, Rock Island, Stark, Tazewell, Warren, and Woodford, which shall constitute the northern division; also the territory embraced on the date last mentioned in the counties of Adams, Bond, Brown, Calhoun, Cass, Christian, De Witt, Greene, Hancock, Jersey, Logan, McLean, Macon, Macoupin, Madison, Mason, Menard, Montgomery, Morgan, Pike, Sangamon, Schuyler, and Scott, which shall constitute the southern division. Terms of the district court for the northern division shall be held at Peoria on the third Mondays in April and October; for the southern division, at Springfield on the first Mondays in January and June, and at Quincy the first Mondays in March and September. The clerk of the court for the southern district shall maintain an office

in charge of himself or a deputy at Peoria, at Springfield, and at Quincy, which shall be kept open at all times for the transaction of the business of the court. The marshal for said southern district shall appoint at least one deputy residing in the said northern division, who shall maintain an office at Peoria. The eastern district shall include the territory embraced on the 1st day of July 1910 in the counties of Alexander, Champaign, Clark, Clay, Clinton, Coles, Crawford, Cumberland, Douglas, Edgar, Edwards, Effingham, Fayette, Ford, Franklin, Gallatin, Hamilton, Hardin, Iroquois, Jackson, Jasper, Jefferson, Johnson, Kankakee, Lawrence, Marion, Massac, Monroe, Moultrie, Perry, Piatt, Pope, Pulaski, Randolph, Richland, Saint Clair, Saline, Shelby, Union, Vermilion, Wabash, Washington, Wayne, White, and Williamson. Terms of the district court for the eastern district shall be held at Danville on the first Mondays in March and September; at Cairo, on the first Mondays in April and October; at East St. Louis, on the first Mondays in May and November; and at Benton on the first Mondays in June and December. The clerk of the court for the eastern district shall maintain an office in charge of himself or a deputy at Danville, at Cairo, at East St. Louis, and at Benton, which shall be kept open at all times for the transaction of the business of the court, and shall there keep the records, files, and documents pertaining to the court at that place.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARDEMAN COUNTY, TEX.

The Clerk called the next bill, H. R. 9013, to transfer Hardeman County, Tex., from the Fort Worth Division to the Wichita Falls division of the northern judicial district of Texas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, effective 30 days after the date of the enactment of this act, the territory embraced in Hardeman Couny, Tex., shall be withdrawn from the Fort Worth division of the northern judicial district of Texas and shall constitute a portion of the Wichita Falls division of such district.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALASKAN INTERNATIONAL HIGHWAY COMMISSION

The Clerk called the next bill, H. R. 9271, to extend the existence of the Alaskan International Highway Commission for an additional 4 years, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the terms of the members of the Alaskan International Highway Commission appointed pursuant to the provisions of the act entitled "An act to create a commission to be known as the Alaskan International Highway Commission," approved May 31, 1938, shall be 6 years in lieu of 2 years as provided by such act.

SEC. 2. The last sentence of such act of May 31, 1938, is amended to read as follows: "Said commission shall, within 2 years after their appointment and at such other times as the commission may deem advisable, report to the President the extent and results of their activities and of any conferences, relative to such highway, and the President shall transmit said reports to the Congress."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF PERISHABLE AGRICULTURAL COMMODITIES ACT, 1930

The Clerk called the next bill, S. 3661, to amend the Perishable Agricultural Commodities Act, 1930, as amended, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (c) of section 7 of the Perishable Agricultural Commodities Act, 1930 (46 Stat. 531), as amended by section 10 of the act of August 20, 1937 (50 Stat. 725), is hereby amended by striking out the period at the end of the first sentence and by inserting in lieu thereof a colon and the following: "*Provided*, That in cases handled without a hearing in accordance with paragraphs (c) and (d) of section 6 or in which a hearing has been waived by agreement of the parties, appeal shall be to the district court of the United States for the district in which the party complained against is located."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPEECHES AND WRITINGS OF EDMUND BURKE

The Clerk called the next business, House Joint Resolution 307, to provide for the printing of the speeches and writings of Edmund Burke, as a House document.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GRANTING OF RIGHT-OF-WAY TO THE HIGHWAY COMMISSION OF STATE OF MONTANA

The Clerk called the next bill, S. 3262, to authorize the Secretary of the Interior to grant a right-of-way to the Highway Commission of the State of Montana.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to grant to the Highway Commission of the State of Montana a permanent right to use for highway purposes that part of the property owned by the United States, known as the Bozeman, Mont., fisheries station, in the south half of the northwest quarter of section 34, township 1 south, range 6 east, Montana principal meridian, in Gallatin County, Mont., for which a revocable license, dated December 23, 1938, was granted by the Secretary of Commerce. Such right shall be granted upon condition that a public highway shall be maintained across such property and upon such other conditions as the Secretary of the Interior deems necessary to protect the interest of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRANTING OF EASEMENT TO WAYNE COUNTY, MICH.

The clerk called the next bill, H. R. 8958, to authorize the Secretary of the Interior to grant to the county of Wayne, State of Michigan, an easement over certain land of the United States in Wayne County, Mich., for a sewage-disposal line.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Commerce is hereby authorized to grant to the county of Wayne, State of Michigan, an easement over a 20-foot strip of land situated along the Middle Branch of the Rouge River on the southeasterly side thereof across fisheries station property in the east half of the northeast quarter of section 9, township 1 south, range 8 east, Northville Township, Wayne County, Mich., for the purpose of maintaining a sewer and sewage facilities thereon.

With the following committee amendment:

Page 1, line 3, strike out the word "Commerce" and insert in lieu thereof the words "the Interior."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GRANT OF CERTAIN LAND BY THE STATE OF SOUTH CAROLINA

The Clerk called the next bill, H. R. 9441, to accept the grant to the United States of certain land by the State of South Carolina and to authorize its use by the United States Coast Guard.

The being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the right, title, and interest to and in, and jurisdiction over, the following-described lands, situated in the township of Sullivans Island, in the county of Charleston, State of South Carolina, granted and ceded to the United States for the purposes of the United States Government by an act of the General Assembly of the State of South Carolina approved July 1, 1939, be, and the same are hereby, accepted by the United States:

All that tract, piece, or parcel of land situate, lying, and being on the western end of Sullivans Island, in the county of Charleston, State aforesaid, being all the land lying to the northward and westward of the western boundary of the road leading to Cove Inlet Bridge, and to the northward and westward of the west line of Church Street. The above tract of land shall specifically include lots Nos. 1 through 17, inclusive, including the half lots, and also including all that portion of Middle Street which lies to the northward and westward of the west boundary of Church Street extended, together with the water lots and marshes; all of which is shown on map of Sullivans Island Waterworks, made by the John McCrady Co., dated November 1937, and on file in the office of the board of township commissioners for Sullivans Island, S. C.

SEC. 2. That the premises embraced in the foregoing description so granted and ceded by the State of South Carolina and accepted by the United States may be used by the United States Coast Guard for its lawfully authorized purposes.

SEC. 3. That the right, title, or interest of any person in or to any portion of the premises embraced in the foregoing description or any buildings, structures, or improvements thereon may be acquired by the use of funds in any available appropriation of the Coast Guard by the Secretary of the Treasury in behalf of the United States by donation, purchase, condemnation, or otherwise to satisfy the condition of section 2 of the aforesaid act of the State of South Carolina approved July 1, 1939.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF MERCHANT MARINE ACT OF 1936

The Clerk called the next business, House Joint Resolution 519, to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war, and for other purposes.

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

Mr. BUCK. I object, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the joint resolution?

Mr. VAN ZANDT. I reserve the right to object, Mr. Speaker.

Mr. BLAND. Mr. Speaker, a very serious situation has developed in the country with respect to this commerce not only in coastal but also foreign trade, and with the present condition of affairs in the world, it is very important that there shall be the right in the Maritime Commission, while Congress is not in session, to meet the condition by using vessels that are now in the laid-up steel fleets to carry the commerce of the world.

Mr. VAN ZANDT. It is my understanding this joint resolution will grant to the Maritime Commission the authority to sell or charter old vessels. I do not object to the sale of the vessels, but I do object to the chartering of vessels for intercoastal trade. The railroads of this country are in a position to carry all the necessary freight from the west coast to the east coast.

Mr. BLAND. There was not any objection interposed by the railroads in the hearings and there were 37 witnesses who came before the committee and presented a most serious situation confronting the country unless this joint resolution should go through.

Mr. VAN ZANDT. I am sorry, but I find it necessary to object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

STOWAWAYS ON VESSELS ENGAGED IN INTERSTATE OR FOREIGN COMMERCE

The Clerk called the next bill, H. R. 9492, making it a misdemeanor to stowaway on vessels engaged in interstate or foreign commerce and providing punishment therefor.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, may I ask the gentleman concerning the amendment on page 2, line 16, why a different penalty is provided for aiding and abetting than for the principal offense?

Mr. BLAND. It was thought by the committee that when a man who served on the ship, in whatever capacity and who himself in many cases, it is believed, received money for aiding and abetting these stowaways, that he is sometimes making that stowaway his victim, and that he ought to be punished a little more severely for his aiding and abetting than the other fellow.

Mr. WOLCOTT. I did not quite catch that point, but it is to apply principally to members of the crew, who aid?

Mr. BLAND. Yes; people who ought to know better. It was suggested in some cases they are paid money to enable these people to be stowed away on the ships, and in this way they get on board the ship. Then they aid them while they are on board.

Mr. DICKSTEIN. Reserving the right to object, will the gentleman explain what he proposes to do with the person smuggled in? Do you charge him with any crime?

Mr. BLAND. Yes, he is punished; but we do not interfere with the immigration laws and expressly provide that nothing herein shall interfere with the immigration laws of the United States.

Mr. DICKSTEIN. Do you not send those men right back, or is it the gentleman's idea to keep them in jail and feed them here and then send them back?

Mr. BLAND. My idea is that the distinguished gentleman, chairman of the Committee on Immigration, has taken care of that in that committee's legislation.

Mr. DICKSTEIN. And you do not keep the person smuggled in here?

Mr. BLAND. Not if it is in violation of the immigration laws.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any person, without the consent of the owner, charterer, or master of any vessel and with intent to obtain without paying therefor transportation on such vessel to any place within or without the United States, who shall board, enter, or secrete himself aboard such vessel and shall be thereon at the time of departure of said vessel from a port, harbor, wharf, or other place within the United States, or other place subject to its laws, or who, having boarded, entered, or secreted himself aboard such vessel in any place within or without the jurisdiction of the United States, shall remain aboard any such vessel after such vessel has left such place and who shall be found thereon at or before the time of arrival of such vessel at any other place in the United States, or any place subject to its laws, shall be guilty of a misdemeanor, and shall be liable to a fine not exceeding $500 or imprisonment for a period not exceeding 1 year, or both, in the discretion of the court.

SEC. 2. Whoever shall knowingly aid, abet, or assist any person to violate this act shall be guilty of a misdemeanor and shall be liable to a fine not exceeding $500 or imprisonment for a period not exceeding 1 year, or both, in the discretion of the court.

SEC. 3. Nothing contained in this act shall modify, restrict, alter, or change in any particular any laws of the United States in existence at the date of enactment of this act, or which shall be thereafter enacted either for the purpose of preventing any person from entering the United States in violation of the laws of the United States or for the purpose of securing the deportation from the United States of any person who, under the laws of the United States, shall be subject to deportation.

With the following committee amendments:

Page 1, line 9, after the word "within", insert "the jurisdiction of."

Page 2, line 1, after the word "States", strike out "or other place subject to its laws" and insert "including the Canal Zone."

Page 2, line 7, strike out "other place in" and insert "place within the jurisdiction of."

Page 2, line 8, after the word "States", strike out "or any place subject to its laws" and insert "including the Canal Zone."

Page 2, line 15, after the word "exceeding", strike out "$500" and insert "$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill making it a misdemeanor to stow away on vessels and providing punishment therefor."

CIVILIAN NAUTICAL SCHOOLS

The Clerk called the next bill, H. R. 9262, to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That as used in this act the term "civilian nautical school" means any school or branch thereof operated and conducted in the United States which offers to persons quartered on board any vessel instruction for the primary purpose of training for service in the merchant marine.

SEC. 2. Every civilian nautical school shall be subject to examination and inspection by the United States Maritime Commission, and the Commission may, under such rules and regulations as it may prescribe, provide for the rating and certification of such schools as to the adequacy of the course of instruction, the competency of the instructors, and the suitability of equipment used by or in connection with such schools.

SEC. 3. (a) All laws covering the inspection of passenger vessels in effect on the date of enactment of this act are hereby made applicable to all vessels or other floating equipment used by or in connection with any civilian nautical school, whether such vessels or other floating equipment are being navigated or not, to such extent and upon such conditions as may be required by regulations prescribed by the Board of Supervising Inspectors, with the approval of the Secretary of Commerce.

(b) The Bureau of Marine Inspection and Navigation is authorized and directed, through such rules and regulations as the Secretary of Commerce may approve, to prescribe minimum standards for

the size, ventilation, plumbing, and sanitation of quarters assigned to members of the crew, passengers, cadets, students, instructors, or any other persons at any time quartered on board any vessel used by or in connection with any civilian nautical school.

(c) No certificate of inspection shall be issued to any such vessel until and unless a board of local inspectors has found such vessel to be in compliance with all the requirements of this section and the regulations issued thereunder. Such certificates shall be subject to revocation in the manner prescribed by section 4453 of the Revised Statutes of the United States, as amended (U. S. C., 1934 ed., title 46, sec. 435).

(d) On and after 90 days from the date of enactment of this act it shall be unlawful for any vessel to which the act applies to be used by or in connection with any civilian nautical school unless it is in possession of a valid, unexpired certificate of inspection or a valid, unexpired temporary certificate of inspection.

(e) In case of the violation of this section or of any of the regulations issued thereunder by any vessel, or any owner or officer thereof, such vessel, owner, or officer shall be fined not more than $1,000, and such owner or officer may be imprisoned for not more than 1 year, or subjected to both fine and imprisonment. Should the owner of such vessel be a corporation, organization, or association, each officer or director participating in the violation shall be liable to the penalty hereinabove prescribed.

With the following committee amendment:

Page 1, line 5, after the word "States", insert "(except State nautical schools and schools operated by the United States or any agency thereof)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING CANAL ZONE CODE

The Clerk called the next bill, H. R. 9383, to amend the Canal Zone Code with respect to the trial of joint defendants, the removal of fugitives from justice, and the regulation of criminal procedure in the Canal Zone.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WALTER. Mr. Speaker, reserving the right to object, I am wondering whether the bill has been properly referred to the gentleman's committee? I notice that it pertains to criminal procedure.

Mr. BLAND. It is properly referred to the committee because it is an amendment of the Canal Zone Code Act, which emanated from the committee.

The SPEAKER pro tempore. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 365 of title 6 of the Canal Zone Code be, and it is hereby, amended to read as follows:

"365. Trial of defendants jointly charged: When two or more defendants are jointly charged with any offense, they shall be tried jointly, unless the court orders separate trials. The court in its discretion may order a separate trial as to one or more defendents, and a joint trial as to the others, or may order any number of the defendants to be tried at one trial, and any number of the others at different trials, or may order a separate trial for each defendant."

SEC. 2. That title 6 of the Canal Zone Code be, and it is hereby, amended by adding, immediately after section 861, a new section numbered 861a and reading as follows:

"861a. Arrest and removal to or from the Canal Zone: The provisions of section 1014, Revised Statutes of the United States, as amended (U. S. C., title 18, sec. 591), so far as applicable, shall apply throughout the United States for the arrest and removal therefrom to the Canal Zone of any fugitive from justice charged with the commission of any crime or offense against the United States within the Canal Zone, and shall apply within the Canal Zone for the arrest and removal therefrom to the United States of any fugitive from justice charged with the commission of any crime or offense against the United States. Such fugitive may, by any judge or magistrate of the Canal Zone, and agreeably to the usual mode of process against offenders therein, be arrested and imprisoned or bailed, as the case may be, pending the issuance of a warrant for his removal to the United States, which warrant it shall be the duty of a judge of the district court seasonably to issue, and of the officer or agent of the United States designated for the purpose to execute. Such officer or agent, when engaged in executing such a warrant without the Canal Zone, shall have all the powers of a marshal of the United States so far as such powers are requisite for the prisoner's safe-keeping and the execution of the warrant."

SEC. 3. That title 7 of the Canal Zone Code be, and it is hereby, amended by adding, immediately after section 26, a new section numbered 26a and reading as follows:

"26a. Rules of criminal procedure: In respect to matters not covered by this code, the United States District Court for the District of the Canal Zone may adopt rules governing its criminal procedure not inconsistent with the laws of the United States."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELATING TO SEIZURE OF GEAR FOR VIOLATION OF ALASKA FISHERY LAWS

The Clerk called the next bill, H. R. 7542, to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes" (43 Stat. 464–467), approved June 6, 1924, is hereby amended by striking the period following the word "admiralty", in the eighteenth line of said section, and inserting a colon in lieu thereof and after the colon the following: *"Provided*, That no boat, net, or seine belonging to any person residing in Alaska shall be summarily seized and held for forfeiture for alleged violation of this section until after the arrest, trial, and conviction in the courts of Alaska of the owner or operator of such boat, net, or seine: *Provided further*, That when any United States marshal, deputy marshal, employee of the Bureau of Fisheries, or other peace officer having authority, so finds any such boat, net, or seine being used or operated in violation of this act, or in violation of said act approved June 26, 1906, it shall be his duty immediately to make a list or inventory of such boat, net, or seine, stating how and in what manner he alleges the same to have been used or operated in violation of either or both of said acts, and cause it to be verified by his oath and forwarded to and filed in the office of the clerk of the district court in the division in which said violation of law is said to have occurred, and it shall be the duty of the clerk of said district court to file said verified statement in his office without making any charge therefor; and in case of the conviction of the owner or operator of such boat, net, or seine so used in violation of either or both of said acts involving the illegal use of such boat, net, or seine, the said list or inventory shall operate as a lien upon such boat, net, or seine so used and such lien may thereupon, at the request of the United States attorney for the judicial division in which such violation occurred, be foreclosed by the district court as of the date when the violation occurred, and the decree of foreclosure may, in the discretion of the court, be incorporated into any judgment given and rendered by the court in the criminal action against such owner or operator; and in the decree of foreclosure, whether incorporated in the judgment given and rendered in the criminal action or given and rendered separately, the court shall determine and state therein the value of such boat, net, or seine as of the date when the violation occurred and shall provide therein for the sale of said boat, net, or seine as is usual in case of foreclosure of liens upon the same: *Provided further*, That in the event the United States attorney shall not request foreclosure of such lien at the time of the rendition of the judgment of conviction of the owner or operator of the property covered by the lien, the lien shall be considered as satisfied and discharged: *And provided further*, That in the event such boat, net, or seine cannot be found after the foreclosure of said lien, the owner or operator thereof who has so been found guilty in the criminal action shall be personally liable for the value thereof as of the date when the violation occurred and as determined in the decree of foreclosure, in a civil suit to be brought for that purpose."

With the following committee amendment:

Page 1, line 9, after the word "seine" strike out "belonging to any person residing in Alaska".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed. A motion to reconsider was laid on the table.

ALASKA SALMON TROLLING INDUSTRY

The Clerk called the next bill, H. R. 8172, to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5 of the act of Congress approved June 26, 1906, entitled "An act for the protection and regulation of the fisheries of Alaska", as amended, is further amended by striking the period at the end of the first sentence of said section and inserting a comma in lieu thereof and after said comma the following: "nor shall such authority be exercised to prohibit any person from fishing for or taking salmon by hook and line, either for personal use or for sale, during any weekly closed period in any of the waters of Alaska where salmon fishing is otherwise permitted by law and the regulations based thereon."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed. A motion to reconsider was laid on the table.

SLUM CLEARANCE IN TERRITORY OF ALASKA

The Clerk called the next bill, H. R. 8884, to authorize the Legislature of the Territory of Alaska to create a public cor-

porate authority to undertake slum clearance and projects to provide dwelling accommodations for families of low income and to issue bonds and other obligations of the authority for such purpose, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. SCHAFER of Wisconsin. Mr. Speaker, I object.

Mr. WOLCOTT. Mr. Speaker, will the gentleman reserve his objection?

Mr. SCHAFER of Wisconsin. I will reserve the objection.

Mr. WOLCOTT. On page 2 of the bill I notice this language:

such bonds and other obligations shall not be a debt of the Territory of Alaska or any political or municipal corporation or other subdivision of the Territory other than such authority.

Of course, the authority refers to the local housing authority set up to participate in the slum-clearance program. I may say to the gentleman that I can see no objection to this bill, and I think if it is not passed we will be in the position of having discriminated against the Territory of Alaska. But I want to bring out this point: If the Territory does not underwrite these bonds, and if there is no political or municipal corporation which can underwrite the bonds, what, then, is the security for the payment of the bonds?

Mr. DIMOND. Mr. Speaker, the security is in the housing which is constructed with the money secured from the sale of the bonds. That is the only security that can be obtained. I thank the gentleman for his observation, but it is in order to say that this language is the same language that was used in the acts with respect to Puerto Rico and Hawaii. It would not be in order to make any of this debt the debt of the Territory of Alaska. Neither would it be in order to make it the debt of a city.

Mr. WOLCOTT. I do not think we should put the Territory of Alaska in any different category than we do the States under the United States Housing Act.

Mr. DIMOND. Quite right.

Mr. WOLCOTT. But the point I want to make is, if the Territory does not pledge its credit, or if the municipality does not pledge its credit, or any other political subdivision other than the authority does not pledge its credit, then what is the assurance that the bonds will be repaid? The gentleman has answered that the building itself is the security.

Mr. DIMOND. Yes, sir.

Mr. WOLCOTT. That is my understanding. So whether the bonds are good or not depends on the action of the Congress in appropriating the money to retire the bonds. Is that right?

Mr. DIMOND. No; I think that has nothing to do with it, but if it has, then I insist that, as the gentleman says, Alaska and the citizens of Alaska should not be the victims of discrimination, and neither the Territory nor the cities of Alaska should underwrite the bonds.

Mr. WOLCOTT. I wish the gentleman would weigh his remarks when he says that would have nothing to do with it, because up to the present time in all of these projects in all of these States, the market for the bonds depends on the fulfillment of the moral obligations of the Congress to appropriate money annually for 60 years to retire them, and there is not 1 cent of the money which comes to the Authority from rent which is used to retire the bonds. These bonds are retired at the present time out of the annual contributions appropriated by Congress, and if the annual contributions are shut off, then the bonds are not retired unless the municipalities are granted authority to pledge their credit against them. I do not think we should object to this bill and cut Alaska off from participation in the slum-clearance program, even though I am opposed to the methods employed by the United States Housing Authority as set up by Congress.

I went over this bill carefully, and it puts Alaska in the same position as the Territory of Hawaii and the States. I think we have created an incongruous situation in respect to the operation of the United States Housing Authority Act, and I think we should give a great deal of consideration to it before we expand the operation of the act.

Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield to me?

Mr. SCHAFER of Wisconsin. I yield to the distinguished gentlewoman from Illinois.

Miss SUMNER of Illinois. I wonder if the gentleman from Michigan has failed to notice this distinction: That apparently these other Territories were permitted to go ahead and organize housing authorities before the Congress last spring voted down a rule to consider the bill under which we would continue Government subsidies for housing. If we pass this law, would not the Congress, in effect, be saying, you have our consent to issue these bonds? Would we not then be under a moral obligation to go ahead and furnish the subsidy?

Mr. WOLCOTT. I see no connection between this bill and the bill to expand the United States Housing Authority, for the reason that the moneys which we have already set up go into a revolving fund. If the Administrator of the United States Housing Authority has the funds, or will have the funds in years from now, available, then I see no reason why Alaska should not come in and get her share.

I want it distinctly understood, in view of the gentlewoman's remarks, that nothing contained in this bill or the action of the Congress in respect to this bill should be interpreted as continuing, or indicating its willingness to continue, the United States Housing Authority. I think we should make it very clear that by this bill we are merely removing a discrimination which attaches to Alaska and are not expanding or declaring any congressional intent in respect to the continuance or expansion of existing law or methods.

Mr. SCHAFER of Wisconsin. Will the gentleman admit that under this act we are subjecting innocent investors to a stripping by watered stock and worthless stock peddlers?

Mr. WOLCOTT. No; I cannot agree with the gentleman on that. I think the act is bad enough without charging that. I think they are the best bonds that anybody could buy. Congress appropriates the money to repay them. There is a moral, social, and legal obligation on the part of the present Government to retire these bonds. We should stop the program before we commit Congresses for the next 60 years to pay these bonds. I agree with the gentleman in that respect, but these bonds are gilt-edged, because they have the full faith and credit of the United States behind them. They are tax-exempt, and we have signed a solemn pledge to appropriate the money every year to retire them. I would not hesitate to recommend these bonds to anyone.

Mr. SCHAFER of Wisconsin. Is not that a valid reason for killing this bill right now?

Mr. WOLCOTT. No; I don't think it is. I think it is a valid reason for setting up some new plan for doing this job. I would not want to see this bill killed, because I do not think it is fair to the Territory of Alaska to do it, because all the bill seeks to do is to remove a discrimination against Alaska and I hope the gentleman will not object to it and will join with us, if we have to meet the issue, by amending the Housing Act so that private capital may be encouraged to come in and do the job.

Mr. SCHAFER of Wisconsin. If the gentleman will just let me have a minute so I can explain my position on this bill I will be much obliged to him.

This bill involves socialism. In Milwaukee we have the Parklawn Government housing project. Who lives in these tax-exempt apartments? Postal employees with incomes as high as $2,300 a year, city policemen, and walking delegates for labor unions who have an income of $75 a week. The poor and underprivileged cannot and do not live in these Government-subsidized tax-exempt housing projects.

Abraham Lincoln, our Republican leader, said that the country could not exist half slave and half free. I believe that our Republican Party should adhere to the proposition that our country cannot remain half communistic soviet socialism and half a capitalistic American constitutional democracy. I, therefore, object to the consideration of this socialistic bill.

Mr. DIMOND. Mr. Speaker, I am deeply obliged to the gentleman from Michigan [Mr. WOLCOTT] for having stated

the case in favor of this bill more clearly and cogently than I could have stated it. The sole point at issue is whether the citizens of Alaska will receive, by act of Congress, the same benefits and privileges which have already been accorded to the citizens who reside in the 48 States and those who reside in Hawaii and Puerto Rico. Without exception, they have been accorded all of the benefits of the United States Housing Act with respect to slum clearance and low-cost housing. It is true, Mr. Speaker, that the United States Housing Act very properly extends to the territories and insular possessions, as well as to the States. So far as that act is concerned, no distinction is made as to citizens of the United States wherever they may reside under our flag. But Alaska is a Territory, and as a Territory it has only rigidly limited powers of legislation. At the present time the Territory has no authority to engage in slum clearance or to assist its citizens of small income with respect to low-cost housing. Congress has heretofore, under similar circumstances made a grant of the necessary authority to the people of Hawaii and to the people of Puerto Rico, acting through their respective legislatures, to engage in this highly meritorious realm of relief for their citizens of low income. We seek only in this bill to have the same authority granted to the Legislature of Alaska so that the citizens of Alaska too, may, if the Alaska Legislature sees fit to approve the program, enjoy the benefits which have been accorded to all other citizens of the United States with respect to housing and slum clearance. We are not seeking to expand or enlarge the United States Housing Act. We are not asking for a single dollar in additional appropriation. We are not advocating any increase in appropriation for housing, or for any other purpose. We simply say to the Congress that we are citizens of the United States and therefore, upon the plainest principles of justice and equity, entitled to whatever governmental benefits or advantages have been given by Congress to all other citizens of the United States. We are not asking for any special privilege. As the gentleman from Michigan [Mr. WOLCOTT] has so forcefully said, we are simply seeking an end of the discrimination which now exists with respect to Alaska in the application of the United States Housing legislation.

Mr. Speaker, if Alaska were a State, we would not be obliged to apply for any such legislation, because a State would be able, if it chose, either by legislative act, or by constitutional amendment, to enjoy the advantages which may be obtained under the Housing Act. But since Alaska is a Territory with a legislature of limited powers, it is necessary for us to apply to Congress for an enlargement of those powers so that we may be placed in the same position, and no better position, than the States, and the Territory of Hawaii, and Puerto Rico.

It is hard to conceive of any sound objection which can be made to our request. Surely it will not be urged that the citizens of Alaska are in some lower status or category than the citizens of the 48 States and the citizens of Hawaii and the citizens of Puerto Rico, all of whom are citizens of the United States. Lord North had some such idea with respect to colonies and the citizens of colonies, but, as I understand, that idea of offshore or colonial inferiority has generally been abandoned and few indeed are the people in this Nation who now say publicly that because a citizen of the United States lives in Alaska or Hawaii or Puerto Rico, he is not deserving of all of the rights and privileges and immunities which are enjoyed by the citizens of the United States who may happen to reside in the States of Michigan or Wisconsin, or any other of the 48 States.

Mr. Speaker, I am particularly comforted by the fact that the gentleman from Michigan [Mr. WOLCOTT] has forcefully advanced the arguments in favor of the passage of this bill. The more so, because he is opposed, as I understand, to the general policy of the United States housing program. In spite of that opposition he is concerned to see justice and equity given to the citizens of Alaska. Those of us who live in the Territory are his debtors for thus so strongly advancing the cause of fair treatment and equal justice to all citizens of the United States wherever they may reside.

It cannot be fairly argued, Mr. Speaker, that the inclusion of Alaska with the 48 States and the Territories of Hawaii and Puerto Rico within the active scope of the United States housing program will take a single additional dollar out of the United States Treasury. The Delegate from Alaska has no vote in this House; Alaska has no representation whatever in the Senate; and Alaska, like Hawaii and Puerto Rico, is not even eligible for election of Presidential electors. And so it is obvious that the Appropriations Committees of the House and Senate will not increase the appropriations requested for carrying on the program of the United States Housing Authority because Alaska, if this bill be passed, may be eligible to share with the States and with Hawaii and Puerto Rico in the benefits of that program. The passage of this bill will not expand or enlarge the chances for such an increased appropriation for housing, because Alaska may be eligible to share in the housing benefits, by as much as 1 to 1,000,000,000,000,000, and the latter raised to the *n*th power. It would be simply frivolous to say that the passage of this bill will mean larger appropriations for carrying on the work of the United States Housing Authority.

And so, Mr. Speaker, I suggest that no valid argument can be offered in opposition to this bill unless the Members are willing to adopt the views of Lord North and say that because citizens of the United States happen to reside in its Territories they are not entitled to the benefits and rights which are unhesitatingly accorded to the citizens of the several States. Of course, I understand that no Member of this House is even thinking of advocating any such policy, and yet such a policy would constitute the only reasonable and logical justification for opposition to the enactment of this measure.

Before concluding I desire to put in the RECORD at this point the body of House report on the bill favoring its passage:

The Committee on the Territories, to whom was referred the bill (H. R. 8884) to authorize the Legislature of the Territory of Alaska to create a public corporate authority to undertake slum clearance and projects to provide dwelling accommodations for families of low-income and to issue bonds and other obligations of the authority for such purpose, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass.

The purpose of the bill is to enable the Legislature of the Territory of Alaska, through the creation of suitable public corporate authority, to undertake projects for slum clearance and to provide dwelling accommodations for families of low income.

Congress has heretofore enacted similar measures for the Territory of Hawaii (act, July 10, 1937, 50 Stat. 508) and for Puerto Rico (act, June 25, 1938, 52 Stat. 1203) under which both Hawaii and Puerto Rico have undertaken work similar to that which is contemplated for Alaska.

That there is widespread need for housing aid and slum clearance in Alaska was amply shown at the hearings on the bill. At the present time the work cannot be undertaken because the Legislature of Alaska does not possess sufficient authority, and the object of the bill is to enlarge the legislative authority of the Territory so as to enable the legislature to adopt and undertake such a program if it shall see fit to do so. By the two acts above mentioned, similar authority has already been given to the Legislatures of Hawaii and Puerto Rico.

If the bill is enacted and if the Legislature of Alaska creates the housing authority as outlined in the bill, that authority will be eligible to apply for assistance to the United States Housing Authority to undertake slum clearance and low-cost housing. Thus, the Territory of Alaska will be qualified to share with the States and with Hawaii and Puerto Rico in whatever help may be obtained through the United States Housing Authority.

In essence the bill is designed to give to the citizens of Alaska the same rights and privileges with respect to housing which have already been conferred upon the citizens of the 48 States and upon the citizens of Hawaii and Puerto Rico. Nothing further is designed or intended and nothing further can be done under the bill.

The bill has the approval of the Secretary of the Interior and the Bureau of the Budget as is indicated by a letter dated April 26 addressed to the chairman of the committee by the Secretary of the Interior, which is hereinafter set out. The bill does not call for or authorize or even suggest any appropriation from the United States Treasury.

The letter from the Secretary of the Interior is as follows:

APRIL 26, 1940.

Hon. LEX GREEN,
Chairman, Committee on the Territories, House of Representatives.

MY DEAR MR. GREEN: I have received your letter of March 14 requesting a report on H. R. 8884, a bill to authorize the Legislature of the Territory of Alaska to create a public corporate

authority to undertake slum clearance and projects to provide dwelling accommodations for families of low income and to issue bonds and other obligations of the authority for such purposes, and for other purposes.

The purpose of this bill is to enable the Legislature of the Territory of Alaska to create a Territorial housing authority, in order that Alaska may participate in the benefits afforded by the United States Housing Act of 1937 (50 Stat. 888). This act authorizes the United States Housing Authority to furnish financial assistance to public housing agencies in States and Territories for undertaking slum clearance and low-rent housing. Alaska is specifically included in the provisions of the Housing Act, but before a public-housing agency may be created in the Territory, the legislature must enact covering legislation.

The legislative powers of the Territorial legislature are limited, however, by section 9 of the organic act of August 24, 1912 (37 Stat. 512), as amended. Although the legislature is permitted to enact legislation governing the creation of corporate bodies for designated purposes, it is not clear from the covering language of the organic act whether or not the legislature has been given the power to provide for a public body to undertake slum clearance and low-cost housing. H. R. 8884 would clearly authorize the legislature to enact such measures and thereby enable the Territory to profit by the United States Housing Act—an act in which Alaska is specifically included.

The provisions of the proposed legislation are similar in effect to those contained in the acts of Congress of 1937 and 1938 enabling the Legislatures of Hawaii (50 Stat. 508) and Puerto Rico (52 Stat. 1203) to create housing authorities:

Section 1 would authorize the creation of a housing authority by the Territorial legislature.

Section 2 would permit Territorial legislation covering the powers of the authority necessary to qualify for assistance under the United States Housing Act, specifying, however, that such powers shall not include the power of taxation nor any power to pledge the faith of the people of the Territory for any loan whatever.

Section 3 would authorize the legislature to provide for the issuance of bonds and other obligations, but would prohibit such authority from issuing any obligations as debts of the Territory or any body other than the Territorial housing authority.

The bill appears to me to be in the interest of Alaska, is in accord with the policy established by existing Federal law on the same subject, and I recommend its passage as written.

I am advised by the Director of the Bureau of the Budget that there is no objection to presenting this report to the Congress.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

CUMBERLAND GAP NATIONAL HISTORICAL PARK

The Clerk called the next bill, H. R. 9394, to provide for the establishment of the Cumberland Gap National Historical Park in Tennessee, Kentucky, and Virginia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That when title to all the lands, structures, and other property in the Cumberland Gap-Cumberland Ford areas, being portions of the Warriors Path of the Indians and Wilderness Road of Daniel Boone, within Bell and Harlan Counties, Ky.; Lee County, Va.; and Claiborne County, Tenn.; as may be determined by the Secretary of the Interior as necessary or desirable for national historical park purposes, shall have been vested in the United States such area or areas shall be, and they are hereby, established, dedicated, and set apart as a public park for the benefit and inspiration of the people and shall be known as the "Cumberland Gap National Historical Park": *Provided*, That the United States shall not purchase by appropriation of public moneys any lands within the aforesaid areas: *Provided further*, That such area or areas shall include at least the following features and intervening lands: Cumberland Gap, The Pinnacle, the remaining fortifications of the War between the States, Soldiers Cave, King Solomon's Cave, Devils Garden, Sand Cave, The Doublings, White Rocks, Rocky Face, Moore Knob, and that portion of the Warriors Path and Daniel Boone's Wilderness Road extending from the city of Cumberland Gap, Tenn., to Cumberland Ford, near Pineville, Ky.

SEC. 2. The total area of the Cumberland Gap National Historical Park, as determined pursuant to this act, shall not exceed 50,000 acres, and shall not include any land within the city limits of Middlesboro and Pineville, Ky.; Cumberland Gap, Tenn.; or any lands adjacent thereto which the proper officials thereof shall indicate to the Secretary of the Interior prior to the establishment of said park are required for expansion of said cities.

SEC. 3. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land, interests in land, buildings, structures, and other property within the boundaries of the said historical park as determined and fixed hereunder, and donations of funds for the purchase and maintenance thereof: *Provided*, That he may acquire on behalf of the United States out of any donated funds, by purchase at prices deemed by him reasonable, or by condemnation under the provisions of the act of August 1, 1888, such tracts of land within said historical park as may be necessary for the completion thereof.

SEC. 4. The administration, protection, and development of the aforesaid national historical park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916 (39 Stat. 535), entitled "An act to establish a National Park Service, and for other purposes," as amended.

With the following committee amendment:

Page 3, at the end of line 10, add the following: "The title to any lands or interests in lands to be acquired pursuant to this act shall be satisfactory to the Secretary of the Interior.

The committee amendment was agreed to.

Mr. REECE of Tennessee. Mr. Speaker, this bill providing for the establishment of Cumberland Gap National Historical Park in Tennessee, Kentucky, and Virginia is a most meritorious proposal and one which has the approval of the Department of the Interior.

The Committee on the Public Lands recently held a thorough hearing on the bill, at which representatives from the three States appeared in support of it.

The proposal to establish a national historical park in the Cumberland Gap area has attracted favorable comment among historians, naturalists, conservationists, and others interested in preserving the highly interesting historical aspects and the natural beauty of this area.

Cumberland Gap is one of the most historical passes in America and ranks with the most interesting mountain passes in the world. The first white man to pass through this gap, so far as is known, was Dr. Thomas Walker, of Virginia, who, with five companions, passed through this gateway in 1750, going into what is now Kentucky; but the aborigines had been passing through it for ages in their trips to the South and Southeast. George Rogers Clark likewise passed through Cumberland Gap, after which he won his victory at Vincennes, Ind., except for which the western boundary of the United States might well have been the Cumberland Range. Dr. Walker, when he first visited this place, suggested its name in honor of the Duke of Cumberland. There followed Daniel Boone and many other historical characters.

This is veritably a land of beauty as well as history. There is a greater variety of flora in the southern Appalachian Mountains than in any part of the United States. It is a land of magnolias, azaleas, rhododendron, and a hundred other varieties of beautiful shrubbery and flora. It is highly important that this remarkable area be conserved and protected for the benefit of posterity.

In my opinion, it will become one of the most popular small parks in America, and, due to its close proximity to the Great Smoky Mountains, Norris Dam, and Mammoth Cave, it will become immediately accessible to the millions who will visit these areas annually.

This is a proposal in which I have been greatly interested for a number of years, and it gives me a great deal of personal satisfaction to see it coming to a successful conclusion.

I want to express my appreciation to the chairman and members of the Committee on the Public Lands for their careful consideration of the bill, resulting in an unanimous favorable report.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GOVERNMENT PRINTING OFFICE

The Clerk called the next business, Senate Joint Resolution 71, relating to pay to certain employees of the Government Printing Office for uncompensated leave earned during the fiscal year 1932.

Mr. CONNERY. Mr. Speaker, acting on an agreement with the ranking minority member of the Committee on Printing, the gentleman from Pennsylvania [Mr. RICH], who finds it impossible to be in the Chamber at the time this joint resolution is called, I ask that the joint resolution may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

BIOGRAPHICAL CONGRESSIONAL DIRECTORY

The Clerk called the next business, House Concurrent Resolution 54.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. KEAN. Mr. Speaker, reserving the right to object, there is no money in the Treasury today. This directory is not a necessity. Until the Nation's finances are in better condition I think we should be glad to forego this sort of luxury.

I ask unanimous consent that this joint resolution may be passed over without prejudice.

Mr. CONNERY. Mr. Speaker, reserving the right to object, I hope the gentleman will withhold his request, for to discontinue the continued publication of this biography at the present time—the last compilation was made in 1928—would be practically a waste of the money originally spent on this valuable work.

This work consists of the compilation of biographies of every Member who ever served in this body. Since the 1928 edition was printed, approximately 1,000 Members have served in the House of Representatives whose names are not included in that compilation. The pending bill would provide for a continuation of this work. It is a necessity, not only as a work of reference but it is something that should be handed down to posterity as historical data. I hope the gentleman will not object to the joint resolution. Seventy of the present 96 Members of the Senate do not appear at all in the present compilation, and the names of some 362 Members of the House of the present session of Congress are also without recognition.

When the edition was published in 1928 it was done so only after tremendous research and at considerable expense. With the close of the present session of Congress bringing with it a national election, it seems fitting that if this work is to be continued at all this is the year to do it. This bill will bring these biographies up to date as of December 31, 1940. The biographical matter contained in the present Congressional Directories is entirely inadequate, as many Members of the House and Senate, now as in the past, exemplifying great modesty, have refrained from placing important items concerning their careers within those pages. Their great deeds and the history of their important careers should be handed down to posterity, both for historical preservation as well as reference, hence the need of the revision of the 1928 edition at this time. I hope the gentleman will withdraw his request so that this joint resolution may pass.

Mr. KEAN. May I not say to the gentleman from Massachusetts that this will cost $36,000? It is not a necessity, and I must renew my request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey that the joint resolution be passed over without prejudice?

There was no objection.

OFFICERS' RESERVE CORPS OF THE ARMY

The Clerk called the next bill, S. 3198, to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That officers of the Officers' Reserve Corps of the Army shall be entitled to an allowance for uniforms and equipment of $50 per annum upon completion, in separate fiscal years, of each of their first three periods of active-duty training of 3 months or less, following their original appointment, during which periods the uniform is required to be worn.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to extend my own remarks on the bill (H. R. 9394) recently passed, and to insert them in the RECORD at the point where the bill was considered.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

GEOLOGICAL SURVEY LIBRARY

The Clerk called the next bill, S. 1542, to authorize the Director of the Geological Survey, under the general supervision of the Secretary of the Interior, to acquire certain collections for the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Director of the Geological Survey, under the general supervision of the Secretary of the Interior, is authorized to acquire for the United States, by gift or devise, scientific or technical books, manuscripts, maps, and related materials, and to deposit the same in the library of the Geological Survey for reference and use as authorized by law.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DOCUMENTATION OF CERTAIN VESSELS

The Clerk called the next bill, H. R. 8283, to amend section 4370 of the Revised Statutes of the United States (U. S. C., 1934 ed., title 46, sec. 316).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4370 of the Revised Statutes of the United States (U. S. C., 1934 ed., title 46, sec. 316) is amended to read as follows:

"SEC. 4370. (a) It shall be unlawful for any vessel not wholly owned by a person who is a citizen of the United States within the meaning of the laws respecting the documentation of vessels and not having in force a certificate of registry, a certificate of enrollment, or a license, issued pursuant to title XLVIII or title L of the Revised Statutes, or a certificate of award of number issued pursuant to the act of June 7, 1918, as amended (U. S. C., 1934 ed., Supp. IV, title 46, sec. 288), to tow any vessel other than a vessel of foreign registry, or a vessel in distress, from any port or place in the United States, its Territories or possessions, embraced within the coastwise laws of the United States, to any other port or place within the same, either directly or by way of a foreign port or place, or to do any part of such towing, or to tow any such vessel, from point to point within the harbors of such places. The owner and master of any vessel towing another vessel in violation of the provisions of this section shall each be liable to a fine of not less than $250 nor more than $1,000, which fines shall constitute liens upon the offending vessel enforceable through the district court of the United States for any district in which such vessel may be found, and clearance shall not be granted to such vessel until the fines have been paid. The towing vessel shall also be further liable to a penalty of $50 per ton on the measurement of every vessel towed in violation of this section, which sum may be recovered by way of libel or suit.

"(b) The term 'person' as used in subsection (a) of this section, shall be held to include persons, firms, partnerships, associations, organizations, and corporations, doing business or existing under or by the authority of the laws of the United States, or of any State, Territory, district, or other subdivision thereof.

"(c) Any foreign railroad company or corporation, whose road enters the United States by means of a ferry, tugboat, or towboat, may own such vessel and operate the same in connection with the water transportation of the passenger, freight, express, baggage, and mail cars used by such road, together with the passengers, freight, express matter, baggage, and mails transported in such cars, without being subject to any other or different restrictions than those imposed by law on any vessel of the United States entering ports of the United States from ports in the same foreign country: *Provided*, That except as authorized by section 27 of the Merchant Marine Act, 1920, as amended (U. S. C., 1934 ed., Supp. IV, title 46, sec. 883), such ferry, tugboat, or towboat shall not, under penalty of forfeiture, be used in connection with the transportation of any merchandise shipped from any port or place in the United States, its Territories or possessions, embraced within the coastwise laws of the United States, to any other port or place within the same.

"(d) No foreign vessel shall, under penalty of forfeiture, engage in salvaging operations on the Atlantic or Pacific coast of the United States, in Alaska, in any portion of the Great Lakes or their connecting or tributary waters, including any portion of the Saint Lawrence River through which the international boundary line extends, or in territorial waters of the United States on the Gulf of Mexico, except when authorized by a treaty or in accordance with the provisions of the act of June 19, 1878, as amended (U. S. C., 1934 ed., title 46, sec. 725): *Provided, however*, That if, on investigation, the Secretary of Commerce is satisfied that no suitable vessel wholly owned by a person who is a citizen of the United States and documented under the laws of the United States or numbered pursuant to the act of June 7, 1918, as amended (U. S. C., 1934 ed., Supp. IV, title 46, sec. 288), is available in any particular locality he may authorize the use of a foreign vessel or vessels in salvaging operations in that locality and no penalty shall be incurred for such authorized use.

"(e) Nothing in this section shall be held or construed to prohibit or restrict any assistance to vessels or salvage operations authorized by article II of the treaty between the United States and Great Britain 'concerning reciprocal rights for United States and Canada in the conveyance of prisoners and wrecking and salvage,' signed at Washington, May 18, 1908 (35 Stat. 2036), or by the treaty between the United States and Mexico 'to facilitate assistance to and salvage of vessels in territorial waters,' signed at Mexico City, June 13, 1935 (49 Stat. 3359)."

With the following committee amendment:

Page 3, line 25, strike out the words "in Alaska."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING TRANSFER OF FUNDS TO COVER ADVANCES FOR CROP INSURANCE

The Clerk called the next bill, H. R. 9594, to amend section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing the transfer of funds to cover advances for crop insurance.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, be amended by adding the following sentence at the end thereof: "In carrying out the provisions of this subsection, the Secretary may transfer to the Federal Crop Insurance Corporation, prior to the execution of applications for insurance or requests for advances by producers, the funds estimated as necessary to cover the advances which will be requested for the payment of premiums under a crop-insurance program, and any portion of such funds not used for advances to producers under such program shall be returned to the Secretary by the Federal Crop Insurance Corporation."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was lead on the table.

AMENDING THE PERISHABLE AGRICULTURAL COMMODITIES ACT, 1930, AS AMENDED

The Clerk called the next bill, H. R. 8628, to amend the Perishable Agricultural Commodities Act, 1930, as amended, to include as a perishable agricultural commodity cherries in brine, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (4) of section 1 of the Perishable Agricultural Commodities Act, 1930, as amended (relating to the definition of "perishable agricultural commodity"), is amended to read as follows:

"(4) The term 'perishable agricultural commodity'—

"(A) Means any of the following, whether or not frozen or packed in ice: Fresh fruits and fresh vegetables of every kind and character; and

"(B) Includes cherries in brine as defined by the Secretary in accordance with trade usages;".

SEC. 2. Paragraph (6) (C) of section 1 of such act, as amended (relating to the definition of "dealer"), is amended by inserting after the word "ice" a comma and the following: "or consists of cherries in brine,".

SEC. 3. Paragraph (1) of section 2 of such act, as amended (relating to the definition of "unfair conduct"), is amended to read as follows:

"(1) For any commission merchant, dealer, or broker to engage in or use any unfair, unreasonable, discriminatory, or deceptive practice in connection with the weighing, counting, or in any way determining the quantity of any perishable agricultural commodity received, bought, sold, shipped, or handled in interstate or foreign commerce;".

SEC. 4. Paragraph (5) of section 2 of such act, as amended (relating to the definition of "unfair conduct"), is amended by inserting after "quality," the following: "quantity, size, pack, weight,".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALTERATION OF CERTAIN BRIDGES AND APPORTIONMENT OF COSTS THEREOF

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of H. R. 9381, to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes, No. 797 on the Union Calendar, which was inadvertently omitted from the Consent Calendar.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. HOBBS]?

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. HOBBS. Mr. Speaker, this is a bill which was passed by the Congress last year without an objection or a dissenting vote. The President vetoed the bill after the Congress had adjourned.

A letter written by Senator HARRY S. TRUMAN to the chairman of the Bridge Subcommittee of the Interstate and Foreign Commerce Committee of the House, will explain the amendments which appear on pages 2, 5, and 6 of the new bill, H. R. 9381:

WASHINGTON, D. C., *April 22, 1940.*

Hon. VIRGIL CHAPMAN,
Chairman, Bridge Committee, House Committee on Interstate and Foreign Commerce, Washington, D. C.

DEAR MR. CHAPMAN: While I may not, because of the rule of protocol against quoting the President, state exactly what he said to me, yet I may with propriety certify the clear understanding I gained from a personal interview with the President.

Therefore, I certify H. R. 9381 is in complete and perfect accord with my clear understanding, so gained, of the wishes of the President with respect to that legislation.

H. R. 9381 is essentially the same bill passed by the Senate and the House last year in which have been incorporated amendments that I am sure will make it acceptable to the President.

Sincerely yours,

HARRY S. TRUMAN.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. HOBBS]?

Mr. DARDEN of Virginia. Mr. Speaker, reserving the right to object, I am in accord with the gentleman's bill, but may I inquire if that was not included as a part of the transportation bill?

Mr. HOBBS. No, sir; that is not true.

Mr. DARDEN of Virginia. Was it not a part of the bill when it passed the House last year?

Mr. HOBBS. Yes, sir.

Mr. DARDEN of Virginia. It was stricken out by the conferees?

Mr. HOBBS. Yes, sir; or at least the Senate conferees would not agree to incorporate it in the conference report.

Mr. DARDEN of Virginia. They assigned as their reason the fact it had been vetoed?

Mr. HOBBS. Not exactly, as I understand it. It was not in the Senate version. It was in the House version. The conferees preferred that it be done this way.

There is no objection from any source whatsoever. It comes in here with a unanimous report of the great Interstate Commerce Committee. It has the unanimous support of all 21 of the railroad brotherhoods and of every railroad in the country. It also is recommended in the unanimous report of the President's Committee of Six appointed to study the whole field of railway problems. The President selected and appointed to serve on this Committee of Six representatives of railway management, railway labor, and of the public. It was a group of men of outstanding ability, honesty, and patriotism. They studied the question presented by this bill exhaustively. Their unanimous report advocating the passage of such a bill should be given great weight.

The philosophy of this bill is taken from the decision of the Supreme Court of the United States in the case of *N. C. & St. L. R. R. Co.* v. *Walters* (294 U. S. 405), relating to the analogous problem arising there as to the elimination of grade crossings of railways by highways. The same reasoning applies with equal force to the equities arising when the Army engineers order the remodeling of a railway bridge crossing a navigable stream because of the needs of navigation.

This bill does not seek to diminish the authority nor power of the Army engineers by one iota. It leaves the determination of the equities entirely in their hands. It simply requires them to ascertain the equities and after charging the affected railroad with all the benefits, past, present, and future, accruing to it, if in equity and good conscience they determine that there is a balance which should be paid by the Government for the benefit of navigation, they should so adjudge. In the event of such adjudication it is provided that the Government should make such contribution as may have been held to be equitable in the particular case.

In view of Senator TRUMAN's assurance that the amendments incorporated in the new bill meet the objections of the President, it is confidently expected that the President will approve the pending bill when passed by both Houses of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. HOBBS]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc.

DEFINITIONS

SECTION 1. When used in this act, unless the context indicates otherwise—

The term "alteration" includes changes of any kind, reconstruction, or removal in whole or in part.

The term "bridge" means a lawful bridge over navigable waters of the United States, including approaches, fenders and appurtenances thereto, used and operated for the purpose of carrying railroad traffic, or both railroad and highway traffic.

The term "bridge owner" means any corporation, association, partnership, or individual owning any bridge, and, when any bridge shall be in the possession or under the control of any trustee, receiver, trustee in bankruptcy, or lessee, said term shall include both the owner of the legal title and the person or entity in possession or control of such bridge.

The term "bridge owner" shall also mean and include all joint owners, particularly States, counties, municipalities, or other participants in ownership of bridges for both railroad and highway traffic.

The term "Secretary" means the Secretary of War acting directly or through the Chief of Engineers.

The term "United States", when used in a geographical sense, includes the Territories and possessions of the United States.

OBSTRUCTION OF NAVIGATION

SEC. 2. No bridge shall at any time unreasonably obstruct the free navigation of any navigable waters of the United States.

NOTICE, HEARINGS, AND FINDINGS

SEC. 3. Whenever any bridge shall, in the opinion of the Secretary, at any time unreasonably obstruct such navigation, it shall be the duty of the Secretary, after notice to interested parties, to hold a hearing at which the bridge owner, those interested in water navigation thereunder or therethrough, those interested in either railroad or highway traffic thereover, and any other party or parties in interest shall have full opportunity to offer evidence and be heard as to whether any alteration of such bridge is needed, and if so what alterations are needed, having due regard to the necessity of free and unobstructed water navigation and to the necessities of the rail or highway traffic. If, upon such hearing, the Secretary determines that any alterations of such bridge are necessary in order to render navigation through or under it reasonably free, easy, and unobstructed, having due regard also for the necessities of rail or highway traffic thereover, he shall so find and shall issue and cause to be served upon interested parties an order requiring such alterations of such bridge as he finds to be reasonably necessary for the purposes of navigation.

SUBMISSION AND APPROVAL OF GENERAL PLANS AND SPECIFICATIONS

SEC. 4. It shall be the duty of the bridge owner to prepare and submit to the Secretary, within 90 days after service of his order, general plans and specifications to provide for the alteration of such bridge in accordance with such order, and for such additional alteration of such bridge as the bridge owner may desire to meet the necessities of railroad or highway traffic, or both. The Secretary may approve or reject such general plans and specifications, in whole or in part, and may require the submission of new or additional plans and specifications, but when the Secretary shall have approved general plans and specifications, they shall be final and binding upon all parties unless changes therein be afterward approved by the Secretary and the bridge owner.

CONTRCTS FOR PROJECT; GUARANTY OF COST

SEC. 5. After approval of such general plans and specifications by the Secretary, and within 90 days after notification of such approval, the bridge owner shall, in such manner as the Secretary may prescribe, take bids for the alteration of such bridge in accordance with such general plans and specifications. All bids, including any bid for all or part of the project submitted by the bridge owner, shall be submitted to the Secretary, together with a recommendation by the bridge owner as to the most competent bid or bids, and at the same time the bridge owner shall submit to the Secretary a written guaranty that the total cost of the project, including the cost of such work as is to be performed by the bridge owner and not included in the work to be performed by contract, shall not exceed the sum stated in said guaranty. The Secretary may direct the bridge owner to reject all bids and to take new bids, or may authorize the bridge owner to proceed with the project, by contract, or partly by contract and partly by the bridge owner, or wholly by the bridge owner. Upon such authorization and fixing of the proportionate shares of the cost as provided in section 6, the bridge owner shall, within a reasonable time to be prescribed by the Secretary, proceed with the work of alteration; and the cost thereof shall be borne by the United States and by the bridge owner, as hereinafter provided.

APPORTIONMENT OF COST

SEC. 6. At the time the Secretary shall authorize the bridge owner to proceed with the project, as provided in section 5, and after an opportunity to the bridge owner to be heard thereon, the Secretary shall determine and issue an order specifying the proportionate shares of the total cost of the project to be borne by the United States and by the bridge owner. Such apportionment shall be made on the following basis: The bridge owner shall bear such part of the cost as is attributable to the direct and special benefits which will accrue to the bridge owner as a result of the alteration, including the expectable savings in repair or maintenance costs; and that part of the cost attributable to the requirements of traffic by railroad or highway, or both, including any expenditure for increased carrying capacity of the bridge, and including such proportion of the actual capital cost of the old bridge or of such part of the old bridge as may be altered or changed or rebuilt, as the used service life of the whole or a part, as the case may be, bears to the total estimated service life of the whole or such part: *Provided*, That the part of the cost of alteration of any bridge for both highway and railroad traffic, attributable to the requirements of traffic by highway, shall be borne by the proprietor of the highway: *Provided further*, That in the event the alteration or relocation of any bridge may be desirable for the reason that the bridge unreasonably obstructs navigation, but also for some other reason, the Secretary may require equitable contribution from any interested person, firm, association, corporation, municipality, county, or State desiring such alteration or relocation for such other reason, as a condition precedent to the making of an order for such alteration or relocation. The United States shall bear the balance of the cost, including that part attributable to the necessities of navigation.

PAYMENT OF SHARE OF THE UNITED STATES

SEC. 7. When the Secretary shall have approved the general plans and specifications for the alteration of such bridge and the guaranty with respect to the cost thereof, and shall have fixed the proportionate shares thereof as between the United States and the bridge owner, he shall furnish to the Secretary of the Treasury a certified copy of his approval of such plans and specifications and guaranty, and of his order fixing the proportionate shares of the United States and of the bridge owner, and the Secretary of the Treasury shall thereupon set aside, out of any appropriation available for such purpose, the share of the United States payable under this act on account of the project. When the Secretary finds that such project has been completed in accordance with his order, he shall cause to be paid to the bridge owner, out of the funds so set aside, the proportionate share of the total cost of the project allocated to the United States; or he may, in his discretion, from time to time, cause payments to be made on such construction costs as the work progresses. The total payments out of Federal funds shall not exceed the proportionate share of the United States of the total cost of the project paid or incurred by the bridge owner, and, if such total cost exceeds the cost guaranteed by the bridge owner, shall not exceed the proportionate share of the United States of such guaranteed cost, except that if the cost of the work exceeds the guaranteed cost by reason of emergencies, conditions beyond the control of the owner, or unforeseen or undetermined conditions, the Secretary may, after full review of all the circumstances, provide for additional payments by the United States to help defray such excess cost to the extent he deems to be reasonable and proper, and shall certify such additional payments to the Secretary of the Treasury for payment. All payments to any bridge owner herein provided for shall be made by the Secretary of the Treasury through the Division of Disbursement upon certifications of the Secretary of War.

APPROPRIATION AUTHORIZED

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

FAILURE TO COMPLY WITH ORDERS; PENALTIES; REMOVAL OF BRIDGE

SEC. 9. Any bridge owner who shall willfully fail or refuse to comply with any lawful order of the Secretary, made in accordance with the provisions of this act, shall be deemed guilty of a misdemeanor and on conviction thereof shall be punished in any court of competent jurisdiction by a fine not exceeding $5,000, and every month such bridge owner shall remain in default shall be deemed a new offense and subject such bridge owner to additional penalties therefor. In addition to the penalties above prescribed the Secretary may, upon the failure or refusal of any bridge owner to comply with any lawful order issued by the Secretary in regard thereto, cause the removal of any such bridge and accessory works at the expense of the bridge owner; and suit for such expense may be brought in the name of the United States against such bridge owner and recovery had for such expense in any court of competent jurisdiction. The removal of any bridge erected or maintained in violation of the provisions of this act or the order or direction of the Secretary made in pursuance thereof, and compliance with any order of the Secretary made with respect to any bridge in accordance with the provisions of this act, may be enforced by injunction, mandamus, or other summary process upon application to the district court of any district in which such bridge may, in whole or in part, exist, and proper proceedings to this end may be instituted under the direction of the Attorney General of the United States at the request of the Secretary.

REVIEW OF FINDINGS AND ORDERS

SEC. 10. Any order made or issued under section 6 of this act may be reviewed by the circuit court of appeals for any judicial circuit in which the bridge in question is wholly or partly located if a petition for such review is filed within 3 months after the date such order is issued. The judgment of any such court shall be final except that

it shall be subject to review by the Supreme Court of the United States upon certification or certiorari, in the manner provided in sections 239 and 240 of the Judicial Code, as amended. The review by such Court shall be limited to questions of law, and the findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive. Upon such review such Court shall have power to affirm or, if the order is not in accordance with law, to modify or to reverse the order, with or without remanding the case for a rehearing as justice may require. Proceedings under this section shall not operate as a stay of any order of the Secretary issued under provisions of this act other than section 6, or relieve any bridge owner of any liability or penalty under such provisions.

REGULATIONS AND ORDERS

SEC. 11. The Secretary is authorized to prescribe such rules and regulations, and to make and issue such orders, as may be necessary or appropriate for carrying out the provisions of this act.

EXISTING PROVISIONS OF LAW

SEC. 12. (a) The first sentence of section 4 of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906 (U. S. C., 1934 ed., title 33, sec. 494), and section 18 of the act entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved March 3, 1899 (U. S. C., 1934 edition, title 33, sec. 502), shall be inapplicable with respect to any bridge to which the provisions of this act are applicable, except to the extent provided in this section.

(b) Any bridge, the construction, reconstruction, or alteration of which was required by an order of the Secretary issued prior to July 1, 1939, and was not completed on such date, and in the case of which no penalties have accrued at the time of the enactment of this act, shall be constructed, reconstructed, or altered as required by such order, and not in accordance with the provisions of this act. In the case of any such bridge, however, the Secretary shall apportion the cost of the project between the bridge owner and the United States, and payment of the share of the United States shall be made in the same manner as if the provisions of this act applied to such construction, reconstruction, or alteration, subject to the following limitations:

(1) In case such construction, reconstruction, or alteration has not begun on or before April 1, 1940, such apportionment of cost shall be made only if (A) the construction, reconstruction, or alteration is carried out in accordance with plans and specifications, and pursuant to bids, approved by the Secretary, and (B) the bridge owner has submitted to the Secretary a written guaranty of cost as provided for in section 5.

(2) The Secretary's determination as to such apportionment and as to such plans and specifications and bids shall be final.

(3) Such apportionment shall not be made if such construction, reconstruction, or alteration is not completed within the time fixed in such order of the Secretary or within such additional time as the Secretary, for good cause shown, may allow.

(c) Any bridge (except a bridge to which subsection (b) applies) the construction, reconstruction, or alteration of which was required by an order of the Secretary issued prior to July 1, 1939, and was not begun before such date, shall be subject to the provisions of this act as though such order had not been issued, and compliance with the provisions of this act and with such orders as may be issued thereunder shall be considered to constitute compliance with such order issued prior to July 1, 1939, and with the provisions of law under which it was issued.

RELOCATION OF BRIDGES

SEC. 13. If the owner of any bridge used for railroad traffic and the Secretary shall agree that in order to remove an obstruction to navigation, or for any other purpose, a relocation of such bridge or the construction of a new bridge upon a new location would be preferable to an alteration of the existing bridge, such relocation or new construction may be carried out at such new site and upon such terms as may be acceptable to the bridge owner and the Secretary, and the cost of such relocation or new construction, including also any expense of changes in and additions to rights-of-way, stations, tracks, spurs, sidings, switches, signals, and other railroad facilities and property, and relocation of shippers required for railroad connection with the bridge at the new site, shall be apportioned as between the bridge owner and the United States in the manner which is provided for in section 6 hereof in the case of an alteration and the share of the United States paid from the appropriation authorized in section 8 hereof: *Provided*, That nothing in this section shall be construed as requiring the United States to pay any part of the expense of building any bridge across a navigable stream which the Secretary of War shall not find to be, in fact, a relocation of an existing bridge.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RIVER AND HARBOR BILL

Mr. MANSFIELD. Mr. Speaker, I call up the conference report on the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 17, 51, and 100.

That the House recede from its disagreement to the amendments of the Senate numbered 1 to 16, inclusive; 18 to 50, inclusive; 52 to 63, inclusive; 65 to 77, inclusive; 79 to 184, inclusive; 186 to 201, inclusive; and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the language inserted by the Senate amendment insert the following:

"Guadalupe River, Texas: The construction of the nine-foot navigation channel from the Intracoastal Waterway to a point about three miles above Victoria as recommended in sub-paragraph (a) of paragraph 2, page 2, in House Document Numbered 247, Seventy-sixth Congress, First Session."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: After the word "Harbor" insert the word "California;"; And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 185, and agree to the same with an amendment as follows: Strike out the word "Michigan" and insert in lieu thereof the word "Wisconsin"; And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 202, and agree to the same with amendments as follows: In lieu of the figures "$144,754,450" insert the figures "$109,985,450"; and after the word "herein" strike out the words "over the seven-year period beginning July 1, 1941", and insert in lieu thereof the word "adopted"; And the Senate agree to the same.

J. J. MANSFIELD,
JOSEPH A. GAVAGAN,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

JOSIAH W. BAILEY,
MORRIS SHEPPARD,
CHAS. L. MCNARY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6264) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, submit the following statement explaining the effect of the action agreed upon:

The river and harbor bill as it passed the House carried authorizations for the improvement of 69 new projects in the amount of $83,848,100. The Senate by amendment struck from the House bill all but strictly navigation projects, thus eliminating 3 projects amounting to $10,220,000 and added 92 navigation projects to cost $71,184,350, making a grand total of $144,804,450.

As a result of the conference, the following project items of the House bill were eliminated:

East River, N. Y.	$34,509,000
Caloosahatchee and Lake Okeechobee drainage area, Florida	3,960,000
Guadalupe River, Tex. (flood control and power)	8,500,000
Sacramento River flood control, California	1,600,000
Bayocean Peninsula, Oreg.	120,000
Total	45,689,000

Item restored to the bill by the conferees:

Guadalupe River, Tex., navigation improvement	$3,700,000

As the result of the conference the amount authorized to be appropriated has been reduced to $109,985,450.

Projects in detail

An itemized list of the projects with first cost, as the bill passed the House of Representatives, is as follows:

Northeast Harbor, Maine	$94,500
Hendricks Harbor, Maine	6,000
Josias River, Maine	32,000
Boston Harbor, Mass.	103,000
Clinton Harbor, Conn.	21,900
Norwalk Harbor, Conn.	29,500
Greenwich Harbor, Conn.	31,000
Northport Harbor, N. Y.	15,000
Orowoc Creek, N. Y.	15,200
Peconic River, N. Y.	20,000
Shark River, N. J.	118,000

Projects in detail—Continued

New Jersey Intracoastal Waterway	$2,100,000
Mill Creek, Md	4,200
Black Walnut Harbor, Md	21,000
Town Creek, Md	25,000
Lower Thoroughfare, Deals Island, Md	22,000
Duck Point Cove, Md	19,500
Channel to Island Creek, Md	10,000
St. Catherines Sound, Md	10,900
Susquehanna River, above and below Havre de Grace, Md	18,000
Waterway on the coast of Virginia (Inland Waterway from Chesapeake Bay to Chincoteague Bay)	263,000
Appomattox River, Va	110,000
Norfolk Harbor, Va	35,000
Inland Waterway from Norfolk, Va., to Beaufort, N. C	39,000
Chowan River, N. C., and Blackwater River, Va	135,000
Channel from Pamlico Sound to Rodanthe, N. C	5,000
Channel from Edenton Bay into Pembroke Creek, N. C	9,500
Rollinson Channel, N. C	27,000
Swan Quarter Bay, waterway, North Carolina	22,500
Cape Fear River, N. C	675,000
Abbapoola Creek, S. C	10,800
Russell Creek, S. C	15,500
Winyah Bay, S. C	1,260,000
Charleston Harbor, S. C	465,000
Channel from the Intracoastal Waterway to Vero Beach, Fla	7,300
Channel from Apalachicola River to St. Andrews Bay, Fla	81,000
Anclote River, Fla	10,000
Warrior and Tombigbee Rivers, Ala. and Miss	6,750,000
Mobile Harbor, Ala	57,000
Bayou Galere, Miss	6,000
Biloxi Harbor, Miss	4,000
Mississippi River at the mouth, Louisiana	4,200,000
Louisiana-Texas Intracoastal Waterway	5,200,000
Houston Ship Channel, Tex	3,696,300
Guadalupe River, Tex	8,500,000
Ouachita River and Black River, Ark. and La	[1]
Mississippi River between Ohio River and Missouri River	10,290,000
Mississippi River, Red Wing Harbor, Minn	11,500
Mississippi River at Cochrane, Wis	33,000
Calumet-Sag Channel and Indiana Harbor and Canal, Ill. and Ind	25,900,000
Missouri River, Sioux City to the mouth	6,000,000
Baudette Harbor, Minn	15,000
Menominee Harbor and River, Mich. and Wis	[1]
Green Bay Harbor, Wis	56,000
Milwaukee Harbor, Wis	110,000
Calumet Harbor and River, Ill. and Ind	910,000
St. Joseph Harbor, Mich	74,000
Cleveland Harbor, Ohio	191,000
Erie Harbor, Pa	33,000
Rochester Harbor, N. Y	10,000
Oswego Harbor, N. Y	1,000,000
Monterey Harbor, Calif	74,000
Sacramento River flood control, California	1,600,000
Columbia River at Camas, Wash	45,000
Bayocean Peninsula, Oreg	120,000
Columbia River at Arlington, Oreg	39,000
Tacoma Harbor, Wash	160,000
Wrangell Narrows, Alaska	2,731,000
Metlakahtla Harbor, Alaska	120,000
Meyers Chuck Harbor, Alaska	25,000

[1] Modification.

Projects added to the bill by Senate amendments to which the House receded

Amendment No.	House Document No.	Title of report	Estimated cost
2	560	Portland Harbor, Maine	$780,000
3	701	Salem Harbor, Mass	43,000
4	703	Newburyport Harbor, Mass	68,000
5	362	Boston Harbor, Mass	2,300,000
7	568	Nantasket (Hull) Gut and Weymouth Fore River, Mass	141,000
8	425	Cohasset Harbor, Mass	62,000
9	557	Wellfleet Harbor, Mass	64,000
10	365	Menemsha Creek, Mass	37,500
11	368	Connecticut River Below Hartford	72,900
12	367	Thames River, Conn	120,000
13	307	New Haven Harbor, Conn	2,508,000
14	697	Larchmont Harbor, N. Y	52,000
15	700	Jamaica Bay, N. Y	270,000
16	369	Lake Montauk Harbor, N. Y	105,000
18	430	Passaic River, N. J	(1)
19	673	Compton Creek, N. J	16,000
20	580	Delaware River, Philadelphia to Sea	1,036,000
21	658	Wilmington Harbor, Del	(1)
22	330	Indian River, Del	151,000
23	429	Pocomoke River, Md	4,250
24	457	Crisfield Harbor, Md	(1)
25	556	Middle River and Dark Head Creek, Md	54,000
26	465	Cadle Creek, Md	5,500
27	687	Cranes Creek, Va	7,500

[1] Modification of project at no additional cost.

Projects added to the bill by Senate amendments to which the House receded—Continued

Amendment No.	House Document No.	Title of report	Estimated cost
28	285	Urbanna Creek, Va	$9,600
29	686	Totuskey, Va	44,000
30	381	Broad Creek, Va	20,500
31	582	Whitings Creek, Va	11,500
32	671	Pamunkey River, Va	10,000
33	559	Hampton Creek, Va	15,000
34	358	Onancock River, Va	(1)
35	683	Norfolk Harbor, Va	182,000
36	325	Silver Lake Harbor, N. C	60,000
37	316	Pamlico Sound to Avon, N. C	16,500
38	S87	Thoroughfare Bay to Cedar Bay, N. C	20,000
39	334	Beaufort Harbor, N. C	54,000
40	660	Beaufort to Cape Fear River Waterway	24,000
41	313	Manteo to Oregon Inlet, N. C	45,000
42	S83	Cape Fear River Below Wilmington, N. C	790,000
43	S170	Northeast Cape Fear River, N. C	73,000
44	327	Myrtle Beach, S. C., Anchorage Basin	11,000
45	602	Beresford Creek, S. C	21,000
46	283	Savannah Harbor, Ga	281,000
47	603	St. Johns River, Fla., Jacksonville to Lake Harney	290,000
48	336	Sebastian, Fla., to Intracoastal Waterway	19,000
49	553	New River, Fla	60,000
50	470	Miami Harbor, Fla	800,000
52	696	Waterway From Punta Rasa to Stuart and Fort Pierce, Fla	208,000
53	371	Caloosahatchee River to Withlacoochee River Waterway, Fla	3,200,000
54	552	Little Manatee River, Fla	77,000
55	342	Apalachicola, Chattahoochee, and Flint Rivers, Ga. and Fla	6,500,000
56	442	Apalachicola Bay to St. Marks River Intracoastal Waterway	32,500
57	555	Watson Bayou, Fla	(1)
58	282	Mobile Harbor, Ala., Airport Channel	55,000
59	333	Dauphin Island Bay, Ala	23,000
60	281	Bayou La Batre, Ala	27,500
61	326	Biloxi Harbor, Miss	6,000
62	685	Sabine-Neches Waterway, Tex	10,000
64	247	Guadalupe River, Tex	3,700,000
65	337	Chocolate and Bastrop Bayous and Oyster Creek, Tex	108,000
66	314	Lavaca and Navidad Rivers, Tex	85,000
67	428	Louisiana and Texas Intracoastal Waterway (Barroom Bay), Tex	6,300
68	335	Brazos Island Harbor, Tex	127,500
69	------	Mississippi River, Lock and Dam at Alton, Ill	(1)
70	547	Mississippi River at St. Paul, Minn	88,800
71	137	Modifies Project for Upper Mississippi River, Adopted in 1935, for Liquidating Damages to Drainage Districts	(1)
72	661	Grand Haven Harbor and Grand River, Mich	150,000
73	------	Cleveland Harbor, Ohio, Modification of Existing Project	(1)
74	328	Sandusky Harbor, Ohio	(1)
75	679	Wilson Harbor, N. Y	131,000
76	363	Cape Vincent Harbor, N. Y	59,000
77	682	Noyo River, Calif	600,000
78	688	Crescent City Harbor, Calif	1,610,000
79	672	Coquille River, Oreg	(1)
80	S86	Umpqua River and Harbor, Oreg	55,000
81	551	Salmon River, Oreg	5,000
82	443	Baker Bay, Columbia River, Oreg	170,000
83	544	Willamette River at and Below Willamette Falls, Oreg	3,600,000
84	------	Columbia River at Bonneville Oreg., Indian Fishing Grounds	50,000
85	481	Bay Center Channel, Willapa Harbor	30,000
86	699	Olympia Harbor, Wash	88,000
87	670	Petersburg Harbor, Alaska	80,000
88	578	Port Alexander, Alaska	31,000
89	284	Wrangell Harbor, Alaska	189,000
90	558	Craig Harbor, Alaska	80,000
91	331	Sitka Harbor, Alaska	109,000
92	579	Elfin Cove, Alaska	38,000
93	702	Seldovia Harbor, Alaska	50,000
94	332	Kodiak Harbor, Alaska	70,000
95	329	Keehi Lagoon, Honolulu, T. H	3,300,000
96	280	Fajardo Harbor, P. R	211,000
97	364	San Juan Harbor, P. R	700,000

[1] Modification of project at no additional cost.

This large number of Senate amendments for the improvement of river and harbor projects is due to the long interval between the passage of the bill by the House and action by the Senate, and they represent most of the favorable reports which have been submitted to Congress by the Secretary of War since May 18, 1939.

To the 65 items in the House bill providing for preliminary examinations and surveys of various localities with a view to determinating if improvement in the interest of navigation is warranted, the Senate, by amendments, added 84 items.

Several other minor amendments are described in the explanation of all Senate amendments, as follows:

On amendment No. 1, page 2: Provides that foundations for power installations be incorporated in any dam authorized by this bill for future use if approved by the Secretary of War on the recommendation of the Chief of Engineers and the Federal Power Commission. House conferees recede.

On amendment No. 2, page 2: Portland Harbor, Maine. Item adopts project recommended by the Chief of Engineers to pro-

vide for an anchorage area 35 feet deep and approximately 170 acres in area northwest of House Island at an estimated cost of $780,000. House conferees recede.

On amendment No. 3, page 2: Salem Harbor, Mass. Item adopts project recommended by the Chief of Engineers to provide for a channel in South River 10 feet deep, approximately 90 feet wide to the bend near Central wharf, thence 50 feet wide to the upstream end of Pickering wharf, and for a branch channel on the east side of Derby wharf 8 feet deep, 100 feet wide, and approximately 700 feet long, widening to a basin of the same depth 500 feet long and 200 feet wide, at an estimated cost of $43,000. House conferees recede.

On amendment No. 4, page 2: Newburyport Harbor, Mass. Item adopts project recommended by the Chief of Engineers to provide a continuous channel from the sea to the wharves at Newburyport, 15 feet deep and 400 feet wide through the bar; thence 12 feet deep and 200 feet wide to and including a widened turning basin in front of the wharves, at an estimated first cost of $102,000, of which $34,000 is to be contributed by local interests. House conferees recede.

On amendments 5 and 6, pages 2 and 3: Boston Harbor, Mass. Item adopts project recommended by the Chief of Engineers to provide for a seaplane channel 12 feet deep and 1,500 feet wide, extending northwesterly from President Roads 17,500 feet to the easterly margin of Boston Airport, and for deposit of excavated material in such places as will permit enlargement of the airport, at an estimated cost of $2,300,000. House conferees recede.

On amendment No. 7, page 3: Nantasket (Hull) Gut and Weymouth Fore River, Mass. Item adopts project recommended by the Chief of Engineers to provide for a channel in Nantasket Gut 27 feet deep and 400 feet wide, extending from deep water in Nantasket Roads to Hingham Bay, a distance of about 2,000 feet; thence through Hingham Bay 27 feet deep and 300 feet wide, for a distance of about 1.4 miles to deep water in Weymouth Fore River west of Sheep Island, at an estimated cost of $141,000. House conferees recede.

On amendment No. 8, page 3: Cohasset Harbor, Mass. Item adopts project recommended by the Chief of Engineers to provide for an entrance channel 8 feet deep and 90 feet wide, with an anchorage area 7 feet deep and 18 acres in extent, at an estimated cost of the United States of $62,000, plus a local contribution of $30,000. House conferees recede.

On amendment No. 9, page 3: Wellfleet Harbor, Mass. Item adopts project recommended by the Chief of Engineers providing for a channel 125 feet wide and 10 feet deep from Deep Hole, to and including an anchorage basin of the same depth, 800 feet long and 500 feet wide, at the town building, at an estimated cost to the United States of $64,000, plus a local contribution of $32,000. House conferees recede.

On amendment No. 10, page 3: Menemsha Creek, Marthas Vineyard, Mass. Item adopts project recommended by the Chief of Engineers to provide for an entrance channel 10 feet deep and 80 feet wide between jetties, with anchorage areas varying from 6 to 10 feet in depth, and a channel 8 feet deep and 80 feet wide through Menemsha Creek to deep water in Menemsha Pond, at an estimated cost to the United States of $37,500 with a local contribution of $12,500 in addition. House conferees recede.

On amendment No. 11, page 3: Connecticut River below Hartford, Conn. Item adopts project recommended by the Chief of Engineers to provide for an anchorage in North Cove in the town of Old Saybrook, Conn., connected with deep water in the Connecticut River by a channel 11 feet deep and 100 feet wide, at an estimated cost to the United States of $72,900 and to local interests of $67,500. House conferees recede.

On amendment No. 12, page 3: Thames River, Conn. Item adopts project recommended by the Chief of Engineers to provide for increased width of channel opposite the United States submarine base by an average of 350 feet for three-fourths of a mile and to a depth of 20 feet, at an estimated cost of $120,000. House conferees recede.

On amendment No. 13, page 3: New Haven Harbor, Conn. Item adopts project recommended by the Chief of Engineers providing for a harbor channel 30 feet deep from the sound to Tomlinson Bridge with anchorage basins 30 feet deep and 16 feet deep, and a channel in Quinnipiac River 27 feet deep from Tomlinson Bridge to the Ferry Street Bridge with a turning basin of the same depth at the junction of Mill and Quinnipiac Rivers, at an estimated cost of $2,508,000. House conferees recede.

On amendment No. 14, page 4: Larchmont Harbor, N. Y. Item adopts project recommended by the Chief of Engineers to provide a channel 8 feet deep and 75 feet wide from deep water to Cedar Island; thence 8 feet deep and generally 60 feet wide to a turning basin and anchorage 8 feet deep and 200 by 400 feet in area, in the vicinity of a proposed public landing at Flint Park; and two anchorages 8 feet deep, one 7 acres in area, and the other 30 acres, in the vicinity of Rock Island, at an estimated cost to the United States of $52,000 and to local interests, $52,000. House conferees recede.

On amendment No. 15, page 4: Jamaica Bay, N. Y. Item adopts project recommended by the Chief of Engineers to provide that in lieu of the existing project for Jamaica Bay, N. Y., there be provided: (a) an interior channel extending from the vicinity of the Marine Parkway Bridge along the west and north shores of the bay, 18 feet deep and 300 feet wide to Mill Basin, with a swinging basin 1,000 feet wide and 1,000 feet long at that point, thence 12 feet deep and 200 feet wide to Fresh Creek Basin; (b) an interior channel extending from the same locality along the south shore to Head of Bay, 15 feet deep and 200 feet wide; and (c) an entrance channel connecting the two interior channels with deep water in the Atlantic Ocean, of suitable hydraulic dimensions to maintain the present tidal prism in the bay, but not less than 18 feet deep and 500 feet wide from opposite Barren Island to Rockaway Point, thence enlarging to not less than 20 feet deep and 1,000 feet wide, protected by one existing riprap jetty; at an estimated cost of $270,000. House conferees recede.

On amendment No. 16, page 4: Lake Montauk Harbor, N. Y. Item adopts project recommended by the Chief of Engineers to provide for a channel 12 feet deep and 150 feet wide extending from the 12-foot contour in Block Island Sound to the same depth in the existing yacht basin east of Star Island; for a boat basin 10 feet deep, 400 feet wide, and 900 feet long, located northwest of Star Island; and for repair and extension shoreward of the east and west jetties, at an estimated cost of $105,000. House conferees recede.

On amendment No. 17, page 4: East River, N. Y. Item adopts project recommended by the Chief of Engineers to provide for a channel generally 40 feet deep extending from the upper limit of the existing 40-foot depth at Brooklyn Navy Yard to Throgs Neck, with widening of the bend in the channel south of Belmont Island to a depth of 40 feet, dredging a cross channel 20 feet deep between Belmont and Welfare Islands, dredging East Channel at Welfare Island 25 feet deep, removal of certain portions of Hallets Point, removal of the southern arm of Mill Rock, removal of ledges near Mill Rock and along the east bank of East River in the vicinity of Triborough Bridge, filling an area in the vicinity of Hogs Back Light and constructing a dike from this area to Wards Island, cutting back Negro Point on Wards Island, and dredging a channel 40 feet deep between North and South Brother Islands, at an estimated cost of $34,509,000.

The Secretary of the Navy has stated that the deeper channel would contribute materially to the effectiveness of our naval forces. Senate recedes.

On amendment No. 18, page 4: Passaic River, N. J. Item adopts project recommended by the Chief of Engineers to provide that when spoil-disposal areas are not available for maintenance dredging in the existing project from the Montclair and Greenwood Lake Railroad to the Eighth Street Bridge in Passaic, or when placing spoil ashore is not economical as compared with other methods of disposal, local interests shall not be required to furnish spoil-disposal areas for maintenance dredging. Annual maintenance cost to the United States will be increased when spoil-disposal areas are no longer available. House conferees recede.

On amendment No. 19, page 4: Compton Creek, N. J. Item adopts project recommended by the Chief of Engineers to provide a channel 8 feet deep and 75 feet wide to a point 1,000 feet upsteam from the Main Street Bridge, with widening at the bends, at an estimated cost of $16,000. House conferees recede.

On amendment No. 20, page 4: Delaware River, Philadelphia to the sea. Item adopts project recommended by the Chief of Engineers to provide for a channel depth of 37 feet from Allegheny Avenue to the Philadelphia-Camden Bridge and in Port Richmond anchorage at an estimated cost of $1,036,000. House conferees recede.

On amendment No. 21, page 4: Wilmington Harbor, Del. Item recommended by the Chief of Engineers modifies existing project to permit temporary occupancy by the city of Wilmington of any part of the south jetty for city activities under revocable license issued by the Secretary of War upon recommendation of the Chief of Engineers, and provided that the occupied portion of the jetty is properly maintained without expense to the United States. House conferees recede.

On amendment No. 22, page 5: Indian River, Del. Item adopts project recommended by the Chief of Engineers providing for a channel 9 feet deep to and including the turning basin at Old Landing, thence 4 feet deep to the highway bridge at Millsboro, at an estimated cost to the United States of $151,000 and to local interests of $50,000. House conferees recede.

On amendment No. 23, page 5: Pocomoke River, Md. Item adopts project recommended by the Chief of Engineers to provide for the extension of the navigable channel to above the bridge at Snow Hill, Md., to a depth of 9 feet and widths of from 100 to 150 feet, with a turning basin at the upper end of the channel, all at an estimated cost to the United States of $4,250 and to local interests of $4,250. House conferees recede.

On amendment No. 24, page 5: Crisfield Harbor, Md. Item recommended by the Chief of Engineers modifies the existing project by changing the location of the anchorage basin and connecting channel as authorized in the River and Harbor Act of August 26, 1937, and upon which work has not yet commenced, to a more desirable location. House conferees recede.

On amendment No. 25, page 6: Middle River and Dark Head Creek, Md. Item adopts project recommended by the Chief of Engineers to provide a channel 150 feet wide and 10 feet deep from that depth in Chesapeake Bay to the head of Dark Head Creek at an estimated cost to the United States of $54,000 and to local interests of $54,000. House conferees recede.

On amendment No. 26, page 6: Cadle Creek, Md. Item adopts project recommended by the Chief of Engineers to provide an entrance channel 100 feet wide and 6 feet deep across the bar at the mouth of the creek at an estimated cost of $5,500. House conferees recede.

On amendment No. 27, page 6: Cranes Creek, Va. Item adopts project recommended by the Chief of Engineers to provide for an entrance channel 80 feet wide and 6 feet deep across the offshore bar from that depth in Great Wicomico River to deep water in

Cranes Creek, a distance of about 1,500 feet, at an estimated cost of $7,500. House conferees recede.

On amendment No. 28, page 6: Urbanna Creek, Va. Item adopts project recommended by the Chief of Engineers providing for the extension of the westerly limit of the turning basin at Urbanna to the pierhead line at an estimated cost of $9,600. House conferees recede.

On amendment No. 29, page 6: Totuskey Creek, Va. Item adopts project recommended by the Chief of Engineers to provide for a channel of 10 feet deep from that depth in the Rappahannock River to and including a turning basin below Totuskey Bridge, with a width of 150 feet through the bar at the entrance and 100 feet thence upstream. Estimated cost to the United States $44,000 and to local interests $1,000. House conferees recede.

On amendment No. 30, page 6: Broad Creek, Va. Item adopts project recommended by the Chief of Engineers to provide for an entrance channel 7 feet deep by 100 feet wide from deep water in the Rappahannock River to deep water in the entrance to Broad Creek at an estimated cost of $20,500. House conferees recede.

On amendment No. 31, page 6: Whitings Creek, Va. Item adopts project recommended by the Chief of Engineers to provide for a channel 4 feet deep and 70 feet wide across the offshore bar at the entrance, from deep water in the Rappahannock River to Snake Point in the entrance to the creek, a distance of approximately 3,100 feet, at an estimated cost to the United States of $11,500 and to local interests of $500. House conferees recede.

On amendment No. 32, page 6: Pamunkey River, Va. Item adopts project in which the Chief of Engineers recommends a channel 5 feet deep and 50 feet wide between Bassett Ferry and Manquin Bridge at an estimated cost of $10,000. House conferees recede.

On amendment No. 33, page 6: Hampton Creek, Va. Item adopts project recommended by the Chief of Engineers to provide for a channel in Herberts Creek having widths of 100 feet and 80 feet and a depth of 12 feet extending from the existing improved channel in Hampton Creek upstream to Jackson Street, Hampton, Va., at an estimated cost of $15,000. House conferees recede.

On amendment No. 34, page 6: Onancock River, Va. Item recommended by the Chief of Engineers modifies the existing project by relieving local interests of the responsibility of providing spoil-disposal areas for subsequent maintenance except when and as required. House conferees recede.

On amendment No. 35, pages 6 and 7: Norfolk Harbor, Va. Item adopts project recommended by the Chief of Engineers to provide for extending the improved anchorage south of Craney Island to the Western Branch Channel affording two anchorage spaces, each 1,200 feet by 1,200 feet by 22 feet deep, and one anchorage space approximately 900 feet by 1,900 feet by 16 feet deep, at an estimated cost of $182,000. House conferees recede.

On amendment No. 36, page 7: Silver Lake Harbor, N. C. Item adopts project recommended by the Chief of Engineers providing for a channel 10 feet deep from that depth in Pamlico Sound, with widths of 100 feet and 60 feet, to and including an anchorage basin in Silver Lake Harbor, at an estimated cost of $60,000. House conferees recede.

On amendment No. 37, page 7: Pamlico Sound to Avon, N. C. Item adopts project recommended by the Chief of Engineers providing for a channel 6 feet deep from Pamlico Sound to and including a basin at Avon at an estimated cost of $16,500. House conferees recede.

On amendment No. 38, page 7: Thoroughfare Bay-Cedar Bay Channel, N. C. Item adopts project recommended by the Chief of Engineers to provide a channel 7 feet in depth with increased widths at the bends, connecting Thoroughfare and Cedar Bays, at an estimated cost of $20,000. House conferees recede.

On amendment No. 39, page 7: Beaufort Harbor, N. C. Item adopts project recommended by the Chief of Engineers to provide for enlargement of the existing basin at Beaufort at an estimated cost of $54,000. House conferees recede.

On amendment No. 40, pages 7 and 8: Intracoastal Waterway from Beaufort, N. C., to Cape Fear River. Item adopts project recommended by the Chief of Engineers to provide for the construction of six mooring basins along the main channel at points north and south of Morehead City and in the vicinity of Swansboro, Peru, Seabreeze, and Fish Factory, N. C., at an estimated cost of $24,000. House conferees recede.

On amendment No. 41, page 8: Manteo to Oregon Inlet, N. C. Item adopts project recommended by the Chief of Engineers providing for a channel 6 feet deep from the existing channel (channel leading from Roanoke Sound into Manteo Bay) south through Roanoke Sound and Pamlico Sound to Oregon Inlet, at an estimated cost of $45,000. House conferees recede.

On amendment No. 42, page 8: Cape Fear River, N. C., at and below Wilmington. Item adopts project recommended by the Chief of Engineers to provide for a depth of 32 feet in the river channel from the ocean to Wilmington, and in the turning basin, including lengthening of the approach to the anchorage basin, at an estimated cost of $790,000. House conferees recede.

On amendment No. 43, page 8: Northeast (Cape Fear) River, N. C. Item adopts project recommended by the Chief of Engineers to provide for a channel 25 feet deep and 200 feet wide, extending from Hilton Bridge to and including a turning basin of the same depth and 600 feet wide at a point 1¼ miles above, and to eliminate the authorization for the 22-foot channel on which no work has been done, at an estimated cost of $73,000. House conferees recede.

On amendment No. 44, page 8: Cape Fear River to St. Johns River intracoastal waterway, anchorage basin near Myrtle Beach, S. C. Item adopts project recommended by the Chief of Engineers to provide for an anchorage basin 125 feet wide, 325 feet long, and 12 feet deep outside of the channel limits of the intracoastal waterway near Myrtle Beach, S. C., at an estimated cost of $11,000. House conferees recede.

On amendment No. 45, page 8: Beresford Creek, S. C. Item adopts project recommended by the Chief of Engineers to provide for a channel 6 feet deep and 60 feet wide continuously from deep water in Cooper River via Clouter Creek to mile 1.83, at an estimated cost of $21,000. House conferees recede.

On amendment No. 46, page 9: Savannah Harbor, Ga. Item adopts project recommended by the Chief of Engineers to provide for widening the present channel in the vicinity of the Atlantic Coast Line Railroad terminals to a maximum of 550 feet over a length of 5,000 feet, and deepening turning basin and authorized channel above Seaboard Air Line Bridge to 30 feet, at an estimated cost of $281,000. House conferees recede.

On amendment No. 47, page 9: St. Johns River, Fla., Jacksonville to Lake Harney. Item adopts project recommended by the Chief of Engineers to provide for a channel 100 feet wide and 10 feet deep from Palatka to Sanford, with a side channel of like dimensions to Enterprise, and for cut-offs and easing of bends, at an estimated cost of $290,000. House conferees recede.

On amendment No. 48, page 9: Sebastian, Fla., to intracoastal waterway. Item adopts project recommended by the Chief of Engineers to provide an entrance channel 8 feet deep and 100 feet wide from the main channel of the intracoastal waterway to and including a turning basin 300 by 600 feet at Sebastian, at an estimated cost of $19,000. House conferees recede.

On amendment No. 49, page 9: New River, Fla. Item adopts project recommended by the Chief of Engineers to provide for a channel 8 feet deep and 100 feet wide through the rock shoal between the intracoastal waterway and Tarpon Bend and for removal of sunken vessels and snags in New River and its south fork to the intersection of the Dania Cut-off canal, all at an estimated cost of $60,000. House conferees recede.

On amendment No. 50, page 9: Miami Harbor, Fla. Item adopts project recommended by the Chief of Engineers providing for the construction of an approach channel and a turning basin as part of a comprehensive development of Virginia Key, at an estimated cost to the United States of $800,000 and to local interests of $2,475,000. House conferees recede.

On amendment No. 51, page 9: Caloosahatchee River and Lake Okeechobee Drainage Areas, Fla. Item would adopt project recommended by the Chief of Engineers to provide for raising existing levees on the east side of Lake Okeechobee to protect against maximum hurricane tides, at an estimated cost of $3,960,000. The Senate recedes in view of the fact that this is not an improvement for the benefit of navigation as will be seen from the following description quoted from the Senate report:

"The levees around Lake Okeechobee were designed and constructed by the Federal Government to protect the communities and farming lands around the lake from floods caused by hurricane tides. The hurricane of 1935 which caused serious damage along the Florida Keys was of greater intensity than the 1928 storm upon which the levee heights were designed. The raising of certain sections of levee is necessary to protect against the possibility of a more intense storm which would cause great damage if the levees were breached or overtopped. The work is needed and warranted for the protection of life and property."

On amendment No. 52, page 9: Waterway from Punta Rasa to Stuart and Fort Pierce, Fla. Item adopts project recommended by the Chief of Engineers to provide for a channel 8 feet deep from Fort Myers to the Intracoastal Waterway near Stuart with widths of 90 feet from Fort Myers to Moore Haven, 80 feet in the existing channel along the southerly shore of the lake to the hurricane gate structure at Clewiston, 100 feet thence along a relocated channel to deep water on the south side of the lake, 100 feet from deep water on the east side of the lake to St. Lucie lock No. 2, and thence 80 feet to the Intracoastal Waterway; all at an estimated first cost of $208,000. House conferees recede.

On amendment No. 53, page 9: Caloosahatchee River to Withlacoochee River, Fla. Item adopts project recommended by the Chief of Engineers to provide for an Intracoastal Waterway from Caloosahatchee River to Withlacoochee River by improvement of the section from the Caloosahatchee River to the Anclote River to a depth of 9 feet and width of 100 feet, to include the existing projects for Sarasota Bay, Caseys Pass, and channel from Clearwater Harbor through Boca Ciega Bay to Tampa Bay, at an estimated cost of $3,200,000. House conferees recede.

On amendment No. 54, page 10: Little Manatee River, Fla. Item adopts project recommended by the Chief of Engineers for a channel 100 feet wide and 6 feet deep from that depth in Tampa Bay to a point 2,700 feet above the railroad bridge at Ruskin and 75 feet wide and 6 feet deep in Marsh Branch to and including a turning basin at the highway bridge at Ruskin, at an estimated cost of $77,000. House conferees recede.

On amendment No. 55, page 10: Appalachicola, Chattahoochee, and Flint Rivers, Ga. and Fla. Item adopts project recommended by the Chief of Engineers for the intitial and partial accomplishment of a comprehensive plan for the development of these rivers by construction of locks and dams at Fort Benning and at the junction for the 9-foot project, supplemented by dredging and contraction works, to provide a navigable depth of 6 feet to Columbus, and to

Bainbridge, Ga., at an estimated cost of $6,500,000. House conferees recede.

On amendment No. 56, page 10: Intracoastal Waterway from Appalachicola Bay to St. Marks River, Fla. Item adopts project recommended by the Chief of Engineers to provide for the construction of a movable span in the Georgia, Florida & Alabama Railroad bridge over the Ocklocknee River near McIntyre, Fla., at an estimated cost of $32,000. House conferees recede.

On amendment No. 57, page 10: Watson Bayou, Fla. Item adopts project recommended by the Chief of Engineers to provide for the maintenance of a channel in Watson Bayou 100 feet wide and 10 feet deep from that depth in St. Andrews Bay to the highway bridge in Panama City. House conferees recede.

On amendment No. 58, page 10: Mobile Harbor, Ala. Item adopts project recommended by the Chief of Engineers to provide, upon establishment by the United States of a depot and air field in the vicinity of Arlington pier, extension of previously recommended channel through Garrows Bend, 27 feet deep and 125 feet wide, to and including a turning basin with the same depth, and 600 by 800 feet in extent, at an estimated cost of $55,000. House conferees recede.

On amendment No. 59, page 10: Dauphin Island Bay Channel, Ala. Item adopts project recommended by the Chief of Engineers to provide for a channel 7 feet deep and 150 feet wide from Mobile Bay to an anchorage 600 by 500 feet in extent and 7 feet deep, located north of Fort Gaines; and a channel 4 feet deep and 40 feet wide from the anchorage into Dauphin Island Bay, with a jetty to protect the entrance if and when necessary to reduce maintenance costs, at an estimated cost of $23,000. House conferees recede.

On amendment No. 60, page 10: Bayou La Batre, Ala. Item adopts project recommended by the Chief of Engineers to provide a channel 9 feet deep and 100 feet wide from Mississippi Sound to the highway bridge at the town of Bayou La Batre to cost $27,500. House conferees recede.

On amendment No. 61, page 11: Biloxi Harbor, Miss. Item adopts project recommended by the Chief of Engineers to provide for an entrance channel 8 feet deep and 100 feet wide from Back Bay through Cranes Neck into Bayou Bernard, to cost $6,000. House conferees recede.

On amendment No. 62, page 11: Sabine-Neches Waterway, Tex. Item adopts project recommended by the Chief of Engineers to provide for extension of the Beaumont turning basin upstream 300 feet, thus forming a basin 350 feet by 2,300 feet. Estimated cost, $10,000. House conferees recede.

On amendment No. 63, page 11: Buffalo Bayou and its tributaries, Tex. Stricken from House bill by Senate. This item adopted by Flood Control Act of August 11, 1939. House conferees recede.

On amendment No. 64, page 11: Guadalupe River, Tex. Item stricken from House bill by Senate for the reason that a portion of the improvement is for the development of power.

On this provision the Chief of Engineers recommends: (1) Modification of the existing project for the Guadalupe River to provide a channel 9 feet deep and 100 feet wide extending from the Louisiana-Texas Intracoastal Waterway by way of Seadrift to a point on the Guadalupe River 3 miles above Victoria, at an estimated first cost of $3,700,000, with $82,000 annually for operation and maintenance, subject to the provisions that local interests furnish free of cost to the United States all lands, easements, rights-of-way, and spoil-disposal areas for construction and for subsequent maintenance as required, hold and save the United States free from all claims for damages that may result from the construction and maintenance of the channel, bear all costs of required bridge modification and give assurances satisfactory to the Secretary of War that they will provide adequate terminal facilities, including turning basins at Seadrift and Victoria.

(2) Construction of the Canyon Reservoir for stream-flow regulation in the interests of navigation and power development and for flood control, at an estimated first cost of $4,275,000.

(3) That a power plant be constructed at Canyon Dam at an estimated cost of $525,000 provided further field investigations show such a development to be practicable.

Senate conferees recede with amendment providing that the navigation portion of the recommendation in paragraph (1) only be adopted. House recedes on paragraphs (2) and (3).

On amendment No. 65, page 12: Chocolate Bayou, Bastrop Bayou, and Oyster Creek, Tex. Item adopts project recommended by the Chief of Engineers to provide a channel 6 feet deep and 60 feet wide in Chocolate Bayou from the Intracoastal Waterway to a point near Liverpool, Tex.; and to provide a channel 6 feet deep and 60 feet wide in Bastrop Bayou from the Intracoastal Waterway to a point near the Missouri Pacific Railroad. Estimated cost $108,000. House conferees recede.

On amendment No. 66, page 12: Lavaca and Navidad Rivers, Tex. Item adopts project recommended by the Chief of Engineers to provide a channel 6 feet deep and 100 feet wide from Port Lavaca, by way of Lavaca Bay and River to mile 3 on the Navidad River, a total distance of 20 miles, at an estimated cost of $85,000. House conferees recede.

On amendment No. 67, page 12: Channel from Louisiana and Texas Intracoastal Waterway to Barroom Bay, Tex. Item adopts project recommended by the Chief of Engineers to provide a short branch channel 6 feet deep and 60 feet wide from a point on the intracoastal waterway near Port O'Connor into Barroom Bay to cost $6,300. House conferees recede.

On amendment No. 68, page 12: Brazos Island Harbor, Tex. Item adopts project recommended by the Chief of Engineers to provide for enlargement of the turning basin at Port Isabel to 1,300 feet in length by 1,000 in width, at an estimated cost of $127,500. House conferees recede.

On amendment No. 69, page 12: Mississippi River between Missouri River and Minneapolis. This item declares the construction of lock and dam No. 26 at Alton, Ill., to be in accord with the project authorized by the River and Harbor Act of August 30, 1935.

In view of the fact that the attorneys for landowners involved in condemnation proceedings for lock and dam No. 26, on the upper Mississippi River, have questioned the authority for locating this dam at Alton, Ill., it is felt that the Chief of Engineers, under the authority vested in him to prepare plans for this project, had ample authority to locate the dam at this point, this clarifying provision is deemed advisable in order to avoid needless litigation. House conferees recede.

On amendment No. 70, page 13: Mississippi River between Missouri River and Minneapolis (at St. Paul). Item adopts project recommended by the Chief of Engineers to provide for improvement of the existing navigable channel at St. Paul to provide for a small-boat harbor at the lower end of Harriet Island, for enlargment of the flood capacity of the main channel, and for placing of dredged material so as to form the base for a roadway along the left bank of the river. Estimated cost to the United States $88,800 and to local interests $41,200. House conferees recede.

On amendment No. 71, page 13: Mississippi River between Missouri River and Minneapolis. Item amends provision in House bill to provide for the construction of remedial works or land acquisitions in any levee or drainage district to rectify drainage problems caused by the Federal navigation improvement on the upper Mississippi River as recommended by the United States district engineer. Estimated cost, $25,000. House conferees recede.

On amendment No. 72, page 14: Grand Haven Harbor and Grand River, Mich. Item adopts project recommended by the Chief of Engineers to provide for a channel 300 feet wide and 21 feet deep from the enlargement in the existing channel at the Grand Trunk Western car-ferry slip to and including a turning basin 18 feet deep at the Grand Trunk Western Railroad bridge, at an estimated cost of $150,000. House conferees recede.

On amendment No. 73, page 14: Cleveland Harbor, Ohio. Item modifies the existing project to permit cuts or partial cuts to be made before related railroad bridges are modified or rebuilt when approved by the Chief of Engineers. House conferees recede.

On amendment No. 74, page 15: Sandusky Harbor, Ohio. Item adopts project recommended by the Chief of Engineers to provide for maintenance of the bay channel to a depth of 22 feet, with widths varying from 300 to 400 feet, estimated to cost $12,000 annually. House conferees recede.

On amendment No. 75, page 15: Wilson Harbor, N. Y. Item adopts project recommended by the Chief of Engineers to provide for the restoration of the piers and for an entrance channel 80 feet wide and 8 feet deep, at an estimated cost of $181,000. House conferees recede.

On amendment No. 76, page 15: Cape Vincent Harbor, N. Y. Item adopts project recommended by the Chief of Engineers to provide for a depth of 16 feet in an area behind and adjacent to the breakwater, and for a depth of 20 feet in an area downstream from the breakwater and for elimination from the project of the uncompleted portion of the authorized breakwater, at an estimated cost of $59,000. House conferees recede.

On amendment No. 77, page 15: Noyo Harbor, Calif. Item adopts project recommended by the Chief of Engineers to provide for the construction of a rubble-mound breakwater extending northwesterly about 1,100 feet from the south headland of Noyo Harbor, at an estimated cost of $600,000. House conferees recede.

On amendment No. 78, page 15: Crescent City Harbor, Calif. Item adopts project recommended by the Chief of Engineers to provide for the extension of the existing breakwater along its present alinement for approximately 2,700 feet to Round Rock, at an estimated cost of $1,610,000. House conferees recede.

On amendment No. 79, page 15: Coquille River, Oreg. Item adopts project recommended by the Chief of Engineers providing for the maintenance of a channel 13 feet deep and of suitable width from the sea to a point 1 mile above the Coquille River Lighthouse, and for snagging to the State highway bridge at Coquille City, to cost $2,000 annually. House conferees recede.

On amendment No. 80, page 15: Umpqua River and Harbor, Oreg. Item adopts project recommended by the Chief of Engineers to provide for a channel 22 feet deep and 200 feet wide from the main river channel near mile 8 to and including a turning basin of the same depth 500 by 800 feet opposite the mill dock at Gardiner. Estimated cost, $55,000. House conferees recede.

On amendment No. 81, page 15: Salmon River, Oreg. Item adopts project recommended by the Chief of Engineers to provide for the removal of dangerous rocks to natural-bottom depths, not to exceed 5 feet at lower low water, at the entrance to the river, at an estimated cost of $5,000. House conferees recede.

On amendment No. 82, page 16: Baker Bay, Columbia River, Wash. Item adopts project recommended by the Chief of Engineers to provide a depth of 8 feet in the west channel with widths of from 200 to 150 feet from deep water in the Columbia River to Baker Bay. Estimated cost, $170,000. House conferees recede.

On amendment No. 83, page 16: Willamette River, Oreg. Item adopts project recommended by the Chief of Engineers to provide for contractions works to secure with stream-flow regulation controlling depths of 6 feet to the mouth of the Santiam River and 5 feet thence to Albany, and for the reconstruction and enlargement

of the locks at Oregon City (Willamette Falls) at an estimated cost of $3,600,000. House conferees recede.

On amendment No. 84, page 16: Columbia River at Bonneville, Oreg. Item authorizes the Secretary of War to acquire lands and provide facilities to replace Indian fishing grounds submerged or destroyed in the construction of the Bonneville Dam at a cost not to exceed $50,000. Said lands to be transferred to the jurisdiction of the Secretary of the Interior. House conferees recede.

On amendment No. 85, page 16: Bay Center Channel, Willapa Harbor, Wash. Item adopts project recommended by the Chief of Engineers to provide for a channel 10 feet deep and 40 feet wide from deep water in Phalix River to Bay Center, and a mooring basin at the shoreward end of the channel, at an estimated cost of $30,000. House conferees recede.

On amendment No. 86, page 17: Olympia Harbor, Wash. Item adopts project recommended by the Chief of Engineers to provide an entrance channel 500 feet wide to and including a turning basin 3,350 feet long and generally 960 feet wide, suitably flared at the entrance, all at a depth of 30 feet, at an estimated first cost of $88,000. House conferees recede.

On amendment No. 87, page 17: Petersburg Harbor, Alaska. Item adopts project recommended by the Chief of Engineers to provide for enlargement of the present small-boat basin by dredging to a depth of 11 feet an area of about 135,000 square feet adjacent to and shoreward of the existing basin, at an estimated cost of $80,000. House conferees recede.

On amendment No. 88, page 17: Port Alexander, Alaska. Item adopts project recommended by the Chief of Engineers to provide for a channel 40 feet wide and 6 feet deep in the entrance to the inner lagoon. Estimated cost, $31,000. House conferees recede.

On amendment No. 89, page 17: Wrangell Harbor, Alaska. Item adopts project recommended by the Chief of Engineers providing for a breakwater 320 feet long on the reef north of Shakes Island, and inner basin east of Shakes Island, and a channel 10 feet deep connecting with the present basin. Estimated cost, $189,000. House conferees recede.

On amendment No. 90, page 17: Craig Harbor, Alaska. Item adopts project recommended by the Chief of Engineers providing for a mooring basin in South Cove 11 feet deep, 225 feet wide, and approximately 700 feet in length, including an entrance channel of the same depth over a width of 100 feet. Estimated cost, $80,000. House conferees recede.

On amendment No. 91, page 17: Sitka Harbor, Alaska. Item adopts project recommended by the Chief of Engineers to provide for elimination of the present authorized project upon which no work has been done, and substitution therefor of breakwaters to protect Sitka Harbor. Estimated cost, $109,000. House conferees recede.

On amendment No. 92, page 17: Elfin Cove, Alaska. Item adopts project recommended by the Chief of Engineers to provide for an outer entrance channel 10 feet deep and 60 feet wide and an inner entrance channel 8 feet deep and 40 feet wide, at an estimated cost of $38,000. House conferees recede.

On amendment No. 93, page 17: Seldovia Harbor, Alaska. Item adopts project recommended by the Chief of Engineers providing for removal of obstructions in the entrance channel near Watch Point to a depth of 24 feet, at a total estimated cost of $50,000. House conferees recede.

On amendment No. 94, page 17: Kodiak Harbor, Alaska. Item adopts project recommended by the Chief of Engineers providing for a channel between Near Island and Kodiak Island 22 feet deep and 200 feet wide. Estimated cost, $70,000. House conferees recede.

On amendment No. 95, page 18: Keehi Lagoon, Oahu, Hawaii. Item adopts project recommended by the Chief of Engineers to provide for a trans-Pacific seaplane harbor by dredging 3 intersecting runway channels 3 miles long, 1,000 feet wide, and 10 feet deep, and other facilities, at an estimated cost of $3,300,000. House conferees recede.

On amendment No. 96, page 18: Fajardo Harbor, P. R. Item adopts project recommended by the Chief of Engineers to provide for an approach channel 28 feet deep and 200 feet wide, together with a turning basin of the same depth, and 10½ acres in extent, at an estimated cost to the United States of $211,000, and to local interests of $30,000. House conferees recede.

On amendment No. 97, page 18: San Juan Harbor, P. R. Item adopts project recommended by the Chief of Engineers providing for the removal to a depth of 8 feet of Anegado, Largo, and Capitanejo Shoals, and for construction of a channel 400 feet wide and 30 feet deep from the existing anchorage to and including a turning basin of the same depth 1,000 by 2,200 feet in front of graving dock. Estimated cost, $700,000. House conferees recede.

On amendment No. 98, page 18: Bayocean Peninsula, Oreg. Item providing $120,000 to repair damage and check erosion caused by storm in January 1939 in order to provide adequate protection to nearby areas was stricken from the House bill by the Senate. House conferees recede.

On amendment No. 99, page 18: Sacramento River flood control, California. Item authorizing $1,600,000 for completion of the project authorized in the River and Harbor Act of August 26, 1937, was stricken from the House bill by the Senate. House conferees recede.

On amendment No. 100, page 18: Central Valley project, California. Item amends project previously authorized (River and Harbor Act of August 30, 1935) by providing for the construction of distribution systems. This provision stricken from House bill by the Senate. Senate recedes.

On amendment No. 101, page 19: Changes section number.

On amendment No. 102, page 20: Item amends provision in House bill by providing that the cost of snagging and removal of temporary obstructions from tributaries of waterways under Federal improvement be paid from funds appropriated for the maintenance and improvement of rivers and harbors. House conferees recede.

On amendment No. 103, page 20: Declares the project for the Denison Reservoir, Texas and Oklahoma, heretofore authorized to be for navigation, flow regulation, flood control, and other beneficial uses. House conferees recede.

On amendment No. 104, page 20: Changes section number.

On amendment No. 105, page 23: Corrects error.

On amendment No. 106, page 23: Corrects error.

On amendment No. 107, page 23: Changes section number.

On amendment No. 108, page 23: Language providing that preliminary examinations and surveys shall include all related conservation subjects was stricken from the House bill by the Senate. House conferees recede.

On amendment No. 109, page 24: Item provides that the language in section 5 shall not be construed to interfere with the performance of any duties vested in the Federal Power Commission under existing law. House conferees recede.

Preliminary examination and survey items—Locality

On amendment No. 110: Bunganuc Creek, Maquoite Bay, Maine.

On amendment No. 111: Cathance River, Maine.

On amendment No. 112: Winterport Harbor, Maine.

On amendment No. 113: Cundy's Harbor, Maine.

On amendment No. 114: Portland, Maine, to Boston, Mass., a continuous waterway inland where practicable.

On amendment No. 115: Wood Island Harbor and the pool at Biddeford, Maine.

On amendment No. 116: Channel to Hog Island, Hingham Bay, Mass.

On amendment No. 117: Norwalk Harbor, Conn.

On amendment No. 118: Saw Mill River, N. Y.

On amendment No. 119: Bronx River, N. Y.

On amendment No. 120: Hutchinson River, N. Y.

On amendment No. 121: Hackensack River, N. J.

On amendment No. 122: Salem River, Salem County, N. J.

On amendment No. 123: Toms River, N. J., from the bridges at Toms River to a connection with the Intracoastal Waterway.

On amendment No. 124: Channel from Charleston, Northeast River, Md., to Havre de Grace.

On amendment No. 125: Channel from Havre de Grace, Md., to Red Point, Md., via Stump Point and Carpenter Point.

On amendment No. 126: Honga River and Tar Bay, including channel into and harbor in Back Creek, Hooper Island, Md.

On amendment No. 127: Nanticoke River, Del.

On amendment No. 128: Broad Creek, Del.

On amendment No. 129: Channel from Ocean City to Chincoteague Bay and Harbor at Public Landing, Worcester County, Md.

On amendment No. 130: Broadkill River, Del.

On amendment No. 131: Waterway from Indian River Inlet to Rehoboth Bay, Delaware.

On amendment No. 132: Taylors Landing, Worcester County, Md.

On amendment No. 133: Potomac River at and near Washington, D. C.

Amendment No. 134: Potomac and Anacostia Rivers and adjacent waters in and near the District of Columbia, with a view to attaining a comprehensive and coordinated improvement and development of such waters and their shores. In determining the recommendations to be made with respect to such improvement and development, consultations shall be had with, and consideration given to the recommendations of the National Capital Park and Planning Commission and the Commissioners of the District of Columbia.

On amendment No. 135: Potomac and Anacostia Rivers at and near Washington, D. C., with a view to providing a municipal sailing base.

On amendment No. 136: Potomac River and tributaries at and below Washington, D. C., with a view to elimination of the water chestnut.

On amendment No. 137: St. Patricks Creek, Md.

On amendment No. 138: Big Kingston Creek, St. Marys County, Md.

On amendment No. 139: Farnham Creek, Richmond County, Va.

On amendment No. 140: Southwest side of Rappahannock River, in vicinity of Bowlers Wharf, Essex County, Va., to secure harbor of refuge and connecting channels.

On amendment No. 141: Bransons Cove, lower Machodock River, Va.

On amendment No. 142: Davis Creek, Mathews County, Va.

On amendment No. 143: Marumsco Creek, lower Somerset County, Md.

On amendment No. 144: Chester River Channel, Md.

On amendment No. 145: Parkers Creek, Calvert County, Md.

On amendment No. 146: Channel from the Thoroughfare to Albemarle Sound, N. C., either by way of lower Cashie River, Middle River, and Bachelors Bay or by any other route.

On amendment No. 147: Bogue Inlet, N. C.

On amendment No. 148: Little Pee Dee River from junction of the Lumber River to the Great Pee Dee River with a view toward removing logs, debris, etc.

On amendment No. 149: Edisto River and tributaries, South Carolina.

On amendment No. 150: Murrell Inlet, S. C.

On amendment No. 151: Intracoastal Waterway from Jacksonville, Fla., to Miami, Fla., including all appropriate side channels and

spur channels, with a view to increasing the navigable capacity and commercial utility of the existing project.

On amendment No. 152: Intracoastal Waterway from Jacksonville, Fla., to Miami, Fla., with a view to determining whether the existing project should be modified in any way at the present time, including rectification of alinement, increase in width or depth, either or both, and provision of appropriate side channels and spur channels leading to the various communities on or near the banks of said waterway—all with a view to increasing the navigable capacity and commercial utility of the existing project.

On amendment No. 153: Side channel from the Intracoastal Waterway to, and turning basin at, Flagler Beach, Fla.

On amendment No. 154: Intracoastal Waterway from Jacksonville, Fla., to Miami, Fla., with a view to providing an auxiliary side channel from the Intracoastal Waterway near Titusville through, and easterly of, Merritt Island via Banana Creek and River, to, or near, Eau Gallie, Fla.

On amendment No. 155: Waterway from packing house and railroad terminal at Belle Glade, Fla., to Lake Okeechobee and to the Intracoastal Waterway through the Hillsboro and West Palm Beach Canals.

On amendment No. 156: Kissimmee River, Fla.

On amendment No. 157: Channel, turning basin, and improvements at Horseshoe, Dixie County, Fla.

On amendment No. 158: Canal from St. Marks to Tallahassee, Fla.

On amendment No. 159: Waterway from the Intracoastal Waterway south across Santa Rosa Island, Fla., to a point at or near Deer Point Light.

On amendment No. 160: Intracoastal Waterway from the St. Marks River to the Anclote River, Fla.

On amendment No. 161: Chassahowitzka River, Fla.

On amendment No. 162: Santa Fe River, Fla., from Federal Highway No. 41, High Springs, to the Suwannee River.

On amendment No. 163: Channel from bridge at Bradenton, Fla., to deep water in Gulf of Mexico (Tampa Bay).

On amendment No. 164: Channel from Tampa Bay to Safety Harbor, Fla.

On amendment No. 165: Channel from old Tampa Bay to Oldsmar, Fla.

On amendment No. 166: St. Petersburg (Fla.) Harbor—to provide for a channel up to the depth of 30 feet from the main Tampa Bay ship channel past the port of St. Petersburg in front of the recreation pier.

On amendments Nos. 167 and 168: Oklawaha River, Fla., from Lake Eustis to Lake Griffin, and thence from Lake Griffin to Silver Springs Run.

On amendment No. 169: Oklawaha River, Fla., from Lake Apopka through Lake Dora to Lake Eustis and adjoining waterways.

On amendment No. 170: Entrance to Perdido Bay, Ala. and Fla., from the Gulf of Mexico to deep water in Perdido Bay, via the most practicable route.

On amendment No. 171: Big Sand Creek, Miss., with a view to determining the advisability of undertaking measures for the prevention of bank caving in the vicinity of North Carrollton, Miss.

On amendment No. 172: Grand Bayou Pass, La., from the Gulf of Mexico to Buras and Empire.

On amendment No. 173: Bayou Schofield, La., from the Gulf of Mexico to Buras and Empire.

On amendment No. 174: Bayou Lafourche, La., from the Gulf of Mexico to Leeville or to Golden Meadow.

On amendment No. 175: Bayou Lafourche, La., from Donaldsonville to the Intracoastal Waterway, via Bayou Boeuf, Assumption Parish.

On amendment No. 176: Vermilion Bay and Bayous Petit Anse, Carlin, and Tigre, from the Gulf of Mexico to Erath and to Jefferson Island, La., channels in Louisiana between the Gulf of Mexico and the Intracoastal Waterway.

On amendment No. 177: Mermentau River, La., from the Gulf of Mexico to Grand Chenier.

On amendment No. 178: Bell City Drainage Canal, La.

On amendment No. 179: Pine Island Bayou, Tex.

On amendment No. 180: Cedar Bayou Pass, Corpus Christie Pass, and pass at Murdocks Landing, Tex.

On amendment No. 181: Waterway from Alvin, Tex., to Intracoastal Canal.

On amendment No. 182: In this survey item for the Missouri River in South Dakota the Senate struck from the House bill the following language: "with a view to improvement to make power available to develop deposits of manganese and other strategic minerals, and for pumping and other uses."

On amendment No. 183: In this survey item for the Red River of the North Drainage Basin, Minn., S. Dak., and N. Dak., the Senate struck from the House bill the following language: "with a view to improvement for navigation, flood control, power development, irrigation, conservation of water, and increase of low-water flows for domestic and sanitary purposes."

On amendment No. 184: Tofte Harbor, Minn.

On amendment No. 185: Algoma Harbor, Mich.

On amendment No. 186: Harbor at Ballast Island, Ohio.

On amendment No. 187: Rocky River, Ohio.

On amendment No. 188: At or near North East, Pa., with a view to constructing a harbor of refuge.

On amendment No. 189: Harbor in Hamburg Township, N. Y.,

On amendment No. 190: Port Bay, N. Y.

On amendment No. 191: Mohawk River, N. Y.

On amendment No. 192: Nelscott, Oreg., with a view to protection of the beach.

On amendment No. 193: Channel at Charleston, South Slough, Oreg.

On amendment No. 194: Friday Harbor, Wash.

On amendment No. 195: Sitka Harbor, Alaska.

On amendment No. 196: In this survey item for the Gastineau Channel, Alaska, the following language was stricken from the House bill by the Senate: "and flood control, both tidal and run-off."

On amendment No. 197: Kodiak Harbor, Alaska.

On amendment No. 198: Skagway Harbor, Alaska.

The House conferees receded on all survey items.

On amendment No. 199: Section 6, recommended by the War Department, provides that amounts collected from private parties or other agencies for services rendered, for the use of any facility or property, for the sale of any property, or for the exchange value of any property traded in on new property, when the cost of such services, facilities, and property is borne by funds appropriated for rivers and harbors or flood-control work, shall be deposited in the Treasury to the appropriation to which the cost of such services, facilities, and property has been charged. House conferees recede.

On amendment No. 200: Section 7, recommended by the War Department, authorizes the Chief of Engineers, with the approval of the Secretary of War, to provide such facilities as are necessary for the health and welfare of employees engaged in the prosecution of river-and-harbor, flood-control, or other civil works under his jurisdiction, which are located at isolated points where such facilities are not available. Such facilities to be paid for from funds appropriated for the projects at these localities. House conferees recede.

On amendment No. 201: Section 8, approved by the War Department, reenacts the provisions of section 9 of the River and Harbor Act approved June 20, 1938 (Public, 685, 75th Cong.), and extends the time for commencing and completing the construction of a dam and dike for preventing the flow of tidal water in North Slough, in Coos County, Oreg., authorized to be constructed by the State of Oregon, acting through its highway department, the North Slough drainage district, and the North Slough diking district. House conferees recede.

On amendment No. 202: Section 9 authorizes that the sum of $144,754,450 be appropriated over a period of 7 years, beginning July 1, 1941.

House conferees recede with an amendment, which makes this item read as follows: "The sum of $109,985,450 is hereby authorized to be appropriated for carrying out the improvements herein."

J. J. MANSFIELD,
JOSEPH A. GAVAGAN,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SUSPENSION OF SECTION 510 (G) OF THE MERCHANT MARINE ACT, 1936

Mr. BUCK. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H. J. Res. 519) to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war, and for other purposes.

The Clerk read the House joint resolution, as follows:

House Joint Resolution 519

Resolved, etc., That section 510 (g) of the Merchant Marine Act, 1936, as amended (restricting the use of vessels in the laid-up fleet of the Maritime Commission), is hereby suspended until the proclamation heretofore issued by the President under section 1 (a) of the Neutrality Act of 1939 is revoked.

SEC. 2. At any time prior to revocation of the proclamation heretofore issued by the President under section 1 (a) of the Neutrality Act of 1939 all vessels transferred to the Maritime Commission by the Merchant Marine Act, 1936, or otherwise acquired by the Commission (other than vessels constructed under the Merchant Marine Act, 1936), may, notwithstanding any provision of law contrary hereto or inconsistent herewith, be sold or chartered by the Commission, upon competitive bids and after due advertisement, upon such terms and conditions (including with respect to charters the charter period) and subject to such restrictions (including restrictions affecting the use or disposition of the vessel by the purchaser or charterer) as the Commission may deem necessary or desirable for the protection of the public interest.

The SPEAKER. Is a second demanded?

Mr. SCHAFER of Wisconsin. Mr. Speaker, I demand a second.

Mr. BUCK. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. BUCK]?

There was no objection.

The SPEAKER. The gentleman from California [Mr. BUCK] is recognized for 20 minutes, and the gentleman from Wisconsin [Mr. SCHAFER] is recognized for 20 minutes.

Mr. BUCK. Mr. Speaker, an emergency, while it cannot be called a national emergency, certainly exists in certain United States maritime circles today as a result of the war. On September 1, 1939, there were 135 ships engaged in the Atlantic-Pacific intercoastal trade, exclusive of oil tankers, which have, generally speaking, not been affected by the war. Forty-nine of those have been removed by sale abroad or by transfer to other routes since that time. The loss of deadweight tonnage has been 34 percent, a total of 455,994 tons. The loss, however, is not confined to intercoastal trade.

A great many Norwegian ships were engaged in carrying products, tramp service, you may call it, to the United States from foreign ports on what are known as nonessential trade routes. I give you one example, that from Newfoundland and Nova Scotia, where wood pulp is carried into the United States on those ships. Those ships have been for the most part interned by the British Government, and they are not now available.

Mr. Speaker, I believe if I explain this bill there will be no real objection to it. I know that sometimes resolutions and bills on the Consent Calendar are objected to because Members do not understand what the purpose is. Let me say for the information of the Members that this bill has been considered in hearings and reported favorably by the Committee on Merchant Marine and Fisheries of the House, and a companion resolution introduced by Senator JOHNSON, of California, has been reported favorably by the Commerce Committee of the Senate.

The sole purpose of the bill is to suspend section 510 (g) of the Merchant Marine Act of 1936, which requires that the fleet of ships which the United States Government owns that are over 20 years of age and which are controlled by the Maritime Commission be sterilized—in other words, not put into use. All we propose to do is to let the Maritime Commission, under certain conditions which it will require from the purchasers or charterers, to make use of these ships, and only for the period of the war. In other words, we propose to give some relief to shippers and consignors—I am talking now for my west-coast shippers primarily who want to send lumber, who want to send wool, who want to send canned goods, and so forth, through the Panama Canal, but cannot get bookings even 6 to 8 weeks ahead, although at the present time there is this sterilized tonnage that could be utilized.

There was no opposition to this bill before the Committee on Merchant Marine and Fisheries. I had anticipated that no objection would be made today by anyone. This is an emergent proposition.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I understand that a certain number of ships will be sterilized.

Mr. BUCK. No. All of the fleet that is owned by the United States Government and which is over 20 years of age is now sterilized. There are 116 of these ships, and some 92 of them can be utilized in freight service if released from the provisions of section 510 (g). Not all of them can be used.

Mr. AUGUST H. ANDRESEN. They are not in use now?

Mr. BUCK. They are not in use now.

Mr. AUGUST H. ANDRESEN. Will they have to be reconditioned?

Mr. BUCK. Their machinery is in pretty good condition. It has been kept up, but they will have to be reconditioned, yes.

Mr. AUGUST H. ANDRESEN. So they will be put back in active service?

Mr. BUCK. Of course, this is an authorization bill, I may say to the gentleman from Minnesota. It does not assure me or anybody else that somebody will come in and bid for the ships, either for sale or charter. If bids are made and accepted by the Maritime Commission the ships will be put in service.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Virginia, and I wish to say in yielding that I apologize to him for having had to make the motion while he was off the floor.

Mr. BLAND. I am delighted that the gentleman has brought the matter up. I thought it was coming up after the conference report, and went from the floor for a few moments.

Mr. BUCK. It did, but they adopted the conference report in a hurry.

Mr. BLAND. There are 116 ships involved. What is meant by the sterilization is that in this Congress we passed a bill that those ships, over 20 years of age, in what is known as the laid-up steel fleet, should not be sold or used except under a proclamation of an emergency by the President, which would be very unwise at this time. At the ports of the country, west coast as well as east coast, goods are piling up now, and people are unable to make contracts for the delivery of those goods. The railroads are being affected because many of the goods have come from the interior to the seaboard for shipment. The condition has been aggravated within the last few days by the Norwegian-Danish situation, and our own people are seriously affected.

Mr. BUCK. I should like to ask the distinguished chairman of the Committee on Merchant Marine and Fisheries if he anticipates that any damage whatever can be done to the railroads by the passage of this resolution.

Mr. BLAND. It is absolutely beneficial to them. They will be carrying the commerce from the interior of the country to the seaboard, leaving out of the picture the intercoastal shipments that they will be carrying to the seaboard. If there are no ships there, shall we allow the ports to be congested and have a repetition of the conditions that existed in 1914, although now we have 116 ships that can be used to relieve that condition? In other words, we have the ships now, and should use them for the benefit of our people.

Mr. BREWSTER. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Maine.

Mr. BREWSTER. There was a great deal of concern at the time of the consideration of the legislation embargoing our ships going to belligerent ports that it would adversely affect our merchant marine. As a matter of fact, the effect has been exactly the reverse, has it not? The ships are now enjoying an unprecedented demand and are going at a favorable price.

Mr. BUCK. There is no question about it.

Mr. BREWSTER. We very much need this safety valve to care for the additional shipments that are demanding service.

Mr. BUCK. There is no question about that, either.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Virginia.

Mr. BLAND. May I add that Great Britain and the other maritime nations are now, of course, putting their ships into the necessary work in the blocked-out area, and our ships are needed to carry commerce to other parts of the world, or we will stop the shipment of goods much needed by the American people.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Pennsylvania so he may explain his objection to the measure.

Mr. VAN ZANDT. I wish to inform the gentleman I do not object to the reconditioning of these vessels for the purpose of trans-Pacific or trans-Atlantic trade, but if used in intercoastal trade you do compete with the railroads of our country and this is what I object to. The gentleman knows Government-subsidized ships carrying freight from the west coast through the Canal to the east coast, much of which can be carried by the transcontinental railroads, has destroyed the jobs of railroad men.

Mr. BUCK. I take it the gentleman simply feels that the railroads ought to have the advantage of the 34-percent decrease in the intercoastal tonnage.

Mr. BLAND. May I correct one statement of the gentleman from Pennsylvania [Mr. VAN ZANDT]?

Mr. BUCK. Certainly.

Mr. BLAND. They are not subsidized carriers when engaged in domestic commerce.

Mr. BUCK. That is correct.

Mr. BALL. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield.

Mr. BALL. I would simply like to reenforce what the gentleman from Virginia has stated. There are two ports in Connecticut, New London and Bridgeport, that are tremendously affected by this bill, and I sincerely hope it will go through.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. CULKIN. May I make this observation to the gentleman from California? In the first instance, I was not strongly for this bill, especially in the sale phase of it, but upon getting the explanation that these ships are needed to carry the manufactured products of the country, and also the agricultural products of the country into the belligerent territory, not under our flag, but after sale they may go under a foreign flag and may be useful for that purpose; after I had learned this, then I became favorable to this bill and very strongly favorable to it. I cannot conceive of any objection to this bill from the standpoint of any patriotic American.

Mr. BUCK. I thank the gentleman for his contribution.

Mr. COFFEE of Washington. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Washington.

Mr. COFFEE of Washington. The gentleman from California will state to the House that the merchants, manufacturers, and laboring groups of both the Pacific and Atlantic coasts are tremendously concerned in the passage of the bill, and there is a grave emergency confronting these interests and they are hoping and praying that Congress will pass the measure expeditiously. Is not that correct?

Mr. BUCK. I have stated already it is an emergency proposition and I can confirm what the gentleman from Washington has said.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Missouri.

Mr. SHORT. In answer to our friend from Pennsylvania [Mr. VAN ZANDT] I may say that intercoastal shipping on waterways helps rather than injures the railroads of the country, and many farm commodities in the interior, particularly the Middle West, because of discriminatory freight rates—we do not enjoy, of course, the cheap transportation through the Panama Canal—would find it impossible, of course, to ship clear across the country.

Mr. BUCK. I thank the gentleman.

Mr. CARLSON. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Kansas.

Mr. CARLSON. I want to inform the gentleman from California that I have no objection to transferring these ships for the foreign trade, but I question seriously their need for intercoastal trade, and I call attention to a letter, written as late as April 19, 1940, to Mr. BLAND, the chairman of the Merchant Marine Committee.

Mr. BUCK. Let me say to the gentleman that the letter to the gentleman from Virginia [Mr. BLAND] was a report of the Maritime Commission on the original resolution introduced by me, in which letter the Commission suggested an additional amendment, which is section 2 of the present resolution and their report on House Joint Resolution 519 is favorable.

Mr. SHORT. And the whole world situation has changed vastly since that time.

Mr. BUCK. We have the Norwegian-Danish situation on our hands or in our laps, just as you want to express it.

Mr. ANGELL. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Oregon.

Mr. ANGELL. Mr. Speaker, I attended the meeting of the Commission, which was attended by a number of interests from the Pacific coast having this matter in hand, and it was there stated by the Commission itself that this legislation was necessary if any relief was to be given. It merely releases these old vessels, 116 of them, which are now sterilized and out of use, so that a very serious condition, in our district particularly, may be relieved, and otherwise there will be no transportation available.

Mr. Speaker, the contention made by the gentleman from Wisconsin [Mr. SCHAFER] that these ships will be sold by the Maritime Commission to foreign operators and the ships will find their way into the war trade is wholly untenable. I personally appeared before the Maritime Commission in connection with this matter, to ascertain the purpose of this legislation and the position the Maritime Commission would take in selling or chartering these sterilized vessels. It was definitely stated at that meeting and understood by all that the Maritime Commission would impose conditions in the sale or charter of these vessels, which it is permitted to do under the law, insuring that these vessels would be used in the intercoastal trade and also that they would not be used to replace vessels owned or operated by the purchaser, which would thereby be released or sold to foreign owners. In other words, it is the plan of the Maritime Commission to utilize these vessels in providing additional bottoms to take care of intercoastal trade.

At the present time it is impossible to obtain shipping space short of 30 or 60 days in intercoastal shipments and in many cases impossible to obtain any space. It is particularly damaging to the Pacific coast in that we have large quantities of lumber, grain, canned goods, fruits, fish, and other products which move through the Panama Canal and can only be handled through the intercoastal service. Over 30 percent of the vessels heretofore in this service have been moved out and many more are being transferred to other service. The foreign war has absorbed many of the vessels suitable as cargo carriers which are available for intercoastal trade. The selling price is so attractive that it has caused all of the older vessels to be taken from the usual channels of trade. It has been particularly damaging to the Pacific coast. The Maritime Commission has signified its willingness to cooperate in every way in this emergency if this law is enacted.

The district which I represent, the third district of Oregon, has within it the port of Portland, which is the outlet for intercoastal and foreign shipping from all of the Columbia River territory.

This legislation has for its purpose the suspension of section 510–g of the Merchant Marine Act of 1936 during the present European war, which section restricted the use of vessels in the laid-up fleet of the Maritime Commission. It has particular reference to intercoastal shipping from the Pacific coast.

A very serious condition has arisen there by reason of the sale and charter of many vessels which formerly were used in intercoastal trade. The demand for these ships by foreign shippers, growing out of the needs of the European war, has practically robbed the west coast of its shipping facilities. At the present time it takes from 3 to 4 weeks for west-coast shippers to secure shipping space either for east-bound or west-bound cargoes.

One-fifth of the lumber produced in the Northwest goes through the Panama Canal, and averages one and one-half million tons annually. Forty-six percent of the softwoods used in lumber production originates in Oregon and Washington for eastern consumption. Federal records show that one-third of the ships formerly used in this intercoastal industry have either been sold or chartered out of this traffic. As a result, curtailment of production on tidewater mills in the Pacific Northwest has been reduced over one-third, owing to lack of bottoms for handling the intercoastal trade. As a result, it is curtailing production. Indications are that this summer during the building period there will be a very marked advance in building operations, not only in carrying forward the Federal-housing program but also in various other industrial activities which require considerable quantities of lumber products. The war trade has developed a considerable demand also for lumber. Low-cost housing requires large quantities of lumber products as low-cost building utilizes

lumber largely for construction. Unless shipping facilities for intercoastal trade are made available, there will be a critical shortage of lumber production, with the failure of quantities with which to carry forward these programs. As a result, not only will mills in the Pacific Northwest be shut down and large numbers of laborers thrown out of employment but various allied industries will be curtailed and building operations generally slowed up, resulting in increasing the unemployment rolls. The use of these old ships in this trade instead of working a hardship on railroads will help them. It will increase rail tonnage going to and from the terminal points. This cargo is not such that it may be carried by rail. The cost is prohibitive.

One of the large forest-product industries in the Pacific Northwest is the chemical pulp industry, which manufactures pulp material used in various types of high-grade paper, rayon, plastics, and other similar products. This pulp is made largely from hemlock and waste material from lumber operations, much of which would be entirely lost unless devoted to this or a similar use. From sixty to seventy million dollars are invested in this industry alone in the Pacific Northwest. It manufactures some 800,000 tons per annum, requiring 780,000 man-hours alone to produce the logs. Thirty-five percent of the cargoes originating in this industry are water-borne. Twenty-five thousand tons of shipping space are needed but only 10,000 tons are available under existing conditions. These cargoes all go to the eastern seaboard.

The purpose of this legislation is to lodge in the Maritime Commission sufficient power to make available vessels which under existing law are now tied up. They are old, outmoded ships, but could be utilized in this emergency to prevent serious interruption of an essential industry in the Pacific Northwest. Shippers have entire confidence in the effectiveness of the Maritime Commission to meet and solve this situation, if power is given them under proper legislation.

The situation is so critical that it is most essential that immediate action be had so that the Senate may pass the necessary legislation without delay before Congress adjourns.

Mr. BUCK. I am very glad to have the gentleman make that statement, because he attended that meeting, when I could not, with others, who had come here from a long distance; and there were also, I believe, some New England people there at the same time.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from California.

Mr. ANDERSON of California. Is it not true that as a result of the effect of the Neutrality Act on maritime shipping we have put a lot of American seamen on the beach without jobs, and if this bill passes it will give us an excellent opportunity to reemploy a great many of these American seamen?

Mr. BUCK. There is no doubt about that.

The gentleman from Virginia [Mr. BLAND] has just called my attention to an article which appeared in the Journal of Commerce today, which I shall read:

BUCK BILL BACKED BY SHIP OFFICERS

Prompt passage of the Buck resolution or similar legislation which would permit the Maritime Commission to sell all the war-time-built laid-up fleet for further operations was recommended in telegrams sent to many prominent Congressmen last night by the United Licensed Officers of the United States of America.

Bert L. Todd, general secretary of the organization, said that sale and operation of the Commission's laid-up fleet would alleviate unemployment of ship officers and seamen. Owing to transfer of a large number of American tankers and freighters to foreign flags, and disruption of normal American line services on account of restrictions imposed by the Neutrality Act, many ship officers are ashore at this time, he said.

Under the Merchant Marine Act of 1936, the Maritime Commission is not permitted to sell any vessel more than 20 years old for further operation. The proposed joint resolution now before Congress would change this section of the law.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield.

Mr. BLAND. And at least 75 percent of the crews of the nonsubsidized vessels must be American citizens.

Mr. BUCK. Yes.

Mr. Speaker, for the moment, I reserve the balance of my time.

Mr. BUCK asked and was given permission to extend his remarks and to include therein the newspaper article referred to by him.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I demanded a second in order that we might have an opportunity to look into this bill and see what it proposes to do. I believe that the gentleman from New York [Mr. CULKIN] let the cat out of the bag when he indicated that he was supporting the passage of this bill because it would permit the sale or chartering of the 116 laid-up vessels of our United States merchant marine to foreign countries to carry supplies, munitions, implements of war, and so forth, to belligerents in the new unpleasantness in Europe.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER of Wisconsin. Yes.

Mr. CULKIN. The gentleman is overemphatic in his statement, and that is a polite way of putting it. I did not say 116 ships. I said a few ships, some ships, would be available after transfer to a foreign flag to carry American agricultural products and American-manufactured products into the combat areas. If that is letting the "cat out of the bag," the gentleman may make the most of it.

Mr. SCHAFER of Wisconsin. Certainly; and I am glad that the gentleman admits that he has let the "cat out of the bag." I know now that I am one Member of Congress who is not going to vote for this bill, which violates the neutrality of the United States. The taxpayers of America have expended hundreds of millions of dollars in subsidies to build up our American merchant marine as an essential part of our national defense. We know that it is just as essential to have an adequate merchant marine, from a national-defense standpoint, as it is to have cruisers, torpedo boats, battleships, airplanes, and so forth.

Congress passes a neutrality act, and the President of the United States and Members of Congress belonging to both parties proclaim to the world that they are neutral and want to keep the United States neutral and out of the new European war which is now raging. We now find Members of the House who talked and voted for the Bloom Neutrality Act and boasted about their desire to keep America out of the war and preserve our neutrality asking us to vote for this bill to sell or charter hundreds of vessels of our American merchant marine to foreign interests so that they can be used to carry supplies, munitions, and implements of war to belligerents in the existing European war. If that is neutrality, then I am a Chinaman. This bill reminds me of our New Deal brethren spending many billion dollars of the taxpayers' money in the name of national defense, and then giving the latest secrets regarding our national defense in respect to airplanes to potential enemies in foreign lands.

Mr. HAWKS. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER of Wisconsin. Yes. I yield with pleasure.

Mr. HAWKS. Is it not a fact that because of the activities of a fellow like Harry Bridges, we cannot even begin to man our own merchant marine anyway?

Mr. SCHAFER of Wisconsin. The gentleman is correct. Let me suggest to our New Deal brethren who are supporting this bill in the name of American shipping interests and American seamen that they better get busy and have their administration turn the "heat" on the alien British subject, Harry Bridges, who has been trying to destroy our American merchant marine and the jobs of American seamen in order to promote the welfare of British shipping interests and furnish jobs for seamen who, like himself, are British subjects.

This New Deal administration is certainly carrying on the interrupted march of the Wilson administration, as promised in President Roosevelt's 1932 acceptance speech. It is following the same path while promising to keep us out of war, as Wilson promised.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER of Wisconsin. Yes.

Mr. BLAND. I call the attention of the gentleman to the fact that he is mistaken about carrying in belligerent zones.

Mr. SCHAFER of Wisconsin. A gentleman from the gentleman's committee admitted that.

Mr. BLAND. Belligerent countries are withdrawing their ships from other sections, and we cannot get enough ships to carry American goods to Africa, South America, and various other sections that are completely neutral, with which we have a right to trade, and consequently the producers in America are having their goods left on the shelves.

Mr. SCHAFER of Wisconsin. Then why does not the gentleman offer an amendment to this legislation and provide that these ships of our American merchant marine can only be sold or chartered to American citizens or to American corporations. That would keep them out of belligerent zones under the Neutrality Act. This bill permits the sale and charter to foreign interests and, therefore, their use in belligerent zones.

Mr. BLAND. If the gentleman asks me, the conditions are changing so rapidly every day and every minute in the day that I wish to place the authority to handle this in the best interests of America, and I believe that has been done by this resolution.

Mr. SCHAFER of Wisconsin. Mr. Speaker, we are now told that we must pass this bill because we do not have enough vessels in operation to take care of our shipping requirements although American shipowners and operators who have received millions of dollars in subsidies from the taxpayers' Treasury have been transferring the registry of many of their ships to foreign countries in order to violate the spirit, if not the letter, of the Bloom Neutrality Act.

Mr. BLAND. The trouble about it is the gentleman is mistaken. None of these has been transferred.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield.

Mr. VAN ZANDT. My opposition to the bill is based on the fact that intercoastal steamship trade competes with the private carriers or railroads of our country. At this time I want to put in the RECORD a paragraph from Admiral Land's letter dated April 19 and addressed to Chairman BLAND, in which he "lets the cat out of the bag":

> While the net diversion of tonnage from intercoastal trade is considerable on the basis of tonnage figures alone, it must be remembered that up to the beginning of the war the tonnage was definitely in excess of needs. From the available data it does not appear that any emergency exists in the intercoastal trade as far as available space is concerned at this time.

Mr. SCHAFER of Wisconsin. That is a fact and the real purpose of this bill, as stated by the gentleman from New York [Mr. CULKIN], is to sell or charter vessels of our American merchant marine, to weaken our own national defense, transfer those ships to foreign registry so that they can be used as war-supply ships in violation of true American neutrality. This bill is another step taken by our New Deal brethren along the pathway which leads to the new European war. President Roosevelt and his New Deal tribe of internationalists and interventionists are heading for war while talking for peace before election. President Wilson promised to keep us out of war before election, and you and I went overseas to help him make the world safe for democracy and end all wars after his election. Remember that this bill, if enacted, will be in effect after this November election.

Mr. VAN ZANDT. Is it not true if a few of the transcontinental railroads, especially the Milwaukee Railroad, which passes through the gentleman's district, carried just a portion of the freight these ships carry, hundreds of railroad workers in your district would have jobs?

Mr. SCHAFER of Wisconsin. The gentleman is correct. This bill should be defeated from an American national-defense standpoint. Let us keep the ships of our American merchant marine an important arm of our national defense under the American flag and not permit their sale and charter to foreign interests and their operation under foreign flags. Let us furnish jobs to Americans by keeping these ships under the American flag. Let us not permit these American merchant marine ships to be used by either side in the European conflict which is now raging for the purpose of carrying arms, munitions, implements of war, and war supplies to belligerent countries, as the gentleman from New York [Mr. CULKIN] correctly stated, might be done under the bill.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield.

Mr. CULKIN. May I say to the gentleman that what I said was exactly true?

Mr. SCHAFER of Wisconsin. The bill will permit that, will it not?

Mr. CULKIN. Just a minute. It seems to me the gentleman leans so far backward on this question that he is almost in the other camp.

Mr. SCHAFER of Wisconsin. No; I am in the American camp; I want to maintain American neutrality and preserve our American national defense. [Applause.] I do not want my children, and other World War veterans do not want their children, slaughtered on battlefields in Europe in order to pull foreign countries' chestnuts out of the fire. Our New Deal fuehrer in the White House is following in the footsteps of Woodrow Wilson, who talked peace before election and plunged our country into war after election in the name of "making the world safe for democracy." It now seems that our Democratic brethren who "made the world safe for democracy" in 1917, 1918, and 1919 are not satisfied with their work and now want us to swallow more foreign propaganda and "save world democracy."

Mr. CULKIN. May I commend the gentleman for his patriotism and his vigorous patriotism? I want to say this—that the gentleman is seeing ghosts on this question, despite the statement that I made which seemed to set him on fire.

Mr. SCHAFER of Wisconsin. You trotted out the ghost and perhaps that is the ghost I see. [Laughter and applause.]

Mr. CULKIN. May I say to the gentleman it is impossible to get coal from the State of Pennsylvania, if you please, to South American countries by reason of the lack of ships?

Mr. SCHAFER of Wisconsin. All right. If that be so it is not necessary to permit the selling and chartering of these American Merchant Marine vessels to foreign interests as this bill does.

Mr. CULKIN. No American ship, no American sailor, under the provisions of this bill—I have been very frank about it thus far, and I am yet—can go into the war zone on any ship. It does provide for sale, and that is the thing I originally objected to.

Mr. SCHAFER of Wisconsin. How are you going to furnish jobs for those American seamen, whom the proponents of this bill wept crocodile tears over, if they cannot go on these ships in the war zones, and if the ships can be sold or chartered to foreign interests, who can send them into the war zones?

Mr. CULKIN. The world is greater than the combat zone. There is Africa and South America. South America has no coal now. The gentleman is going to send coal to South America.

Mr. SCHAFER of Wisconsin. Then does not the gentleman believe we should amend this bill and provide that these ships can only be sold to or chartered by American corporations or American citizens?

Mr. CULKIN. I do not think so.

Mr. SCHAFER of Wisconsin. So that we do not leave the door wide open so that hundreds of ships of our subsidized American merchant marine can be sold to or chartered by foreign interests and used to carry arms, munitions, implements of war, and war supplies to belligerent nations as the bill does now provide?

Mr. CULKIN. No American ship can do that under this act.

Mr. SCHAFER of Wisconsin. But under this act the Maritime Commission can sell or charter any or all of the ships to foreign interests or American interests for foreign registry and the ships can then be used in war zones as war supply

vessels to carry troops, munitions of war, war supplies, or implements of war. Such use of our subsidized American merchant marine will not maintain the neutrality of our country.

Mr. CULKIN. That is all quite true. The gentleman can make the most of that argument, but despite that I say that this bill is sound in principle and is sound Americanism and does not violate the Neutrality Act.

Mr. SCHAFER of Wisconsin. Would the gentleman favor taking an arm of our national defense, these ships of our American merchant marine, and selling or chartering them to Germany and Russia, on one side, or England and France, on the other side, for use in the war zone to carry implements and munitions of war and war supplies? Would the gentleman approve of that?

Mr. CULKIN. The gentleman must know that cannot be done under the Neutrality Act.

Mr. SCHAFER of Wisconsin. Why, this bill is to circumvent the Neutrality Act. Of course, it can be done under this act and the cash-and-carry provisions of the Bloom so-called Neutrality Act.

Mr. CULKIN. No; it cannot be done.

Mr. SCHAFER of Wisconsin. Any American ship which is sold to or leased to foreign purchasers and transferred to a foreign registry does not come under the provisions of the Neutrality Act. This bill is clearly designed to permit the use of many ships of our American merchant marine in European war service to get around the provisions of the Neutrality Act, weaken our national defense, and take sides in the new European war. The Congress should not abdicate and vest the New Deal bureaucrats with the unlimited authority carried in this bill. Mr. Speaker, this bill is not limited to the 116 ships in the laid-up or sterilized fleet, but includes "all vessels transferred to the Maritime Commission by the Merchant Marine Act, 1936, or otherwise acquired by the Commission, other than vessels constructed under the Merchant Marine Act, 1936." Mr. Speaker, page 2 of the committee report reads as follows:

Section 1 of the joint resolution (H. J. Res. 519) would suspend, during the European war, section 510 (g) of the Merchant Marine Act, 1936, as amended (Public, No. 259, 76th Cong., approved August 4, 1939). Section 510 (g), which is a part of the "turn-in-and-build" amendment to the 1936 act, prohibits the use for commercial operation (except in certain limited cases) of vessels over 20 years old, which were in the Commission's laid-up fleet on August 4, 1939, or are turned in under the "turn-in-and-build" provisions (sec. 510). Section 1 of the joint resolution would lift such prohibition on the use of such vessels, and would permit the Commission to sell, charter, or use vessels in the laid-up fleet or the turned-in vessels, pursuant to the merchant marine acts in force prior to August 4, 1939.

Section 2 of the joint resolution would permit the Maritime Commission to sell or charter its vessels (other than those constructed under the Merchant Marine Act, 1936), including those in the laid-up fleet, upon such terms and conditions and subject to such limitations as the Commission may deem necessary or desirable in the furtherance of the public interest. The authority to sell or charter old vessels under the merchant marine acts is somewhat restricted, and not suited to flexible temporary or emergency use.

Mr. Speaker, page 2 of the committee report also states:

The Commission has a laid-up fleet of 116 vessels, about 1,000,000 tons, which have been deemed to be of sufficient value to warrant preservation for a national or commercial emergency. While the vital machinery of these vessels has been preserved, the vessels will require reconditioning before they can be put into service in any trade.

It appears that to enable the Government to be in a position to make effective disposition of its old vessels in any shipping emergency in foreign or domestic trade, it would be desirable to lift the restrictions of section 510 (g), and to vest in the Commission broad and flexible authority to sell or charter its vessels, including those in the laid-up fleet, for use in the coastwise or intercoastal trades, as well as to sell or charter for use in the foreign trade.

The committee reporting this bill states:

The Commission has a laid-up fleet of 116 vessels, about 1,000,000 tons, which have been deemed to be of sufficient value to warrant preservation for a national or commercial emergency.

Mr. Speaker, if these 116 vessels and many other vessels of our American merchant marine are sold to or chartered for the use of foreign interests, as they can be under this bill, how can they be preserved for a national emergency? The Chairman of the Maritime Commission, E. S. Land, in a letter of April 19, 1940, to the chairman of the Committee on Merchant Marine and Fisheries, which appears in the committee report, states:

The Commission consequently favors the enactment of the joint resolution to suspend, during the European war, the restrictions of section 510 (g) on the use or disposition of vessels in the Commission's laid-up fleet, together with an amendment which would vest in the Commission complete authority to make effective disposition of its vessels as needs therefor may arise during the continuance of the war.

Such amendment should vest in the Commission general authority, during the European war, to sell or charter its vessels, including those in the laid-up fleet, under such terms and conditions and subject to such limitations as the Commission deems necessary or desirable. It is impossible to foresee just what emergent conditions may require use of the Commission's vessels in commercial operation, and a broad flexibility of authority to meet such conditions promptly in the national interest is necessary to make really effective use of such vessels.

To attain such flexibility, it is desirable that the Commission have certain authority in addition to and in modification of existing law. For example, it would be desirable that the Commission have authority to charter vessels for use in the coastwise or intercoastal trades, as well as to charter vessels for operation in foreign trades other than in lines or on essential routes in the foreign trade of the United States. It would also be desirable in attaining the objectives of the joint resolution to broaden the Commission's authority to sell vessels individually for operation in other than lines or essential trade routes.

Mr. Speaker, in view of the facts, I cannot vote for this bill, which is designed to weaken our national defense, violate the neutrality of the United States, and permit the use of ships of our American merchant marine in service for the benefit of belligerents in the European war which is now raging.

Mr. Speaker, I reserve the balance of my time.

Mr. BUCK. Mr. Speaker, will the gentleman use some more of his time?

Mr. SCHAFER of Wisconsin. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Speaker, I voted and spoke against the Bloom neutrality bill, and I have not changed my mind one bit on that subject. The resolution before us does not involve the Neutrality Act.

I am just as anxious for this country to keep out of war as my friend from Wisconsin [Mr. SCHAFER]. This Nation must not become involved in another European war. Our boys must not again be sent to fight and die on foreign seas and in foreign lands in fruitless efforts to settle the age-old quarrels of European and Asiatic nations.

The resolution before us will not involve us in any foreign war. My good friend the gentleman from Pennsylvania [Mr. VAN ZANDT] is fearful that this resolution, if adopted, will hurt the railroads, and my friend from Wisconsin [Mr. SCHAFER] fears that this resolution might involve us in war. I desire to take up both of these contentions briefly.

About 12 or 15 years ago we were confronted with almost this same situation. There was a demand for American coal in the Mediterranean countries, the West Indies, and South America. At that time the National Coal Association and the National Coal Exporters Association and the railroads urged Congress to recondition some of these ships which were built during the World War so as to carry American coal to the Mediterranean countries, the West Indies, and South America. We had already reconditioned some of these ships to carry wheat, lumber, meats, foods, and so forth, in our export trade, but we had made no provision for the carrying of export coal. I made a fight for appropriations to recondition these ships and we secured appropriations amounting to somewhere between three and five million dollars for that purpose.

Some of these World War merchant ships were reconditioned and a great lot of coal was exported. This gave work to American miners and business to American coal producers, and it furnished business for the railroads and employment for the railroad workers.

Now, what is the situation confronting our country on this very matter today? Germany produces considerable coal and exported a lot of coal. Great Britain produces more coal

than any other country in the world except the United States. Germany and Great Britain exported a lot of their coal to the Mediterranean countries and South America. They are now engaged in war and cannot supply these markets. They are now charging $20 or more a ton freight to ship coal to certain foreign countries. There is a great market begging for American coal, but we do not have the ships to transport the coal.

Our Government spent hundreds of millions of dollars during the World War building these more than a hundred merchant ships that have been tied up in our harbors and rivers ever since the World War, decaying and going to waste. This resolution provides that the Government may recondition a number of these ships and put them into service to carry coal, farm commodities, lumber, meat, and other products to Africa, the Mediterranean, the West Indies, and Central and South American countries. Other nations have withdrawn a lot of their merchant ships from carrying American products, and our ports are being piled up and congested with these exportable products.

The National Coal Exporters' Association and the National Coal Association and many of our railroads are very anxious to see this resolution adopted and these ships reconditioned to carry coal and other products and to relieve the congestion in our seaports. I am reliably informed that the representatives of the Baltimore & Ohio, Chesapeake & Ohio, Norfolk & Western, and Virginian Railroads were here recently and approved this resolution. It is also approved by the United States Maritime Commission and had the unanimous support of the Merchant Marine Committee of the House—Democrats and Republicans.

HELPFUL TO COAL OPERATORS, RAILROADS, AND WORKERS

I know that the coal operators, miners, railroads, and railroad workers in Kentucky, Pennsylvania, West Virginia, and other coal-producing States of the Union want this legislation so that coal may be produced in the mines and carried by the railroads to the seaports. Why should we sit idly by here and see these ships, costing millions of dollars, rusting and decaying and see hundreds of thousands of miners and railroad workers out of work and their families on relief and in great need of the necessities of life when we have an opportunity to recondition these ships, put them into service and produce millions of tons of coal to be carried by the railroads to the seaports? We need these ships to carry the coal to the markets of the world—markets far removed from the war zone—give business to the coal producers, work for the miners, and provide tonnage for the railroads and employment for the railroad men, and it will also provide employment for thousands of idle seamen. Many of us have been very much interested in this proposal for some time and I am very happy to have an opportunity to support this resolution. [Applause.]

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. MAY. It is just plain common sense to pass this bill and open up that great market.

Mr. ROBSION of Kentucky. We have these ships that cost us hundreds of millions of dollars. They are tied up in various harbors of the country and decaying. Why should we refuse to pass this bill and have these ships remain tied up in our harbors rusting away, our miners and railroad people idle and our ports filled up and congested with farm products, lumber, meats, and other exportable products that cannot now be moved? We have nearly 11,000,000 unemployed industrial workers in this country. We have a great surplus on our farms, in our factories, mills, and shops. Why deny opportunities for work to some of these millions of unemployed industrial workers who must have private jobs or go on relief? Why deny this relief to the farmers, lumbermen, and others? Why should we not give this business to the railroads, the coal operators, and shippers?

This is a good American bill backed by the Republicans as well as the Democrats. It is helpful and salutary legislation. It is in the best interests of our country and I strongly favor it and urge its passage. [Applause.]

Mr. SCHAFER of Wisconsin. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman from Wisconsin has 2 minutes remaining.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I yield the balance of my time to the gentleman from Pennsylvania [Mr. VAN ZANDT.]

Mr. VAN ZANDT. Mr. Speaker, I repeat that I oppose this legislation because I am deeply concerned with the problem of the employees of the railroads of the United States, many of whom are now on involuntary furlough. I agree with the gentleman from Kentucky that to recondition these ships would open a new field for American-mined coal, but the gentleman refuses to recognize the fact that those who are sponsoring this legislation are using the coal miners of the country as an excuse to open up new intercoastal trade which will take business away from the transcontinental railroads, or in other words, inflicting injury on a natural ally of the coal industry. I am looking at this proposal from the standpoint of the railroad employee. It is true the railroads will get additional employment transporting coal from the mines to the seaports. However, you gentlemen must realize that not all of these ships will carry coal to foreign countries nor will they carry coal from the east coast to the west coast. To the contrary, their principal cargoes will be products other than coal, thereby diverting freight traffic from the already hard-pressed railroads. Keep this in mind each time a ship travels through the Panama Canal carrying freight it takes jobs from the railroad men of this country. If the railroad men of our country had the privilege of standing in the Well of this House and understanding this legislation and its effect on the railroad industry, I dare say that not one railroad man would support this measure.

Mr. CARLSON. Mr. Speaker, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Kansas.

Mr. CARLSON. In 1930 we passed an act sterilizing 116 ships as a part of our national defense. Now, at a time when the world is at war and when we might be threatened ourselves, it is proposed to transfer these ships to foreign countries.

Mr. VAN ZANDT. I wish someone would answer the question as to why owners of ships flying the American flag transferred the ships to foreign flags immediately after the declaration of war. Nobody has answered that question on the floor as yet. It is difficult for me to understand the practice of certain shipping concerns transferring ships to foreign flags and then expect our Government to replace those ships at the expense of the American taxpayer. This is another Government subsidized threat to private business.

Mr. BUCK. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. SMITH].

Mr. SMITH of Washington. Mr. Speaker, this is strictly an American unemployment and reemployment measure, let me say in reply to the gentleman from Wisconsin [Mr. SCHAFER] and other gentlemen who have expressed similar views. No supporter of this bill, and certainly not the Maritime Commission, in my opinion, contemplates for one moment the charter or sale of any of these vessels to anyone except American interests, the vessels to be operated by Americans under the American flag, employing American seamen, shipping American goods, and American products manufactured by American workmen in the factories of America. [Applause.] Under the Neutrality Act our vessels cannot enter the combat zones anywhere in Europe or Asia. I cannot see the slightest danger that this measure will affect our neutrality. If I thought for one moment that it would, I would be strongly opposed to it.

Mr. Speaker, this measure will enable the lumber, plywood, veneer, pulp and paper, fruit and vegetable canning, grain and flour milling industries of the Pacific Northwest, the highly important manufacturing industries on the Atlantic seaboard and in the New England States and in the Gulf and Southern States, as well as the farmers of the Middle West, to ship their products in American bottoms. Thereby

our factories and industries will be enabled to continue to operate and probably increase their operations, and many thousands of workmen will have employment. These vessels, now sterilized, have been paid for by American taxpayers, are the property of the American people, and should be reconditioned and made available to serve American interests. I urge the House to adopt the resolution offered by the gentleman from California [Mr. BUCK]. [Applause.]

[Here the gavel fell.]

Mr. BUCK. Mr. Speaker, I yield to the gentleman from California [Mr. WELCH].

Mr. WELCH. Is it not a fact that the lumber interests on both coasts as well as on the Gulf particularly desire this legislation?

Mr. BUCK. Yes.

Mr. WELCH. They cannot transport their lumber or pulp, and as a result nearly all the lumber and pulp mills on both coasts are closed down.

Mr. BUCK. That applies not only to lumber, but also to wool, canned fruit producers, and to people who produce other materials.

Mr. WELCH. The primary purpose of this resolution is to relieve a condition on the Pacific coast brought about by the European war.

The act of August 4, 1939, provided for the removal from service old or obsolete ships and their replacement with modern ships in the interest of national defense and the shipping industry.

The Maritime Commission is authorized under the terms of the resolution to sell or charter its laid-up ships during the continuance of the war. Care will be exercised by the Maritime Commission to see to it that the resale of the ships in question shall not be made to people who might acquire them for speculative purposes.

It is an emergency measure which in turn will bring to the Government a good price for sterilized ships which otherwise will eventually be sold for junk.

Mr. BUCK. Mr. Speaker, I yield 1 minute to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Speaker, in view of the remarks made by the gentleman from Wisconsin, I want to call attention of my Republican colleagues to the fact that this bill is a nonpartisan one. The gentleman from Wisconsin was in error, of course, when he said it was a New Deal bill, and when he intimated that Republicans were opposed to it he cast a reflection upon the intelligence of the Republicans. [Laughter and applause.] To my own personal knowledge every Republican on the Pacific coast is in favor of the bill and so far as I know every Republican representing port areas on the Atlantic coast is in favor of it.

Mr. WELCH. And every Republican on the committee voted for the bill.

Mr. MOTT. Certainly, they are all in favor of it. All of our industries on the Pacific coast, and the lumber industry particularly, are being seriously hampered and menaced on account of the shortage of ships. If we do not have the legislation provided in this bill it is possible those industries may be entirely ruined.

[Here the gavel fell.]

Mr. BUCK. Mr. Speaker, I yield myself the balance of the time on this side.

Mr. Speaker, in concluding this debate I simply want to emphasize the fact this is an absolutely nonpartisan bill, designed for the interest of the United States and designed to reemploy men. Forty-nine ships have already been taken out of the intercoastal service. You are not doing anything to help those sailors who came off those ships and are on the beach today unless you put them back in some other bottoms. I hope the vote on this bill will be unanimous.

The SPEAKER. All time has expired.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to amend the resolution by adding two amendments which strike out the word "heretofore" and insert "on November 4, 1939." The reason for that is that when the report was made there was only one proclamation of neutrality.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

Mr. SCHAFER of Wisconsin. Mr. Speaker, reserving the right to object, will the gentleman perfect the bill so that we can all support it by striking out the provisions which will permit foreign countries to purchase these boats and restrict it only to American corporations and American citizens?

Mr. BLAND. In view of the fact I do not concede the theory of the gentleman, I cannot agree to do that.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

There was no objection.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND: On page 1, line 6, strike out the word "heretofore" and insert, after the word "President", in the same line, the following: "on November 4, 1939."

On page 1, line 10, strike out the word "heretofore" and insert, after the word "President", the following: "on November 4, 1939."

The SPEAKER. The question is, Shall the House suspend the rules and pass the resolution as amended?

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 194, noes 15.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I object to the vote on the ground a quorum is not present.

The SPEAKER. The Chair will count. (After counting.) Two hundred and thirty-one Members are present, a quorum.

So (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

DEPARTMENTS OF STATE, COMMERCE, AND JUSTICE, AND THE JUDICIARY APPROPRIATION BILL—CONFERENCE REPORT

Mr. McANDREWS. Mr. Speaker, I call up the conference report on the bill, H. R. 8319, making appropriations for the Departments of State, Commerce, and Justice, and for the judiciary, for the fiscal year ending June 30, 1941, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8319) making appropriations for the Departments of State, Commerce, and Justice, and for the Judiciary, for the fiscal year ending June 30, 1941, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 12, and 21.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 5, 8, 9, 10, 13, 14, 15, 16, 17, 23, 25, 26, 27, 30, 31, 32, 33, 34, 36, and 37, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows:

"Bureau of Interparliamentary Union for Promotion of International Arbitration, $10,000;"

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$8,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$1,083,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$110,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$308,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and

agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$1,325,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the amount named in said amendment, insert "$7,500"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the amount named in said amendment, insert "$7,500"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$1,650,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$187,500"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 28 and 29.

JAS. MCANDREWS,
LOUIS C. RABAUT,
MILLARD F. CALDWELL,
JOHN H. KERR,
BUTLER B. HARE,
ALBERT E. CARTER,
KARL STEFAN,
Managers on the part of the House.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
PAT MCCARRAN,
J. H. BANKHEAD,
KEY PITTMAN,
STYLES BRIDGES,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8319) making appropriations for the Departments of State, Commerce, and Justice, and for the Judiciary, for the fiscal year ending June 30, 1941, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

State Department

On amendment No. 1: Authorizes the use of the appropriation for contingent expenses for translating services, as proposed by the Senate.

On amendment No. 2: Corrects a citation of law.

On amendment No. 3: Appropriates $10,000 for the expenses of a contribution by the United States to the expenses of the Bureau of Interparliamentary Union for Promotion of International Arbitration instead of eliminating all appropriations for this agency, as proposed by the Senate, or appropriating $20,000, of which $10,000 would be for a contribution and $10,000 for the expense of sending American delegates to a meeting of the Union, as proposed by the House.

On amendment No. 4: Authorizes $8,000 of the appropriation for the International Labor Organization to be used to meet expenses attendant upon participation by the United States in the meetings of the Organization, instead of making $5,901 available for such purpose, as proposed by the House, or $10,000 available for such purpose, as proposed by the Senate.

On amendment No. 5: Makes the appropriation for the International Labor Office available for such expenses as may be authorized by the Secretary of State, as proposed by the Senate, instead of making such appropriation available for necessary expenses, as proposed by the House.

On amendment No. 6: Corrects a total.

On amendment No. 7: Eliminates from the bill an appropriation of $25,000, proposed by the Senate, for fence construction on the international boundary of the United States and Mexico.

On amendment No. 8: Makes available $120,500 for salaries and expenses of the so-called "cultural relations" program with South and Central America, as proposed by the Senate, instead of $155,500, as proposed by the House.

On amendment No. 9: Eliminates from the bill, as proposed by the Senate, the authority to expend $35,000 under the direction of the Department of Agriculture to further the cultural-relations program with South and Central America, instead of sanctioning such expenditure, as provided by the House.

On amendment No. 10: Permits officers of the Federal Works Agency to be assigned for duty as inspectors of Government-owned or occupied buildings in foreign countries, as proposed by the Senate.

Department of Commerce

On amendment No. 11: Appropriates $110,000 for salaries and expenses of the Census Bureau in furnishing information concerning age of applicants for social-security benefits instead of $120,000, as proposed by the House, and $100,000, as provided by the Senate.

On amendment No. 12: Reinstates in the bill language eliminated by the Senate dealing with the right of the Patent Office to investigate certain public use or sale of inventions and conduct other investigations.

Department of Justice

On amendments Nos. 13, 14, 15, 16, 17, 18, 23, 27, 31, 32, 33, and 35: All have to do with the transfer of the appropriations for the Probation Service of the Department of Justice to the office of the Administrator of United States Courts. The Senate had proposed this transfer, and the bill as agreed to contains language and transfers of funds to accomplish this end. The House conferees have receded from all the above-named Senate amendments except Nos. 18 and 35. In the case of these two amendments, the Senate had proposed to transfer $15,000 from the office of the Director of Prisons to the office of the Administrator of United States Courts. The conferees have agreed to the transfer of $10,000 between these appropriations, such sum being approximately the amount expended on employees' salaries engaged in administering the Probation Service.

On amendment No. 19: Appropriates $1,325,000 for salaries and expenses of enforcing the antitrust laws, instead of $1,250,000 as proposed by the House and $1,400,000 as proposed by the Senate.

On amendment No. 20: Prevents the expenditure of any of the appropriation for enforcement of the antitrust laws in the establishment or maintenance of permanent regional offices and requires that all persons appointed to positions under this appropriation paying $7,500 or more per annum must first be confirmed by the Senate.

On amendment No. 21: Appropriates $375,000 for salaries and expenses of the Veterans' Insurance Litigation Division, as proposed by the House, instead of $325,000, as provided by the Senate.

On amendment No. 22: Requires that all attorneys paid from funds appropriated under the paragraph for salaries and expenses of special attorneys shall, if their salary be $7,500 per annum or more, be confirmed by the Senate. The Senate had proposed that this requirement be extended to all persons drawing salaries of $5,000 or more.

On amendment No. 24: Appropriates $1,650,000 for expenses of support of Federal prisoners in State, county, and city jails, instead of $1,750,000 as proposed by the House and $1,550,000 as provided by the Senate.

On amendment No. 25: Inserts a title in the bill as proposed by the Senate.

On amendment No. 26: Appropriates $131,000 for salaries of the Court of Claims, as proposed by the Senate, instead of $127,660, as provided by the House.

On amendment No. 30: Eliminates the surplus word "ten" as proposed by the Senate.

On amendment No. 34: Defines the term "circuit court of appeals" as proposed by the Senate.

On amendment No. 36: Requires the allotment of certain salaries out of appropriations made in the bill as proposed by the Senate.

On amendment No. 37: Prevents the use of any funds appropriated in the bill in paying any person for the filling of any position for which he has been nominated after the Senate has voted not to approve of the nomination of said person, as proposed by the Senate.

On amendments Nos. 28 and 29: Reported as in disagreement.

JAS. MCANDREWS,
LOUIS C. RABAUT,
MILLARD F. CALDWELL,
JOHN H. KERR,
BUTLER B. HARE,
ALBERT E. CARTER,
KARL STEFAN,
Managers on the part of the House.

The conference report was agreed to.

The SPEAKER pro tempore (Mr. COOPER). The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 28: On page 78, line 19, after the amount insert: "*Provided*, That the salary of no probation officer shall be less than $1,800 per annum nor more than $3,000 per annum."

Mr. CALDWELL. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment No. 28 and concur in the same with an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Mr. CALDWELL moves to recede and concur in Senate amendment No. 28 with an amendment, as follows: In lieu of the matter inserted by said Senate amendment insert the following: "*Provided*, That the salary of no probation officer shall be less than $1,800 per annum nor more than $3,200 per annum."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 29: On page 78, in line 21, after "per annum", insert "*Provided further*, That nothing herein contained shall be construed to abridge the right of the district judges to appoint probation officers, or to make such orders as may be necessary to govern probation officers in their own courts."

Mr. CALDWELL. Mr. Speaker, I move that the house recede from its disagreement to Senate amendment No. 29 and agree to the same with an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Mr. CALDWELL moves to recede and concur in Senate amendment No. 29 with an amendment, as follows: In lieu of the matter inserted by said Senate amendment, insert the following: "*Provided further*, That nothing herein contained shall be construed to abridge the right of the district judges to appoint probation officers, or to make such orders as may be necessary to govern probation officers in their own courts: *Provided further*, That no part of this appropriation shall be used to pay the salary or expenses of any probation officer who, in the judgment of the senior or presiding judge certified to the Attorney General, fails to carry out the official orders of the Attorney General with respect to supervising or furnishing information concerning any prisoner released conditionally or on parole from any Federal penal or correctional institution."

The motion was agreed to.

A motion to reconsider the vote by which the motions were agreed to was laid on the table.

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, in connection with this bill we wish it to be known that we have great confidence in the administrative ability of Mr. Chandler, who has been selected as the head of the administrative office of the United States courts, but I wish to say at this time that it was with great reluctance that we yielded to the request of the Senate to transfer the probation service to this agency. Because of the fear we have of a great increase in the cost of carrying on this work, which was formerly under the Bureau of Prisons, we hope that Mr. Chandler will find it possible not to make it necessary to set up a new system of parole officers to handle the work that was formerly carried on so efficiently and effectively by the Bureau of Prisons.

It has been estimated that if we should have to set up a new set of parole officers, the annual cost would be upward of $350,000. No necessity for such a new organization can come into being if the probation officers devote their energies to parole activities in the same way that they do probation activities and if the high standards of the past few years that were set by the Attorney General to govern the appointment of probation officers is continued in effect. We have agreed to this change with our tongues in our cheek, so to speak, hopeful that the dual problem of probation and parole can be successfully handled under this new set-up. If proper attention is not given by probation officers to the matter of paroled convicts, however, and because of the lack of proper parole supervision the Parole Board refuses to grant paroles, thus requiring an additional outlay of Federal funds to keep the prisoners incarcerated in Federal institutions, you may expect a move to be made by me and other members of the committee to place this probation service back under the Department of Justice.

PRIVATE CALENDAR

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar on tomorrow may be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

HON. JAMES M'ANDREWS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I wish to say that the appropriation bill we have just been considering, which passed the House so well and the conference report on which has just been unanimously agreed to, was under the leadership of of my old and dear friend, the gentleman from Illinois, JIM MCANDREWS. [Applause.]

Twenty-seven years ago last March I got off a streetcar at Fourteenth and K Streets. Where the Tower Building now stands there was a hotel, and in that hotel as a Member of Congress lived the gentleman from Illinois, JIM MCANDREWS. Twelve years before that, or 39 years ago, he first became a Member of the House of Representatives. I believe he has been elected from every section of the great city of Chicago. [Applause.] When Jim moves into another section of Chicago and they draft him as the nominee all other Democratic candidates in the primary immediately withdraw, and the Republicans know their case is hopeless.

This House has never had in it a grander or a better man than the gentleman from Illinois, JIM MCANDREWS. [Applause.] I simply wished to take this 1 minute to call attention to the fact that 39 years ago he first became a Member of the Congress, and that during the three periods in which he has served here he has carried himself so that every Member of the House on both sides of the aisle during all that time has had a wholesome and a great respect for this fine, upstanding American. [Applause, Members rising.]

EXTENSION OF REMARKS

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend the remarks I made today with respect to the bill H. R. 8884 and to include therein the House report on the bill.

The SPEAKER pro tempore. Is there objection to the request of the Delegate from Alaska?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Michigan [Mr. BRADLEY] may have permission to revise and extend his own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Michigan [Mr. ENGEL] may be allowed to address the House for 20 minutes tomorrow at the conclusion of any special orders heretofore entered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that on tomorrow, after the business of the day and any special orders heretofore entered, I may address the House for 30 minutes on the subject of pending amendments to the National Labor Relations Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

SAFEGUARDING THE WESTERN HEMISPHERE

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. HINSHAW. Mr. Speaker, this noon there was held in the city of Washington the annual meeting of the Society of American Military Engineers, of which I have the honor to be a member. The meeting was addressed by Brig. Gen. George V. Strong, Assistant Chief of Staff of the United States Army, on the subject of Safeguarding the Western Hemisphere. The address is of great importance, and I am going to ask permission to place it in the RECORD at this

point, and suggest that every Member of the House read it, as it is important not only to the House itself, but to the people of the United States.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The matter referred to follows:

ADDRESS BY BRIG. GEN. GEORGE V. STRONG, ASSISTANT CHIEF OF STAFF, UNITED STATES ARMY

It is perhaps particularly fitting to discuss before the Society of American Military Engineers the problem of safeguarding the Western Hemisphere, because there is no other profession whose activities play as large a part in the solution of this question as that of the engineer. As a matter of fact, our whole scheme of national defense is based upon the maintenance and the continued operation of that enduring monument to engineering skill that is found in the Panama Canal. It is a fact, as stated by our Secretary of War, that the Panama Canal is the keystone of our national defense, and as such it must be as nearly impregnable as engineering skill and trained soldiers can make it.

In considering broadly the subject of safeguarding the Western Hemisphere, it might be well to consider just what we mean by the Western Hemisphere. From a cartographic standpoint, the Western Hemisphere is somewhat different from the Western Hemisphere that we consider in matters of national policy. The latter, primarily a political matter, has been determined for us:

First. By various statements of the President;

Second. By the attitude of this Government in connection with various international conferences, such as the one held at Buenos Aires and at Lima; and

Third. By the declarations of the Panama Conference which was convened immediately after the outbreak of the European War, and to which we were a party.

The latter, for neutrality purposes, prescribed a zone around the North and South American continents, with their appendant islands, some 300 miles in width. This then represents in general terms the section of the world in which we are primarily interested. Under present conditions, and in view of the present development of weapons, this hemisphere is safe from any aggression from abroad just as long as two conditions maintain:

First. That the Panama Canal is open for the transit of the United States fleet; and

Second. That an aggressor from abroad has no bases in this hemisphere from which to operate.

Our problem then involves the maintenance of these two conditions, that is, keeping the Panama Canal open, and denying an aggressor from abroad bases from which to operate.

As to the first condition, it is generally accepted that the Panama Canal, with its existing seacoast armament, is safe from an attack by surface vessels alone. No power would assume the risk involved in a strictly naval attack upon either entrance of the Canal because the chances of success would not justify the risk of loss of costly matériel. A combination of sea and land attack would have slightly better chances of success, but the difficulties of transporting a landing force overseas, coupled with the danger involved in air attack on transports and the inevitable losses from beach defense combined with the difficulties of an advance through tropical jungles, make the chances of such an attack very small indeed. An air attack offers better chances of success, but an air attack involves the use of at least two carriers or a land base within a radius of approximately a thousand miles of the Canal, and the number of planes involved is not inconsiderable. These three forms of attack—land, sea, or air, or a combination of them—represent the application of military force to put the Canal out of action.

For the protection of the Canal against sea attack, we have installed harbor-defense armament adequate to meet and vanquish any naval force that is rash enough to attempt an attack upon the Canal. To meet a land attack, there is maintained in the Canal Zone a mobile military force deemed adequate to meet any initial raids that may be made by a hostile landing force, and plans are in existence promptly to reinforce this garrison in the event of an emergency. To meet an air attack, there is maintained in the Canal Zone antiaircraft armament which, with augmentations now provided, is adequate, in conjunction with the air garrison of pursuit and bombardment aviation, to cope with an air attack launched against the Canal, provided we have a reasonable warning of such an attack.

We cannot be sure, however, that our planned defense against air attack or against sabotage will be 100 percent efficient. The present Canal, as you know, consists of three double sets of locks. The lock chambers of each set are side by side and, in view of their construction, it is quite possible that one lucky hit of a large bomb or a heavy explosion in one lock chamber would be sufficient to put the Canal out of commission. In addition, the dimensions of these lock chambers limit the size of our naval units. Some of our aircraft carriers are just able to squeeze through the locks and no more. In consequence, in order adequately to meet naval requirements and to further minimize the chances of sabotage, or an air raid putting the Canal out of commission, there has been authorized the construction of an additional set of locks. These locks will be approximately 25 percent larger than the present locks and will be separated from them from a quarter to a half a mile. Appropriations for initiating this work are now pending before the Congress. Under present plans, assuming that work can be initiated this summer, this set of locks would not be open for use until 1945 or 1946. If the present troubled international situation becomes more menacing, we will face an engineering problem which will tax the ingenuity and skill of the engineering profession to speed up the construction of the new set of locks to meet what may be a crucial national-defense requirement. We can rest assured, however, that when the other set of locks is open to the use of our Navy, our national-defense problem, insofar as the Panama Canal is concerned, will be improved 50 percent.

The greatest danger to the Canal lies not in the application of military force but in the possibilities of sabotage. Against this our greatest efforts must be made.

Sabotage may take many forms. A vessel might be blown up in the locks; time bombs might be dropped in the locks; dams might be blown up; vital installations, such as control mechanisms or power sources, might be damaged or destroyed; but these possibilities have all been foreseen and steps have been taken to minimize, or in some cases nullify, efforts along this line. There is always the possibility, however, that a brain bent on destruction may be one jump ahead of measures for protection, and it is in this field that we are constantly striving by means of devices or installations, largely of an engineering character, to render the Canal safe from sabotage.

With the Canal reasonably safe from attack by land, sea, or air, and reasonably protected against attempts at sabotage, we are well assured of our ability to move our fleet from one ocean to the other as circumstances may demand. With the fleet available, the Army and the Navy, acting as a team, are free to perform their function of joint operations to deny an aggressor the seizure and establishment of bases from which he can operate against us or against any other American republic, or against the Canal. In considering these joint operations to deny an aggressor a base from which to operate against us, it might be well to consider from a practical standpoint the general areas in which an aggressor might wish to establish a base. As far as the North American Continent is concerned, Newfoundland offers practicable facilities as an air base from which operations can be launched against vital areas in the United States as far south as the Potomac River; it offers excellent advanced base facilities for naval or military action against the northeastern part of the United States; and a base from which practically to interdict all traffic from the northern part of North America to Europe. An enemy, once established in Newfoundland, would constitute a very serious threat against either Canada or the United States. Dislodging an enemy once established on Newfoundland would involve continued air operations from the northeastern part of the United States, and a joint military and naval expedition from our territories.

Farther south, the Bahamas offer a number of sites from which harassing air operations could be launched, covering generally the Atlantic States as far west as the Alleghenies. Here, too, dislodgment of an enemy once established would involve a joint overseas operation on the part of the Army and the Navy.

Farther south, Puerto Rico, if seized by an enemy, would be an ideal base from which to raid the United States, to interdict our coastwise commerce, and to attack the Panama Canal. If the present garrison were overwhelmed, reconquering Puerto Rico would be a far more difficult and a far costlier operation than when it was originally taken in 1898. The Lesser Antilles, covering the eastern approaches to the Caribbean and extending south from Puerto Rico to Trinidad just off the South American Continent, present a number of places owned by the European powers on which bases for attack against either the United States or the Panama Canal could be established. From a military standpoint, in many respects, the island of Trinidad is the most important. It not only covers the southeastern approaches to the Caribbean but presents extraordinarily favorable features either in the defense of the Caribbean or as a base from which we may be attacked. South of the Caribbean, the great hump of South America jutting out in the Atlantic offers in Natal the nearest approach from the African Continent, and many possibilities for the establishment of an air base from which operations could be directed to the north and west. In the Caribbean itself Cuba, Jamaica, and the countries bordering the Caribbean on the south, have numerous sites from which an attack could be launched against the Canal or against the southern part of the United States. The western coast of South America, with the exception of the Galapagos Islands approximately a thousand miles from the Pacific entrance of the Canal, does not offer a great threat to us except in the event of one or more of the American republics being dominated by a European or Asiatic power and turning against us and our sister republics. The western coast of Central America offers a number of places which could be seized and used as a base for operations against the Panama Canal. This same remark applies to the west coast of Mexico. Some 2,000 miles off our own Pacific coast lie the Hawaiian Islands in which is located our principal naval base in the eastern Pacific. Extending west from the Hawaiian Islands we have Wake, Midway, and Guam which mark the route to our outpost in the Orient, the Philippine Islands, which presumably will achieve its independence in 1946.

North of Hawaii we have our immensely rich Territory of Alaska, in which recently both the Army and the Navy have taken steps to establish bases. From Alaska there juts out to within a few hundred miles of Asia the Aleutian Islands in which it is contemplated to establish an outpost intended primarily for reconnaissance and surveillance of the great circle

routes leading from the Orient to the northwestern part of the continental United States. These Alaskan bases, in spite of the questions which have been raised by the Congress as to the wisdom of their establishment, are of tremendous importance to the United States because, held in reasonable strength, no enemy would initiate operations against the northwestern part of the United States if subject to the possibility of flank attack over a distance of almost 2,000 miles.

This rather hurried sketch of possibilities of problems that may arise in safeguarding the Western Hemisphere quite naturally raises the question as to what means we have of denying an enemy the use of these bases. It is perfectly obvious that initially the protection of the territory of any of the American Republics and Canada lies primarily in the hands of national forces of the country concerned. It is likewise perfectly obvious that in many cases local forces, due to lack of strength or to distribution or location, will not be adequate to prevent a determined aggressor from seizing bases within their territory and it is under these conditions that we, as a Nation, must face as a practical problem the question of furnishing aid in preventing the violation of the territorial integrity of our sister republics. This is not a high-minded Utopian proposition. On the contrary, it is a stark realistic military necessity because the establishment of a base by an aggressor from abroad in the territory of one of the other American republics is just as real and just as dangerous a threat against us as against the country in whose territory the base is seized. As a matter of fact, in many respects it is of greater danger to us than to the country primarily involved, because we have far more to lose in a material way than any other government in this hemisphere.

The present wars in Europe and in Asia differ in only one respect from their predecessors, namely in a keener appreciation and a more effective use of the time element. This, of course, is based primarily upon the development and application of the internal-combustion engine, principally the use of the airplane and the motor vehicle.

This development has increased the difficulty of our problem and indicates very clearly the vital necessity of applying in the safeguarding of the Western Hemisphere that principle of war, translated into homely language by General Forrest as "getting there fustest with the mostest men." This means, when applied to our problem, that we must maintain a small, adequately trained, properly armed, highly mobile, seasoned force, capable of acting instantly in the event of an emergency. Not only must this force have the basic characteristics which I have just indicated, but it must be so organized in units, so equipped with material, and so trained, basically and specially, as to be able to solve satisfactorily and promptly any of the infinite number of problems that may face it under varying circumstances in the Western Hemisphere. We must be prepared to outblitz the blitzkrieg.

This requirement of speed raises two problems for the military engineer. The strategic mobility of the so-called streamlined division, dependent as it is upon the use of motor transportation, and its increased fire power depending upon weapons whose ammunition consumption is far greater than in the past, emphasizes the necessity of the maintenance and construction of roads capable of bearing the strain placed upon them. This, of itself, demands a higher percentage of engineer troops than has been used in the past. In addition, the construction and maintenance of landing fields for the operation of our air forces is an added burden upon the military engineer which calls for a high degree of skill and unremitting work. In this field, time is vital and numbers, equipment, and training of engineering troops assume a degree of importance never attained in the past.

For the first time in 20 years this country is national-defense conscious. For the first time in 20 years has the Congress reflected this attitude of the American people in partially meeting the requirements of the military and naval service. We have spent huge sums in the past year and we are spending them now, but the conversion of this money into material, all of which will not be in the hands of troops for another 18 months, does not fully meet our requirements. Due to the starvation policy forced upon the War Department over a long period of years, we are still short almost half a billion dollars' worth of critical and essential items needed to equip the forces to be raised under our protective mobilization plan. For any other forces that may be required as emergency develops we have but a very small percentage of the arms and equipment that is necessary. We have made our plans and we are in position to take the first step for safeguarding the Western Hemisphere. We are not prepared, and unless the very real problem which may involve our continued national existence is realized, and funds are appropriated for urgent requirements, we will not be in position to take the second step, that is, make a major military effort, at least in time to meet the probable necessities of a situaion which would involve us in a major war on this continent.

To be in position to meet our requirements in the event of an emergency, it is vital to success that we procure, with the least practicable delay, the material necessary to fully arm and equip the forces contemplated in our protective mobilization plan; that we maintain in time of peace war reserves of critical items adequate to keep our forces going under war conditions until industry can produce in quantities sufficient to meet war-time requirements for such a force; and third, that we maintain, in time of peace, a Regular Army and National Guard organized, trained, and equipped to meet M-Day requirements. These three steps will cost money, but that money is the best possible insurance of keeping us out of war. The principal question now before the American people is whether they will insure our country being kept out of war by paying this price of preparedness for national defense, which is essential to the maintenance of peace in the Western Hemisphere.

EXTENSION OF REMARKS

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a radio address which I made out home and to include as a part of that address an editorial appearing in the New York Herald Tribune.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PROPOSED REORGANIZATION OF THE CIVIL AERONAUTICS AUTHORITY

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HAWKS. Mr. Speaker, the proposed reorganization of the C. A. A. has required a lot of explaining.

First, there had to be White House conferences and inspired newspaper stories.

Then the Budget Bureau had to write a long, complicated letter trying to explain all that was not said in the plans which have been transmitted to Congress.

Then a Budget Bureau report of many hundred words had to be issued. It was not a report; it was an argument, pure and simple.

Then the Assistant Secretary of Commerce, Mr. J. Monroe Johnson, had to be moved to the I. C. C. and the post offered to the present C. A. A. chairman.

Aviation should be pinned down where it is and left there. We know that the C. A. A. is doing a fine job. We know the Department of Commerce did a terrible job.

LEAVE TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Wednesday, following the orders heretofore entered, the gentleman from Minnesota [Mr. ALEXANDER] be permitted to address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent that on Wednesday, after the disposition of other special orders, I be permitted to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CONFISCATION OF AMERICAN PROPERTY IN MEXICO

The SPEAKER pro tempore. Under special order heretofore made the gentleman from Missouri [Mr. SHORT] is recognized for 30 minutes.

Mr. SHORT. Mr. Speaker, on Friday last week in this Chamber my handsome and brilliant young colleague the gentleman from Missouri [Mr. HENNINGS] made a forceful statement in which he clearly pointed out the strained diplomatic relations now existing between the Government of the United States and the Government of Mexico. The entire speech of the honorable gentleman is worth reading, but for fear some Members will be too busy or too lazy to read it, I wish to call to the attention of those Members present two brief excerpts. On page 5505 of the RECORD the gentleman from Missouri [Mr. HENNINGS] stated:

> During the past 20 years the United States has exercised extreme forbearance and patience toward Mexico in the face of frequent or constant provocation arising from her acts of aggression against our citizens and her failure to reciprocate our many favors, such as the purchase of her silver at prices above the world market. We have been long-suffering and kind to Mexico, even while our citizens have been calling for help and for the justice to which they are entitled under our Constitution and under the law of nations.

On the same page the honorable gentleman continued:

Mexico is the first to succumb to the totalitarian and communistic principle that gives to the state absolute powers. Her surrender is the first breach in the dike of democracy. Her laws and conduct are the greatest menace that now confront the peace and security of this hemisphere, because they resist and challenge the laws and justice which govern these sister republics.

Mr. Speaker, under the Constitution of the United States the Government of course can seize the property of private citizens for public use but not without due process of law or without adequate compensation therefor. Under the law of nations any sovereign state can seize the property not only of its own private citizens, but the private property of aliens for public use, but not without prompt, adequate, and effective compensation therefor. Mexico during the past 25 years has violated not only its own constitution, but has violated this fundamental principle of international law that is built upon fair play and fair dealing.

In his note of July 1938 and in the note of April 1940, to Mexico, our Secretary of State reduced the acts of the Government of Mexico, in the taking of property of citizens of the United States, to acts of confiscation. Confiscation is universally recognized, by the law of nations, as a belligerent right against the property of an enemy. Confiscation of property is a proper war measure.

The purpose of confiscating the property of the enemy is to reduce his strength and make him more vulnerable to the attacks of the belligerent confiscating the property.

The Supreme Court of the United States, volume 78, page 306, defines confiscation:

The whole doctrine of confiscation is built upon the foundation that it is an instrument of coercion which, by depriving an enemy of property within reach of his power, whether within his territory or without it, impairs his ability to resist the confiscating government. * * * Hence any property which the enemy can use * * * is a proper subject of confiscation.

The property of our citizens has been systematically confiscated by Mexico while our President calls that Government our good neighbor.

Here is a fair example:

Mexico urged American citizens to take leases on possible oil lands in Mexico and explore and develop oil wherever they could find it. Our citizens took leases or titles offered them by Mexico to search for oil if they could find it. They took the leases in good faith. They used their experience, spent their time and money in finding where the oil was located and taking it out of the ground. They made it useful. It had been in the ground unused for millions of years. It seemed a good thing for Mexico, as well as for those who produced the oil.

But, on the 18th of March 1938 the Government of Mexico, without declaring war on the United States, confiscated all the oil properties and equipment, office furniture, moneys, and everything used in connection with the business. Mexico simply used the force in confiscating the property that an outlaw uses when he takes property away from anyone.

The Government of Mexico has, in this way, confiscated the property of American citizens to an amount near a billion and a half of dollars, in value, and all this in time of peace between our country and Mexico. There have been mild protests, to be sure, of this abuse of a war power by Mexico against citizens of the United States while our President has been calling that government our good neighbor. There has been too much forbearance in the matter.

Mexico justifies, in the mind of that government, the confiscation of property belonging to citizens of our country under a political philosophy that is alien to the Western Hemisphere. It is a philosophy that has been taken from Russia. It is only a few years ago that this Government entered into an agreement with Mexico that if Mexico would not steal property belonging to citizens of the United States that Mexico would be given diplomatic recognition by the United States. But Mexico has kept on stealing property from our citizens. The time for further forbearance in the matter has passed. It is time to call a spade a spade and a thief a thief. The Government of Mexico is as guilty of theft as a plain highwayman.

Merely condemning the confiscation in time of peace of property belonging to citizens of the United States does not appear to have moved the Government of Mexico to cease confiscating the property of the citizens of our country. The confiscated property must be returned. I repeat, Mexico is guilty in confiscating the property of our citizens, of exercising a war power, when the Government of Mexico and the Government of the United States are at peace.

The Government of Mexico cannot plead as a defense that it has been expropriating the property of American citizens. Under the law of Mexico and of the law of nations, the necessity for expropriation would first have to be established under the forms of the law provided. After necessity for the expropriation was established, Mexico would have to arrive at an agreement with the owners of the property of its value, and the price agreed upon would then have to be paid before the right to take the property was established.

But Secretary of State Hull, with the authority and responsibility of his high office, and being fully advised of all the facts, has declared that the Government of Mexico has not been expropriating the property of citizens of the United States according to the laws of Mexico and the law of nations, but has been confiscating it, in time of peace, in violation of the laws of Mexico as well as in violation of the law of nations.

The alien political philosophy adopted by Mexico under which that Government violates its own constitution and laws, as well as the law of nations, cannot be advanced as a defense against its unlawful acts in confiscating the property of citizens of the United States. The Government of the United States was not at war with the Government of Mexico when any of the properties in question were confiscated.

But the amazing thing is that the Secretary of State has asked the Government of Mexico to arbitrate the unlawful confiscation of the property of our citizens.

You cannot arbitrate robbery. But Secretary Hull is trying to argue the Communist-dominated President of Mexico into arbitrating the enormous sums due American citizens for stolen property—it cannot be done. Arbitrators cannot decide a question which cannot be arbitrated. No one arbitrates with a thief. The only award that could be made would be the immediate return of the property confiscated by Mexico, or, full payment now, in cash, not a promise to pay at any time in the future. It is well known that the Mexican Government has neither the ability nor the intent to pay for the confiscated property.

While Mexico calls these confiscations "expropriations," Secretary Hull has a more exact name for them. He has told Cardenas that his seizure of the properties of our citizens—here I quote the Secretary—"without compensation is not expropriation. It is confiscation."

The Secretary also has said this to Mexico. That under international and Mexican laws, and here again I quote the Secretary, "under every rule of law and equity, no government is entitled to expropriate private property, for whatever purpose, without provision for prompt, adequate, and effective payment therefor."

This just standard for judgment, of course, makes the expropriations of American properties by Mexico out-and-out, 100-percent confiscations—a public steal. You cannot get away from that. The facts shout the truth.

More: Cardenas, dominated by a Communist labor agitator, has caused Washington to understand that Mexico will not make "prompt, adequate, and effective payement" requested by the State Department. His contention is that Mexico does not have to pay American citizens until 10 years after the theft of the property.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. SHORT. Not now. I shall later.

He says that he does not have to adjust his dictums, his edicts, his confiscatory acts in taking the property of Americans to the requirements of either international laws or of the laws of Mexico itself. For Mexican, as well as international, laws have been ignored or broken by his notorious steals.

What, then, is there to arbitrate? Robbery cannot be arbitrated. No sane person believes that it can be, even though Cardenas should agree to arbitrate. But Cardenas now intimates he will not arbitrate his thefts of American property. Secretary Hull is waiting for his answer. He now has it. Yesterday the American press made public the note delivered to United States Ambassador Josephus Daniels in Mexico by Gen. Eduardo Hay, Mexican Foreign Minister, in which he states:

> My Government considers that arbitration must not be admitted except when the Nation has put into practice in full its rights of sovereignty through the action of its courts and the existence of a denial of justice can be proved.

Robberies such as those perpetrated by Mexico—robberies in the category of larcenies—committed anywhere or by any power, state, or individual cannot be compromised. If they could be, half of the thief takers, the police, and the criminal courts and the public prosecuting attorneys the world over might shut up shop, go out of business. Their occupation would be gone. Little would remain for them to do. Arbitrators would take over their functions. No; robbery cannot be arbitrated, compromised, or condoned.

What is there to arbitrate, to compromise, about these Mexican confiscations anyway? A horse-high, hog-tight, bull-strong case of robbery is standing against Mexico. Will our Government take the kind of action now that it has been taking for 150 years in similar matters? All of the protestations to the contrary of Cardenas, his officials, and his friends—who call themselves fellow travelers, comrades of similar ideology, and friends of Mexico—fail to weaken a single element in the damning structure of the case.

The record is too clear, too flagrant, too notorious. Remember Mexico invited Americans to invest there. They went there, they spent their time, their energy, and their money; they developed Mexico and advanced her interests and improved the condition of the Mexican people.

Notwithstanding the fact that they went to Mexico on the invitation of Mexico and in good faith spent their time and money, developed agricultural property, built smelters, opened mines, and plantations, built railroads, and did much for the material development of the country, their property, both real and personal, has been stolen by the Government of Mexico. Americans have been driven from Mexico while thousands of Mexicans continue to be gainfully employed in the United States.

As a matter of fact, Americans who went to Mexico in good faith and aided in the development of the country under treaties existing between our country and Mexico, having a right to go there, have been subjected to continued depredations and wrongs. The present Mexican Government has failed and refused to respect American rights, rights secured by treaty in behalf of American citizens as well as the Government of the United States itself.

If we expect American trade and commerce to be extended, American citizens to be secure in their persons and property in other countries, the United States must protect them and see that they are not despoiled of their property.

Suppose we arbitrate the theft of our citizens' property by Mexico. What will they get as an award in their favor? An award for the full value of the property confiscated would not be worth a penny.

Awards against the Mexican Government on account of seizure of farm lands aggregate $200,000,000. The Mexican Government promised to make prompt payment of this award. The only payment made on the $200,000,000 award is one-half of $1,000,000.

Many claimants, each having small amounts, submitted their claims to arbitration. Awards were made in their behalf as far back as 1910 and 1920 for $3,000,000. The awards are not paid.

General claims of American citizens, not involving oil, were long since reduced to the form of a debt from the Mexican Government, in the sum of $80,000,000 which still stands unpaid.

The principal of Mexico's external debt, unpaid, is $243,000,000. The interest on this debt, now due, amounts to $267,000,000, making a total of $510,000,000 with no part of it paid.

The Mexican Government confiscated the railways in Mexico. The confiscation was reduced to the form of a debt from the Mexican Government. The principal amount of the debt is $240,000,000, no part of it paid. The interest now due on the debt is $226,000,000, no part of it paid. Another total of principal and interest in the sum of $466,000,000.

There is a debt of $679,000, and another of $47,000,000, owing to the citizens of another country on account of claims reduced to the form of a debt from the Mexican Government. No part of interest or principal of these debts, amounting to $47,679,000, has been paid.

These total a debt of $1,378,679,000 now due on awards and claims and unpaid by the Mexican Government.

Do these unpaid claims and the unfulfilled promises to pay reveal either Mexico's ability or willingness to discharge its honest obligations?

Now, then, the question. I anticipate what the gentleman from Idaho [Mr. WHITE] will say, "What are we going to do about it," and I crave his careful attention.

Mr. WHITE of Idaho. I think the gentleman has misinterpreted my line of questioning.

Mr. SHORT. If so, I am sorry. If the gentleman will kindly withhold and let me finish this, then I shall gladly yield. About 2 years ago the President of the United States dedicated a bridge in Chicago and spoke about economic sanctions and quarantining aggressor nations. That, of course, was obviously aimed at Japan, and perhaps was all right. In his message to this Congress he told us that this Government of ours could employ methods stronger than words, but just short of war in order to defend the ideals of a democracy. That, no doubt, was aimed at certain European powers. It is all right, of course, to have our bleeding sympathy for peoples in distant quarters of the earth, but I suggest that the Chief Executive of our Nation and the present administration pay a little attention to the rights and interests of American citizens who are nearby and close to home. [Applause.] You ask what are we going to do about it.

The makers of our Constitution so related piracy and the violation of the law of nations, as Mexico is violating it, that they separated the two offenses only by a comma. The Constitution gives Congress the same power, without restrictions, to deal with Mexico that it had to deal with piracy in the early days of our Republic. Congress is given the power to use its discretion in providing means to redress the wrongs done to our citizens, whether they be committed upon the high seas by pirates or by the Government of Mexico within its borders, using a war power to take from American citizens in time of peace properties they lawfully acquired in Mexico.

Congress can direct suitable reprisals against Mexico. Congress can declare a partial or complete embargo against Mexico. Congress can refuse to purchase silver or any other commodity from Mexico. Congress can refuse immigration from Mexico. Congress can put a proviso in the diplomatic and consular appropriation bill that no part of the money appropriated may be used for the maintenance of an Embassy in the city of Mexico. Congress has enacted laws in the past for the redress of such wrongs against citizens of the United States as those of which Mexico is guilty. We can employ economic force. The hour has now struck when the United States Government must cease coddling the Communists. [Applause.]

EXTENSION OF REMARKS

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and include therein a letter from a former member of the Interstate Commerce Commission.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. Under special order heretofore entered the gentleman from Michigan [Mr. DINGELL] is entitled to be recognized for 15 minutes.

THE W. P. A.

Mr. DINGELL. Mr. Speaker, I have been opposed to unwarranted and hurriedly considered proposals to make cuts in the total number of W. P. A. workers to be employed, and have likewise been opposed to certain oppressive and stringent restrictions which were leveled against unfortunate citizens who, because of no fault of their own, were obliged to seek employment with the W. P. A. I have been particularly opposed to the imposition of restrictions which caused hardship to men of family who are above the age of 45. They were the first to feel the effect of the so-called 18-month employability restriction. I am convinced more than ever that my objections of a year ago have been fully justified. The reduction in the W. P. A. rolls has been more rapid than the ability of private industry to absorb them. I think that the conservatives, as represented by the Republican minority, and certain Members whom I choose to term as "Geographic Democrats," were entirely in error when they combined to reduce W. P. A. expenditures by devious and unjustified restrictions.

The reemployment trend did not in the meantime keep pace with the discharge of large numbers of W. P. A. workers who, since cuts were authorized, have not been able to find employment in private industry. It might be said that the upward trend of employment broke sharply even before it attained a certain calculated peak upon which these cuts were predicated. In fact, following this break in the employment index, there has been a sharp recession, and the result, insofar as the separated employees are concerned, was in many instances almost tragic.

I am just as anxious as any other Member of this House to see the day when the W. P. A. will no longer be necessary and the workers themselves would welcome such a time, for it would reflect real prosperity in the country. It will be a long time before we can hope to see such conditions returned and permanently established. In the meantime, we cannot and we must not be reckless with the unfortunate citizen who finds it necessary to fall back upon the W. P. A. for employment. We must not only cease forthwith any further attempts to reduce the W. P. A. rolls, but we must calculate on the number who must be made eligible by law and promptly reemployed.

I do not say for a certainty that it is essential that 3,000,000 men be employed under the W. P. A., but I assume that that figure is somewhere near correct. I do feel, however, that the cut authorized in the first session of the Seventy-sixth Congress of approximately 700,000 workers was excessive and has caused incalculable hardship to countless thousands of our American citizens.

It is high time that the Congress give heed to the needs of these unfortunate people and immediately take the necessary steps to alleviate their sufferings. I trust that partisanship will be forgotten in the consideration of the problem and that this howl for economy might be applied to outlays less worthy than the W. P. A. expenditure. Pending an accurate survey of actual needs, I must subscribe to the statement that there are approximately 3,000,000 employables who are deserving of W. P. A. employment.

The W. P. A. expenditures for this fiscal year are running low because, in the first place, the amount of the appropriation of a billion and a half was insufficient to cover even the reduced number of employables. Now we face the possibility of a further cut for the ensuing year. The original estimate of $1,300,000,000, states one editorial, "is ludicrously inadequate, barring a pick-up in private employment." Unless the cities, counties, States, and the minor subdivisions of local governments undertake to do a substantial portion of their own public improvements and thereby give employment directly and indirectly to countless thousands of workingmen, this figure will be woefully inadequate and will be exhausted in less than 9 months even with the contemplated cut in the total number of W. P. A. employees.

It seems to me that the fault is not altogether to be attributed to the Federal Government. Part of the blame for the continuance of the depression and the attendant unemployment can be traced directly to and placed upon the shoulders of local governments. It is an undeniable fact that as the Federal Government was willing to assume the financial responsibility for local public improvements and services that the local governmental bodies and the legislatures curtailed or abandoned their expenditures for construction and for maintenance of essential public services. They passed the buck to the Federal Government, balanced their local budgets while building schools, libraries, fire houses, pumping stations, lighting plants, paved their streets, alleys, and park trails with Federal money, after which on more than one occasion leveled a barrage of criticism against the Congress of the United States for reckless spending. References were made by members of State legislatures and by municipal legislators that were quite uncomplimentary and unjustified.

It appears to me that the solution of the unemployment problem is one which must be attacked from all angles and in truly American fashion. The Federal Government must be expected to do its share and more, but the local governments must not shirk their responsibilities. Private industry can and must extend itself to the utmost and I think that essentially there must be a change in the psychology of our people, and I refer solely to those who are regularly and gainfully employed. After all, with these rest the solution of the unemployment problem. To illustrate exactly what I mean, it is not a question of overproduction that ails the United States. It is a question of underconsumption. We have raised the American living standard to a plane not approached by any other people. Our appetites and our desires generally have been whetted and made keen by superior economic conditions until the average American was privileged to enjoy almost without restriction the fruits and the products of the land.

Then suddenly came the depression, panic, chaos, and unemployment which disturbed our mental equilibrium and confidence. I think it is largely a question of restoring public confidence and correcting a depression psychology. About 45,000,000 people, constituting about 82 percent of the employables, are regularly and gainfully employed. Roughly 10,000,000 people, or about 18 percent, are without employment or on the W. P. A. rolls. Whether or not this element included in the 18 percent is ever to enjoy regular employment in private industry, and thus be restored to normalcy and usefulness, depends entirely upon the psychological change and mental outlook on the part of the 82 percent who are regularly and gainfully employed. It is my contention that these more fortunate Americans can and will buy more and better and bigger things—things that they have been used to and which they have previously enjoyed, and such things as they might have desired but never had, if the "calamity howlers" and political fakers are driven to cover and silenced.

This great element which constitutes the overwhelming majority of our people possessed of all of the buying power will do its share toward the restoration of prosperity by relaxing their grip upon the American dollar which has been slowed in circulation by depression mongers. They will buy sufficient of the worldly goods to stimulate production of manufactured and farm products, which will bring about the reemployment of the 18 percent in need and who are classed as unemployed.

Thus I sum up the problem as involving, first and most important, the silencing of the panic monger. Second, the

return to normal functioning and normal spending for essential public services by the States and municipalities and other local government units, and such cooperation and financial assistance as might be necessary to reinforce these activities on the part of the Federal Government. Only by the combination and the coordination of these actions and methods can the depression and unemployment be banished.

While I am a Democrat, steadfast in my loyalty to my party, I can and will cooperate with anybody who will aid me in bringing about a realization of this important objective, which so vitally affects the welfare of our Nation. I am a partisan, of course, but I am an American first, and owe the very first consideration to my country, even ahead of my party. [Applause.]

The SPEAKER pro tempore. Under special order heretofore entered, the gentleman from Missouri [Mr. ANDERSON] is entitled to recognition for 20 minutes.

THE HATCH BILL

Mr. ANDERSON of Missouri. Mr. Speaker, I do not seek during the course of the remarks I am about to make to disparage in any way the personal opinion of any Member of this honorable body or to impugn his character. The personal equation does not enter into the matter which I propose to discuss. This House, which under our form of government and under our Constitution is the one direct representative agency of the people, stands accused by those people today of failure to carry out the public will. We have it within our power to disprove this charge and to restore this honorable body to the full confidence of those whom we represent throughout our Nation.

It is with sincere hope that the membership of this House will recognize the seriousness of the situation that I address these remarks to you.

I direct your attention to the public reaction which has resulted from the unprecedented procedure by the House Committee on the Judiciary, when on May 1, by a vote of 14 to 10, it tabled S. 3046, the amendments to the Hatch law.

The purpose of this action is apparent. It was intended only to prevent, if possible, full consideration by this body of legislation which already has passed the Senate and has for its sole purpose the reestablishment of decency, common honesty, and true democratic principles in political campaigns and political parties.

From all sides and through virtually every medium of public information—the press, over the radio, and by mail and wire—a storm of protest and condemnation has broken over the head of this House of Representatives, which presages such a revulsion in public opinion as we have not encountered before in many years, despite the fact that the Congress has come in for no small amount of criticism, whether just or unjust, since time immemorial. The full membership of this House is being held responsible for an action by a group of committee members, for which, so far as I know, not one word of approval has been sounded from any quarter since that action was taken. Can we sit supinely by and permit to pass unchallenged an action which has been characterized as unequaled in the annals of this country for its callous and brazen betrayal of public trust, for its utter disregard and frustration of the public will, and for its violation of the public confidence?

If we do not take fitting and proper action to restore this body to full faith and confidence of the public, and render ourselves deserving of that faith and confidence, I am forced reluctantly to state my candid belief that no other House of Representatives in American history will find emblazoned upon the pages it has written so bold an inscription of "Discredited" as will this one.

Are we to permit the secret action of a committee which has cloaked itself in anonymity insofar as the action of its individual members is concerned, to nullify a two-thirds vote of the Senate of the United States and to repudiate the declared approval of the Chief Executive of the Nation of legislation which is intended solely to put an end to those pernicious political practices which have been condemned by the vast majority of the right-thinking people of this Nation?

It is more than passing strange, it seems to me, that what is deemed to be reliable current information points to the fact that the great majority of the members of this committee, despite the vote reported, have let it be known, both here in Washington and through the press back home, that they were not to be included among the 14 whose secret ballots resulted in tabling this legislation in the committee. It would appear that there is a wide discrepancy between this information and the report of the tellers of that vote, and without seeking to question the integrity of anyone it may be that there has been an error in the counting of the vote. On that matter I am not, of course, in the position to advise the membership of this House accurately. Be that as it may, can this honorable body acquiesce in and approve such an action? Is it possible that those who resorted to such an extreme and unprecedented method in an effort to cloak their identity in anonymity foresaw the turbulent tide of condemnation that would rise to engulf not only the committee but the entire membership of this body?

Mr. Speaker, I am not asking these questions or making these statements solely upon a basis of my own opinion, nor am I prompted by any personal feeling. I am forced, as every other Member of this House should be, to take cognizance of the facts, and the facts in this case are not pleasant to contemplate.

I crave your indulgence while I quote briefly from editorials which have appeared in the press since the details of this secret vote have become public information. The St. Louis Globe-Democrat, editorial quotes as follows:

RETRIEVE THE HATCH BILL

Unadulterated, self-seeking politics cast the vote that pigeonholed the supplementary Hatch measure in the House Judiciary Committee, Wednesday. Election-year jitters had solons by the napes of their necks. Rather than risk crippling State machines they chose to sink a harpoon into this excellent Government reform.

Mr. HOFFMAN. Mr. Speaker, I object to that language.

The SPEAKER pro tempore (Mr. COOPER). Does the gentleman make a point of order?

Mr. HOFFMAN. Yes; I do. I do not think that is good language.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. HOFFMAN. May I have it read by unanimous consent?

The SPEAKER pro tempore. Does the gentleman from Missouri yield for that purpose?

Mr. ANDERSON of Missouri. I do not.

Mr. HOFFMAN. Then I ask that the words be taken down, Mr. Speaker.

Mr. ANDERSON of Missouri. That is all right.

The SPEAKER pro tempore. The gentleman from Missouri will take his seat and the words complained of will be taken down.

The Clerk reported the words as follows:

RETRIEVE THE HATCH BILL

Unadulterated, self-seeking politics cast the vote that pigeonholed the supplementary Hatch measure in the House Judiciary Committee, Wednesday. Election-year jitters had solons by the napes of their necks. Rather than risk crippling State machines they chose to sink a harpoon into this excellent Government reform.

The SPEAKER pro tempore. The Chair is prepared to rule.

The words reported do not go to the personal conduct of any Member of the House and are rather a criticism of procedure that may have been employed.

Therefore the point of order is overruled. The gentleman will proceed in order.

Mr. HOFFMAN. May I state something on the RECORD?

The SPEAKER pro tempore. Does the gentleman yield for that purpose?

Mr. ANDERSON of Missouri. I do not.

The SPEAKER pro tempore. The gentleman from Missouri will proceed in order.

Mr. ANDERSON of Missouri. I will read this again:

RETRIEVE THE HATCH BILL

Unadulterated, self-seeking politics cast the vote that pigeonholed the supplementary Hatch measure in the House Judiciary Committee Wednesday. Election-year jitters had solons by the napes of their necks. Rather than risk crippling State machines they chose to sink a harpoon into this excellent Government reform.

Mr. HOFFMAN. Mr. Speaker, I make the point of order that those words are not in order. I think they reflect upon members of a committee of this House. It is a direct charge against members of a committee.

The SPEAKER pro tempore. Does the gentleman request that the words be taken down?

Mr. HOFFMAN. I do.

The SPEAKER pro tempore. The gentleman from Missouri will take his seat and the Clerk will again report the words.

Mr. ANDERSON of Missouri. The Chair has already ruled on that. That was passed on by the Chair a moment ago. I am simply reading what was ruled on a moment ago.

The Clerk reported the words as follows:

RETRIEVE THE HATCH BILL

Unadulterated, self-seeking politics cast the vote that pigeonholed the supplementary Hatch measure in the House Judiciary Committee Wednesday. Election-year jitters had solons by the napes of their necks. Rather than risk crippling State machines they chose to sink a harpoon into this excellent Government reform.

The SPEAKER pro tempore. It appears to the Chair that the language complained of now is uttered in repetition and are the same words that were heretofore taken down. Therefore the Chair having ruled, the gentleman from Missouri will proceed in order.

Mr. ANDERSON of Missouri (reading):

RETRIEVE THE HATCH BILL

Unadulterated, self-seeking politics cast the vote that pigeonholed the supplementary Hatch measure in the House Judiciary Committee Wednesday. Election-year jitters had solons by the napes of their necks. Rather than risk crippling State machines they chose to sink a harpoon into this excellent governmental reform. The only dubiously redeeming feature of the committee's attitude was its refusal to reveal, as is customary, the way each member voted. Obviously they weren't proud of their accomplishment.

The new antipolitics bill would, in effect, amend the 1939 Hatch law to prohibit political activity on the part of State employees, paid in part or entirely by Federal funds. The original Hatch Act applies to all but a few policy-making Federal workers, not already covered by civil-service restrictions. The current measure, passed by the Senate, was voted down by the House committee, 14 to 10.

Intense opposition arose in Congress. One objection was the bill would constitute an invasion of State rights. This argument is altogether specious. Unquestionably the Federal Government has the right to lay down reasonable restrictions under which its moneys can be used. The actual reason is that Congressmen do not want to sap any power from State political machines, when an election is highballing along the way.

Representative DEMPSEY, of New Mexico, who fostered the measure in the House, has not given up the fight. He promises to go the route in attempting to lever the bill from the committee's smothering clutch. Two ways are open: He can by resolution put up to the Rules Committee a decision on whether the House as a whole should vote on considering the bill regardless of the Judiciary Committee action; or he can circulate a petition, which if signed by a majority of House Members, would have the same effect. The first alternative ought to take less time and doubtless will be tried. If this fails the petition will be used.

The new Hatch bill should be revived promptly. It should be passed. The public is surfeited with attempts of its officials and lawmakers to buy career aggrandizement with tax bounties. It was bad enough in the old days. Now, with enormous Federal disbursements through State channels, the distended political power concentrated in Washington grows increasingly dangerous.

The Washington Star, in its issue of May 2, said editorially, under the caption "By Secret Ballot":

Fourteen men, taking shelter behind the uncourageous device of a secret ballot, have succeeded—for the time being at least—in blocking congressional action on the Hatch clean-politics bill. The spectacle is not a pretty one.

Here is a measure which has as its sole objective the removal of one source of corruption in American politics. It passed the Senate by a two-to-one vote. There is good reason to believe that it could command a majority vote in the House, and the country as a whole is strongly behind it. Without a doubt, all of these facts were thoroughly understood by the 14 anonymous members of the House Judiciary Committee who voted yesterday to table the measure, for had it been otherwise they would hardly have insisted upon cloaking their identities by resorting to the undemocratic practice of the secret ballot.

The Washington Post of May 3, under the editorial caption "Aiding Machine Politics," had this, in part, to say:

The attempt of the House Judiciary Committee to bottle up the Hatch bill has aroused resentment in and out of Congress. Coming on the eve of the 1940 political campaigns, that action must be considered a surrender to machine politics.

If the committee found any compelling objection to the bill, it should have reported its conclusions to the House. The proper procedure in that event is to bring in an adverse report on the legislation. But the committee has made no case against the measure. It has simply voted by secret ballot to withhold the bill from consideration by the entire House. To say the least, that is high-handed legislative procedure.

In effect, the House Judiciary Committee has secretly voted for continued use of Federal money to support the machines of State politicians. Surely the House as a body will wish to reverse that action before its Members ask for a vote of confidence in November.

And, on the same date the Washington Daily News, under the editorial caption "Who's Not Afraid to Vote?" stated, in part:

The Judiciary Committee has made a farce of the legislative process—and it has done so in a skulking way, by secret ballot in secret session. Some members of the committee are still showing bad faith. The announced vote by which the Hatch bill was tabled was 14 to 10. Yet in response to questions of newspaper reporters, 13 members have said they voted against the tabling motion—and only 4 have admitted voting for it. You can draw any one of several conclusions—that only 10 out of 13 Congressmen have told the truth to the press; or that the tellers miscounted those slips of paper dropped into Judge SUMNERS' hat; or that some of the members didn't know how they voted. None of these conclusions reflects credit on the Judiciary Committee.

And, Mr. Speaker, I have failed yet to find in the press, over the radio, or through other channels of communication, one word in rebuttal of this arraignment of the House of Representatives. We must, as a matter of self-defense and the preservation of our good name, see that this just and well-based criticism is answered by an action which will remove the cause for that criticism.

Are we performing our obligation to those who have chosen us to represent them here; are we, in fact, living up to the oath which we took in accepting this office of public trust, unless we do bring to the floor of this House for free and open public discussion and consideration this vital and important legislation?

Mr. Speaker, I believe all of us will freely express our admiration for the courage and the sincerity of the Members of the United States Senate, who through 2 long weeks of debate openly and frankly declared themselves either in favor of or against this legislation, and finally by a two-thirds vote approved it.

It is my contention that the Members of the Senate acted in full good faith and with consideration for the will of the public when they went on record, without an attempt on their part to dodge the consequences of their stand, or to engulf themselves in a smoke screen of secrecy. During the course of this extended debate in the Senate the President of the United States let it be known that he believed these amendments to be proper legislation, particularly in view of the fact that the original Hatch law, which he had advocated and approved as desirable, was already on the Federal statute books. The Chief Executive went even further and in his message to the Congress approving the original law, pointed out to the Congress the need for this further legislation as contained in the amendments tabled by the Judiciary Committee. Most certainly, then, by no stretch of the imagination can we construe the action of this committee as being even remotely prompted by consideration of the will of the overwhelming majority of the people, or the announced position of the head of this administration, the President of the United States.

To what, then, can we ascribe their action? Have they, as has been charged in the press of the country, been guided solely by pressure brought upon them from those forces within our political structure which have engaged in the past and wish in the future to engage in those pernicious practices which this legislation seeks to stamp out, practices which have been condemned by the vast majority of our citizens; practices which most certainly cannot be included in a code of honor; and principles befitting to or worthy of either of the great major political parties of this country or their leaders.

The public, Mr. Speaker, is fully aware of the identity of those forces which are opposed to this legislation and are seeking at every step to hamper its program.

The public knows that those same forces have in the past selfishly disregarded the rights of thousands who earn their livelihood as employees of the Federal Government, the various States of the Union and their political subdivisions.

The public is fully aware of the fact that the foes of this legislation are those who have created and fostered an extreme and reprehensible application of political patronage methods until it justly can be termed the loot-and-spoils system. The public is not deluded into the belief that the foes of this legislation are sincere in a contention that it would deprive anyone of his or her rights as a citizen, because the public knows that those who offer this contention are the very ones who have demanded and received financial tribute from protesting and helpless thousands and have cracked the lash of bossism over the heads of those whom this legislation seeks to free from political peonage. Can it be that the membership of this House is not as fully cognizant of those facts as is the public at large? Can we profess ignorance of the pressure that is being exerted to kill this legislation, and can we acquiesce in any action, whether in committee or out, which deprives the membership of this House of full consideration of this bill? We condemn the ruthlessness of dictators in other parts of the world. Are we to allow ourselves to be balked when we attempt to eliminate that sordid type of procedure from our own political picture; when we seek to reassure the people of this Nation of the innate integrity of their political parties and of the sincerity and honesty of their leaders? I do not believe we are; and I cannot conceive, in view of the vote accorded the original Hatch law by this honorable body a year ago, that the membership of this House will permit this legislation to be sunk into oblivion through the dark channels of secrecy.

The price of secrecy always is suspicion. Already the finger of suspicion is directed our way. We cannot and must not sustain any secret action and thereby become parties to it unless we are willing to remain under justified suspicion.

It is my sincere hope that the Members of this House will rise above anything that smacks of political bossism or expediency and bring this legislation to the floor, not only because of the importance of the legislation but because we will then prove the criticisms thus far voiced unfounded and that we are seeking sincerely to serve, rather than to rule, a Nation. [Applause.]

Mr. Speaker, I ask unanimous consent to include in my remarks certain editorials.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Clarksville Leaf-Chronicle.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon on the bill H. R. 2874 and to include therein a letter from the Veterans of Foreign Wars.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on tomorrow after the disposition of the legislative business for the day and such other special orders as may have been entered that I may address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I made today on House Joint Resolution 519 and to include therein a few brief excerpts from the committee report.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mrs. NORTON, for 1 week, on account of official business.

To Mr. DUNN, for several days, on account of death in the family.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 431. Joint resolution to extend the 1940 New York World's Fair and the 1940 Golden Gate International Exposition the provisions according privileges under certain customs and other laws to the expositions of 1939.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Montana [Mr. THORKELSON] is recognized for 30 minutes.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein letters that have a bearing on the subject on which I am speaking, and other quotations.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. THORKELSON. Mr. Speaker, in the CONGRESSIONAL RECORD of May 2, 1940, the gentleman from Illinois [Mr. SABATH] inserted a lengthy letter from the Non-Sectarian Anti-Nazi League to Champion Human Rights. In this letter the Non-Sectarian Anti-Nazi League calumniated me.

Among other things, I was asked in this letter to state whether, in using the word "internationalist," I did not mean Jew. My answer is "No," for a Jew who is a nationalist is an American, and an internationalist, whether he be Jew or gentile, is not an American. I realize that there are many Jews in the United States who are not internationalists and are not looked upon as being anything but ordinary, plain American citizens, and it is not with them that I take issue. My contention is with the internationalist, the Jew who is using all the people in the United States to build an international empire for himself at our expense.

In the Anti-Nazi Bulletin, March 1940, myself and others are depicted as "Apes of wrath," and we are included in what this magazine labels, "The American Union of Fascists—an exposé of Italian Fascist activities in the United States, based on findings by the N. S. A. N. L., department of investigation." I am not familiar with any Fascist organization in this country, and I inserted in the RECORD of July 19, 1939, the Department of Justice report of the investigation of the German Bund in order to place such information before the public.

In regard to other organizations I may say that I know nothing about them. I spoke before a group called the Chris-

tian Mobilizers, and shall ask permission to insert that speech in the Appendix of the RECORD.

I now ask permission, Mr. Speaker, to insert that speech in the Appendix of the RECORD so there will be no opportunity for misquotation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I believe it is a duty of all public officials to speak to public audiences, because much good can come from it when the speaker confines himself to discussion of the fundamental principles of the Government.

The exposé in the Anti-Nazi Bulletin issued by the Non-Sectarian Anti-Nazi League, bases its accusations upon the findings of its own investigating department or detective service, which I maintain should not be operated by any private organization. Let us assume that all organizations in the United States operated an intelligence service to spy upon each other. What a frightful mess it would be. It is to avoid such conflict that we maintain the Federal Bureau of Investigation, and if that is sufficient for the majority of the American people, it certainly should be acceptable to a group like the Non-Sectarian Anti-Nazi League.

The Non-Sectarian Anti-Nazi League was organized in 1933 by Samuel Untermyer for the sole purpose to combat Hitlerism by means of a boycott of German goods and services. This league is largely composed of Jews and is financed by themselves. The nonsectarian aspect is furnished by a few professional sponsors, whose names are familiar as fronts for other organizations. Many of them are listed in the CONGRESSIONAL RECORD by committees investigating communism, and others are listed in the Red Network as radicals and Communists. I grant that this list may contain names of persons entirely innocent and unfamiliar with the purposes they serve. Yet the time is at hand when each and all of them should awaken to the dangers which lie in sponsorship.

I do not know of another group that employs its own intelligence service, or that conducts special courts for its own people. Americans are satisfied with our system of courts, so why should not the proponents of the Non-Sectarian Anti-Nazi League be, also?

I often wonder why Jewish organizations rely upon sponsorship of gentiles instead of upon themselves. Surely sponsorship should not be required by anyone unless he is unknown, or unless he is engaged in practices which need to be camouflaged. Why do the Jewish groups use the Catholics and Protestants as a shield to protect themselves? I have never yet heard a Jewish group proclaim its own faith.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. THORKELSON. I yield.

Mr. BLOOM. Did I understand the gentleman to say he never heard of a Jew approving of his own faith?

Mr. THORKELSON. I said I never yet heard a Jewish group proclaim its own faith. I was saying that they always used some other faith, Catholic or Protestant, to protect themselves. That is precisely what they are doing. It can be seen that I am just replying to the letter that was put in the RECORD Friday. I would like to proceed with my remarks. I shall be glad to yield when I have finished my prepared statement.

Mr. BLOOM. But the gentleman is making a statement with which I disagree absolutely. I think the gentleman is entirely mistaken. I do not believe the gentleman should make such statements.

Mr. HOFFMAN. Mr. Speaker, regular order.

Mr. BLOOM. The regular order is that I shall make a point of order that there is not a quorum present.

Mr. THORKELSON. Mr. Speaker, I believe the situation would be clarified if the Jews would stand on their own feet and protect their own beliefs, whatever they may be, and let other faiths alone. Surely everyone knows that Christian faiths are not threatened in the United States, and for that reason need no protection from the Jews or anyone else.

Can it be possible that the Non-Sectarian Anti-Nazi League, which is made up of Jews, will investigate any of its own people? Of course not. The investigation of the league will be directed against all who do not acquiesce to the demands of the internationalistic Jew, or kneel to them in abject submission and fear. The people who object to internationalistic domination are those patriotic Americans who believe in the fundamental principles of this Government, and who will go ahead in spite of international intrigue and general public skepticism and incredulity. It is this group of active objectors that the Non-Sectarian Anti-Nazi League designates Fascist, Nazi, and anti-Semitic.

The internationalist tries to confuse by directing his attack, not against his real object of hate, but instead against those who are neutral or who refuse to join him in hating. The next step is to bring about greater division in our own ranks, and this is done by designating all who do not join the hate parade as pro-Nazi, pro-Hitler, or pro-Fascist, and he finally places all of these "pros" in one group, under the label of anti-Semitic. He does not call them anti-Jew, because that would attract attention to individuals; he calls them instead anti-Semitic, hoping in such designation to confuse us and protect himself. The strange part is that the Jews in Asia Minor are anti-Semitic, for they have been and are now engaged in war with the Arabs, who are the true Semites.

The internationalist builds his power on intrigue and confusion. It is our duty to lift this veil so that we may see him in his true character, a destroyer of peace and proponent for war. It was said in The Conquering Jew:

> The movement of precious metals throughout the world is under the influence of Jews. It is rightly said that no big war can be waged except by the financial assistance of the Jews. No national or international loan can be floated if the Jews care to act together and stop it. To a considerable extent the rate of exchange between countries is regulated by them.

This statement is 25 years old. It was written at a time when the conquering Jews had begun to take charge of our government, and to make this clear, let me quote further:

> Go into the foreign market at Berlin and Frankfort, and you will find that considerably over half the members are Jews. I have mentioned the great international firm of Rothschild. But there are also to be counted the Jewish financial firms of Montagu, Sassoon, Raphael, and Stern, in London; Camondo, Fould, Perier, and Bischoffsheim, in Paris; Gunsberg, in Russia; Bleichroder, Warschauer, and Mendelssohn, in Berlin; Kuhn, Loeb & Co., Lazard Frères, and Seligman, in the United States—to mention a few of the principal firms. The example set by the Rothschilds is followed. Jewish financial concerns do not always lose their identity in joint-stock companies, though they originated joint-stock companies. The Jewish hands retain personal control.
>
> Amongst European banks and firms run by Jewish capital and controlled by Jews are the Dresdner Bank, and the Handels-Gesellschaft, the Credit Mobilier of Paris, Bischoffsheim, and Goldschmidt. The greatest bullion brokers in London are Jews. In the United States, President Wilson nominated a Jew, Mr. Paul Warburg (of Kuhn, Loeb & Co.), to be one of a committee of five to see that the system of banking throughout the United States was carried out according to the decision of Congress. Many Jews are among the bankers of San Francisco. The Nevada National, the Anglo-Californian, are under Jewish control. The Lord Chief Justice of England (Mr. Rufus Isaacs, a stockbroker before he took to the law and became Lord Reading) is a Jew. The president of the British Local Government Board, Mr. Herbert Samuel, and the secretary to the treasury, Mr. Montagu, are Jews and cousins. Mr. David Leventritt, justice of the Supreme Court of New York, was a Jewish shoemaker before he learned law. Many King's Counsel in England are Jews. The greatest international lawyers of modern times—Jellinck in Germany, Lyon-Caen in France, and Asser in Holland—are all Jews.

Do not fail to note:

> It is rightly said that no big war can be waged except by the financial assistance of the Jews. No national or international loan can be floated if the Jews care to act together and stop it.

As you cogitate upon this, remember that they make the loans, but we pay for them. Remember loans made during the World War, by these bankers, are now charged to the people of the United States, and we, like fools, pay and pay to keep the Jewish international financiers in power.

It might appear that I am bitter toward this group of international exploiters, but I am not. I only feel sorry for our own people who have permitted Congress to enact laws which have given complete control of gold and money to these international pirates. I regret that Members of Congress have been so careless as to vote for legislation that has placed this burden, not only upon Members of Congress themselves, but upon all the people who sent them to Congress to protect their rights and provide for the security of our Nation. Congress should, in justice to the American people, repeal all powers given to the President, not only because they are unconstitutional but because they are dangerous powers in the hands of any President, no matter whether he be Republican or Democrat. Congress should then set the gold aside as security for the American people, for it is their property and not the property of any private financial group, no matter whether they are Jews or gentiles. The Nation's gold and money belongs to the United States and to the people of this Nation. It was so ordained and set forth in the Constitution. Let us, therefore, restore these rights, which were taken from the people by obtuse Congressmen enacting unconstitutional legislation that even a child should know would end in the destruction of this Republic.

If you recall the early part of 1939, you will remember that there was much agitation for war or alliance with England. Realizing the source of this agitation, I inserted an article in the CONGRESSIONAL RECORD on May 1, 1939, entitled, "The Invisible Government." In this article, among other things, I quoted some facts and figures about the Jews in Germany. After that information was published, I was called a Fascist, Nazi, and anti-Semite, by the internationalistic and communistic press—which I had expected, for so are all called who tell the truth. However, if we look into the past, we find that the Jews not only controlled the finances of Germany but controlled the civilian and the military governments as well. It is also well to remember that most Jews were pro-German until Hitler became the leading man. They were, as intelligence files will show, pro-German even after we became involved in the World War. Few of the big Jewish bankers were even interned during the World War, because of their aid to Germany. Today, the same group hates the leading man, Mr. Hitler, and is willing and even anxious to destroy the German people and everything German in order to get its man. In their mad race to run Hitler down, they expect all of us to join, and when we show lack of interest or fail to join in their "Leagues of Hate," they get mad as hornets and call us names.

Every one of us should realize that when we join to fight those whom the internationalist designates—the pro-Nazi, pro-Fascist, pro-Hitler, or anti-Semitic—we divide ourselves into two factions, and on the ruins of our mutual downfall the internationalist will dominate the United States. No one should be confused about that, for it is happening, and will go on until the American people stick together to protect their own majority rights as expressed in the Constitution of the United States.

The question may be asked, What right has any organization to maintain and operate an intelligence department to investigate the American people? What right has a purely Jewish organization to maintain an antidefamation league, a bureau of investigation, and a secret-service force to spy upon the American people and report their findings to the F. B. I. or Justice Department? This is an affront and an insult to the American people. It is humiliating, for in our acquiescence we admit cause, and can it be possible that the American people are criminals? We have a Justice Department and a Federal Bureau of Investigation, and we pay both of these departments to protect us against crimes and criminals. Is not it a bit strange that both departments take orders from these Jews and protect the Communists instead of the American people who pay the expenses of the departments? Is not it a bit strange that our courts protect the Communists and prosecute patriotic American citizens? Is not it strange that excessive bail is set on a patriotic American when he is turned over to the Department of Justice by the Jewish intelligence, and that the guilty Jewish Communist is left entirely free as he waves the Bill of Rights and shouts, "Help, I am persecuted"? Is not it strange that we have an administration that appoints judges to our courts who are so indifferent to their obligation that they believe the Bill of Rights and the Constitution are to protect the Communists and those who are engaged in sabotage and destruction of our Government instead of, as it is intended to be, a protection for our own people? Is not it time that the American people set this right and get rid of this horde of aliens who are now employed in our justice departments, intelligence bureaus, and who sit as judges in many of our courts?

I shall now read a letter which the Non-Sectarian Anti-Nazi League did not quote in the CONGRESSIONAL RECORD of May 2, 1940:

MARCH 19, 1940.

DEAR MR. ———: The arrest of 17 members of the Christian Front, and the discovery of weapons which were allegedly prepared in a plot to overthrow the United States Government, should serve to focus our attention to the real danger of which these Nazi-inspired subversive groups are to the peace and security of the United States.

Lurking behind the scene of imported fascism are sinister individuals and subversive groups which must be investigated and exposed. Nazi methods which formerly applied in Germany, Austria, and Czechoslovakia are now rampant in this country. They succeeded in destroying human rights in Europe. These same rights are now being threatened in the United States.

We are sure you agree with us that it is of vital importance to do everything in our power to counteract these organizations which are plotting to undermine our democratic government and all of its liberal principles.

The Non-Sectarian Anti-Nazi League is the American organization concentrating upon the fight against this pro-Hitler movement. Our department of investigation maintains a staff of experienced investigators which uncovers and discloses the activities of the subversive groups in our country. We have been able to aid officials of our Government in prosecuting leading members of these groups.

In order to carry on our Nation-wide activities, we must raise a fund of at least $250,000 this year. For this reason we appeal to you, as one of our supporters, to stand by us again as you did in the past, by contributing generously, and if possible, increasing your former contribution. Your support is needed now more urgently than at any time in the past.

For your convenience we are enclosing a statement and a return envelope. Please mail your contribution today.

Accept our gratitude for your cooperation and support.

Sincerely yours,

JAMES H. SHELDON,
Prof. James H. Sheldon.
Chairman, Board of Directors.

NAZI IDEOLOGY THREATENS ALL CIVILIZATION

After reading this letter, it should be evident that the Jewish intelligence service was out to "get" the Christian front, and is using these 17 men and the Christian Mobilizers in their letter, which the gentleman from Illinois inserted in the RECORD, as a weapon to disparage those who believe in sound government. This procedure is typically communistic, for when he can find no evidence against the individual, when he cannot buy or bribe, he will in desperation throw mud, thereby displaying his true characteristics. In this game of defamation and mud-slinging, I crown him king of kings. It would be interesting to know how many times $250,000 they have raised, to destroy patriotism. I have been informed that there is a fund of over $50,000,000 employed for this purpose, upon which no interest or income tax is paid, and no account given to the Federal Government. This is something that Congress may also investigate, for it is certain that the activities carried on by the internationalists costs money, and it is our business to find out the source of this finance.

It would also be well for Congress to investigate how much property has been acquired and is now owned by banks and other financial houses in the United States and in their interlocking groups abroad. There is a lot of important work that Congress might do for the safety and security of the United States.

The gentleman from Illinois next inserted over two columns of names, of persons who are supposed to represent the sponsors of a paper called The Voice for Human Rights. This appears impressive. The writer, however, forgot to state that many of these sponsors have withdrawn their names because

they found The Voice was edited by Jews who did not express the viewpoints of the sponsors, and for that reason these sponsors compelled the editor to make this retraction in the issue of April 1940:

RETRACTION AND APOLOGIES TO CONGRESSMAN THORKELSON

In the January issue of this paper appeared a special to The Voice, regarding Congressman THORKELSON, of Montana. We have since learned that it contained a number of baseless charges which we hereby retract, and tender our apologies.

Instead of the Congressman's status as an authentic doctor of medicine being doubtful or questionable, it is wholly beyond doubt or question. His standing as a competent and experienced physician and surgeon in Montana is of the best.

There is no basis whatever for the claim or suggestion that the Congressman ever ran a nudist colony or was ever in any way connected with any such affair.

Moreover, the charge that he was born a Catholic and had marital and extra-marital adventures which brought church disapproval was entirely unfounded. In fact, he has never been a Catholic nor ever claimed to be. Instead of turning publicly or violently or otherwise against Catholicism, the Congressman's fair and friendly attitude toward Catholics has been generally recognized in Montana.

Accordingly, we hereby retract everything that we have published against Congressman THORKELSON with respect to these matters.

We also withdraw all suggestion that Congressman THORKELSON has a "mind poisoned against America." Our disagreement with Congressman THORKELSON'S diagnosis of internationalists, or an invisible government, to which he attributed the economic ills of America, is no reason for reflecting upon his character, honesty, and patriotism.

In order to correct the statement of the Non-Sectarian Anti-Nazi League in its attempt to show justification for the letter inserted in the RECORD, let me quote other letters received by my attorney, Mr. George E. Sullivan, Fifteenth and H Streets, Washington, D. C.:

PAULIST FATHERS,
New York City, January 10, 1940.

Mr. GEORGE E. SULLIVAN,
Fifteenth and H Streets, Washington, D. C.

DEAR SIR: I write to acknowledge receipt of a copy of your letter to the editor of The Voice for Human Rights, dated January 6, 1940, and to advise you that I am not now a member of the Committee of Catholics to Fight Anti-Semitism, having withdrawn on August 4, 1939. It is possible you found my name on an earlier list.

I am,
Very truly yours,

JOSEPH MCSORLEY, C. S. P.

AMALGAMATED MEAT CUTTERS AND
BUTCHER WORKMEN OF NORTH AMERICA,
Chicago, Ill., January 10, 1940.

Mr. GEORGE E. SULLIVAN,
Suite 226, Woodward Building, Fifteenth and H Streets NW., Washington, D. C.

DEAR MR. SULLIVAN: I am in receipt of a copy of the letter you addressed to the editor of The Voice for Human Rights and wish to advise you that on December 19 I sent to Dr. Emmanuel Chapman an excerpt from a letter I received from Mr. Wm. Green, president of the American Federation of Labor, expressing his opinion in the matter of the Committee of Catholics for Human Rights. Mr. Green's letter was as follows:

"I cannot understand how any Catholic committee could invite and accept John Brophy, or men like John Brophy, as members of a Catholic committee. Everybody knows that John Brophy went to Russia as a sympathizer of the Soviet Government. Everybody knows that a responsible person testified before the Dies committee that John Brophy was supported by the Communists when he ran for president of the United Mine Workers some years ago, and that the Communists supplied him the money with which to pay the expenses of said election. I would not accept appointment on such a committee as the Committee of Catholics for Human Rights."

I asked Dr. Chapman on the above date to eliminate my name as one of those serving on the executive board of the committee.

Sincerely,

PATRICK E. GORMAN,
President, Amalgamated Meat Cutters and Butcher Workmen of North America.

ST. MARY'S COLLEGE,
St. Marys, Kans., January 11, 1940.

Mr. GEORGE E. SULLIVAN,
Woodward Building, Washington.

DEAR SIR: For some time I have been intending to withdraw my name from the committee behind The Voice for Human Rights. Your letter has finally prompted that action. I think The Voice is a good instance of how a good cause may be damaged by the wrong sort of defense.

Yours very sincerely,

GERALD ELLARD, S. J.

SURROGATE'S COURT OF THE COUNTY OF NEW YORK,
New York City, January 11, 1940.

GEORGE E. SULLIVAN, Esq.,
Suite 226, Woodward Building, Fifteenth and H Streets NW., Washington, D. C.

DEAR SIR: Your letter of the 6th instant, addressed to me at Fordham University, reached me today. I know nothing about the matters therein discussed respecting Congressman THORKELSON. I am undertaking inquiries at this time of Dr. Chapman. I personally disavow any statement concerning Congressman THORKELSON which is untrue or even discourteous. When I have some information about the subject and when I have had an opportunity to read the article of which you complain, I shall communicate with you further.

If you should have occasion again to write, you might address your letter to this place.

Very truly yours,

JAMES A. VAUGHAN.

THE SODALITY OF OUR LADY,
St. Louis, Mo., January 13, 1940.

Mr. GEORGE E. SULLIVAN,
Suite 226, Woodward Building, Fifteenth and H Streets NW., Washington, D. C.

DEAR MR. SULLIVAN: A copy of your letter to the editors of The Voice has been received. I have never had any connection with their publication or its policies.

Sincerely yours in Christ,

DANIEL A. LORD, S. J.

BROOKLYN, N. Y., *January 22, 1940.*

Mr. GEORGE E. SULLIVAN,
Washington, D. C.

DEAR SIR: I am in receipt of your correspondence of January 20. In response I am enclosing a letter sent today to Dr. E. Chapman which, I believe, will explain any association of my name with the association referred to.

I wish to further state that I have never met, communicated with, or had any correspondence with any executive, member, or representative of this organization outside of the general public invitation to subscription which I accepted. I feel that the publication of my name was an implication of any acquaintanceship with this organization which is not justified.

Trusting that you will understand that I was just a reader of this publication and therefore hardly responsible for its management, direction, or policies, I am,

Sincerely yours,

REV. CHARLES T. CAROW.

DUNS SCOTUS COLLEGE,
Detroit, Mich., January 22, 1940.

Mr. GEORGE E. SULLIVAN,
Suite 226, Woodward Building, Fifteenth and H Streets NW., Washington, D. C.

DEAR MR. SULLIVAN: When I sent in a dollar for The Voice for Human Rights, and later added another to help the cause along, I did not intend to become a member of any committee. After I saw my name on the list I simply let it there and did nothing about it.

I do not see how you can hold every member of the Committee of Catholics for Human Rights responsible for what is printed in The Voice. If that is true, I for one would certainly have my name removed from the list of members.

On the other hand, if Mr. THORKELSON has been maligned or slandered, I am very sorry, and would prevail upon the editor to make the necessary apologies and corrections. I shall write to Dr. Chapman on this matter.

Hoping that any wrong done to Mr. THORKELSON will be duly righted, I am,

Sincerely yours in Christ,

SEBASTIAN ERBACHER, O. F. M.

CULL AND FULLER,
Cleveland, January 24, 1940.

Mr. GEORGE E. SULLIVAN,
Washington, D. C.

DEAR SIR: This will acknowledge receipt of mimeographed copy of your letter dated January 6, 1940, addressed to editor, The Voice of Human Rights, at 261 Broadway, New York, N. Y. I have read your communication with great interest.

Permit me to say that some time ago I was appealed to by the Committee of Catholics for Human Rights to consent to join with other members of the Catholic faith in Cleveland to become members of a local committee to oppose the spread of antisemitism and all forms of racial intolerance. I consented to become a member of a local committee for such purposes, but whether one has ever been formed I do not know. If it has been formed, no word of its formation or notice of any of its activities has ever been communicated to me. I have never been notified of any such local committee, nor have I ever received a copy of any publication, or statement either by the general committee or by any local committee, and particularly have not received any copies of the publication to which you refer. The copy of your communication to the editor of The Voice for Human Rights also gives me my first information of the publication of the alleged libelous attack on Congressman

THORKELSON. You may be sure I am deeply concerned over the character of the charges made against the Congressman, since I do not approve that kind of an attack under any circumstances. Permit me also to say that the only communication I ever received from the Committee of Catholics for Human Rights contained this assurance as to its methods:

"Our approach will be positive and dignified and there will be no personal attacks against anyone."

I had no knowledge whatsoever of the history of Dr. THORKELSON in any of the connections referred to in your communication, and I am entirely without opinion as to his character or reputation except to say that I presume them to be good.

In conclusion may I not state also that when I gave assent to become a member of a local committee, which I assumed would be called together from time to time for the purpose of deciding policies, etc., I was influenced by the assurance above referred to and additionally by the fact that there were many distinguished clergymen and laymen of my faith apparently serving as the officers and members of the general committee. In view of your statements contained in your letter to the editor of the publication referred to, I must conclude that the promise made has not been kept and that the other assurances relied on were of doubtful value.

I am sending a copy of this letter to Dr. Emmanuel Chapman, 261 Broadway, New York City, as you suggest, with the request that my name be no longer used even as a member of the local committee.

Respectfully,

DAN B. CULL.

EMPIRE STATE, INC.,
New York, January 25, 1940.

Mr. GEORGE E. SULLIVAN,
Suite 226, Woodward Building, Fifteenth and H Street NW., Washington, D. C.

DEAR MR. SULLIVAN: I am in receipt of your letter. I know absolutely nothing about this matter. I became a member of the committee in August, at which time they issued a statement of purpose which said, among other things, "* * * * and there will be no personal attacks against anyone."

Since my joining the committee I have never heard from them one way or the other until I received your letter. Immediately upon its receipt I sent to Dr. Chapman my resignation, copy of which I enclose.

Sincerely yours,

ALFRED E. SMITH.

aes:mc.

CHURCH OF THE HOLY NAME OF MARY,
Algiers, La., January 26, 1940.

DEAR MR. SULLIVAN: Just received your mimeographed letter of January 6, and its carbon-copy appendage dated January 20. Having been completely out of contact with the organization since my transfer from Brunswick, Ga., last September, these recent developments come as startling news. I have written to Dr. Chapman anent the matter but have not yet received an answer. Needless to say I do not subscribe to maliciously libelous accusations and, pending Dr. Chapman's answer, I accept your version of the affair. I sincerely trust the matter will be settled to the satisfaction of all concerned, especially Congressman THORKELSON, of Montana. While I voluntarily answered Dr. Chapman's letter soliciting membership, I most certainly did not commit myself to malicious libel.

Yours truly,

THOMAS J. ROSHETKO.

BRYN MAWR, PA., *January 26, 1940.*

Mr. GEORGE E. SULLIVAN,
Attorney at Law, Suite 226, Woodward Building, Fifteenth and H Streets NW., Washington, D. C.

DEAR SIR: I have received a typewritten memorandum dated January 20, 1940, bearing your typewritten name as the sender, together with copy of letter dated January 6, 1940, likewise bearing your typewritten name, addressed to the editor of The Voice for Human Rights.

I did not know of the article in question and in fact have nothing to do with the publication you mention, nor do I have any knowledge or information about the matters mentioned in your letter.

Accordingly I disclaim any responsibility in connection with the matters mentioned.

Yours truly,

ANGELINE H. LOGRASSO.

NEW ORLEANS, LA., *February 1, 1940.*

Dr. EMMANUEL CHAPMAN,
261 Broadway, New York, N. Y.

DEAR DR. CHAPMAN: I was surprised to receive a copy of a circular memorandum from Mr. George E. Sullivan relative to the responsibility of an article concerning one Congressman JACOB THORKELSON, of Montana, which as alleged appeared in The Voice of Human Rights.

The circular letter, which I endorsed back to you, asked if I would be interested in serving or working on a committee in my city to interest people in the condition of Jews, especially those who were at that time being severely persecuted in certain European countries. This I would have gladly done. However, as no one has ever called me to date regarding this committee, I naturally presumed that it met with failure.

Therefore, if you have me registered as being a sponsor for the publication of The Voice of Human Rights it is most certainly without my authority. Besides, it is not logical that I, who live in New Orleans, would endorse articles unread, unchecked, and which are published in another city besides my own.

If you have my name listed as one being responsible for the publication of your paper, I request that you remove it immediately.

Please advise me accordingly.

Very truly yours,

JOHN W. MCSHANE.

cc
Mr. Geo. E. Sullivan,
226 Woodward Bldg.,
Washington, D. C.

This will answer your circular memo of January 20, 1940.

It should be clear after reading these letters that the persons named as sponsors for this publication are not in accord with the views expressed in it, and this is perfectly proper and right, as there is no relationship between Christianity and Judaism. The rabbi is not, as generally assumed, a minister or preacher. He is, instead, a dispenser of laws and presides over the Jewish courts. I quote from Webster's Dictionary:

Rabbi, master—used as a Jewish title; also, a Jewish teacher or doctor of the law.

For further information, those who are interested may read The Book of the Kehillah, volume II, third edition, St. Petersburg, 1888. Document No. 155, pages 81, 82, 83, and 84:

Points which were worked out and adopted for the protection of the sacred law and of the cause, which, owing to our great sins, has been completely undermined. They (the representatives of the city) were basing themselves on the law according to which it is commanded to exercise efforts and persistency in order to prevent our enemies from becoming our judges (that is to say, that the Jews should refrain from applying to alien courts) and with the object of curbing the rebel and of compelling every son of Israel to obey the law (Jewish law). The regulations mentioned below and all preventative measures were unanimously adopted by the representatives, leaders, and chiefs of the city and by the rightful Bet-Din and by great and prominent rabbi. The undersigned unanimously decided and took oath to support and follow all the decisions contained in these regulations as well as to support and fortify the law by whomever and by whatever means possible. The wise men have considered these regulations and have termed them as follows.

This is of no interest except for its reference to the Jewish people and their courts, and my object in quoting it is to correct the erroneous assumption that a rabbi occupies a position similar to the Christian clergyman. It can be seen from this that he is not a clergyman but is instead a dispenser of law and judge of Jewish courts.

I shall now return to discussion of the Non-Sectarian Anti-Nazi League, and quote from their letter:

Do you know all these facts, Mr. Congressman? Or are you so busy addressing the native Fascist groups that you have no time to catch up with your reading?

Perhaps you are not aware of the fact that our native Fascist groups, masquerading under patriotic or Christian names, are Nazi inspired or Nazi contrived. Permit us to bring to your attention excerpts from reports of their meetings.

In these statements, the Non-Sectarian Anti-Nazi League condemns itself, for no one employs innocent titles more than the internationalist. It is because of such names that communistic and subversive Jewish groups operate so freely, for who would suspect that the Humanity Guild is not what the name implies? The margins of the letterheads of this organization list 120 names as sponsors, and is not the purpose of this organization precisely the same as that of the Anti-Defamation and Non-Sectarian Leagues? This is another trick employed by Jewish organizations to shift responsibility by blaming their own subversive activities on someone else.

The letter then goes on and quotes from reports of the meetings of various organizations in which I nor anyone else has particular interest. The purpose of these quotations, however, is clear, for the writer of the letter by implication attempts to slander me. To this I can only reply that if the writer is no nearer the truth in regard to the gentleman he quotes than he is when he quoted me, he is indeed reck-

less with the truth. I shall insert in the Appendix of the RECORD the speech that I delivered to the Christian Mobilizers on March 4, 1940, with the hope that he will read my speech, for I am sure that he will find nothing controversial therein.

The writer of the letter inserted by the gentleman from Illinois refers to the Declaration of Independence and to the Constitution. I shall ask him to read my remarks on A United America, in the CONGRESSIONAL RECORD, and I shall also ask him to read the Constitution, for it is quite evident that he does not understand it.

The author quotes a resolution of the Non-Sectarian Anti-Nazi League which condemns the Communists as well as the Nazis, and another resolution that praises the work of the Non-Sectarian Anti-Nazi League in investigating and exposing subversive groups and individuals in the United States. These are simply resolutions showing that the Anti-Nazi League is trying to evade the charges it has earned by its activities.

If all Jews are opposed to communism, why is the leadership in socialistic and communistic movements carried on by Jews? One of the outstanding rabbis, Judah Leo Magnes, who is now the president of the University of Jerusalem, boasted of Jewish revolutionaries and troublemakers when, in February 1919, he said:

Jews are closely identified with the beginnings of capitalism in its development from the feudal state. It was Friedrich Julius Stahl, a born Jew, who laid down the classical theory of the German Nationalstaat, based upon the politics of power. It was Benjamin Disraeli who is the father of the latter-day Tory democracy of England. Just so when the Jew gives his thought, his devotion, his spirit, to the cause of the workers and of the dispossessed, of the disinherited of the world, the radical quality within him there, too, goes to the roots of things, and in Germany he becomes a Marx and a Lasalle, a Haase, and an Eduard Bernstein. In Austria he becomes a Victor Adler and a Friedrich Adler; in Russia, a Trotzky.

Just take for the moment the present situation in Russia and in Germany. The revolution set creative forces free, and see what a large company of Jews was available for immediate service. Socialist revolutionaries and Mensheviki and Bolsheviki, majority and minority Socialists—whatever they be called; and I assume that it is not a question at all at this moment of agreeing or disagreeing with any one of them—Jews are to be found among trusted leaders and the routine workers of all those revolutionary parties. There are some among us who say that we ought not to admit this, because it will lead to anti-Semitism. I answer: What if it does? If it leads to anti-Semitism, it will be but another evidence in our long Jewish history of that stupidity, of that brutality, which we want the free men and women of the world to condemn and crush out. In Germany, now that the first free glow of the revolution is passing, the anti-Semites are beginning to talk of the "Judendemokratie." Suppose anti-Semitism does lift its ugly head in Germany and the Jews there and here and everywhere be made to suffer because of the prominence of Jews in the glorious German revolution.

This requires no explanation from me, but if the reader is interested in the leaders of these revolutionary movements, I refer him to a book by A. Cloyd Gill, America's Other Sixty Families, and many other publications written on such issues. I have covered these subjects in the CONGRESSIONAL RECORD since May 1, 1939, to the present time. For my documented information I have been roundly abused by the Communists and internationalists and by the controlled press.

Let us now see how the Non-Sectarian Anti-Nazi League conducts its "championship for human rights." In the February issue of the Anti-Nazi Bulletin a hooded figure rides an ass, which has a label on its right ear inscribed, "American Union of Fascists." Its right front foot is labeled, "Christian Mobilizers," and right hind quarter, "German-American Bund"; it is going past a post marked "Terrorism." The hooded figure is marked "K. K. K." The article is by the Non-Sectarian Anti-Nazi League, department of investigation. What is the purpose of this pamphlet? Its sole purpose is to stir up hatreds and racial antagonisms; and as this happens, the internationalist shifts the blame upon those he designates Fascist, Nazi, and anti-Semitic. In this way he hopes to create sympathy for himself by instilling fear in those who do not understand—fear toward their own people.

The bulletin is filled with part truths and deliberate falsehoods. For example: In an article by Wilhelm Sollman, in which he mentions the Russian revolution in 1905 and 1917, nothing is said about the Jews. The author attempts to shift responsibility to others by studiously avoiding the use of the word Jew by name or implication. What are the facts? The facts are that Jews led the revolution in 1905 and also the revolution in 1917, and this information can be obtained from many sources, including the CONGRESSIONAL RECORD.

Let me now add a bit of information to that, from Senate Document No. 346:

The Hungarian Government frantically appealed to the Allied and associated powers to save Hungary from complete annihilation. There was no response. Then a large number of disciples of Lenin and Trotsky returned to Hungary and held out to the Hungarians the hope that bolshevism can save Hungary. These Bolsheviks seized the Government of Hungary, and bolshevism reigned with all the terror that deteriorated human minds could devise.

For the sake of truth, let it be said that about 95 percent of the Bolsheviks in Hungary were Jews, and the Bolshevik dictator of Hungary, Bela Cohen [Kun] was a Jew. These were augmented by Russian Jewish terrorists. [See Dillon's Inside Story of the Peace Conference, p. 2241.] The outrages and the atrocities these terrorists committed in Hungary are unfit to be printed.

The Hungarians now were in a terrible situation. Stripped of everything they had, tortured by the Bolsheviks, the unoccupied part of Hungary was invaded by a Rumanian army. In the meantime, certain financial interests of the Allied and associated powers seeking economic advantages in Hungary began to parley with Cohen, the Bolshevik dictator. He was offered brilliant advantages, he was assured that he would be honored by an invitation to the Peace Conference of Paris, if he would grant these financial interests certain concessions in the Banat, one of the richest sections of Hungary. The name of this financial group, for obvious reasons, remained unnamed. [Dillon's The Inside Story of the Peace Conference, p. 239.] It was also proposed that the Banat be made an independent republic, for which a protector was required. This humanitarian role of protectress was promised to be assigned to democratic France. French agents were on the spot to provide the arrangements. The actors of this episode were not all officers and civil servants. They included some men in responsible position. [Dillon's The Inside Story of the Peace Conference, pp. 239 and 240.] Unsuccessful in their attempts to obtain concessions in Hungary, those unnamable financiers let the Rumanian Army proceed. What the invaders did in Hungary is graphically described by an American writer, as follows:

"The story of the pillaging by Rumanian Army in Hungary is Homeric. It equals anything of the kind done in the war. The Rumanians took away machines, farm implements, cattle, and even seed grain of the peasants. A member of the English mission, sent to the east of Hungary to investigate the facts, said epigrammatically that the Rumanians had not even left the nails in the boards." [J. J. Bass' The Peace Tangle, p. 193.]

When the Rumanian Army found nothing more to pillage, it proceeded to ransack the Hungarian National Museum, which contained invaluable treasures of art and other collections of national and educational interest. A large truck was backed to the door of the museum, and the Rumanian soldiers were ready to break in the doors. In the meantime, the American military mission stationed at Budapest heard of the intended vandalism. Brigadier General Bandholtz hastened to the museum, placed the United States seal on its door, and informed the Rumanians that the breaking of that seal would result in serious consequences. Thus, thanks to Brigadier General Bandholtz, the Hungarian National Museum was saved.

The writer of the article in the Bulletin did not bring out this fact. Neither did he mention this statement from the book by Ambassador Francis, which I quoted on page 2305 of the Appendix of the CONGRESSIONAL RECORD.

I have just (January 1918) been called to the phone and heard that Smolny Institute, Bolshevik headquarters, has formally announced that a revolution similar to that in Russia has begun in Germany. The Bolshevik leaders here, most of whom are Jews, and 90 percent of whom are returned exiles, care little for Russia or any other country but are internationalists and they are trying to start a world-wide social revolution. If such a revolution can get a foothold in Germany where the people are obsequious to those above them and domineering and tyrannical to those beneath them and where organization and system has obtained such a foothold as it never had in history before, I begin to fear for the institutions not only of England but of the Republic of France, and the thought arises in my mind whether our own institutions are safe.

This should be sufficient evidence to prove who are the Communists and the revolutionaries who are now undermining our Government.

I have in my possession over a dozen items of propaganda issued by the Non-Sectarian Anti-Nazi League and the Jewish Congress, which I shall not quote because it takes too much time and space in the RECORD. All of these sheets reek with hatreds, falsifications, and deliberate prevarications in which the writers actually blame their enemies with

their own shortcomings. It is simply a case in which the communistic Jew, in order to hide his own subversive activities, blames others for the very things that he himself is engaged in doing. In this he has been more than successful, because he has been able to rally to his side many gentile dupes, whom he has used to entrench himself and further his own ends.

In conclusion, it is my desire to inform the gentleman from Illinois [Mr. SABATH] that he need not feel sorry for me, for I am not a tool of anyone, not even the Jew himself. When the gentleman from Illinois attempts to slander me by insinuating that I am a tool in the hands of designing men who have been on trial for subversive activities and who should be charged with treason, he joins others of his people in outright vilification, calumniation, and plain prevarication. I am acquainted with only one of the men whom the gentleman from Illinois mentioned, and that is Mr. Pelley, and I am sure that he is not a criminal but is instead a victim of rabid persecution. However, I realize that is none of my business, but I do resent it when the gentleman from Illinois attempts to involve my reputation by implication.

No one person or organization is engaged in a more vicious propaganda than the groups to which I have referred. My evidence for this statement is lying here on the table, and any Member of Congress may examine this if he is interested in such filth. I challenge anyone to produce examples of equally vicious propaganda from any source before this body or any congressional committee, for in my opinion, it has no equal any place.

My reason for speaking plainly is due to the fact that I know what is going to happen and to save the innocent I want those who are engaged in the sabotage of our industries and Government to stop and cease using American industry and labor as a convenience for international interest.

Mr. BLOOM. Mr. Speaker, if the gentleman is going to make such statements, I must insist on my point of order that there is not a quorum present. The gentleman at least should yield to give me an opportunity to answer. If he will not give me an opportunity to reply, I make the point of order there is not a quorum present.

Mr. SABATH. Mr. Speaker, there are eight Members on the floor.

The SPEAKER pro tempore. The gentleman from New York makes the point of order that a quorum is not present.

ADJOURNMENT

Mr. PATMAN. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The gentleman from Texas moves that the House do now adjourn. The motion is not debatable.

The motion was agreed to; accordingly (at 4 o'clock and 12 minutes p. m.) the House adjourned until tomorrow, Tuesday, May 7, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will meet on Tuesday, May 7, 1940, at 10:30 a. m., in room 128, House Office Building, for the consideration of H. R. 9093.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of a subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., Tuesday, May 7, 1940, for the consideration of House Joint Resolution 457, entitled "For the Transfer of the Marketing Laws Survey to the Department of Commerce."

There will be a meeting of the Committee on Interstate and Foreign Commerce on Monday, May 13, 1940, at 10 a. m.

Business to be considered: To begin hearings on S. 280 and H. R. 145—motion pictures. All statements favoring the bill will be heard first. All statements opposing the bill will follow.

COMMITTEE ON PATENTS

There will be a meeting of the Committee on Patents on Thursday, May 9, 1940, at 10:30 a. m., for the consideration of H. R. 8441, H. R. 8442, and H. R. 8444, all of which relate to amendments to the patent laws.

There will be a meeting of the Committee on Patents on Thursday, May 16, 1940, at 10:30 a. m., for the consideration of H. R. 9384, H. R. 9386, and H. R. 9388, all of which relate to amendments to the patent laws.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be meetings of the Committee on Immigration and Naturalization Tuesday, May 7, and Wednesday, May 8, 1940, at 10 a. m., for the consideration of: Tuesday, H. R. 6127, Nationality Code; and Wednesday, H. R. 8310, to deport Communists.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold the following hearings at 10 a. m. on the dates specified:

Wednesday, May 8, 1940:

H. R. 9581, to amend the Merchant Marine Act, 1936, as amended. (This bill has to do with tax exemption of a construction reserve fund to aid in the construction of new vessels. It is an improved form of H. R. 5883.)

Tuesday, May 14, 1940:

H. R. 9553, to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes.

Thursday, May 16, 1940:

H. R. 9477, to apply laws covering steam vessels to certain passenger-carrying vessels.

COMMITTEE ON MINES AND MINING

The subcommittee on Mines and Mining that was appointed to consider S. 2420 will hold hearings beginning Thursday, May 16, 1940, at 10 a. m., in the Committee rooms in the New House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1594. A letter from the Acting Secretary of the Interior, transmitting a report of an investigation made under the act of Congress approved June 22, 1936 (49 Stat. 1803), covering the Uintah Indian Irrigation Project, Utah; to the Committee on Indian Affairs.

1595. A letter from the Architect of the Capitol, transmitting the Annual Report of the Office of the Architect of the Capitol for the fiscal year ended June 30, 1939; to the Committee on Public Buildings and Grounds.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LYNDON B. JOHNSON: Committee on Naval Affairs. Supplemental report (pt. II) to accompany S. 3014. An act to amend the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902 (32 Stat. 662), so as to provide uniformity in pay of all civilian employees of the Navy Department appointed for duty beyond the continental limits of the United States and in Alaska; without amendment (Rept. No. 1980). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAAS: Committee on Naval Affairs. Supplemental report (pt. II) to accompany S. 3016. An act to amend the act approved February 15, 1929, entitled "An act to permit certain warrant officers to count all active service rendered under temporary appointments as warrant or commissioned officers in the Regular Navy, or as warrant or commissioned officers in the United States Naval Reserve Force, for purpose of promotion to chief warrant rank," so as to permit service in the National Naval Volunteers to be counted for purposes of promotion; without amendment (Rept. No.

1981). Referred to the Committee of the Whole House on the state of the Union.

Mr. DREWRY: Committee on Naval Affairs. Supplemental report (pt. II) to accompany S. 3017. An act to amend the act entitled "An act to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States at Quantico, Va.", approved June 24, 1935 (49 Stat. 395), so as to permit the removal of certain encumbrances on the lands concerned; without amendment (Rept. No. 1982). Referred to the Committee of the Whole House on the state of the Union.

Mr. CANNON of Florida: Committee on Naval Affairs. H. R. 9140. A bill to authorize the Secretary of the Navy to acquire land at Key West, Fla.; without amendment (Rept. No. 2079). Referred to the Committee of the Whole House on the state of the Union.

Mr. CONNERY: Committee on Printing. House Concurrent Resolution 62. Concurrent resolution to provide for printing additional copies of hearings held by the Committee on Appropriations investigating Work Projects Administration (Rept. No. 2078). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 9649) granting a pension to Annie Joyce, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 9663. A bill to authorize the construction of a National Guard Armory at Portland, Oreg.; to the Committee on Military Affairs.

By Mr. DURHAM:

H. R. 9664. A bill to provide for the reappointment and classification without term of incumbent postmasters serving for a term, prior to the expiration of such term; to the Committee on the Civil Service.

By Mr. CLASON:

H. R. 9665. A bill to reduce the amount of damages for infringement of copyright of musical compositions in certain hotels and other places; to the Committee on Patents.

By Mr. LEONARD W. HALL:

H. R. 9666. A bill to extend until January 1, 1941, the time within which payments made into State unemployment compensation funds may be permitted the Federal credit; to the Committee on Ways and Means.

By Mr. KEFAUVER:

H. R. 9667. A bill to provide a larger Federal contribution for old-age assistance; to the Committee on Ways and Means.

By Mr. LEMKE:

H. R. 9668. A bill to amend the Sugar Act of 1937, and for other purposes; to the Committee on Agriculture.

By Mr. McCORMACK:

H. R. 9669. A bill to extend the provisions of the act of May 22, 1934, known as the National Stolen Property Act; to the Committee on the Judiciary.

By Mr. ROMJUE:

H. R. 9670. A bill to provide an 8-hour workday and payment for overtime for dispatchers and mechanics in charge in the Motor Vehicle Service of the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. YOUNGDAHL:

H. R. 9671 (by request). A bill for acquiring lands in the Superior National Forest, the Kabetogama and Grant Portage Purchase Units; to the Committee on Agriculture.

By Mr. KEFAUVER:

H. J. Res. 525. Joint resolution authorizing the issuance of a special postage stamp in honor of completion and dedication of Chickamauga Dam; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Kentucky:

H. R. 9672. A bill granting an increase of pension to James O. Scott; to the Committee on Pensions.

By Mr. DEMPSEY:

H. R. 9673. A bill for the relief of Mr. and Mrs. Glenn A. Hoss; to the Committee on Claims.

By Mr. FITZPATRICK:

H. R. 9674. A bill for the relief of Michael Weiss; to the Committee on Immigration and Naturalization.

By Mr. HALLECK:

H. R. 9675. A bill to authorize the presentation of a medal of honor to Samuel O. Duvall; to the Committee on Military Affairs.

By Mr. RYAN:

H. R. 9676. A bill for the relief of Edmund P. Gould; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8068. By Mr. ANDERSON of California: Petition signed by E. S. Kaffer, of San Jose, Calif., and others, urging Congress to enact House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

8069. By Mr. GROSS: Petition of Effie Wallick, of York, Pa., and 30 others, urging Congress to enact House bill 5620, the General Welfare Act, thus relieving the suffering of needy citizens over 60 years of age and providing prosperity for America and security for all at 60; to the Committee on Ways and Means.

8070. By Mr. HINSHAW: Petition of Nona Tubbs, of Pasadena, Calif., containing the signatures of 210 citizens of the Eleventh Congressional District of California, urging the enactment of House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

8071. By Mr. HOUSTON: Petition of Charles E. Miller and 40 other residents of Newton, Kans., urging the enactment during this session of Congress of House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

8072. By Mr. JOHNSON of Illinois: Petition of 30 residents of Rock Island County, urging passage of House bill 1; to the Committee on Ways and Means.

8073. By Mr. KEOGH: Petition of Eppinger & Russell Co., New York City, concerning Senate bill 2009, the transportation bill; to the Committee on Interstate and Foreign Commerce.

8074. Also, petition of the American Enterprise Association, New York City, concerning Senate bill 2009, the transportation bill; to the Committee on Interstate and Foreign Commerce.

8075. By Mr. LUDLOW: Petition of citizens of Indianapolis, Ind., opposing House bill 6321, to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes; to the Committee on Merchant Marine and Fisheries.

8076. By Mr. PFEIFER: Petition of the Department of Public Works, Albany, N. Y., urging favorable consideration of Senate bill 3783 and House bill 8595, the Wagner-Byrne bill, to the Committee on Education.

8077. By Mr. RABAUT: Petition of R. H. Rattray and F. Walker, of Detroit, and A. Robinson, of Rochester, Mich., and others; urging that House bill 1, the Patman chain-store tax bill, be enacted into law; to the Committee on Ways and Means.

8078. By Mr. SCHWERT: Resolution petitioning the enactment into law of the Wagner-Steagall low-cost-housing bill before adjournment of this session of Congress; to the Committee on Banking and Currency.

8079. By the SPEAKER: Petition of the National Maritime Union of America, New York, N. Y., petitioning consideration of their resolution with reference to the Lee E. Geyer of California bill concerning poll tax; to the Committee on the Judiciary.

8080. Also, petition of Union De Mujeres Americanas, Inc., Z. Evangelian A. de Vaughan, president, New York, N. Y., petitioning consideration of their resolution with reference to setting aside August 25 as Mary Ball, Mother of Washington, Day, to be observed annually with proper ceremonies throughout the Nation; also asks the Postmaster General, Hon. James A. Farley, to cause to be prepared in honor of Mary Ball Washington a commemorative postage stamp for use in the mails; to the Committee on the Post Office and Post Roads.

8081. Also, petition of the American Communications Association, New York, petitioning consideration of their resolution with reference to the National Labor Relations Act; to the Committee on Labor.

8082. Also, petition of the Bergen County Woman's Republican Club, Hackensack, N. J., petitioning consideration of their resolution with reference to Government agencies, Senate bill 915, and House bill 6324; to the Committee on the Judiciary.

8083. Also, petition of Allan Elliott, president, San Francisco, Calif., petitioning consideration of their resolution with reference to unemployment and House bill 8615; to the Committee on Labor.

8084. Also, petition of the Daughters of the Revolution, Tenafly, N. J., petitioning consideration of their resolution with reference to the American Youth Act; to the Committee on Appropriations.

8085. Also, petition of John Boyle and Eric Mikkola, Hancock, Mich., petitioning consideration of their resolution with reference to House bill 8615, American Standard Work and Assistance Act; to the Committee on Labor.

SENATE

TUESDAY, MAY 7, 1940

(Legislative day of Wednesday, April 24, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Lord of love, in whom alone we live, kindle in our souls Thy fire of love, and, as we bow before Thee, help us to lay aside all thought of self, together with our disappointed hopes, our fruitless efforts, and the vain struggles of a divided mind, that, as we enter upon the duties of another day, we may find ourselves no longer weak and broken but strong and eager with new hope and courage to dedicate each thought and each endeavor to the service of our fellow men.

We pray for all who seem to have forgotten Thee, for all who are turning from the light; do Thou redeem them from every evil way, and grant that in the shining of Thy beauty all the lesser lures of life may cease to charm.

Sanctify Thy gracious gifts, that we may ever use them to Thy honor and Thy glory, and, above all, give to us the mind of Christ, that we may learn to rejoice even in the lowliest place where loving souls may serve. In the dear Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Monday, May 6, 1940, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	La Follette	Russell
Ashurst	Davis	Lee	Schwartz
Austin	Donahey	Lodge	Schwellenbach
Bailey	Downey	Lucas	Sheppard
Bankhead	Ellender	Lundeen	Shipstead
Barbour	Frazier	McCarran	Slattery
Barkley	Gerry	McKellar	Smathers
Bilbo	Gillette	McNary	Stewart
Bone	Glass	Maloney	Taft
Brown	Guffey	Mead	Thomas, Idaho
Bulow	Gurney	Miller	Thomas, Okla.
Burke	Hale	Minton	Thomas, Utah
Byrd	Harrison	Murray	Townsend
Byrnes	Hatch	Norris	Tydings
Capper	Hayden	Nye	Vandenberg
Caraway	Herring	O'Mahoney	Van Nuys
Chandler	Holman	Overton	Wagner
Chavez	Hughes	Pittman	Walsh
Clark, Idaho	Johnson, Calif.	Radcliffe	Wheeler
Clark, Mo.	Johnson, Colo.	Reed	White
Connally	King	Reynolds	Wiley

Mr. MINTON. I announce that the Senator from Georgia [Mr. GEORGE] is absent from the Senate because of illness.

The Senator from Rhode Island [Mr. GREEN] and the Senator from South Carolina [Mr. SMITH] are unavoidably detained.

The Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senators from West Virginia [Mr. HOLT and Mr. NEELY], and the Senator from Missouri [Mr. TRUMAN] are necessarily absent.

Mr. BANKHEAD. I announce that my colleague the junior Senator from Alabama [Mr. HILL] is detained on public business.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1542. An act to authorize the Director of the Geological Survey, under the general supervision of the Secretary of the Interior, to acquire certain collections for the United States;

S. 1780. An act to authorize the Secretary of the Interior to acquire property for the Antietam Battlefield site in the State of Maryland, and for other purposes;

S. 3098. An act authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dudley F. Wolfe;

S. 3198. An act to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army;

S. 3262. An act to authorize the Secretary of the Interior to grant a right-of-way to the Highway Commission of the State of Montana;

S. 3470. An act to amend the National Defense Act of June 3, 1916, as amended, to provide for enlistments in the Army of the United States in time of war, or other emergency declared by Congress, and for other purposes;

S. 3633. An act to amend section 24e, National Defense Act, as amended, so as to add an alternative requirement for appointment in the Dental Corps;

S. 3654. An act to amend section 10, National Defense Act, as amended, with relation to the maximum authorized enlisted strength of the Medical Department of the Regular Army;

S. 3661. An act to amend the Perishable Agricultural Commodities Act, 1930, as amended, and for other purposes; and

S. 3675. An act to authorize the establishment of boundary lines for the Wilmington National Cemetery, N. C.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 2176. An act to amend subsection 10 of section 4 of the act of June 29, 1906 (34 Stat. 596; U. S. C., title 8, sec. 377);

H. R. 3048. An act to confer jurisdiction on the State of Kansas over offenses committed by or against Indians on Indian reservations;

H. R. 4229. An act authorizing the conveyance to the Commonwealth of Virginia a portion of the naval reservation known as Quantico, in Prince William County, Va.;

H. R. 5180. An act to provide Spanish War veterans wartime-pension rates for service-connected disability or death of certain veterans of the Spanish-American War recognized by veterans' regulations as "veterans of any war," and for other purposes;

H. R. 7542. An act to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924;

H. R. 7543. An act to authorize the Secretary of the Navy to accept real estate granted to the United States by the city of Miami, Fla., and for other purposes;

H. R. 7696. An act to amend the United States Grain Standards Act, to provide for the grading of soybeans, and for other purposes;

H. R. 7811. An act to establish the Hot Springs division of the western judicial district of Arkansas;

H. R. 7901. An act to transfer certain Indian lands to the Grand River Dam Authority, and for other purposes;

H. R. 8172. An act to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery;

H. R. 8283. An act to amend section 4370 of the Revised Statutes of the United States (U. S. C., 1934 edition, title 46, sec. 316);

H. R. 8316. An act authorizing the Secretary of the Interior to sell certain land to the Conconully Cemetery Association;

H. R. 8357. An act to amend the Mount Rushmore Memorial Act of 1938;

H. R. 8373. An act to amend section 79 of the Judicial Code, as amended;

H. R. 8628. An act to amend the Perishable Agricultural Commodities Act, 1930, as amended, to include as a perishable agricultural commodity cherries in brine, and for other purposes;

H. R. 8642. An act to establish and promote the use of standard methods of grading cottonseed, to provide for the collection and dissemination of information on prices and grades of cottonseed and cottonseed products, and for other purposes;

H. R. 8826. An act to authorize an appropriation to assist in defraying the expenses of the American Negro Exposition to be held in Chicago, Ill., during 1940;

H. R. 8930. An act to amend section 202 (3), World War Veterans' Act, 1924, as amended, to provide more adequate and uniform administrative provisions in veterans' laws, and for other purposes;

H. R. 8958. An act to authorize the Secretary of the Interior to grant to the county of Wayne, State of Michigan, an easement over certain land of the United States in Wayne County, Mich., for a sewage-disposal line;

H. R. 8983. An act authorizing the Secretary of the Navy to accept on behalf of the United States a gift of the yacht *Freedom* from Sterling Morton;

H. R. 9013. An act to transfer Hardeman County, Tex., from the Fort Worth division to the Wichita Falls division of the northern judicial district of Texas;

H. R. 9236. An act to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931;

H. R. 9262. An act to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes;

H. R. 9271. An act to extend the existence of the Alaskan International Highway Commission for an additional 4 years, and for other purposes;

H. R. 9383. An act to amend the Canal Zone Code with respect to the trial of joint defendants, the removal of fugitives from justice, and the regulation of criminal procedure in the Canal Zone;

H. R. 9394. An act to provide for the establishment of the Cumberland Gap National Historical Park in Tennessee, Kentucky, and Virginia;

H. R. 9441. An act to accept the grant to the United States of certain land by the State of South Carolina and to authorize its use by the United States Coast Guard;

H. R. 9492. An act making it a misdemeanor to stow away on vessels and providing punishment therefor;

H. R. 9594. An act to amend section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing the transfer of funds to cover advances for crop insurance;

H. J. Res. 445. Joint resolution to establish a Commission for the Celebration of the Two Hundredth Anniversary of the Birth of Thomas Jefferson; and

H. J. Res. 519. Joint resolution to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 258) to amend section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended, and it was signed by the President pro tempore.

APPROPRIATIONS FOR DEPARTMENTS OF STATE, COMMERCE, JUSTICE, AND THE JUDICIARY

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 8319, making appropriations for the Departments of State, Commerce, Justice, and so forth, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
May 6, 1940.

Resolved, That the House recede from its disagreement to the amendment of the Senate No. 28 to the bill (H. R. 8319) making appropriations for the Departments of State, Commerce, and Justice, and for the Judiciary, for the fiscal year ending June 30, 1941, and for other purposes, and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment insert " : *Provided*, That the salary of no probation officer shall be less than $1,800 per annum nor more than $3,200 per annum"; and

That the House recede from its disagreement to the amendment of the Senate No. 29 to said bill and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment insert: ": *Provided further*, That nothing herein contained shall be construed to abridge the right of the district judges to appoint probation officers, or to make such orders as may be necessary to govern probation officers in their own courts: *Provided further*, That no part of this appropriation shall be used to pay the salary or expenses of any probation officer who, in the judgment of the senior or presiding judge certified to the Attorney General, fails to carry out the official orders of the Attorney General with respect to supervising or furnishing information concerning any prisoner released conditionally or on parole from any Federal penal or correctional institution."

Mr. McKELLAR. I move that the Senate concur in the amendments of the House to the amendments of the Senate Nos. 28 and 29.

The motion was agreed to.

LANDS TO BE PATENTED TO STATE OF MINNESOTA

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting a draft of proposed legislation relating to the issuance of a patent to the State of Minnesota for certain lands in that State, which, with the accompanying paper, was referred to the Committee on Indian Affairs.

PETITION AND MEMORIAL

The VICE PRESIDENT laid before the Senate a resolution of Labor Department Local No. 12, United Federal Workers

of America, Washington, D. C., favoring enactment of the so-called Mead bill, being the bill (S. 3859) permitting the establishment of 5-day workweeks for any part or for the whole year in the Federal departments of the Federal service, which was referred to the Committee on Civil Service.

He also laid before the Senate a letter in the nature of a memorial from Chauncey J. Hamlin, of Buffalo, N. Y., chairman of the Niagara Frontier Planning Board, embracing Erie and Niagara Counties, N. Y., transmitting a survey and report of that Board relative to the St. Lawrence seaway project and remonstrating against the adoption of the proposed project, which, with the accompanying report, was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

Mr. WHEELER, from the Committee on Interstate Commerce, to which were referred the following bill and joint resolution, reported them each without amendment and submitted a report thereon as indicated:

H. R. 9381. A bill to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes; and

S. J. Res. 234. Joint resolution providing for more uniform coverage under the Railroad Retirement Acts of 1935 and 1937, the Carriers Taxing Act of 1937, and subchapter B of chapter 9 of the Internal Revenue Code (Rept. No. 1572).

Mr. WHEELER also, from the Committee on Interstate Commerce, to which was referred the resolution (S. Res. 264) increasing the limit of expenditures for the investigation of railroad financing and certain other matters, reported it without amendment and submitted a report (No. 1574) thereon; and the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. BAILEY, from the Committee on Commerce, to which was referred the bill (S. 3801) to extend the times for commencing and completing the construction of a railroad bridge across the Missouri River at or near Randolph, Mo., reported it without amendment and submitted a report (No. 1573) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BANKHEAD:

S. 3928. A bill to amend further the Civil Service Retirement Act, approved May 29, 1930; to the Committee on Civil Service.

By Mr. McKELLAR:

S. 3929. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn.; to the Committee on Commerce.

By Mr. LUCAS:

S. 3930. A bill to provide for the completion of the pioneer memorial according to the design reproduced on the pioneer memorial half dollar; to the Committee on the Library.

By Mr. JOHNSON of California and Mr. HAYDEN:

S. 3931. A bill for the acquisition of Indian lands for the Parker Dam and Reservoir project, and for other purposes; to the Committee on Indian Affairs.

By Mr. BROWN:

S. 3932. A bill authorizing and directing the Secretary of the Treasury to reimburse Frank Rublein and Paulina Rublein, husband and wife, for the losses sustained by them by reason of the death of their son, Ernest J. Rublein, resulting from the negligence of an employee of the Civilian Conservation Corps; and

S. 3933. A bill authorizing and directing the Secretary of the Treasury to reimburse Richard W. and Ethel Bowers, husband and wife, for the losses sustained by them by reason of the death of their son, Richard Bowers, resulting from the negligence of an employee of the Civilian Conservation Corps; to the Committee on Claims.

S. 3934. A bill authorizing the State of Michigan, acting through The International Bridge Authority of Michigan, to construct, maintain, and operate a toll bridge or series of bridges, causeways, and approaches thereto across the St. Marys River from a point in or near the city of Sault Ste. Marie, Mich., to a point in the Province of Ontario, Canada; to the Committee on Commerce.

By Mr. STEWART:

S. 3935. A bill for the relief of Nell Victoria Lea; to the Committee on Immigration.

By Mr. SHEPPARD:

S. 3936. A bill to extend the provisions of the act of May 22, 1934, known as the National Stolen Property Act; to the Committee on the Judiciary.

By Mr. BARBOUR:

S. 3937. A bill authorizing the Reconstruction Finance Corporation to assist closed building and loan associations through loans and the purchase of assets; to the Committee on Banking and Currency.

By Mr. GLASS:

S. 3938. A bill to authorize the purchase by the Reconstruction Finance Corporation of stock of Federal home-loan banks; to amend the Reconstruction Finance Corporation Act, as amended; and for other purposes; to the Committee on Banking and Currency.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED OR PLACED ON CALENDAR

The following bills and joint resolutions were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated below:

H. R. 2176. An act to amend subsection 10 of section 4 of the act of June 29, 1906 (34 Stat. 596; U. S. C., title 8, sec. 377); to the Committee on Immigration.

H. R. 4229. An act authorizing the conveyance to the Commonwealth of Virginia a portion of the naval reservation known as Quantico in Prince William County, Va.;

H. R. 7543. An act to authorize the Secretary of the Navy to accept real estate granted to the United States by the city of Miami, Fla., and for other purposes; and

H. R. 8983. An act authorizing the Secretary of the Navy to accept on behalf of the United States a gift of the yacht *Freedom* from Sterling Morton; to the Committee on Naval Affairs.

H. R. 5180. An act to provide Spanish War veterans wartime pension rates for service-connected disability or death of certain veterans of the Spanish-American War recognized by veterans' regulations as "veterans of any war," and for other purposes; to the Committee on Pensions.

H. R. 7542. An act to amend section 6 of an Act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924;

H. R. 8172. An act to amend section 5 of the Act of Congress approved June 26, 1906, relative to the Alaska salmon fishery;

H. R. 8283. An act to amend section 4370 of the Revised Statutes of the United States (U. S. C., 1934 edition, title 46, sec. 316);

H. R. 8958. An act to authorize the Secretary of the Interior to grant to the county of Wayne, State of Michigan, an easement over certain land of the United States in Wayne County, Mich., for a sewage-disposal line;

H. R. 9262. An act to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes; and

H. R. 9492. An act making it a misdemeanor to stow away on vessels and providing punishment therefor; to the Committee on Commerce.

H. R. 7696. An act to amend the United States Grain Standards Act, to provide for the grading of soybeans, and for other purposes;

H. R. 8628. An act to amend the Perishable Agricultural Commodities Act, 1930, as amended, to include as a perishable agricultural commodity cherries in brine, and for other purposes; and

H. R. 8642. An act to establish and promote the use of standard methods of grading cottonseed, to provide for the collection and dissemination of information on prices and grades of cottonseed and cottonseed products, and for other purposes; to the Committee on Agriculture and Forestry.

H. R. 7811. An act to establish the Hot Springs division of the western judicial district of Arkansas;

H. R. 8373. An act to amend section 79 of the Judicial Code, as amended; and

H. R. 9013. An act to transfer Hardeman County, Tex., from the Fort Worth division to the Wichita Falls division of the northern judicial district of Texas; to the Committee on the Judiciary.

H. R. 7901. An act to transfer certain Indian lands to the Grand River Dam Authority, and for other purposes; to the Committee on Indian Affairs.

H. R. 8316. An act authorizing the Secretary of the Interior to sell certain land to the Conconully Cemetery Association; and

H. R. 9394. An act to provide for the establishment of the Cumberland Gap National Historical Park in Tennessee, Kentucky, and Virginia; to the Committee on Public Lands and Surveys.

H. R. 8930. An act to amend section 202 (3), World War Veterans' Act, 1924, as amended, to provide more adequate and uniform administrative provisions in veterans' laws, and for other purposes; to the Committee on Finance.

H. R. 9271. An act to extend the existence of the Alaskan International Highway Commission for an additional 4 years, and for other purposes; to the Committee on Foreign Relations.

H. R. 9383. An act to amend the Canal Zone Code with respect to the trial of joint defendants, the removal of fugitives from justice, and the regulation of criminal procedure in the Canal Zone; to the Committee on Interoceanic Canals.

H. R. 8357. An act to amend the Mount Rushmore Memorial Act of 1938;

H. R. 8826. An act to authorize an appropriation to assist in defraying the expenses of the American Negro Exposition to be held in Chicago, Ill., during 1940; and

H. J. Res. 445. Joint resolution to establish a Commission for the celebration of the two hundredth anniversary of the birth of Thomas Jefferson; to the Committee on the Library.

H. R. 3048. An act to confer jurisdiction on the State of Kansas over offenses committed by or against Indians on Indian reservations;

H. R. 9236. An act to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931;

H. R. 9441. An act to accept the grant to the United States of certain land by the State of South Carolina and to authorize its use by the United States Coast Guard;

H. R. 9594. An act to amend section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing the transfer of funds to cover advances for crop insurance; and

H. J. Res. 519. Joint resolution to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war, and for other purposes; to the calendar.

AUTHORIZATIONS FOR FLOOD CONTROL ON RIVERS AND HARBORS—AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 9640) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

VIOLA FINLEY

Mr. SMATHERS submitted the following resolution (S. Res. 267), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Viola Finley, widow of Harri I. Finley, late clerk in the office of Senator SMATHERS, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ADDRESS BY SENATOR SCHWELLENBACH AT OLD POINT COMFORT, VA.

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an address delivered by Senator SCHWELLENBACH before the Jeffersonian Democratic Club at Old Point Comfort, Va., May 4, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR TOWNSEND BEFORE AMERICAN FORUM OF THE AIR

[Mr. MCNARY asked and obtained leave to have printed in the RECORD a radio address delivered by Senator TOWNSEND before the American Forum of the Air on May 4, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR LODGE AT COLUMBUS, OHIO

[Mr. MCNARY asked and obtained leave to have printed in the RECORD an address delivered by Senator LODGE at Columbus, Ohio, on May 4, 1940, and a summary of the address, which appear in the Appendix.]

ADDRESS BY SECRETARY MORGENTHAU BEFORE NATIONAL INSTITUTE OF GOVERNMENT

[Mr. WAGNER asked and obtained leave to have printed in the RECORD the address delivered by Secretary of the Treasury Morgenthau before the National Institute of Government, Washington, D. C., on Friday, May 3, 1940, which appears in the Appendix.]

ADDRESS BY POSTMASTER GENERAL FARLEY AT BARDSTOWN, KY.

[Mr. CHANDLER asked and obtained leave to have printed in the RECORD an address delivered at Bardstown, Ky., on May 3, 1940, by Hon. James A. Farley, Postmaster General of the United States, which appears in the Appendix.]

ADDRESS BY FRANK GANNETT AT LAWRENCE, KANS.

[Mr. THOMAS of Idaho asked and obtained leave to have printed in the RECORD an address delivered by Frank Gannett at Lawrence, Kans., on May 2, 1940, on the subject Recovery, or What's the Matter With America?, which appears in the Appendix.]

DECLARATION OF PRINCIPLES BY WENDELL WILLKIE

[Mr. BURKE asked and obtained leave to have printed in the RECORD a declaration of principles by Wendell Willkie, which appears in the Appendix.]

LETTER FROM A. H. PACKARD ON REPORT OF REPUBLICAN PROGRAM COMMITTEE

[Mr. THOMAS of Idaho asked and obtained leave to have printed in the RECORD a letter from A. H. Packard, president of the Vermont State Farm Bureau, Inc., to Glenn Frank, chairman of the National Republican Program Committee, which appears in the Appendix.]

EDITORIAL FROM MILWAUKEE SENTINEL ON CITIZENSHIP DAY, AND LETTER FROM AMERICANIZATION LEAGUE OF AMERICA

[Mr. WILEY asked and obtained leave to have printed in the RECORD an editorial from the Milwaukee Sentinel of May 4, 1940, entitled "Citizenship Day," and a letter from the Americanization League of America, together with a resolution enclosed therein, which appears in the Appendix.]

THE NATIONAL DEFENSE

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "Defense Weakness," written by Ludwell Denny and published in the Washington Daily News, which appears in the Appendix.]

PROHIBITION OF FOREIGN-SILVER PURCHASES

The Senate resumed the consideration of the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to what is known as the Pittman amendment.

Mr. NORRIS. Mr. President, I desire to discuss the amendment before it is voted on.

The VICE PRESIDENT. The Senator from Nebraska is recognized.

Mr. TOWNSEND. Mr. President——

Mr. NORRIS. I yield to the Senator from Delaware.

Mr. TOWNSEND. I desire to ask a question of the Chair. Is not the King amendment the pending amendment to the bill?

The VICE PRESIDENT. No; the Chair is advised by the Parliamentarian that that is a separate amendment.

Mr. TOWNSEND. It is not an amendment to the Pittman amendment?

The VICE PRESIDENT. Not at all. It is a separate amendment.

Mr. TOWNSEND. I thank the Chair.

FEDERAL BUREAU OF INVESTIGATION

Mr. NORRIS. Mr. President, some time ago I became somewhat worried about what I believed to be the activities of the Federal Bureau of Investigation.

On February 22, 1940, I addressed to the Attorney General of the United States a letter on the subject. I think I can best and most intelligently pursue the subject which I desire briefly to discuss by sending to the desk a copy of the letter and asking that the clerk read it.

The VICE PRESIDENT. Without objection, the letter will be read.

The legislative clerk read as follows:

FEBRUARY 22, 1940.

Hon. ROBERT H. JACKSON,
Attorney General, Department of Justice, Washington, D. C.

MY DEAR MR. JACKSON: It is with considerable hesitancy that I write you upon the subject of the activities of the Federal Bureau of Investigation. I have heard so many complaints of the activities of this Bureau that it has seemed to me I ought to write you regarding them.

I have made no attempt to investigate the various charges I have heard, but from what I have heard, from sources I believe to be reliable, I cannot help but reach the conclusion that there is some well-grounded fear that the activities of this Bureau are overstepping and overreaching the legitimate objects for which it was created.

I have also heard considerable complaint as to the treatment which has been given by this Bureau to persons arrested, tending to humiliate prisoners unnecessarily, often to prevent them from pursuing the ordinary means and methods which, it seems to me, under the Constitution, ought to be open to everyone who is charged with a crime. These complaints have been so widespread and some of them have been given such publicity that you are perhaps as well aware of them as I am, and know better than I would know whether the legitimate rights and liberties of any of our people have been frustrated and denied.

For example, it has been alleged and given considerable publicity that in Detroit quite a number of persons were arrested and handcuffed together and their pictures taken in this condition. As I understand it, the charge against these people was that they had assisted men to enlist in the Loyalist army in Spain. They were not criminals; there was no reason to believe that any of them would try to escape. They were not charged with an offense that had any odium attached to it, and yet they were treated as if they were well known to be criminals of the lowest type. This treatment of any citizen has a tendency to coerce him, to break him down, to disgrace him unnecessarily, and is, it seems to me, indefensible. About this same time other similar arrests were made in other cities of the United States.

If these reports are anywhere near the truth, such conduct on the part of officials of the Federal Government, it seems to me, is entirely inexcusable.

I understand you have dismissed many of these complaints in the Detroit case.

According to my understanding, this Bureau was created and exists only to investigate violations of law, and its activities ought to be confined, in my judgment, to the respectful treatment of citizens. It does not contemplate the inhuman treatment of them, or excuse it, especially when the people affected are well known not to be outlaws or criminals. Certainly the Government of the United States cannot afford to be given to third-degree methods, inflicted upon men and women known not to be criminals, and particularly when they are charged with an offense which has no odium attached to it.

I fear the activities of this Bureau, covering as they do the entire country, are going to bring into disrepute the methods of our entire system of jurisprudence.

At the same time, Mr. Jackson, I do not wish to interfere with any legitimate activity in which this Bureau may be engaged. I think it has done some good work. As the head of the Department of Justice, however, it seems to me you cannot afford to permit the activities of any of your subordinates, or of any of the bureaus under your control, to pursue methods which are inhuman and brutal. As I see it, the activities of the Federal Bureau of Investigation should be confined to the apprehension and arrest of persons charged with crime, and the methods pursued ought to be such as not to bring the Department of Justice into disrepute.

It seems to me the former Attorney General, Hon. Harlan F. Stone, now Associate Justice of the Supreme Court of the United States, stated the case concisely and fully when he said on May 15, 1924:

"There is always the possibility that a secret police system may become a menace to free government and free institutions because it carries with it the possibility of abuses of power which are not always quickly apprehended or understood. The enormous expansion of Federal legislation, both civil and criminal, in recent years, however, has made a bureau of investigation a necessary instrument of law enforcement. But it is important that its activities be strictly limited to the performance of those functions for which it was created and that its agents themselves be not above the law or beyond its reach.

"The bureau of investigation is not concerned with political or other opinions of individuals. It is concerned only with their conduct and then only with such conduct as is forbidden by the laws of the United States. When a police system passes beyond these limits, it is dangerous to the proper administration of justice and to human liberty, which it should be our first concern to cherish. Within them, it should rightly be a terror to the wrongdoer."

I hope you will not misunderstand my motive in writing you this letter. I have no other interest except to see that the laws of our country are properly enforced and the activities of its officials and officers kept within the bounds of civilized government. I am writing you only because it appears to me you could well investigate the activities of this Bureau, and, if you deem proper, curtail such activities as do not come within the limitatons set forth in the above-quoted language of the then Attorney General, now Associate Justice, Mr. Stone.

Sincerely yours,

G. W. NORRIS.

Mr. NORRIS. Mr. President, on the 1st day of March I received an answer from the Attorney General. I send it to the clerk's desk and ask that it be read.

The PRESIDENT pro tempore. Without objection, the clerk will read.

The legislative clerk read as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., March 1, 1940.

MY DEAR SENATOR NORRIS: Your letter concerning the activities of the Federal Bureau of Investigation raises fundamental questions not only as to the policy of the Bureau but more importantly, I believe, as to the policy of the Department of Justice itself.

Your letter questions whether the activities of the Bureau have expanded beyond the original intendment. That the expansion of its functions has been considerable is obvious. It does not follow that the Bureau is to be criticized for it. The quotation which you make from Attorney General Stone, in 1924, refers to "the enormous expansion of Federal legislation, both civil and criminal, in recent years." I do not need to remind you that this trend of 1924 is still with us and that the responsibilities of the Bureau have been increased thereby. In addition to this expansion, in response to congressional action, there are two directions in which the activities of the Bureau have expanded.

The outbreak of war abroad kindled the hatreds, the plottings, the suspicions, and the fears that always accompany such emotional upheavals. One of the best defenses that we have against the growth of a war hysteria, in my opinion, is that an efficient, professional, and nonpolitical investigatory service, actively satisfy all legitimate demands for the protection of the public against plottings or sabotage or illegal activities. This leaves no excuse for volunteer snooping or private vigilantism, or irresponsible and amateurish private activities which perpetrate great injustices. In this field I recognize that there is the gravest danger that the legitimate protection of the Government might be perverted toward such activities as the suppression of free speech and press, toward anti-labor and antireform activities, and toward the disregard of civil liberties. This danger we have and will continue to guard against.

Another extension of activity is due to the application of Federal statutes in such a manner as to bring within the scope of Federal enforcement many matters formerly left to local enforcement officers. There is great pressure for Federal intervention in local affairs. Those who consider local law enforcement lax demand that the Federal Government intervene and supersede local authority. Those who consider local law enforcement too stringent demand that the Federal Government intervene to protect civil liberties. Every unsolved mystery and every unpunished crime and every local vice condition creates a demand for Federal interference. Whether this trend is wise or wholesome is too large a subject for this letter.

What I would now point out is that this expansion has been due primarily to departmental policy rather than to the Federal Bureau of Investigation. Obviously, if the Department is going to prosecute in these fields, it is the duty of the Federal Bureau of Investigation to investigate in these fields.

I have reviewed the handling of the Spanish Loyalist arrests in Detroit with the United States attorney and his assistant, and with the Federal Bureau of Investigation.

These warrants were given to the Bureau for execution under circumstances which warranted the impression that their service was

of the utmost importance and immediacy. Being given a warrant for the arrest of these parties, the obvious duty of the Bureau was to effect their arrests promptly, simultaneously, and without escapes. It was also their duty to do so without unnecessary force or humiliation. Much must be left to the discretion and sound sense of those who are charged with the execution of warrants. Many of the complaints relate to conditions after arraignment at which time the responsibility of the Federal Bureau of Investigation ceased. I have reviewed the facts so far as they are in my possession, and I find nothing to justify any charge of misconduct against the Federal Bureau of Investigation. I will be glad to furnish you a detailed statement of each step and the circumstance which led to it, if you desire to go into the matter in detail.

One of the first steps which I took upon assuming office was to review the activities and attitude of the Federal Bureau of Investigation, with which my previous duties had not made me familiar, with its Director, Mr. J. Edgar Hoover. Mr. Hoover is in agreement with me that the principles which Attorney General Stone laid down in 1924 when the Federal Bureau of Investigation was reorganized and Mr. Hoover appointed as Director are sound, and that the usefulness of the Bureau depends upon a faithful adherence to those limitations.

The Federal Bureau of Investigation will confine its activities to the investigation of violation of Federal statutes, the collecting of evidence in cases in which the United States is or may be a party in interest, and the service of process issued by the courts.

In carrying out the program I have asked and been promised the continued and efficient service of Mr. Hoover.

As one long interested in civil liberties, I can readily understand your concern in this matter, and if my confidence that the work of the Department can be handled without infringements upon civil liberties proves unfounded, I hope that I shall be the first to admit it, so that remedies can be applied by the Congress.

Very sincerely yours,

ROBERT H. JACKSON,
Attorney General.

Hon. GEORGE W. NORRIS,
United States Senate, Washington, D. C.

Mr. NORRIS. Mr. President, in answer to that letter from the Attorney General, on March 10 I wrote a letter to that official, a copy of which I send to the clerk's desk and ask to have read for the benefit and information of the Senate.

The PRESIDENT pro tempore. Without objection, the letter will be read.

The legislative clerk read as follows:

MARCH 10, 1940.

Hon. ROBERT H. JACKSON,
Attorney General of the United States,
Department of Justice, Washington, D. C.

MY DEAR MR. JACKSON: Your letter of March 1 in reply to my letter of February 22, relating to the activities of the Federal Bureau of Investigation, has been received.

In my letter to you, I referred to the activities of the Federal Bureau of Investigation and to the treatment of prisoners arrested in the so-called Spanish Loyalist cases in Detroit. I referred to these cases only to illustrate the general complaint which has been made against the activities of the Federal Bureau of Investigation.

In your reply, you state, "I have reviewed the handling of Spanish Loyalist arrests in Detroit with the United States Attorney, with his assistant, and with the Federal Bureau of Investigation." Further on in your letter, you say you find "nothing to justify any charge of misconduct against the Federal Bureau of Investigation."

I desire most respectfully to call your attention to the fact that all of the complaints in these cases complained of the treatment of the Federal Bureau of Investigation and the office of the United States Attorney at Detroit. If your investigation at the time you wrote your letter to me was confined to (as your letter would indicate), and had gone no further than, a review of the matter with the Federal Bureau of Investigation and the district attorney's office, then it would seem to me to be quite apparent that at the time you wrote the letter you had heard only one side of the controversy.

Since writing you I have had a conference with one of the men arrested in Detroit; also with the attorney who appeared (or tried to appear) in defense of the prisoners arrested at the time they were arraigned in court. I have before me, also, written statements of quite a number of the persons who were arrested in Detroit, 11 in all, 10 men and 1 woman. All of these persons were arrested between the hours of 4 and 5 o'clock in the morning. It is eminently proper, it seems to me, to reach a fair conclusion of the facts in the case that we should consider the nature of the crime with which these people were charged.

The crime charged was that they had violated the law in assisting or trying to assist men to enlist in the service of the Loyalist cause in Spain. There was no allegation that any of these persons were charged with having committed any heinous crime. There was no element of malice or anything other than a technical violation of law alleged against any of them. What it was alleged they had done was done by thousands of other citizens of the United States whose loyalty and patriotism have never been questioned. As evidence of the lack of criminality charged against these people it seems to me your dismissal of the charges (a highly creditable act) is ample demonstration.

The one woman taken into custody was arrested while she was in bed, compelled to dress practically in the presence of four or five Federal Bureau of Investigation men, and questioned almost constantly from the time of her arrest until she was taken into court at 3 o'clock in the afternoon. She was given only the vaguest idea as to the crime with which she was charged. She had no idea as to where she was being taken. She was frightened; she was dazed. She feared the men who were taking her away were a gang of kidnapers or hoodlums. She was taken to the ninth floor of the Federal Building and there turned over to a matron in charge. While this matron had charge of her, she was compelled to take off her clothing and put on a dress which the matron gave her. Her own clothing was then given to the agents of the Federal Bureau of Investigation to be searched, and was later returned to her. She was subjected, as were all of the other persons arrested, to examination by strange men who asked all kinds of questions, all of which had a tendency to frighten and intimidate her.

It is fair to say that the men arrested were all given about the same kind of treatment as this woman. In one case, a doctor was awakened from sleep by the telephone, and his wife, who had answered the telephone, was told a man with a seriously injured patient wanted to see him professionally. His wife told the man to come up to their apartment and opened the door to let these men in. Immediately it was discovered there was no sick patient, that no professional services were wanted. Instead, the doctor was placed under arrest and handcuffed.

All of this happened in the presence of his wife, who was clothed only in her night clothes. She was suspicious that they were part of some kidnapping gang that was trying to arrest her husband, and she attempted to go to the telephone to call the police, but the Federal Bureau of Investigation men refused to permit her to use the telephone. She then wanted to call a lawyer, but again she was refused permission to telephone, and the doctor, handcuffed, was taken away.

Mr. Harold Hartley, with whom I have had a personal conference, was one of these unfortunate victims. He was an employee of the Federal Historical Records project. He was awakened by a loud pounding on the door. He tried to find out who it was. He was told it was F. B I. men and that they had a warrant for his arrest. He tried to get some information as to what he was charged with and what it was about. He asked why they attempted to serve the warrant at this unseemly hour, when he had a well-known place of business where he could be found at any time. He refused to admit them. They broke down the door, came in, put handcuffs on him before he was dressed, and then took him to the Federal building, where he was again stripped naked and his clothing searched. This treatment was given, not only to him, but to all of the others who had been rounded up in this raid.

Naturally, the wives of these men and the families and friends of those who were not married at once attempted to get an attorney to defend them. The prisoners were not allowed, until just before they went into court. to have the benefit of counsel.

The lawyer who was called by the wives and friends of the arrested people undertook to get in touch with the district attorney. This lawyer tells me he was given practically no information by the district attorney's office. He wanted an opportunity to talk privately with these clients. He was denied that privilege. He wanted to talk with the district attorney about the bail that was going to be demanded. He was not given an opportunity to go into any detail about this. The district attorney refused even to give him an opportunity to discuss it.

The prisoners were subjected to third-degree methods from the time they were arrested until 3 o'clock in the afternoon, when they were taken into court, methods which are not only disgraceful and indefensible, but which could have no other object in view except to break down, to intimidate, to frighten them, and to fill their hearts with fear and trepidation. All of these examinations were in the hands of the Federal Bureau of Investigation officials. All of the defendants were handcuffed, without any cause and without any reason. They were arrested at an unholy hour. There was no occasion for this, although in your letter you say it was necessary that these men should all be arrested at once, for fear some of them might escape. In fact, the presence of many of them could have been obtained simply by calling them on the telephone. The arrest of these people in the nighttime appears to be a part of the third-degree method by which all were intended to be frightened, intimidated, disconcerted, and reduced to a state of fear.

At about 3 o'clock in the afternoon, all of these prisoners were congregated in one room on the ninth floor, where they were not only handcuffed, but, with the exception of the one woman prisoner, were handcuffed together on a chain. In this condition, they were taken to a room adjoining the courtroom, which was on the eighth floor. For every prisoner there were at least two Federal Bureau of Investigation men as guards. Their handcuffs were taken off when they were marched into this room. It was while they were in this room together that their attorney was given 5 minutes to see them.

He had no chance to see any one of these defendants alone. They were surrounded by F. B. I. men who could hear everything that took place. They were denied all of the rights and privileges that our Constitution guarantees to every citizen, however humble. They were frightened; they were intimidated; and the conduct of the F. B. I. in thus handling them could have had no other object in

view. The bonds demanded by the district attorney were outrageous. It was known in advance that most of these prisoners could not give the bond. They were taken out of the courtroom, and as they went out all were handcuffed again and the handcuffs fastened to a chain. After that I understand they were all turned over to the United States marshal's office.

It is my understanding that two, possibly three, of these people were Communists. However, this is no defense of the actions of the Federal Bureau of Investigation men. Even a Communist, under our Constitution, if charged with a crime, ought to be treated in a civilized manner. Our Constitution, according to my understanding, makes no distinction between men charged with crime. They are all entitled to have an attorney and are entitled to confidential communication with their attorney. They are entitled to fair, civilized treatment, but if these charges be true in this case, then the treatment accorded these people would be a disgrace, not only because it is a violation of the common impulse of the human heart but because it is a violation of our Constitution, that every citizen, regardless of his religious or political faith, shall be given equal justice and fair treatment.

Intimidation by third-degree methods is indefensible and is illegal, under our system of jurisprudence. The officers of the law, such as agents of the Federal Bureau of Investigation, ought to be the first to obey the law. They should not violate the very laws they themselves are supposed to uphold. Civil liberties mean that our enemies, as well as our friends, should be entitled equally to the protection of the law.

I know the evidence I have referred to in this letter is ex parte, and I realize, as every lawyer must, that we can never afford to render a decision on ex parte evidence alone. The other side must always be given an opportunity to be heard.

It seems to me, Mr. Attorney General, you have made the mistake of forming a judgment after hearing one side only. The things I have narrated above, it seems to me, present a good showing that the officials of the Federal Bureau of Investigation have sadly neglected their duty. However, I would not ask judgment on this alone. It seems to me your office ought at least to make an impartial investigation of what the truth is, and, when you find the truth, follow it, regardless of where it may lead you. It is no defense of the Federal Bureau of Investigation that it has accomplished many good things and has succeeded in ridding the country of some of its most obnoxious characters. It does not follow, because a human being has done a righteous and honorable thing, that he should therefore have license to disregard the very law he is supposed to enforce.

I am not, Mr. Attorney General, trying to insinuate or intimate that you will not do your duty as you see it. You know I have faith and confidence in your ability, in your wisdom, and in your courage, and if anything I have said can be construed as a criticism of your official action, I want it to be understood that it is constructive.

I am willing to submit it to you and to your judgment. If, after making an investigation fully and completely, an investigation such as you know well how to make and are empowered to make, you reach a conclusion, I shall have faith and confidence in that conclusion. I am not trying to insinuate that you are in any respect trying to avoid doing your duty. I believe an investigation should be made in this matter, and it seems to me you are the best-qualified person in our Government to make it. If the Federal Bureau of Investigation has exceeded its authority, you have power to curtail it and to keep it within bounds. And when you are in possession of all the facts, I have faith, and I believe, you will keep it within bounds and see to it that it performs its duty. All Government officials should not only do right, but they should do right in the right way. These Detroit cases are only examples. They are only illustrations that seem to me bear out the fact that the Federal Bureau of Investigation needs a strong, restraining hand to keep it within bounds. Nothing will go further in our country to bring about the destruction of communism, Hitlerism, and Stalinism than to have every one of our citizens know the law is going to be enforced, but that it is going to be enforced by humane, honest, legitimate, and constitutional methods.

Yours very truly,

G. W. NORRIS.

Mr. NORRIS. Mr. President, in response to the suggestion made in that letter, the Attorney General appointed one of his assistants to make an investigation of the various allegations relating to the Detroit arrests, although, as the Senate will notice, I called attention to the fact that the methods pursued in Detroit were, as I understood, only examples of the general practice of the F. B. I. In pursuance of what was his undoubted duty in the case, the Attorney General appointed Mr. Schweinhaut, one of his assistants, to make an investigation.

Mr. Schweinhaut went to Detroit and conducted a rather thorough investigation, and submitted a written report to the Attorney General. I had a conference with Mr. Schweinhaut before he went to Detroit, and another conference, lasting for about 3 hours, after he had made his report to the Attorney General, and before it had been given to the public.

I send to the desk the letter of the Attorney General of May 3, 1940, in which he encloses the report made by Mr. Schweinhaut, and ask that the letter be read.

The PRESIDENT pro tempore. Without objection, the letter will be read.

The legislative clerk read as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., May 3, 1940.

HON. GEORGE W. NORRIS,
United States Senate, Washington, D. C.

MY DEAR SENATOR NORRIS: I am asking Henry Schweinhaut to deliver to you the report upon his inquiry into the complaints about the arrests in the Detroit cases. He, having personally interviewed the defendants, agents, and witnesses, will be able to give you any detailed information you may desire.

There is always a wide difference of opinion over methods of law-enforcement agencies. Under any view of the matter, wide discretion must be left to officers in the field. They must act in the face of opposition and perhaps danger, and without opportunity for calm deliberation. That the agents in Detroit acted within their instructions and exercised their discretion in good faith seems clear to me. Under such circumstances they are entitled to my support.

I am, of course, anxious, as you are, that in law enforcement we do no violence to our traditional civil liberties. I am convinced that if those liberties are generally endangered in this country it is not by the F. B. I.

In weighing the general attitude of the Bureau, it is important to bear in mind that every agent acts under the probability that his conduct will be examined by shrewd lawyers for defendants, every confession may be challenged, and every act exposed in open court. The Bureau is thus under continuous and hostile examination.

Under this severe test of cases investigated by the Federal Bureau of Investigation, and prosecuted as a result of its investigations, convictions are had in 96 percent. In the years since Mr. Hoover became head of the Bureau not one case has been reversed by an appellate court because of "third degree" or other improper treatment of defendants. These, to me, are very impressive facts, not only by themselves but in comparison with any law-enforcing body anywhere.

In an agency as large as the Federal Bureau of Investigation, errors of judgment and of overzeal will from time to time occur, and criticism is helpful both to the Director and to the Attorney General in avoiding repetition. But I am confident that the more the operations of the Bureau are explored the more it will appear that its vigorous and effective work for law enforcement is conducted with a fundamental purpose to observe the rights of defendants.

Yours very truly,

ROBERT H. JACKSON,
Attorney General.

Mr. NORRIS. Mr. President, I wish to take sharp issue with Mr. Schweinhaut, who made the investigation and report, and with the conclusion reached by the Attorney General. Of course, it is well known that I am one Senator who has great confidence in the ability and courage of our Attorney General. I disagree with his whitewashing of what happened in Detroit, as shown in his letter. It is painful for me to discuss it and disagree with one in whom I have such great confidence as I have in the Attorney General.

I think a fair conclusion from the evidence taken by Mr. Schweinhaut must bear out the charge that the Federal Bureau of Investigation was guilty of conduct which ought not to be approved by the Attorney General, and which will not be approved, when understood, by all those who believe in justice and in the fair treatment of every man charged with a crime, be he black or white, great or small.

Mr. Schweinhaut says there is little dispute as to the facts in the Detroit cases. To begin with, it is admitted that the prisoners were arrested between 4 and 5 o'clock in the morning, when they were asleep. It is admitted that every one of them, with the exception of the woman prisoner, was handcuffed. It is also admitted that later they were handcuffed to a chain; but there is a dispute as to whether the handcuffing to the chain took place while the prisoners were in the custody of the Federal Bureau of Investigation officials or after they had been turned over to the United States marshal. Mr. Schweinhaut is of the opinion that they were not handcuffed to a chain until after they were turned over to the United States marshal and taken to prison, 20 or 30 miles away. To my mind, that point is of slight significance. Any man who has found it necessary to make a finding of

fact when there is a dispute, or even when there is not much dispute, will readily admit that two men seeing the same thing will give different descriptions of it, even though they be equally honest.

Mr. Schweinhaut called my attention to one witness whose testimony I shall read to the Senate as having been a very fair witness, and one who made a favorable impression upon Mr. Schweinhaut. That witness insisted that he was handcuffed to the chain while he was still in the custody of the F. B. I. Mr. Schweinhaut thought that point was so important that he called him back and had another conference with him after his first statement was made, with the idea of laying before him facts in addition to those brought out by the F. B. I. agents, and with a view of having him admit—which Mr. Schweinhaut thought he would do if he were convinced—that the handcuffing to the chain took place after the F. B. I. men had turned the prisoners over to the United States marshal.

For the sake of argument, it seems to me, it may be admitted that the handcuffing to the chain took place after the prisoners were placed in the custody of the United States marshal. Such admission will not materially affect the facts or the conclusions which we ought to draw from the facts in the Detroit cases. To my mind the point is of very little importance, and not worthy of very much of an investigation, because whether a man was handcuffed to a chain or handcuffed without being fastened to a chain is immaterial. The humiliation and disgrace of being subjected to that kind of treatment are about the same in either case.

It seems to me that when we admit the facts as I have said Mr. Schweinhaut admits them to be we have made a very definite case against the Federal Bureau of Investigation.

Mr. President, I know the popularity of the F. B. I. I know that its defenders are scattered all over the United States. I know what it means to make a charge of any kind against it. I have no desire to bring about the abolition of the Federal Bureau of Investigation. I have no desire to do that Bureau an injury of any kind. I wish that I might be understood as trying to help the Bureau rather than to injure it. In fact, I do not want to injure it, or to say anything that will be injurious to it.

Mr. MINTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Nebraska yield to the Senator from Indiana?

Mr. NORRIS. I shall be glad to yield in a moment.

I believe that the methods being pursued by the Federal Bureau of Investigation are wrong, and, if continued, mean the destruction of human liberty in the United States. I think the methods employed constitute a serious danger and they ought to be corrected and corrected now. I am sorry that the Attorney General does not see the situation in that light and realize that the activities of the F. B. I. ought to be curbed at the present time. Otherwise, as I see it—and, of course, I may be entirely wrong, I admit—but, as I see it and believe it to be, unless there is a correction, unless there is a rein put upon that Bureau, it will eventually mean the destruction in the United States of the liberties and the privileges we all like to say are guaranteed to every citizen under our flag by the Constitution of the United States.

I now yield to the Senator from Indiana.

Mr. MINTON. I understand there is no dispute about the fact that these people were all arrested at 4 or 5 o'clock in the morning.

Mr. NORRIS. There is no dispute about that.

Mr. MINTON. Is there any explanation for that unusual procedure?

Mr. NORRIS. Yes; the explanation made by the Attorney General and also by Mr. Schweinhaut, who made the investigation, was that that hour was selected so that the men who were sought would all be at home and there would not be any likelihood of any of them getting away, and they would not be able to communicate with each other, and could be easily arrested.

Mr. President, I think we ought to consider the crime with which the men who were arrested were charged. It was not a heinous crime. What were the sympathies of Members of the Senate when the war was going on in Spain? We did not agree; there was great disagreement all over the United States among our people as to which side was right. Nobody claimed that any American citizen had to be on any particular side; nobody claimed, so far as I know, that an American citizen did not have the right to sympathize with Franco, on the one side, or the Loyalists on the other. Frankly, while my sympathies at the beginning of that contest were different from what they were later, when I thought the religious persecution had vanished to a great extent, my sympathies were with the Loyalist side. I have no fault to find with my brother who sympathized with and believed in the Franco side.

Those who were arrested in Detroit were enthusiastic probably in favor of the Loyalist side. One of the defendants, who was chained at that time, a young unmarried man, living, by the way, in the very house in which he was born in Detroit, had a brother serving in Spain on the Loyalist side. Of course, he was enthusiastic. These persons were charged with violating a law and were indicted and warrants were issued. The Federal Bureau of Investigation had the warrants to arrest these men, and had a right to arrest them. I concede there is nothing wrong with that; it was their duty to arrest them. But none of them were kidnapers; I do not know that any of them had ever been charged with theft, or robbery, or anything of that kind. Most of them were poor; most of them were laboring people; they had no money. Some of them were then being kept by the public; some of them were working for the W. P. A.

So far as I have been able to find, there was nothing to indicate that any of them were desperate or immoral or in any way vicious; yet they were all treated as though they were outlaws, as though those arresting them were afraid they might even kill their captors.

The first thing that was done was to handcuff them. That is admitted; no one denies it. They were all arrested in bed before they were dressed. Most of them were handcuffed before they had put on their clothes, and it was necessary to take the handcuffs off of one hand, at least, in order to permit them to dress. I think they were subjected to third-degree methods. That is denied, although it is admitted that they were subjected to questioning and all kinds of questions were asked of them. Some of them refused to answer. In some cases, after a stenographer had taken down the questions and what they had stated in response and the transcript was written up and presented to them in typewritten form they refused to sign it.

The men who were arrested continually asked why they could not call their wives, why they could not let their families know, why they could not have the benefit of an attorney. There were 12 of them. It is claimed on the part of the Attorney General and by Mr. Schweinhaut in his report that they had 15 or 20 minutes in which to consult a lawyer. The men who were arrested say they had 5 minutes. They were all together in one room, and they were told, "Here is your lawyer; you can consult him." The lawyer did not even know many of the defendants; had never seen them, but had been called on the telephone by their wives and asked to go there to defend them. The men who were arrested did not know him, and they said, "We had only 5 minutes," and all the time the F. B. I. agents were surrounding them, listening to every sentence, so that the lawyer had no opportunity whatever to have a confidential communication with a single one. I think that was a third-degree method.

I think they were questioned, although there is some dispute about it in the testimony, from 4 or 5 o'clock in the morning, when they were arrested, until 3 o'clock in the afternoon. Some of them were almost continually on the witness stand as they were questioned by one F. B. I. agent for a while and then by another. They were given breakfast and lunch. Most of the defendants, except the women, were stripped twice. They were compelled to take off all

their clothes, and were examined thoroughly by a physician whom the F. B. I. agents had selected to make the examination. Later on in the day I think most of them were stripped again, and reexamined in the same way. I do not think that is decent treatment to give to men who were not charged with a heinous crime, who were doing what their own consciences told them was right. I do not think that can be considered to be anything except third-degree methods, and using "third-degree methods," the Supreme Court has held in a very recent case, does not necessarily mean that the prisoner is subjected to whip or club; he may be subjected to mental distress; and everyone knows that mental punishment is worse than any other kind. That applies to handcuffing and arresting one in bed and putting handcuffs on him before he gets out of bed.

Mr. HUGHES. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. HUGHES. I just came into the Chamber and feel rather ashamed to confess my ignorance as to the crime with which these men were charged. What was the crime?

Mr. NORRIS. They were charged with attempting a conspiracy to enlist men to serve in Spain on the Loyalist side of the Spanish controversy. I have a copy of the law before me, and I am going to put the entire report into the RECORD. There will be found in the report a copy of the law, a statute of two sections, under which these people were charged with a criminal offense.

Mr. President, I now ask unanimous consent that the report of Mr. Schweinhaut be printed in the RECORD as a part of my remarks at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report referred to is as follows:

REPORT TO THE ATTORNEY GENERAL CONCERNING INVESTIGATION OF ARRESTS AND SUBSEQUENT PROCEDURE IN DETROIT SPANISH RECRUITING CASES

In the Detroit recruiting cases 16 people had been indicted. At the time of this investigation 10 lived in Detroit, 1 in Milwaukee, and 1 in New York. Four were never apprehended by the F. B. I., and no attempt was therefore made to locate them for purposes of this investigation. Written statements were taken from all those who had been arrested; from relatives and friends who were present when the arrests were made; their attorneys; the United States attorney and United States marshal in Detroit, their assistants and deputies; the warden of the United States correctional institution at Milan, Mich.; an assistant United States attorney and the United States commissioner in Milwaukee; a physician and a matron who were temporarily retained by the F. B. I. in Detroit for the purpose of examination and care of the prisoners; newspaper reporters and photographers and an elevator operator who were present prior to and after arraignment; and every agent of the F. B. I. who had contact with the situation—comprising 98 statements in all.

Everyone, without exception, was cooperative and helpful; some, I feel sure, at considerable inconvenience to themselves.

I talked first with the individuals who had been arrested. Their Detroit attorney, Mr. Ernest Goodman, was present during the first two interviews. He then withdrew, saying he was entirely satisfied with the manner and thoroughness of the inquiry. He was very helpful in contacting the persons concerned, and his efforts expedited the investigation. Whenever it appeared from any defendant's statement that other persons had been present at the time of arrest, it was requested that the defendant have them contact me. Each one assured me that would be done. Though all of them did not appear, the request was not renewed, since there was either no substantial dispute about the facts or their statements would have been merely cumulative. Those relatives who did appear provided no new facts, their statements being substantially in accord with those of the defendants.

When the statements of the defendants and their relatives were ready, they were delivered to their attorney, who obtained the signatures. In some instances they were returned with minor changes or additions.

BACKGROUND OF THE CASE

In February 1938 the F. B. I., having received information that recruiting activity in behalf of the Spanish Loyalist cause was being carried on in Detroit, conducted a preliminary investigation and presented the results thereof to the United States attorney in Detroit. The United States attorney transmitted the preliminary report to the Criminal Division of the Department in Washington. Thereafter, the F. B. I. was instructed to complete the investigation. When concluded, the matter was, on instructions from the Department of Justice, held in abeyance until December 1939, at which time the United States attorney was instructed by the Attorney General to present the facts to the grand jury immediately. The grand jury was scheduled to convene the second week in January 1940. The United States attorney consequently directed the F. B. I. to reopen the investigation of the case, and this was done. A number of agents were assigned to ascertain the whereabouts of the witnesses and subjects in order that the case might be made ready for presentation.

THE INDICTMENTS AND COURT PROCEEDINGS THEREUNDER

The grand jury commenced its hearings on January 18, 1940, and on February 3 returned an indictment charging 16 people with conspiracy to violate the statute against enlisting persons in this country to fight in foreign conflicts. The 2 statutes involved read as follows:

"Title 18, United States Code, section 22, Enlisting in foreign service: Whoever, within the territory or jurisdiction of the United States, enlists or enters himself, or hires or retains another person to enlist or enter himself, or to go beyond the limits or jurisdiction of the United States with intent to be enlisted or entered in the service of any foreign prince, state, colony, district, or people as a soldier or as a marine or seaman on board of any vessel of war, letter of marque, or privateer shall be fined not more than $1,000 and imprisoned not more than 3 years: *Provided*, That this section shall not apply to citizens or subjects of any country engaged in war with a country with which the United States is at war, unless such citizen or subject of such foreign country shall hire or solicit a citizen of the United States to enlist or go beyond the jurisdiction of the United States with intent to enlist or enter the service of a foreign country. Enlistments under this proviso shall be under regulations prescribed by the Secretary of War.

"Title 18, United States Code, section 88, Conspiring to commit offense against United States: If two or more persons conspire either to commit any offense against the United States, or to defraud the United States in any manner or for any purpose, and one or more of such parties do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be fined not more than $10,000 or imprisoned not more than 2 years, or both."

The indictment was impounded by the court because it was believed that if it became public knowledge some of the defendants might flee, with consequent delay in bringing the case to trial. Because of departmental instructions for a speedy trial, the district attorney felt that the possibility of fugitives should be strictly guarded against. This seemed especially desirable, since a grand jury witness (who claimed to know the defendants well) had stated that in his opinion if the defendants were made aware of the indictment in advance of their arrest some of them would go to Mexico, where, he said, a number of former members of the Loyalist Army were then resident.

Warrants of arrest were issued by the court. Ten arrests were made at 5 o'clock in the morning; one defendant (who lived in Canada) was arrested at 7 a. m. when he reached the American side of the Detroit-Windsor Tunnel; one defendant was arrested in Milwaukee at 4 a. m. (5 o'clock Detroit time); four were never found.

On the day of the arrests the grand jury returned six additional indictments in each of which one or more of the defendants in the conspiracy case was named. These indictments charged the defendants with enlisting men for service in Spain, in violation of the enlistment statute, supra.

Those arrested in Detroit were arraigned on all of the indictments at 3 o'clock in the afternoon. Upon the advice of their counsel, they stood mute—not guilty pleas were entered by the court, and bail was fixed. Following is a list of the defendants, the number of indictments against each, and the bail set:

Joseph Clark, 3	$10,000
Leon Davis, 1	20,000
Frand Feldt, Jr., 2	20,000
Harold Hartley, 2	20,000
Peter Kowal, 2	20,000
Mary Paige, 2	10,000
Philip Raymond, 7	20,000
Dr. John Rosefield, 2	2,500
Rudolph Schware, 4	10,000
Dr. Eugene Shafarman, 4	2,500
Robert Taylor, 4	10,000

Dr. Rosefield and Dr. Shafarman posted bond immediately and were released. The other men were committed in default of bail to the United States Correctional Institution at Milan, Mich. Mary Paige was committed to the Wayne County Jail in Detroit, the institution designated for the temporary confinement of Federal women prisoners in that area.

In Milwaukee, Dr. Lendrum, who was named in two indictments, was given a hearing before the United States Commissioner at 2 o'clock in the afternoon. The Commissioner was advised by the special agent in charge of the F. B. I. that he understood the judge in Detroit desired bail in the sum of $5,000 for Dr. Lendrum and that amount was fixed. In default of bail he was in custody overnight, posting the required amount the following afternoon.

On February 16, 1940, the cases were dismissed upon instructions of the Attorney General for reasons which he announced, and the defendants were released forthwith.

THE ARRESTS IN GENERAL AND PROCEDURE IN CONNECTION THEREWITH

The special agent in charge at Detroit and an inspector of the F. B. I. from Washington decided that the defendants should be arrested simultaneously in their homes at 5 o'clock on the morning of February 6, and thereupon secured approval of the proposed procedure from the F. B. I. headquarters at Washington.

Accordingly, on February 5, a staff of 46 agents was assembled and instructed in detail substantially as follows: Four agents were to be assigned to the arrest of each defendant; they were to attempt to gain entrance to the residence as quietly as possible so as not to arouse neighbors; they were to identify themselves promptly by showing their badges and exhibiting the warrants; they were to direct each defendant to dress himself immediately and were to search his clothes in advance; the defendant was to be handcuffed and two agents were to conduct him to the F. B. I. field offices; the agents were not to permit any telephone calls to be made while they were in the respective residences; in order to avoid argument and delay they were not to discuss the case or the facts at that time; they were immediately to search the premises for any evidence connected with the offense charged; they were to be courteous at all times; upon arrival at the F. B. I. offices, handcuffs were to be removed, fingerprints and photographs were to be taken, and each defendant examined by a physician called in for that purpose. Each defendant was to be given what he wanted to eat. Agents were to interrogate the defendants concerning the offense charged, after first advising them that they were not compelled to answer questions and what they said could be used against them. No questions concerning the political affiliations, race, or religion of the defendants were to be asked. Another physical examination was to be given following the questioning.

The same plan and instructions were to be followed in Milwaukee.

The arrests were made at the hours indicated above and when Assistant United States Attorney Thornton (in charge of the Detroit case) was notified, he conferred with the judge and found that the first available time for arraignment was at 3 o'clock in the afternoon at which time a case then on trial could be suspended for that purpose.

Mr. Goodman, the defendants' attorney, had endeavored during the forenoon to consult with his clients at the F. B. I. offices but permission had been refused. Early in the afternoon, Mr. Thornton arranged with the marshal that a room across from the courtroom be made available to Mr. Goodman for conference with the defendants in advance of arraignment. For approximately 15 minutes he did confer with them in the presence of the Bureau agents.

The defendants were brought from the F. B. I. offices on the ninth floor to the room above-mentioned on the seventh floor. An agent was on either side of each defendant. They were all handcuffed except Mary Paige. The elevator made about three trips in the course of the transfer.

In court, the handcuffs were removed, the charges were read and each defendant pleaded as he had been advised. The district attorney recommended that bail be fixed at $20,000 each, with the exception of the two doctors, for whom he recommended $2,500 each. These amounts were objected to by Mr. Goodman after again conferring briefly at the bar with his clients. The court then fixed the bail as hereinbefore listed and committed the defendants to the custody of the United States marshal. The F. B. I. agents, having completed their assignment, returned to their offices, and had no further contact with the defendants.

The four deputy marshals who were assigned to take the prisoners, handcuffed the men to a long chain and transferred them to the marshal's office. There, in accordance with standing regulations they were again fingerprinted. While in the marshal's office, their attorney and some of their relatives conferred with them, after which they, with other persons in the marshal's custody, were driven to the correctional institution at Milan. Mary Paige, as before stated, was taken to the county jail.

CONCLUSIONS

While there are some points of difference between the statements of the persons arrested and the arresting officers, such as the treatment accorded the defendants, the case is singularly free from dispute on the facts. The following is a résumé of what occurred, grouped with relation to the various incidents about which complaints have been made, together with my conclusions.

THE HOUR OF THE ARRESTS

It has been a frequent practice of the Federal Bureau of Investigation to effect arrests in conspiracy cases simultaneously. This procedure reduces the possibility of having to seek fugitives, since the defendants have no opportunity to warn each other. Police experience has established that simultaneous arrests can best be assured early in the morning when it is most likely that people will be at home.

Preliminary surveillance was undertaken in order to ascertain what hour of the day or night was most likely to find all of the defendants at home. This investigation disclosed that the daily routine of the defendants fitted into no regular pattern. One was unemployed, one was secretary of the Young Communist League, one had his own decorating contracting business without an office, two were on W. P. A., one was a waitress, one was educational director of the International Workers Order, three were physicians, one was a representative of a W. P. A. union, and one was employed by a supply company as a yard foreman. Ten lived in Detroit, one in Milwaukee, and one in Windsor, Ontario. Few remained at fixed places all day; all arrived home at different hours of the night (for example, one came home at 2:30 a. m. on the day of the arrest); each left his home at a different hour in the morning, some quite early; the physicians, of course, might receive emergency calls at any hour of the day or night.

The F. B. I. desired to make the arrests at the residences of the defendants both because they were more likely to be found there at the same time and because the investigation indicated that if any of them had in their possession any documents or material with which the alleged offense could have been committed, such material would probably be in their homes. The agent in charge considering all these circumstances determined that 5 o'clock in the morning would be the safest time. Under the circumstances the selection of this hour for the arrests seems perfectly justifiable.

It should perhaps be pointed out that had the arrests been effected at night the defendants would have had to be held in custody for a longer period of time and adequate sleeping quarters would not have been available except in a jail.

FORCING ENTRANCE

In all but two cases entrance was gained without difficulty, agents either knocking at the door or sounding a buzzer and being admitted to the respective residences without incident.

In the case of Mr. Hartley in Detroit, the door was forced by two agents pushing their shoulders against it. Notwithstanding the agents had exhibited the arrest warrant and their badges by standing at a window and throwing a flashlight on them, Mr. Hartley and his wife were frightened and apprehensive that the men were really a gang of hoodlums bent upon harm. He stated that experiences that he had had and events of which he was aware in connection with the labor movement gave him cause to fear for his safety. Therefore he told the agents that he would not open the door and that if they were F. B. I. men they could arrest him at his work later in the morning. He was thereupon warned that they would have to break the door but he replied they would have to do that; he would not open it.

In Milwaukee Dr. Lendrum's fears were much the same. He stated that when he was associated with a labor union in Detroit a roommate of his had been threatened with kidnaping and bodily harm because of his union activities. Notwithstanding that the agents had done all they could to identify themselves, the doctor was in doubt about their identity and was concerned for the personal safety of his wife and himself. He told the agents to wait until he had dressed, thinking to gain time and to telephone the police. The agents replied that they would not wait and proceeded to force the door.

The agents forced the doors upon refusal to open in these two cases because they feared either the possibility of escape or of communication with the other defendants. There seemed to be no other alternative to this action and it therefore must be considered reasonable under the circumstances.

SEARCH OF THE RESIDENCES

Upon gaining entrance, two agents immediately commenced a search of each residence. In some cases all rooms in the house were searched and in others only those rooms occupied or used by the defendant who was being arrested. Most of the defendants protested, demanding search warrants. Some agents replied that they had a right to search without a warrant as an incident of the arrest; others replied that they were merely following instructions. Some of the material taken away did not belong to the defendants and the agents were so informed. However, they felt they should not take the word of the defendants' relatives without question and that the material should be temporarily taken to the F. B. I. offices for examination. This, they assert, was in order to expedite their departure and more efficiently to catalog the documents taken. Some of the defendants say their rooms were left in a disorderly condition; others that the agents replaced everything. The agents insist the residences were not unnecessarily disturbed. It would seem inevitable that some disorder should have resulted from a thorough search.

The material taken consisted of pamphlets, letters, photographs, ledger sheets, index cards, passports, various lists of names and telephone numbers, notebooks, memoranda, and literature having to do with Spain and the Loyalist cause, the Communist Party, the Abraham Lincoln Brigade, the American League for Peace and Democracy, and some miscellaneous data.

At the office the agents carefully checked and cataloged each piece to determine whether it could have been used in the commission of the offenses charged in the indictments. That which was believed to be the property of persons other than the defendants and that which was believed irrelevant to the offense was returned.

Dr. Rosefield gave the agents permission to search his office and Mr. Taylor, who lived in Windsor, gave permission to search his home.

The searches and seizures in this case were conducted in full accord with the regulations of the Federal Bureau of Investigation and with advice which had been received from an assistant United States attorney. Hence there can be no doubt that the agents believed their procedure was entirely proper. An examination of the decisions demonstrates that it is by no means clear to what extent an arresting officer, without a search warrant, may go. However, the Supreme Court of the United States, in the last case it considered on the subject (*United States* v. *Lefkowitz*, 285 U. S. 452), seems to have limited this right more than did the earlier cases, and, applying the reasoning of that case to the facts here, it is apparent that some of the material taken would not come within the catalog of seizable matter as outlined by the Supreme Court therein.

REQUESTS TO COMMUNICATE WITH COUNSEL

Most of the defendants demanded permission to telephone their attorneys both before they were taken from their homes and while they were in the F. B. I. offices. Save in one instance, no one was permitted to use the telephone at all while the agents were in the residences. This exception was in the case of Frank Feldt, where there was a great confusion owing to attempts by his family to prevent the search. His mother and brother particularly insisted the agents had no legal right to do so, and each would interrupt the agents when they attempted to explain. Mr. Feldt's brother, therefore, was permitted to telephone a lawyer in the belief that he would be advised against resistance. The lawyer advised the Feldts to object, but if the agents insisted to permit the search to be made.

At the F. B. I. offices two of the defendants were permitted to make telephone calls. Dr. Shafarman says he was permitted to call his office and leave instructions concerning his professional business, but was not allowed to call a lawyer or his wife. The agents maintain that he was allowed to call both his wife and his secretary. Mary Paige was allowed to telephone her employer. Mr. Clark was advised by the special agent in charge that while he would not be permitted to telephone his wife, an agent would call her if he desired. This he refused. Mr. Hartley asked agents to call his wife and request her to send a necktie and his wallet. This they did and other agents brought these articles to him.

Attorney Goodman, who had been retained by several of the wives, called on the United States attorney in Detroit some time during the morning and requested permission to see Dr. Shafarman and one or two others. The district attorney said he understood the men were in the custody of the F. B. I. and called the agent in charge, informing him that Mr. Goodman desired to see some of the defendants. He was told that the agents had not finished their interrogation and other routine, but that as soon as that was finished it would be agreeable for Mr. Goodman to interview them. This information was given Mr. Goodman, who thereafter called at the F. B. I. field office. He was told he could not see the defendants at that time, that arraignment had been set for 3 o'clock, and that arrangements would be made for him to see those of the defendants who wanted him before that time. The discussion between the attorney and the agent in charge was rather heated, the one demanding to consult with his clients and the other insisting he could not do so. Each says the other was discourteous. As set forth above, Mr. Goodman did see his clients prior to arraignment. After arraignment and while the defendants were in the custody of the marshal, Mr. Goodman saw them again. He also was permitted to see Mary Paige at the jail, and he was allowed to confer with the men while they were in the United States correctional institution at Milan.

In Milwaukee Mr. Geline, who had been retained by Dr. Lendrum's wife, called at the F. B. I. offices during the morning and asked to see his client. Permission was refused. Mr. Geline says he was discourteously treated, and no reason was given for the refusal, nor would the agent in charge tell him what the doctor was charged with. The agent in charge says he told Mr. Geline he would have to get permission from the United States attorney to see Dr. Lendrum and that the district attorney would also tell him what the charges were.

He says Mr. Geline was impertinent and insulting in his manner. At all events, permission to confer with the defendant was refused at that time. The agent in charge thereafter telephoned Assistant United States Attorney Koelzer, who said that it was entirely agreeable to him for Mr. Geline to see the doctor. The agent then called the attorney who returned to the F. B. I. offices and conferred with his client some time before noon.

Mr. Geline had been apprised by Mr. Koelzer of the offense charged prior to the Commissioner's hearing. Whether the agents had so informed Dr. Lendrum is in dispute, but it is clear that he learned the nature of the charges from the questions asked him and that he was informed by his counsel when they conferred at noon. Mrs. Lendrum copied the indictment in the United States attorney's office the same day.

In Detroit the indictment had been impounded, as stated heretofore, but Mr. Goodman was informed by United States Attorney Lehr of the nature of the charges during the morning. Assistant United States Attorney Thornton referred Mr. Goodman to the clerk of the court for a copy of the indictment when it should be released. (It is the practice in the Federal court in Detroit for counsel to obtain copies of indictments from the clerk and not from the United States attorney.)

It was necessary, during the period of time the defendants were in custody of the F. B. I., that certain routine steps be taken, such as fingerprinting, photographing, informal booking of the defendants, physical examination upon arrival and again before departure, inventory of their property, and the service of two meals.

A review of the foregoing statement concerning the attempts of the defendants to communicate with counsel shows that in Milwaukee Dr. Lendrum was allowed to confer with his attorney 2 hours prior to arraignment and that in Detroit the defendants were permitted to consult with counsel 15 or 20 minutes before arraignment. I think the time allowed in Milwaukee was ample, but that the opportunity afforded in Detroit was insufficient.

USE OF HANDCUFFS AND CHAIN

All of the defendants, except Mary Paige, were handcuffed when they were arrested, eight as soon as they finished dressing, and three when they left their homes and out of the presence of their families. The handcuffing of persons upon arrest is a recognized and customary police practice, in order to secure the custody of the prisoner, to protect the safety of the arresting officers, and to guard against the prisoner attempting to harm himself. That this practice is sound is illustrated by the fact that about 2 years ago an F. B. I. agent arrested a man on a misdemeanor charge, failed to handcuff him at once and was killed by his prisoner.

Of the 11 persons arrested in Detroit, 2 say that no chain was employed by the F. B. I. at any time; 1 says he cannot recall, 2 that to the best of their recollection they were handcuffed to a chain by F. B. I. agents, and 7 are rather definite that the chain was used. Everyone else present, agents, assistant district attorneys, deputy marshals, newspaper reporters and photographers, the operator of the elevator in which they were transferred, the physician and the matron all say no chain was used by the F. B. I. Mr. Goodman, when first interviewed and while giving a general picture of what had occurred, said the men were brought downstairs by the agents handcuffed to a chain. Later, when I informed him the evidence to the contrary was overwhelming, he said he couldn't be positive and since so much had happened that day he could be mistaken.

It is clear to me that the chain was not employed at any time by F. B. I. agents.

After arraignment, when the defendants were turned over to the United States marshal, the men were handcuffed to a long chain by his deputies and removed to the marshal's office on the ninth floor. The chain was used again when the defendants and other prisoners were taken to Milan, some 40 miles from Detroit. The chain is always used by the marshal's office when there are more prisoners than there are deputies to handle them, as was the case here, there being 10 men to transfer and only 4 deputies.

While I am unprepared to recommend a substitute for a chain in situations such as this, I do feel that an attempt should be made, in the interest of human dignity, to find some other method, except in extraordinary cases.

INTERROGATION OF THE DEFENDANTS

Following the routine of photographing, fingerprinting, physical examination, and breakfast, the defendants were questioned off and on until lunch time. A few became drowsy from time to time and dozed. The interrogation was intermittent, not constant. One of the defendants says he was told to tell them what he knew "or else." This is entirely inconsistent not only with the statements of the agents, but with those of the other defendants who say they were told they did not have to answer and that no attempt was made to compel a statement. Some of them talked freely, others refused to answer questions concerning the case or other defendants, and still others refused to make any statement until they had consulted with counsel. Most of the defendants say they were not questioned concerning their political affiliations, but some say this was done. The agents deny it, saying that where this issue was raised at all it was injected by the defendants themselves, one of whom said that he believed he was being arrested only because he was a Communist. The evidence is conclusive that the defendants were adequately informed of their right not to incriminate themselves and that no compulsion was used to make them do so.

TREATMENT OF THE DEFENDANTS

The comment of the defendants and their relatives on the conduct of the agents and the treatment accorded them varies. Some say they were courteous; others that they were not discourteous, but blunt; others that they were sometimes polite, sometimes sarcastic; some that they were brusque; some that they were ill-mannered; others that they were sometimes frigidly polite and sometimes contemptuous. The agents say that they had been especially instructed to be courteous to the defendants and that they carried out those instructions. They say that the defendants, for the most part, were themselves in good humor and cooperative after the shock of the arrests wore off.

Specific allegations of mistreatment or improper conduct on the part of the agents are few, and they are so inconsistent with the general pattern of the arrest procedure that they can be given little credence. In some instances the inaccuracy of the allegations is demonstrable. Thus, the wife of one defendant claims that the agents did not permit her husband to take with him his eyeglasses. A newspaper photograph clearly shows him holding the glasses and it was admitted that no one gave them to him while he was in custody.

The woman defendant says that anyone would have known she was in poor health, but that notwithstanding this the agents "grilled" her in an intimidating manner. Both the physician and the matron (the latter being in attendance upon her during the entire time that she was in the Detroit field office of the F. B. I.) say that there was nothing the matter with her; that she had told them she felt fine, and that the agents treated her with every courtesy. She slept for awhile. The agents say she seemed to treat the whole thing lightly and the deputy marshal who took her to the jail said she joked about the proceedings. Reporters were allowed to visit her at the jail, she posed for photographs and her statements to the reporters were flippant. However, she complained of her treatment in the jail. When she gave her statement, she did not impress me as a reliable or credible witness. The statements of others only confirmed that impression.

The arrest procedure clearly shows that all of the agents had the same instructions. All of the prisoners were interrogated in the

same suite of offices with doors open. In some cases two defendants were questioned in the same room. Having these circumstances in mind and having personally interviewed everyone concerned, observed their demeanor and reactions, compared allegations with undisputed facts and reasonable probabilities, I am satisfied that no defendant was treated differently from the others in any material degree and that the conduct of the agents is not subject to justifiable criticism.

OCCURRENCES AT THE CORRECTIONAL INSTITUTION

The defendants arrived at Milan too late for the regular evening meal and sandwiches were substituted. The customary institutional routine was followed—regular clothing exchanged for prison garb, physical examination, fingerprinting, and bath. Each was given a declaration sheet, which is the routine form used in all detentions and covers information as to relatives, marriage, education, and employment history. This information is necessary in order to supervise visits, gives the warden power of attorney to care for the property on the inmate's person and to censor mail. It is also used for parole purposes.

The defendants refused to fill out these forms completely because they feared to implicate their relatives. They took the position that they were not convicted felons and should not, therefore, be compelled to fill out parole forms. They were told, pursuant to detention regulations, that they could not have visitors or mail until the forms were completed. The next day, Wednesday, their attorney saw the warden and, since the prisoners had not been convicted but were awaiting trial, an arrangement was made whereby they would not be required to give all the information called for in the schedules. On Saturday—a regular visiting day—one of the defendants was allowed to see his mother, he having filled out the papers in their entirety. The other defendants were not permitted visitors. They were of the opinion, as were their relatives and friends, that they had complied with the arrangement to which the warden and their attorney had agreed. Their visitors protested vehemently that the defendants were being discriminated against and remained at the institution for 6 hours demanding to see the defendants. Mr. Goodman again contacted the warden and the next day visitors were allowed. No further difficulty arose. It is plain that the failure to permit visitors on Saturday was the result of a misunderstanding and that no discrimination was intended.

In all other respects, the regular institutional routine was followed and no particular objection has been raised concerning it. It fact, Mr. Raymond said that it seemed a model institution, adding, facetiously, that if one had to be confined he would recommend Milan.

MISCELLANEOUS

Some suggestion has been made that the defendants were stripped of their clothing in order to intimidate and harass them. As stated heretofore, they were given a physical examination when they first arrived at the F. B. I. offices and another when they were taken to the courtroom. This is a routine practice of the F. B. I. whenever persons are taken into custody. This regulation was adopted for the protection of persons in custody who are suffering from ailments requiring special treatment, to guard against infection and to insure against false accusations of mistreatment. They dressed immediately following each examination. This procedure is not only justifiable, but desirable.

It has been alleged that the defendants were deliberately exposed to photographers while they were chained. There is no basis for any such complaint. Newspaper photographers were present outside the courtroom, as is always the case when any event takes place which they think has news value. No pictures at all were taken while the men were in the custody of the F. B. I. and after arraignment, when the marshal took them over, the routine procedure was not altered in the slightest degree in order to facilitate the taking of pictures.

BAIL

Charges have been made that bail in these cases was too high, and in that connection that the attorney for the defendants had not been able, in the time allowed, to equip himself to make adequate representations to the court in that regard. He made no request of the court that arraignment be postponed but did argue that bail in lesser amounts than recommended should be fixed.

The court set the bail in varying amounts after hearing the suggestions of counsel on both sides. The fixing of bail, being a judicial function, does not properly come within the purview of this inquiry.

HENRY A. SCHWEINHAUT.

Mr. NORRIS. Mr. President, I think as Mr. Schweinhaut looks at the question, and as the Attorney General looks at it, the report is a very fair presentation of the case. Mr. Schweinhaut thinks that it was perfectly proper to handcuff these men, and to arrest them in the dark hours of the night. He thinks that was not a denial of civil liberties. I do not agree with him at all. I am surprised that any citizen of the United States, believing in human liberty, can for a moment condone the action of the F. B. I. agents who arrested these men. There were 46 F. B. I. men engaged. There were always about four F. B. I. men to one of the others, and yet the poor one guarded by four armed men was handcuffed so that he could not do any damage.

Mr. Schweinhaut, in his report, mentioned a case. He thinks it is necessary to handcuff men in that way because it is said that several years ago a man was arrested for some crime, and he was not handcuffed, and he pulled out a revolver and shot the man who had arrested him. I suppose that sort of thing has occurred. I have no guaranty that when I start from the Capitol and go over to the Senate Office Building I will not meet, on the way, some man who will shoot me down; but if I should see somebody coming, would I be justified in saying to a policeman who happened to be near him, "Handcuff that poor devil, so that he will not shoot me while I am going into the Senate Office Building," because 2 years ago some man like that did shoot down some fellow without any provocation whatever?

I do not see any sense in such a proceeding. I do not see any reason why, for the protection of those enforcing the law, such a procedure is necessary; and I am sorry that so bright a man and apparently so good a lawyer as Mr. Schweinhaut is, and so great a man as the Attorney General is, should dispute a proposition of that kind.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. DOWNEY. Was any pretense made that any of these men were known to be of a dangerous character?

Mr. NORRIS. None whatever; and later on, when I get through with some of this evidence, I am going to take up another case which happened in my own State about the same time.

Mr. President, while it may be tedious, I am now going to read the evidence of some of these persons. The facts are nearly the same in every case.

Here is the case of a man by the name of Frank Feldt, Jr., 6742 Seneca Street, Detroit, Mich. I will read the interrogatories, although without giving the name of the questioner or the defendant questioned. The man who was asking the questions is Mr. Schweinhaut, and Mr. Feldt is doing the answering:

Mr. S. How old are you?
Mr. F. Twenty-six.
Mr. S. Are you married?
Mr. F. Single.
Mr. S. Were you born in Detroit?
Mr. F. Yes; in the same house where I live now.
Mr. S. Have you lived there all your life?
Mr. F. Yes.
Mr. S. Do you live with your family?
Mr. F. Yes. Two brothers, one sister, my mother, and father.
Mr. S. Are you working?
Mr. F. I am now unemployed due to this investigation.

I digress there to say that this man is an illustration of those who lost their jobs on account of the activities of the F. B. I.

I was working at Dodge's. I was fired on January 3. A week previous they carried on an investigation at Dodge's, and I was called down to the office, and Mr. Moore wanted to know where I was from 1937 until December 1939. While questioning me, he had a form that he was following, and he would ask me questions from that form. The questions mostly revolved around whether I left the country in the past 2 years. My brother was in Spain. In order to prove I didn't leave the country, I had to bring identification dating between June 1, 1937, to December 13, 1939. I was working under an assumed name at Dodge's (Frank Shultz). I explained that the reason I was working under an assumed name was that I was blacklisted by the Chrysler Corporation in 1934. At that time, 1934, I was employed by the Dodge main plant, and I joined the Auto Workers' Union assigned to the Trade-Union Unity League. So after I had successfully proven to Mr. Moore that I didn't leave the country, he had to take it up with the plant management for final disposition. So this occurred on the Friday before Christmas, about the 22d. At 4 o'clock I received a notice of dismissal. So I took it up with the chief shop steward. He took it up with the management, but since I didn't have seniority in the plant, the management pointed out that the union had no jurisdiction as far as union bargaining in the plant was concerned, so the only alternative was to have the union start Labor Board proceedings against the company. At that time I didn't know anything of the forthcoming arrests or that my dismissal from the Chrysler Corporation was due to the arrest that followed.

Mr. S. Have you worked since then?
Mr. F. No.

Mr. S. Have you been a union organizer at all?

Mr. F. Well, not an organizer. I've been a union man ever since I've worked; taken part in union activities.

Mr. S. Do I understand that you went to Spain?

Mr. F. No. My brother went to Spain.

Mr. S. Were you active in the Friends of Abraham Lincoln Brigade?

Mr. F. Yes.

Mr. S. In what respect? What position did you hold?

Mr. F. Oh, a chauffeur. Helped to raise funds; took speakers around the city.

Mr. S. What education have you had?

Mr. F. Up to the twelfth grade in high school.

Mr. S. Have you been a member of the Communist Party?

Mr. F. Yes.

Mr. S. Have you ever been arrested?

Mr. F. Yes.

Mr. S. What for?

Mr. F. Minor things. During the depression I was picked up for investigation, never had any charge put against me.

Mr. S. Were you ever convicted?

Mr. F. In 1934 I got a suspended sentence due to a little difficulty I had with a police officer about 3 months previous. There was a strike at a cigar factory near where I live. I wanted to inquire what it was all about; we never had a strike in that neighborhood since I've lived there. There was an officer stationed there, and he didn't like people to come up and talk to the pickets. So we got into a little discussion with each other. One thing led to another; he told me to move on, and so I moved down the street. I knew a girl who worked in a bakery, and I stopped to talk to her. This officer came up and said, "Didn't I tell you to move on down the street?" I said, "I did move down the street." So one thing led to another, and he arrested me and took me to Connor Precinct station. I explained to the desk sergeant, and we got to arguing——

Mr. S. You got a 30-day suspended sentence for loitering, then?

Mr. F. Yes.

Mr. S. Is there anything further about your own background that you would like to tell me now?

Mr. F. The only thing—I have gone to school here in the city all my life. I have been a delegate to the Michigan Youth Congress in 1935. I've been interested in youth activities. I belong to several youth organizations like the Youth Congress, Y. M. C. A.; I went to a S. E. R. A. school conducted at the Y. M. C. A.

Mr. S. Is your home a house or an apartment?

Mr. F. A single frame house.

Mr. S. Will you tell me, then, in your own way, what happened on the morning of February 6?

Mr. F. Well, I waked up; it was about 4:30 in the morning. I was sleeping in an upstairs bedroom. Two men who identified themselves as F. B. I. men waked me.

Mr. S. Were they in your room?

Mr. F. Yes.

Mr. S. How did they get in?

Mr. F. My mother let them in after they threatened to break down the door if they weren't admitted. My sister told my mother to let them in and see what they want. So my mother opened the door. They came up to my room. They said they were Federal Department of Justice men, and they had a warrant for the arrest of Frank Feldt. They asked if I was Frank Feldt, and I said I was. So they said, "Well, get your clothes on." They said they were taking me downtown. I asked to read the warrant. It had the title number, section, code, etc.—United States Code, or something. I went downstairs to put on my clothes. Both of the men followed me downstairs. I had my clothes in a downstairs bedroom. They asked me if those were the clothes I had been wearing. I told them yes. So they said to put them on. After I put my clothes on I asked them what this section and code really was. They said you will find out when we get down to the post office downtown.

Mr. S. Did they tell you what clothes to put on?

Mr. F. They asked me if the clothes I was going to put on were the ones I had been wearing. They said to put them on.

They asked me for some identification, so I showed them this (showing Mr. Schweinhaut Continuous Discharge Book No. 215858).

After I had dressed, I said I was ready to go downtown. They said we weren't going downtown just yet. I said, "What's the delay?" In the meantime there were four officers in the house at that time, and two of them wanted to start searching the house. My mother objected. We wanted to know whether they had a warrant and what they were looking for. They said they were Department of Justice men and they didn't need a search warrant, the warrant for arrest gave them the legal right to search the house. One of the fellows, I didn't know their names, said he was an attorney at law and being an attorney he understood law and they had a legal right to search the house. That caused quite a fury in the house. We all objected, and they all insisted. We have a telephone and one of the Department of Justice men called up downtown and wanted to know what they should do. He said we were resisting them and wouldn't let them search the house. So I don't know what they told him, but in about 10 or 15 minutes several more Department of Justice men came down to the house. In the meanwhile I had been telling them I was all dressed and ready and why didn't we go on downtown, they had a warrant for me all right, but they didn't have any reason for bothering anyone else in the house. Let's go on downtown. When the other two or three came down to the house, immediately this one young fellow went up and told my mother, "Now we have orders to search this house and you can't deny us that privilege." So my brother had taken the telephone. One Government man wanted to take the telephone away from him. My mother shoved him away from the telephone, said we pay for it; we can use it in our own house. So my brother called Maurice Sugar, U. A. W. A.–C. I. O. attorney. Sugar was at home and my brother wanted to know whether they had any legal right to search our house. Sugar asked the details. My brother told him Department of Justice men were there to arrest me and had a warrant for my arrest. Sugar wanted to know how the warrant read. My brother asked for the warrant. So they gave it to him and he read it over the telephone. Sugar didn't know what that title of the code was. My brother asked one of the Government men to explain. They said what kind of an attorney have you got that he don't know any law. Well, my brother said we just wanted to know whether they had any right to search the house. Sugar said no, unless they had a search warrant that told what they were looking for. So my brother said that they insisted on searching. So Sugar said to object, and then if they insisted to let them search. So by that time these Government men had gone into a huddle and finally made up their minds to take me downtown, and so we went.

Mr. S. Did they make a search while you were still there?

Mr. F. No.

Mr. S. I take it that before they had taken you away from the house, everyone had awakened?

Mr. F. Yes.

Mr. S. Did they put handcuffs on you in the house?

Mr. F. No. After we were out of the house, at the front gate. One of them explained that my mother was so upset that they didn't want to upset her any more.

Mr. S. Were they rough in their treatment of anyone in your house, or were they courteous?

Mr. F. They were pushing around when my brother wanted to telephone.

Mr. S. Who pushed who?

Mr. F. Some Government man pushed my mother. He pushed her away from the telephone when she wanted to take the phone. So she pushed him back. This pushing around went on for about 5 minutes I imagine.

Mr. S. About how long were they in your house before they took you away?

Mr. F. Well, my sister had to go to work about 6 o'clock. These people were outside waiting for her. They must have been in the house from 4:30 to about a quarter to 6 o'clock.

Well they brought me down to the Federal building. They took me up in the elevator to the ninth floor. I had handcuffs on all this time. I was taken into a room and one of the Government men took the handcuffs off me and told me to have a seat. I sat down for about 15 minutes and then one of the Government men told me to come with him behind a filing cabinet. The doctor was there and he told me to strip. So I stripped and the doctor made an examination. He questioned me about every bruise and scratch. Then after I was examined he told me to put on my clothes and told me to take a seat again. I'm not sure whether they took fingerprints first or photographs. But they took both and then started to question me.

I digress here to say that photographs and fingerprints were taken of all these persons, of most of them twice, while they were in custody.

I continue the reading:

Mr. S. How many men left your house with you?

Mr. F. Two. About four stayed behind.

Mr. S. Did these two who brought you down to the Federal building stay with you during the time you were questioned?

Mr. F. Yes.

Mr. S. Did anyone else question you?

Mr. F. Yes; two others. The original ones who came to the house. Two or three hours later they came down town, and they had a bunch of so-called evidence they had taken from my house.

Mr. S. Did you learn the names of any of the men who arrested you and questioned you?

Mr. F. No. I have a good mental picture of four of them.

They first questioned me about my personal life: Where I was born, where I went to school, how far I went in school, and where I had worked. They asked what type of work I had been doing; why I was fired; whether I had any political affiliations other than I had told them; what I did with my leisure time. This fellow who was leading the questioning told me that if I wanted anything to eat all I had to do was ask, that it would be given to me. I had coffee and cigarettes.

Mr. S. Did you have breakfast?

Mr. F. No. I was going to have coffee with my sister but then they made up their minds to go down town. They asked whether I wanted breakfast, but I had been drinking beer the night before so I just wanted coffee.

Mr. S. Did they ask you about the Communist Party?

Mr. F. That came further on in the questioning. After they finished this personal questioning, they said, "Frank, we've gotten along very well." I answered all of their questions; I had nothing to hide. My records were an open book; they could look them up. They said, "Now, we are going to get along just fine; we just want you to keep answering the questions as you have, and to be very truth-

ful." I said, "It all depends on the nature of the questioning that is going to take place." These other fellows had come with the evidence and three of them were checking it. They asked me if I was a member of the Friends of Abraham Lincoln Brigade. I told them I was. They asked for how long, and I told them actively about 3 months. I told them that the reason I was so much interested was because my brother was over in Spain. Then they questioned me as to certain people; whether I knew them or not. They had a form they were following. They named the other people who were arrested, although I didn't know at the time that they had been arrested. I told them the people I did know—Bob Taylor, Rudolph Schware, Harold Hartley, that's about all I did know. I had heard of the others, Philip Raymond, and others. I heard of Philip Raymond, he was an organizer for the U. A. W. in 1932 when the strikes were going on, and I was a member of that union later. He was still some sort of an organizer. They seemed to believe that I had some connection with them. They questioned me whether I knew Harry Katzin, Johnny Kesserling, Emmet Collier, and Bill Wright. They were veterans. I knew them because I met them at a reception after they returned from Spain. Duncan MaCrea spoke. They especially asked me, or told me, that I was supposed to have recruited Emmet Collier in the Friends of the Abraham Lincoln Brigade office, and I told them I did not. They said, "Didn't you and Pat Daniels state to him that the Friends was a recruiting agency for Spain and you could make connections for him?" I told them no. They said, "You are lying. Do you want us to bring Emmet Collier down here to prove it?" I said, "If you feel that it was necessary bring him down, I'm not trying to hide anything, so bring him down here." It seemed as though this questioning just centered around Emmet Collier and recruiting. One of the Government men brought over some things, a little blue notebook. I had kept notes from the 1935 Michigan Youth Congress and notes from the S. E. R. A. school at the Y. M. C. A. They wanted to know what these were. I told them just notes. What are they supposed to mean? They don't mean anything. They leafed through the notebook. I had taken Spanish and in it I had idioms in the Spanish language, and they wanted to know. I said, "That's enough of that." They took the notebook back and came back with a big poster I had from Spain with a picture of a drunken soldier. I couldn't make it out myself. They were especially interested in a letter I had from Ted Barrows from New York City. In this letter Teddy was talking about a girl he met. She belonged to the Young Communist League. He was very much in love with her. They questioned me about the Young Communist League. In the letter Teddy stated that, "She is all for the movement." They wanted to know what movement. They wanted to know what the movement was, and in his letter he mentioned a convention. She was a delegate. They wanted to know what that was.

Q. Did they ask you what organizations you belong to?

A. Yes.

Q. Did they ask about the Civil Rights Federation?

A. No.

Q. Did this questioning go on all morning?

A. Yes.

Q. Did you have lunch?

A. Yes; about 12 o'clock. I ordered some milk. I could order any food I wanted.

Q. Did they question you again in the afternoon along the same line?

A. Yes. They had a statement they asked me to sign.

Q. Did you sign it?

A. Yes; I signed it. It was just whether I knew some people mentioned, and if I worked at the Friends of Abraham Lincoln Brigade. A short statement.

Q. Did you at any time during the day in the office ask again for permission to call a lawyer?

A. Dr. Shafarman was in the same office with me. We were the only two who were together. The conversation could be heard. We were about 10 feet apart. Dr. Shafarman was asking to call, and they refused him. So I never even asked.

Q. Were you given a physical examination again before going to court?

A. Yes.

Q. Was that just before going to court?

A. Well, this physical examination took place, and then we sat around there until about a quarter to 3. Then we were all taken into a larger room in the same suite of offices. Then we were put on a long chain with handcuffs.

Q. All of you?

A. Yes.

Q. Were you handcuffed to another prisoner?

A. No; to a chain. These handcuffs were on a chain. The chain was in the middle, and there was one prisoner on each side of the chain.

Q. I am going to read the names of the 11 persons arrested that morning and ask you whether to your own knowledge each one was on that chain in the F. B. I. office that morning.

Philip Raymond? Yes.

Robert Taylor? Yes.

Rudolph Schware? Yes.

Joe Clark? Yes.

Mary Paige? No.

Harold Hartley? Yes.

Peter Kowal? Yes.

Dr. Shafarman? Yes; he was directly across from me.

Dr. Rosefield? Yes.

John North? Yes.

Q. Do you remember who was right in front of you?

A. I believe Bob Taylor was.

Q. You were taken out into the hall, where you waited for an elevator?

A. Yes.

Q. Now, did that chain connect all 10 of you, or were you in groups?

A. We were all together.

Q. Did you all go down to the seventh floor together?

A. Yes.

Q. And then you went into a little anteroom off Judge Moinet's courtroom?

A. Yes.

So we went into this little anteroom, and the attorney, Ernest Goodman, explained that most of our relatives, mothers, or wives, had called him up and had asked him to represent us.

Q. He is a partner of Maurice Sugar?

A. He has offices in the same suite of rooms.

Q. He told you what to do?

A. He told us to stand mute. He said he did not know what the charges were.

Q. Were you still chained together while he was talking?

A. Yes.

Q. When was the chain taken off?

A. We were led to Judge Moinet's courtroom doors and released one by one and led into the courtroom by the guard assigned to us.

Q. What bail was set for you?

A. Twenty thousand dollars and $1,000 personal.

After the arraignment we were taken one at a time out of the courtroom and chained on the chain, and taken to the marshal's office.

Q. Were you fingerprinted in the marshal's office?

A. Yes. We were taken off the chain and put in the "bull pen." Then we were chained again and taken to Milan.

Q. Now tell me about Milan, what happened there?

A. The only thing is that we were treated like criminals. We followed the prison routine with the other prisoners. The Saturday following our arrest, Mrs. Hartley, Mrs. Kowal, Mrs. Raymond, and my mother drove out to visit us. Wednesday morning they gave us forms to fill out. They were personal questions, and I felt, as well as the rest of the prisoners, that the form wasn't necessary to fill out, and we didn't want to fill it out until we saw the attorney. So Wednesday the attorney, Ernest Goodman, came out to visit us, and after we had told him about the correspondence forms he went to the warden. He said we could have visitors this week end, it wasn't necessary to fill these out to have visitors. He said when we filled out the forms we didn't have to fill out where we had worked, the only thing was to fill out the names of people we wished to correspond with. I did that. The following Saturday we did have visitors. We filled out the forms according to what the warden had told us. I was called out for a visitor, and my mother was there. She immediately told me that Mrs. Hartley, Mrs. Kowal, and Mrs. Raymond were there to visit their husbands, and the warden refused to let them. He refused to admit them because they had not filled out the forms correctly. I told her my form was filled out the same as the rest. I told her to tell Mrs. Kowal, Mrs. Raymond, and Mrs. Hartley how things stood. She told me what had transpired at home. They told her she could have a half-hour visit now. We were allowed 1 hour per month. The guard was in the room while we visited, and after our half hour was up he said to me that I was a nice young Finnish-American boy and seemed to be a nice fellow. He said you want to be careful of Raymond and Joe Clark and these Communists, you want to keep away from them. I said, "Well, obviously, I must be as bad as they are, I'm in jail with them. We have a mutual understanding, we are in jail for the same thing."

Q. Is there anything else at all that you think of now that you would like to add to this statement?

A. When the agents who had remained at my home came to the F. B. I. offices, they had with them not only my belongings, but personal effects of both my brother and my sister. I complained to them that they had no business taking property belonging to my family, but I got no satisfaction.

Now, Mr. President, I wish to read the testimony of Mr. Harold S. Hartley. I have seen Mr. Hartley, and I talked with him personally before I wrote the second letter to the Attorney General. I was impressed with his appearance. He is a modest man, intelligent looking, and well educated, if his story of his life is true. He does not give the impression of being a desperado and is perfectly courteous. I remember I asked him first whether he was a Communist, and he said he was not. I asked him whether he had ever been arrested, and he said frankly that he had been, that he had served 20 days in jail. He describes that in his statement. He said, in answer to the questions of Mr. Schweinhaut:

I am 32 years old, married, and was born in New York City. I studied at the University of Wisconsin. I received a literary scholarship from Zona Gale, Wisconsin authoress. I worked in New York, Wisconsin, and Detroit. I was welfare director of Local 174,

U. A. W. I was on the historical records project of the W. P. A. at the time of my arrest. My family on my father's side came to North Carolina from England in 1740, and my ancestors fought in Washington's army. Elizabeth Hartley was nurse to Thomas Jefferson. Capt. James Hartley fought for the Union in the Civil War. My father is a doctor in New York. He was a captain in the National Guard and served in the Spanish and World Wars. I was an assistant scout master in the Boy Scouts, and president of the Epworth League in the Memorial Methodist Episcopal Church in Yonkers, N. Y.

Mr. SCHWEINHAUT. Are you a member of the Communist Party?

Mr. HARTLEY. No; I am not. I do not want to disassociate myself from the other prisoners—the others who were arrested when I was—on account of my political affiliations. I do not think it should be brought in, but I am not a member of the Communist Party.

Mr. SCHWEINHAUT. Have you any criminal record?

Mr. HARTLEY. No; I have not.

Mr. SCHWEINHAUT. I understand you were arrested once for picketing?

Mr. HARTLEY. Yes. I, and about 9 others, were picketing a building in which was the Italian consulate in Milwaukee, Wis. That was in 1935, I think. We were protesting, peacefully, the invasion of Ethiopia by the Italian Fascist Government. We were arrested and sentenced to 20 days, either for disorderly conduct or obstructing traffic, I can't remember which.

That was his criminal record. Are there any Senators present who under the same circumstances might not have had the same kind of a record, a record of arrest for picketing the Italian consulate at the time Italy was capturing Ethiopia? It does not seem to me that that would have a tendency to show that this man was a bad man, that he was a culprit, that he was in any way disreputable.

I continue reading from Mr. Hartley's statement:

Mr. SCHWEINHAUT. Will you tell me in your own way what occurred from the time of your arrest on?

Mr. HARTLEY. I woke up early in the morning on February 6. It was still dark. I heard knocking on the front door. We live on the third floor, apartment 8, at 1151 Merrick. When I looked at the clock it was about 5 o'clock, or close to it. I said to my wife, "I wonder who that could be." I said, "I think it must be Pat McCartney and his gang." Pat McCartney was formerly, I believe, a worker in the Plymouth plant, who took active part in the Homer Martin faction of the U. A. W. during the trouble after the N. L. R. B. election established the C. I. O. in that plant. He was reported throughout the city to have led various attacks against C. I. O. Plymouth workers as they were leaving the plant or as they were going into the plant. It was Pat McCartney who led an attack against people coming from a meeting at Finnish Hall on November 9, 1939. In that attack about 60 or 70 people were quite seriously injured. Pat spoke there from a sound truck as leader of the attack. He also tried to get a group of people to break up a Chrysler picket line. A few weeks ago he was arrested for molesting three Negro women. In the ranks of the labor movement he is known as a person who is against labor leaders so I thought he might have decided to attack me, so my first thought on hearing those knocks on the door was that it must be he and his gang.

No one can get up to the third floor in our apartment ordinarily unless they press the button downstairs and someone answers in the apartment and presses the button which releases the door below.

Mr. SCHWEINHAUT. No one had buzzed?

Mr. HARTLEY. No. No one had, but they were at the door on the third floor, at the front apartment door.

I put on my bathrobe and hurried to our front door. I said, or rather I yelled because the knocking was so loud, "Who is it, what do you want?" I could tell that there was more than one person. They said, "Open up." I said, "What for, who is it?" They said, "Are you Hartley?" I said, "Yes; I am Hartley." They said, "Well, open up. We have a warrant for your arrest. We are from the F. B. I." I said, "How do I know you are from the F. B. I.? How do I know you are not Pat McCartney and his gang? I do not want to open up. Why don't you come at a more reasonable hour in the morning? I can be reached at work. I work near here for the Government. I will be glad to see you if you come over there, or wait until a more reasonable hour." They just repeated, "Open up." Then I said "Have you got a warrant?" Then one of them went around to the front porch. There is a front porch where you can approach one window of the living room. He waved a paper in the window. He said, "Come here and look at it." I went to the window. I could see what looked like a warrant with my name on it.

Mr. SCHWEINHAUT. Was it dark then?

Mr. HARTLEY. It was fairly dark, but I could see it looked like a warrant and it had my name on it.

I said, "You have a warrant for my arrest maybe, but why didn't you come at a more reasonable hour?" Then I said, "Have you a search warrant?" They did not answer that question, although I yelled it a couple of times. Then I said, "Well, if you have no search warrant, you can wait a little later until I get dressed." One of them said, "We'll smash the door down then." I said, "Well, I can't help it if you do. If you have no search warrant, I will not open up." I walked away from the door toward the dining room. They just smashed the door in. They just smashed it in—it took the board out of the partition. They approached me and pushed me into a chair. I started to stand up again, but they just pushed me down. One of them put handcuffs on me.

Mr. SCHWEINHAUT. Where was your wife?

Mr. HARTLEY. My wife was standing in the dining room.

Two more men came in from the back porch. One of them said for me to get dressed. I said, "How can I get dressed with handcuffs on?" They took off the one—the right cuff. My wife brought some clothes and I put on my clothes as best I could—the wrong trousers—trousers belonged to an old suit, and no tie. Then they led me to a car downstairs. One of them asked me why I thought it was Pat McCartney and his gang. I explained as I have to you. One of them took out some sort of identification card. It had his picture and name, etc., on it, and it seemed to say F. B. I., so I went with them without any difficulty.

Mr. SCHWEINHAUT. How many agents came into your apartment?

Mr. HARTLEY. I can't say. At least two from the front door and two from the back. I think there were three at each door, but at least two.

Mr. SCHWEINHAUT. When you were getting dressed, how many were there in your apartment?

Mr. HARTLEY. At least four.

Mr. SCHWEINHAUT. Did you learn their names?

Mr. HARTLEY. I did not. I asked, but I did not learn their names.

Mr. SCHWEINHAUT. If I told you the names of the four, then, it wouldn't mean anything?

Mr. HARTLEY. No; only I think I could recognize the one who was the treasurer—the one who paid for the lunches.

Mr. SCHWEINHAUT. Then, if I asked you if he was [reading four names], could you recognize which one he was?

Mr. HARTLEY. No. I could recognize him, but not by name.

Mr. SCHWEINHAUT. He was in your apartment?

Mr. HARTLEY. Yes.

Mr. SCHWEINHAUT. You dressed then with one handcuff on?

Mr. HARTLEY. Yes.

Mr. SCHWEINHAUT. Did you ask them to take it off?

Mr. HARTLEY. Yes; I asked them. They refused.

Mr. SCHWEINHAUT. While you were still in the apartment, did you ask what you were charged with, or why you were being arrested?

Mr. HARTLEY. Yes. I asked them why they were arresting me. They said section 18 or 22 or something in the Federal Code. I believe that was on the warrant.

Mr. SCHWEINHAUT. Did they tell you what that meant?

Mr. HARTLEY. No.

Mr. SCHWEINHAUT. Did you ask them to permit you to telephone an attorney?

Mr. HARTLEY. Yes; and my wife asked also. They did not allow me to telephone anyone.

Mr. SCHWEINHAUT. Not anyone?

Mr. HARTLEY. No.

Mr. SCHWEINHAUT. While you were still in your apartment do you know whether they made any search of your apartment?

Mr. HARTLEY. No; except just to look around. They didn't actually handle anything.

Mr. SCHWEINHAUT. Did they inquire whether anyone else was living in the apartment?

Mr. HARTLEY. Not while we were there.

Mr. SCHWEINHAUT. While you were there, did your roomers awaken?

Mr. HARTLEY. One, a woman, awakened. I told her not to worry about it, just go back to bed.

Mr. SCHWEINHAUT. You have two roomers, man and wife?

Mr. HARTLEY. That's right.

Mr. SCHWEINHAUT. Did you make any protest after they had entered your apartment?

Mr. HARTLEY. Only that I protested against this violation of civil rights. I demanded the use of the telephone and time to get dressed properly.

Mr. SCHWEINHAUT. What do you mean when you say, "time to get dressed properly"?

Mr. HARTLEY. Well, first of all, to be allowed to go to my room to get dressed. They said, "No; you stay right here in the dining room. As much as possible, have your wife bring in the same clothes you were wearing when you came home." My wife brought in my coat, trousers from a different suit. First I put on my shoes, then needed socks. I asked if my wife could bring me socks, and they had to discuss that before they finally allowed her to bring me my socks.

Mr. SCHWEINHAUT. What do you mean, "had to discuss it"?

Mr. HARTLEY. Oh, one asked the other, "Is it all right?" and they finally said it was all right. They had to discuss it before they let me put them on. I had no tie when I went down. They were rushing me so. I had no chance to shave.

Mr. SCHWEINHAUT. Did you ask them to let you shave?

Mr. HARTLEY. Yes; that's right. I was not allowed to.

Mr. SCHWEINHAUT. Did any of them treat you roughly?

Mr. HARTLEY. Only the first time when they pushed me into a chair. I started to get up and they pushed me down again.

Then they led me down stairs into the car. I sat in the back seat. There were two in front and one beside me in the back. They went to the Federal Building and parked on the west side of the building. As we got out of the car one of them poked something sharp into my left side. It may have been a revolver. There was no reason for their poking a revolver in my side, I went along

without any difficulty as soon as I was sure they were F. B. I. agents. I was handcuffed, too.

Mr. SCHWEINHAUT. Did he keep it there?

Mr. HARTLEY. Until we got in the elevator. Then he removed it.

We came into a room on the ninth floor on the southeast corner of the building. I was led into an office and asked to take off my clothes. They took personal effects out of my clothes, a notebook, etc. One man examined me, looked me over, my body. They also took my blood pressure with one of those apparatus. Then they told me to get dressed again. However, they kept the personal effects. They wrote down the personal effects taken from me and I signed a note saying these are the personal effects taken. I was seated at a table with three of them—the number changed; sometimes there were four or five.

When we left the apartment I noticed that at least two of them remained behind at the apartment. Two went with me and two stayed behind.

Each of the F. B. I. men had a yellow pad and a pencil. They pushed a pencil over to me and said, "Maybe you want to write something." I said, "No; I guess not." Then they began to question me. I answered the first three or four questions, although I did not believe that they had any right to ask these questions until I had first seen a lawyer. I asked them if I were under indictment, and if I was going to be brought to court. They said "Yes." I asked them, "What is it about; what am I charged with?" They just said, "It's something about Spain," without going into particulars. Then I said, "If I am under indictment, I do not want to answer questions until I have seen an attorney." Then I asked if I could telephone the Civil Rights Federation. They said "No."

Mr. S. What was your purpose in wanting to call the Civil Rights Federation?

Mr. H. My purpose in desiring to call the Civil Rights Federation was to get a lawyer. I asked if I could telephone my wife, because she was worried. They wouldn't let me. I asked if they would phone my wife and tell her to bring my tie and wallet. I didn't have my wallet. They said they would, and I guess they did, because later, when the other agents came down from the apartment, they brought my tie and my trousers from the same suit—I had the wrong trousers from an old suit—and my wallet.

Mr. S. You said you answered three questions; what were they?

Mr. H. Well, first was about my wife. Was that my wife? I told them she was my wife. When and where were we married? I told them here in Wayne County in 1936, at the courthouse. Then I told them when and where I was born, or, rather, one of them stated that he had seen my birth certificate, and mentioned the date of my birth, and I confirmed it. Then there was one other question I answered about where I was working. I told them I did not want to answer any more questions, and that I had a right not to answer. I asked repeatedly to call the Civil Rights Federation in order to get a lawyer, but this was refused and ridiculed.

Mr. S. What do you mean, "ridiculed"?

Mr. H. Some just laughed. Some said, "So you want to see a lawyer, eh?" Sometimes they were polite, but most always they were sarcastic.

Mr. S. Did you refuse then to answer any more questions?

Mr. H. Concerning the case, I did. As I remember, we did talk about other matters. They did ask me questions, but I didn't answer their questions. Sometimes I might answer, but it didn't answer their questions. Some others that were in prison were led through the room, and while they were being led through one of the F. B. I. men would ask, "Do you know him?" or mention his name and ask if I had heard of him before. I refused to answer these questions, but once in a while I would make a remark, but no direct answer to the question.

Mr. S. Were you sarcastic, also?

Mr. H. I think I may have been once in a while, but on the whole my attitude was polite but firm. I did not want to answer questions until I had seen an attorney. I may have been sarcastic on one or two occasions in trying to evade their questions.

Mr. S. What efforts did they make to compel you to answer their questions?

Mr. H. Merely repeating the questions over and over again. Going back to the same question after I had stated I did not want to answer. No threats or physical violence. A couple of times they stated it would be better for me if I did answer. They were continually insinuating that if I had nothing to be guilty of I would not be afraid to answer questions; if I was innocent I would be glad to answer.

Mr. S. Did they say in what respect it would be better for you?

Mr. H. No; they did not.

Mr. S. You said a moment ago they asked you about different people and things. What other things did they ask you about? For example, did they ask about any organization?

Mr. H. Yes. They asked me about the people who lived in my house—who they were. They asked me several questions regarding the nature of the International Labor Defense. How many members, whether it was a national organization, with whom affiliated, how it was financed. They asked me several questions about the Civil Rights Federation. How it was organized, how many members, what organizations belonged to it.

Mr. S. Did they ask its purpose?

Mr. H. I think so.

Mr. S. Anything at all about the Communist Party?

Mr. H. I don't think they asked anything about the Communist Party, as I remember. I just can't recall, but I don't think they did.

Mr. S. Do you think of any other questions they asked you?

Mr. H. I think they asked me something about the U. A. W. union. Just some general questions. They asked me questions about Philip Raymond—asked me if I knew him—how long. They asked me if I knew Elmer Johnson, the head of the Communist Party in Michigan. They asked me what I could tell about him, although they didn't say anything about his being a Communist. They just asked about him. As far as I know, they asked me no questions at all about enlisting anyone for Spain.

Mr. S. Did they tell you that was what the case was about?

Mr. H. They said it was something about Spain.

Mr. S. Did you get the impression that they did not know what it was about?

Mr. H. Well, one of them did say it was getting people to go to Spain. I am not sure. They didn't seem to want to tell me what I was charged with specifically. They didn't ask me about whether I ever recruited people for Spain or a single question about any activities regarding Spain.

Mr. S. They never asked a single question on that subject?

Mr. H. No.

Mr. S. Were the same agents who arrested you the ones who were questioning you?

Mr. H. Yes. Some of the agents who came to the house may not have been in on it. But three or four who were at the house were questioning me. In the main, the same ones who were at the house questioned me here. Once in a while other agents would come into the room and sit down for a while.

Mr. S. Were any other prisoners being questioned in the same room you were in?

Mr. H. No; not in the first room I was led into. Once I was led into a room to the west of where I was first being questioned and in that other room there was one or two people questioning a Joe Clark. And then the agents asked me questions in that room for a while. I believe for about a half an hour, then they led me back. At times they took me to a lavatory. They took me through a long, bigger room toward the southeast corner of the building. In that room at least two or three people who seemed to be questioned by agents. Individuals surrounded by two or three others. One I knew was Dr. Shafarman.

Mr. S. I take it you were fingerprinted and photographed?

Mr. H. I was fingerprinted. They evidently did the rest and took photographs.

Mr. S. Did you make any attempt to resist?

Mr. H. No.

Mr. S. Were you served breakfast and lunch?

Mr. H. I asked about breakfast. They said order what you want, and they sent out for it.

Mr. S. Approximately what time was that?

Mr. H. Approximately 9 o'clock.

Mr. S. What about lunch?

Mr. H. They ordered lunch at 1 o'clock. I had lunch about a quarter to 2. I kept asking to use the phone and to get shaved. They refused.

Later, it seemed to me late in the afternoon, but now I know it wasn't, I was led into a long room on the southeast corner of the building and was told to get undressed to be examined. I had to sit down and wait. I noticed while waiting there was a room further on. The door was open. Once in a while a woman would come out. I noticed afterward that this was the room where Mary Paige was led from. I mention this because when I got undressed and was examined by someone and my blood pressure was taken, I was getting dressed when the woman came into the room—the matron in charge of Mary Paige—with a number of the prisoners and at least 15 or 20 F. B. I. men.

I might interpolate there the fact that Mary Paige was the one woman in all this gang which was arrested.

This woman walked through the room. At least three of the prisoners were in various stages of undress. I believe that Bob Taylor was practically naked. I just mention this because it seemed very peculiar for these matrons to walk back and forth through there. Then after we were dressed, after all of us had been examined, I was seated back in a corner of the room near the door where Mary Paige came out. The treasurer of the group who had arrested me was seated by my side or standing near all the time. I call him the treasurer because when they ordered the food, the lunches, he gave them the money to pay for the lunches. I saw him give them some money. Finally I was told to get up. They put handcuffs on me. Then I saw they were slipping a chain through them.

Mr. S. Who put the handcuffs and the chain on you?

Mr. H. The one who was seated by my side. He was one of the original agents who arrested me, and was engaged in the questioning.

They put handcuffs on me and I noticed I was fixed to a chain in some manner. We were lined up single file, and each one of us was handcuffed on the chain. I do not know how many were on that chain. I do not think the girl was on the chain, but we were lined up on the north side of that office on the southeast corner of the building. At a signal, we were told to move forward. We went out the door. It seems to me we went in another room before we were led into the corridor. We waited for an elevator, and were taken down. It was very difficult to get into the elevator, we had to back way around to get in. F. B. I. agents followed us into the elevator. Someone kept hold of my left arm. The same person, treasurer of the group who arrested me, followed me on

the left side while I was chained. He followed me and grasped my left arm every once in a while.

Mr. S. Eleven of you were attached to that chain?

Mr. H. I don't know. It seems to me most of us were on that chain. I am quite sure there were 11—all of us but the girl. She was not on the chain.

Mr. S. Were there any photographs taken?

Mr. H. While we were in the corridor? No. None with flash bulbs. I did not notice any flash bulbs. When we came toward the room where we saw Mr. Goodman there was a large crowd.

Incidentally, I should say here that Mr. Goodman was the lawyer whom their wives and friends had sent down to try to represent them.

We were led single file. They made way for us to get through the crowd. I can't tell if any pictures were taken or not. But I don't remember noticing flash bulbs.

We were then led into a small room packed with people. Someone began to take the handcuffs and chain off. Suddenly I noticed Mr. Goodman. He said he was allowed 5 minutes to talk to us. So he started talking to us, although the F. B. I. men were all around. He said our wives had called him up and asked him to represent us, and he asked us to confirm it. We all confirmed it except Dr. Rosefield, who had another attorney. We said to him it would be all right. He stated he did not know what the charges were, only the section of the code, and therefore he would not plead guilty or not guilty, but would stand mute, and then the judge would enter a plea of not guilty. I told him it was all right for him to say that for me. If I remember, we were without chains and handcuffs then. We were then led into the courtroom of Judge Moinet. We were led to the northwest corner of the room and sat down there. I noticed that a number of the F. B. I. men sat in the courtroom. I don't know whether all of them were there or not. When what I suppose they call "arraignment" took place. I was placed under $20,000 bail. I had no time to tell the attorney about myself, how I was born in the United States, and so forth. The judge set $20,000 bail. Someone stated—I don't know whether it was Mr. Lehr or Mr. Bugas—they had found it very difficult to locate us. That included me, too, I suppose. They certainly must have known that I was working on W. P. A. right across from the F. B. I. offices on the ninth floor. It would be easy to see the head of the project there. The very fact that I am here today quite willing to discuss the thing shows that it could have been done then, too, without the methods used. We still are under threats in the newspapers; columnists like Walter Winchell are protesting, asking that our case be prosecuted. Therefore there is just as much reason today to be afraid to come down as then, if that entered into my judgment. I just want to state that I would have been perfectly willing to come down to answer questions; it wasn't necessary to break into the apartment at 5 in the morning.

I was unable to pay $20,000 bail and I was again led away with the others. Just before we left we were lined up again. Who put the chain and handcuffs on after the arraignment, I don't know. I am not sure. I was excited, there was such a crowd around us. Photographers were there taking pictures. My wife was crying. I tried to take hold of her hand. We were led through the corridor to the elevator. We were taken to the United States marshal's office and put in the cell. The chain was taken off in the marshal's office. The chain was put on us again and we were led through the corridor in chains—nine of us—taken in the elevator down to the basement and put in a truck, still in chains. The truck was locked. Inside the truck we were still handcuffed and chained. There were effects which were still with the F. B. I. I did not get them back until after I left Milan.

Mr. President, the remainder of this man's testimony relates to his treatment by the United States marshal. At this point in his testimony he tells that they were turned over to the United States marshal.

I desire to call the attention of the Senate to the condition of this man, a married man. His wife had come down to see him before he was taken to prison. He was innocent of any crime of magnitude; at least, he had not been proven guilty of any crime whatever. He was unable to give $20,000 bail, and when he was about to be taken away, among the spectators who had come he saw his wife. He attempted to take her hand but could not do so. He attempted to kiss her farewell as he was going to prison without any opportunity of having even a word of confidential talk with her, much less with the attorney who had his case in charge. It seems to me that such a situation should appeal to the heart of every man who loves liberty. I think such things ought not to have the approval of the Attorney General or of the F. B. I.; indeed, they ought not to have the approval of any civilized man. Yet Mr. Schweinhaut in his conversation with me says that he thinks the F. B. I. was justified in putting chains and handcuffs onto every one of these men. That is their formula; that is what they always do. They put handcuffs on before they find out even whether or not they have got the right man. They handcuff him, make him helpless, scare him, arrest him in bed at night, put him through third-degree methods all day, deprive him even of the opportunity of saying good-bye to his own wife, to his own mother, as they did in the case of Mr. Feldt.

I think such practices are deplorable; to my mind, they are detestable; and if the F. B. I. pursues that kind of methods in arresting anybody against whom a charge is made, then the F. B. I. ought to be reformed; and it seems to me it is up to the Attorney General of the United States to see that reform is brought about. I regret that the special Assistant Attorney General, Mr. Schweinhaut, believes that such methods are proper.

Mr. President, if you were arrested for spitting on the sidewalk and the F. B. I. had a warrant for your arrest for that great offense, the first thing they would do to you under this method of doing business would be to put you in handcuffs. They would take you to an office and strip you naked and search you. They would ask you all kinds of questions about your life, about your family relations. They would look up every step you had ever taken in our life, and confront you with every error you had ever made. Such a system of procedure cannot be permitted to live; if we are to have a free country, if we are to have a land such as we boast of, where human liberty is sacred, that kind of procedure must be outlawed and prohibited.

Mr. President, I will not read the remainder of Mr. Hartley's statement. I simply wish to say that he was mentioned particularly by Mr. Schweinhaut as having impressed him very favorably, as he did me when I had a talk with him.

Mr. President, I ask leave to have printed in the RECORD at this point, without reading, the statement made to Mr. Schweinhaut by Mrs. Catherine Hartley, the wife of the man to whom I have just been referring.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Question. Will you tell me, please, Mrs. Hartley, what occurred on the morning of February 6?

Answer. As I remember, we were awakened at 5 o'clock in the morning. I know I looked at the clock. I thought it was still the middle of the night. My husband went to the door. We could hear several voices. We asked who it was. They said F. B. I. We didn't believe this, because we didn't expect any visits from the F. B. I. We thought it must be an antilabor gang. I said, "If you are really F. B. I. men, call back later. My husband doesn't leave the house until 8:30, and I will be here later than that." With that, my husband said something to them to the effect that he also worked for the Government, and that he was easily available. That he didn't start to work until 8:30. With that, and shortly after these words were passed back and forth, they broke down the door. It had a regular burglar lock, but the whole thing came down in about 2 minutes. With that, several men rushed in. Someone went to the back door and let in two more in the back door. Handcuffs were immediately placed on my husband. He was pushed into a chair. They demanded that he get dressed, so he asked me to get his clothes from the bedroom. Two of the F. B. I. men went in with me. I tried to find his clothes to bring to him. They took one handcuff off so he could put his coat on. Three or four men stood around while he was getting dressed. I asked to see the warrant for his arrest, and they said it wasn't necessary to show it to me. We asked what the charges were, what it was all about. They said "you'll find out later." They refused to tell me. With that they took him down to the car. Two men remained in the house. One man was Frank Smith. I learned that when he talked over the telephone. I asked if they had a search warrant, this Frank Smith seemed to be chief man, and he said it wasn't necessary in this kind of a case. I asked that they identify themselves and asked for their names, but they refused to tell their names. They said it wasn't necessary for F. B. I. agents to give their names. I asked to see their badges. I thought there would be a number or something on the badge, but there is no number or any way of telling if they really are F. B. I. men.

Question. Did they show you a badge?

Answer. A plain badge. I guess it said F. B. I., but no number.

Question. Did they show you any identification card similar to this? (Showing her a card.)

Answer. No; I asked for it, in fact. But they refused. In the meantime, I asked to call a lawyer. There was a telephone in the house. I was restrained from calling a lawyer.

Question. What resistance did you give?

Answer. I didn't attempt to resist them at all. I asked. They refused. I probably started toward the phone. They took hold of my arms. I didn't struggle with them at all. I also asked if I could leave the house. I wanted to come down and see what had

happened. They said I couldn't leave, I had to stay as long as they were there. They stayed to search the house. They searched the whole house. I didn't know what they were looking for. I had a filing cabinet there of material I had collected for about 5 years. They went all through that. It was International Labor Defense material, and Women's Auxiliary bulletins. They went through all of that very carefully, and also examined all photographs very carefully. After they had looked through all that, Mr. Smith went to the bedroom and went through all the drawers, and even went through my purse. They read all of our personal letters. I still kept on demanding to use the telephone, but I wasn't allowed to use it. Some time during this time our telephone rang. Mr. Smith answered it, and it was a call from the F. B. I. My husband had asked them to call, and at that time he stated who he was. I was with him all the time. I know what he did, because he kept me close to him. Every time I moved he followed me around the room.

Question. Did they examine the mattress, bedding, that sort of thing?

Answer. No.

Question. Did anyone else live in the house?

Answer. There was another couple living with us.

Question. Were they awakened?

Answer. Yes. And they were questioned, and their room was examined.

Question. What is their name?

Answer. Johnson.

They asked me my name. Where my husband worked, and how long we had been married. Where we had lived, etc. They asked me quite a few questions, which I answered. They were there from 2 to 2½ hours. I don't think they took very much with them when they left.

Question. Did they return everything so far as you know?

Answer. So far as I know. There was a question in my mind whether they had taken some photographs. The one man I didn't know what he was doing. I couldn't keep track of what he did.

Question. Did they treat you courteously at all times?

Answer. At times. At times they were very tough.

Question. How do you mean, tough?

Answer. In answering or asking questions.

Question. Were you courteous to them at all times?

Answer. I didn't struggle with them or anything. I demanded throughout to use the telephone. I tried to find out what the charges were. They wouldn't tell me and they didn't permit me to use the telephone. I immediately called Mr. Goodman when they left. I came down here to the office upstairs and asked to see my husband and a girl called on the phone into the next room. She then stated that I could not see him. I asked what the charges were and what this was all about. She said she wasn't able to give me any information. I went to Mr. Goodman's office and found out from him that the arraignment was set for 3 o'clock in the afternoon. I came back here about 2:30 and waited outside the courtroom. I was waiting outside the courtroom when I saw them come down all chained together.

Question. You saw them come out of the elevator?

Answer. I saw them come around the corner.

Question. Did you see them before they went into this little ante room to talk to the lawyer?

Answer. Yes.

Question. Were they chained together then?

Answer. Yes.

Question. Were they all on one chain?

Answer. I know a number of them were chained together, I can't tell how many. The whole group seemed to be chained together.

Question. Did you recognize any of them?

Answer. Mr. Schware, and Mr. Feldt I had seen before.

Question. Robert Taylor?

Answer. No.

Question. Did you go out to Milan on Saturday?

Answer. Yes.

I was in the courtroom, and I would like to say in regard to the $20,000 bail, that certainly in the case of my husband, he would not have been hard to locate. We had different charge accounts, and we received W. P. A. checks at that address.

Question. Did you hear anyone in the courtroom say that your husband had been hard to locate?

Answer. Yes.

Question. Who was it?

Answer. I don't know who it was.

Mr. Goodman asked that the bail be lowered. He asked in every case. But the man asked that this bail be set.

Question. Was the statement to the judge about the bail that the defendants might escape and be hard to find, or that they had been hard to find?

Answer. Both.

Question. You are certain about that?

Answer. Yes; I am certain.

I came up to the marshal's office and asked to see my husband, and they told me I couldn't see him. The man said, "You saw him last night; what do you want to see him again today for?" I asked where he would go from there. They said they were taking him to Milan. I demanded to see him. I got to see him for about 10 minutes. I inquired right away when I could see him at Milan. They told me Saturday. They told me he could write letters and receive letters. I didn't receive any. Mr. Goodman went out Friday. He said letters were allowed to go out from then on, and we would be able to see them on Saturday. He also told me they had been supposed to fill out blanks that were not necessary to fill out. Saturday we were told by the guard that we could not see them. Mrs. Feldt was allowed to see her son, but the other wives were not allowed to see their husbands.

Question. What reason did they give you?

Answer. The guard said it was the warden's instructions. He said Harold had refused to write my name down, etc. I demanded to see the warden, and finally, after 3 hours, the warden came. He told us that it would be impossible for us to see them—that they had not filled out the forms which gave the names of those who could visit them.

Question. Did you and the other women make any disturbance?

Answer. Just waited; that's all. The guard said, "If you want to wait, you can." We said, "We're going to wait until we find out." We waited until 8 o'clock at night.

Question. What time did you get out there?

Answer. We got there at 2 o'clock.

Question. Did you just leave?

Answer. The warden came in and told us that he was getting in touch with Mr. Bennett, and we would be able to see them the next Monday.

Question. You then went home?

Answer. Yes. We went out Sunday and saw them.

Question. Do you now feel that this episode at Milan was the result of a deliberate attempt to harass you, or a misunderstanding?

Answer. I don't think it was a misunderstanding. Up until Friday everything was all right. Something happened between Friday and Saturday which changed the situation.

Mr. NORRIS. Now, Mr. President, I wish to read the testimony of Dr. Sharfarman, a practicing physician, who was one of the defendants:

Please identify yourself, Dr. Shafarman—

Mr. Schweinhaut said:

A. I am a physician licensed to practice under the laws of the State of Michigan, and a graduate of the University of Michigan College of Medicine, and of the College of Letters and Science of the University of Wisconsin.

I am a member of the local, State, and National American Medical Association, and have been practicing in Detroit since September 1936. I was born in New York City, December 1, 1904, and attended primary and secondary schools there. I went to the University of Wisconsin for 5 years, from 1926 to 1931, and the University of Michigan from 1931 to 1933. Then I was an interne at Receiving Hospital in Detroit from 1933 to 1934. I have been married since 1925 and now reside at 211 Frederick Street in the city of Detroit, and have an office at 5320 John R Street.

Q. You studied abroad; did you not?

A. I spent the summer in 1934 studying at the Cancer Research Institute in Moscow.

Q. Did you do work in connection with Civilian Conservation camps?

A. I was on active duty in connection with Civilian Conservation camps for 22 months.

Q. What organization are you a member of?

A. I am a member of Phi Eta Sigma, Phi Beta Kappa, Wayne County Medical Society, Michigan State Medical Association, and American Medical Association.

Q. Are you a member of the Communist Party?

A. Of course not.

That is the kind of man this doctor appears to be. I submit, and it is undisputed, that he presents, to start with, facts which demonstrate that he ought at least to be treated like a human being by the F. B. I. or any other organization of government.

He was further asked:

Q. Have you any criminal record?

A. No.

Q. Do you spend most of your time in Detroit?

A. I have been in town since September 1936, with the exception of about 6 weeks in the summer of 1939, when I took a vacation in the Southwest. Two or three times a year we spend a week end in Chicago, and about once or twice a year I go to New York for a few days. My office has been at the address I gave since the 1st of October 1936. I have been in practice continuously. My name is in the Detroit telephone book and has been for 7 years.

Q. I suppose your first contact with this situation was on the morning you were arrested, was it not?

A. My first contact with the Federal Bureau of Investigation was at about 20 minutes after 4 on Tuesday morning, the 6th of February. My wife and I had been asleep, of course. The doorbell rang and kept right on ringing until somebody woke up. My wife woke first and answered the doorbell, then awakened me. I have a habit of many years standing to glance at the clock when I am awakened, and it was about 4:20, as I remember. I do that because frequently it is important to know when you got the call and how

long it took you to get there in case the person at the other end is grieved by any delay. My wife came back and told me a man had called up from below.

It must be remembered that they lived in an apartment house. The statement that "a man had called up from below" means that they were on the third floor, as the witness says later on. Someone below, in the front of the apartment house, had telephoned.

My wife came back and told me a man had called up from below, gave his name as Mr. Johnson, and said he had a patient who had been seriously injured, and would I see him. I said of course I would see him, and if the man was badly hurt have him wait below; but if he could come up, let him come.

Q. Do you live in an apartment?

A. I live in a building which has a main floor and two floors above. I am on the top floor.

Q. Did your wife speak to the man through a speaking tube?

A. Yes.

Mr. President, let us see what was occurring in that apartment. Here was a doctor, a graduate of at least two universities of standing, who had gone abroad to study, who had taken post-graduate courses, who had served in well-recognized hospitals, who had no criminal record, who was practicing his profession; and at this time somebody called up from below and said his name was Johnson, and that he had with him a badly injured man, and asked whether the doctor would see him. Of course, that was part of the doctor's business. He tells, later on in his testimony, that he had been up almost all that night and the preceding night; he had had very little sleep; and, of course, he told the man to come up. Mark you, the doctor did not ask the man how much money he had, or if he could pay his bill. All the doctor knew was that an injured man was said to be below; and he said, "Bring him up, and I will do the best I can with him." The man talking said his name was Johnson.

The truth is, there was not any such man. There was no injured man there. It was all a deception. It was all false; and, although Mr. Sweinhaut does not mention it in his report, personally he told me that that charge was absolutely true. He thinks the F. B. I. were justified in using means of that kind and practicing that kind of a deception to get into the man's private home.

Personally, I do not believe it. Especially in dealing with a man of this doctor's standing, when there is no charge against him of anything malicious or bad, personally I do not believe any such method should be resorted to, or that it is justifiable under any circumstances in a case of that kind. I think it is not only reprehensible but disgraceful and illegal. I believe that any respectable organization which wanted to do what was right would not resort to methods of that kind to get an innocent man into their custody, and handcuff him.

I awakened gradually and by that time my wife came back again and said there were two men at the door, neither one of whom appeared to be in any need of medical services, and she didn't like the way they were acting. They were acting in an unusual manner. I couldn't remember anybody by the name of Johnson who was a patient of mine, so I got up and slipped on my bathrobe and came out of my bedroom to see these men, who had come up the stairs. The first one to whom I spoke seemed to be very impatient to see me. He had been telling my wife he wanted to see the doctor right away and when I saw him and he saw me, I asked him what he wanted. He said, "I have a warrant for your arrest." Standing there with nothing on except pajamas and a bathrobe, and entertaining the very unusual idea of being arrested at 4:20 in the morning, I said "Won't you sit down for a moment and let me get this idea straight?" I sat down in a chair in the room, but the gentlemen remained standing and, as I gradually awakened and things began to dawn on me, it appeared to me that these two men seriously intended to take me with them.

Question. Were there only two men?

Answer. There were only two men. Those were the two men I saw at first. Then this short man in the blue coat told the other one to go down and get the rest of the boys. The other man did that and then the same short man told my wife to wake up everybody in the house. My wife by that time was becoming somewhat apprehensive and insisted on knowing who these men were. They said they were agents of the Federal Bureau of Investigation.

Question. Is that the first time they had so identified themselves?

Answer. Yes. They had purposely, in order to get in I suppose, stated they had a man who was injured. As I said, this short fellow identified himself and said he was an F. B. I agent. He ordered my wife to wake up everyone in the house. When she asked him why he said, "We are going to search the place." I asked him if he had a warrant and he said "We don't need a warrant." He insisted that I stay exactly where I was, that I not move out of the chair. He refused to permit us to use a telephone to either identify him or to consult an attorney. These men persistently refused to indicate where they were taking me or why. I asked them to show me the warrant for my arrest and he held a piece of paper up before me, but I didn't get much of a chance to look at it. I asked him what the charge was and he mentioned some numbers of some code or section of the law. I don't remember the numbers, but he said I was charged with having violated a certain law. The only clew I was given as to what the charge was was the mention of a series of numbers, which I don't remember. By that time the other three or four men had returned—that is, one man had gone down and brought three more up, making five altogether.

Question. Could you be mistaken about that and there were only four men?

Answer. I might be mistaken about that. My conversation was with the little fellow in a blue coat, with his hat pulled down over his eyes, who seemed to be in charge and giving orders. I remember two other men, one whose name I later heard was Lally. He is a somewhat slimmer and younger man. I distinctly remember him and I distinctly remember the slightly baldheaded fellow with glasses, wearing a brown suit, whose name was Meekins.

Question. Wait, let me give you the names of the four men who were there: Meekins, Lally, O'Hair, and Weigle.

Answer. O'Hair must have been the short fellow who was in charge. Meekins was the tall chap with glasses, who later asked me if I had ever seen him before. I didn't remember him and he related to me that he had once been to my office inquiring concerning some woman who may have received medical attention at an office in that neighborhood. He said that happened about 2 years ago. This phase of our contact took place later in the morning, at about 10 a. m. O'Hair was the baldheaded short man, with the blue coat, who held the paper in his hand and gave all the orders. These men insisted that everybody in the apartment come out to the living room, so that they could search the apartment.

Question. Who was in the apartment with you?

Answer. My wife, and her sister and husband (Mr. and Mrs. Singer), who live with us. There is also a young man, a roomer, by the name of Hockman.

Question. Do you have any children?

Answer. No. This man, who said he was an agent of the F. B. I., insisted on having everyone in the living room, so the other gentlemen could go through the apartment. The situation was an unusual one from several points of view. In the past, on at least two occasions, my telephone has rung and I have been requested, for some reason or other, to leave town. The reasons were never given to me. This happened a year and four months ago, when I was threatened by somebody who used the phone to convey the threat. Also, since the Dies Committee arrived in town there has been a certain amount of publicity and comment in the newspapers concerning me, so that from time to time we have thought that somebody might come up sometime to take me for a ride, and I think that was what frightened my wife that morning. She thought these men were just a gang of hoodlums who had come under a ruse to get me out of the appartment and take me places.

Question. What kind of publicity was there concerning you?

Answer. In September 1938 the Dies committee came to town and conducted a series of hearings. All of the attendant publicity can be seen in the files of the local newspapers. It had to do with Murphy's campaign for reelection and his actions as Governor during the wave of sit-down strikes, and with some other political problems.

Question. How did you figure in the publicity?

Answer. It was alleged that I had misinterpreted the rules laid down by the local board of health for the conduct of the local tuberculosis case-finding campaign, and it was further alleged that I had given physical examinations to men who were to go to Spain on behalf of the Loyalist Government. These things were all publicized through the Dies committee investigation here, and are a matter of record in the published reports of the Dies committee and in the newspapers. At that time, as I say, some fanatic or some other person called twice and threatened me—told me to leave town or else.

Question. You thought this arrest had to do with that situation?

Answer. We thought this might be one of those things.

Question. Did any of these agents exhibit to you their badges or credentials?

Answer. As I remember, none of them exhibited their badges to me. I believe one of them exhibited his badge to my wife—O'Hair, I believe.

Question. Did anyone show you anything like that? (Exhibiting identification card.)

Answer. No; not to me.

To get back to the thread of the story, when the five of us were assembled in that living room, the short man who appeared to be in charge told me he wanted me to get dressed and wear the

same clothes I had worn the day before, as he wanted me to go along with him. During that time my wife had been asking these men why we were not permitted to use a phone to consult a lawyer or to confirm their statement that they were F. B. I. agents. It was positively a weird situation, being awakened at 4:20 in the morning by Government agents. We had never heard of such a thing in this country. The whole procedure seemed very unusual, and at no time was I sure these men were bona fide agents. I felt they had come to get me, for the reasons given you, and the best thing was for me to go along quietly and give them no excuse for raising hell around the house. I didn't know how many there were. I didn't know how many there were downstairs, and I thought for the safety of the rest of the family, if I did everything they told me to do and I went along with them quietly, there would be no excuse given them for any use of force. They appeared to be not unwilling to use whatever force might be necessary.

Question. What indicated that to you?

Answer. Just their general appearance, their demeanor and attitude, and brusqueness—their general manner of handling the situation. It is just an impression I got. Nobody said to me, "If you don't come we are going to take you." It appeared to me these men were there for the purpose of taking me with them and they were going to take me whether I liked it or not. I thought the best thing to do was go with them. They would not permit my wife or me or anyone else to get near a phone. All of us were kept together in the front room where we couldn't move, for reasons I have never been able to figure out. When that agent O'Hair asked me to get dressed he specifically stated I was to wear the same clothes I wore the day before. I was instructed to go and get dressed and this man O'Hair stayed about 3 feet away from me at all times, at no time more than that. I was permitted to go to my bedroom, get into some underwear, and permitted to shave, and then I was escorted to another room where I keep my clothing, and I was told to take the clothes I wore the day before. While I was getting dressed I looked over my shoulder and saw the man whose name is Lally going through the drawers of my desk in my study. I got dressed, and one of the agents—I think Meekins—felt my clothes and went over me—fanned me, I think they call it—to see if I had a weapon on me. Then Meekins and O'Hair took me out of the apartment, leaving behind Lally going through my desk. At that time I was not handcuffed. We got outside the door to the apartment into the hall before——

Question. How many rooms are there in your apartment?

Answer. Eight rooms and a couple of bathrooms.

Question. Do you know of your own knowledge that the agents searched each of these rooms?

Answer. Of my own knowledge I do not. The only phase of searching the apartment I witnessed was the glance I got of Mr. Lally going through the drawers of my desk at the time I was getting dressed.

Question. You had gotten out into the hall——

Answer. We got out into the hall and up to that time nobody in the apartment was permitted to make a phone call or to confirm with police whether F. B. I. agents were actually picking anyone up. We weren't permitted to communicate with any friends or legal advisers. We weren't told what the nature of the charges were except, as I indicated, a number of numbers were mentioned, and up to that time I personally was not satisfied these men were bona fide Government agents. I had the distinct impression I was going to be taken for a ride and the thing for me to do was to give them no excuse to start a roughhouse at the apartment. I think that was what worried my wife. She wasn't sure they were F. B. I. agents. When we got out into the hall, leaving the apartment, O'Hair produced a pair of handcuffs and told me he was going to handcuff me. I suggested to him that I had every intention of going along quietly and I didn't see the necessity of handcuffs. He said that was a rule and he was going to handcuff me and there didn't seem to be any doubt about his intentions, so he handcuffed my two hands together. Then they took me down below, two flights, to a parked Chevrolet coupe, one of the new models with the compartment behind the front seat, and I was placed in the rear compartment handcuffed. They proceeded to drive.

Question. You were not handcuffed to an agent?

Answer. No; the agents apparently intended to keep their hands loose. I still had no idea where they were taking me and they were uncommunicative. They had told Hockman in the apartment. They wouldn't tell my wife. Incidentally, a very significant element in the procedure was the refusal of these alleged agents at that moment to permit me to talk to my wife or her to talk to me. They insisted on keeping me separate from all the others and refused to permit any conversation at all. They did permit me to kiss my wife good-bye. Some queer ideas ran through my head at that moment. I have heard of men being taken for a ride. In fact, there was one incident on the west coast recently where the wife of some man was murdered. We got into this Chevrolet car and proceeded to drive west toward Woodward, and then toward Cass. By the time we got to Vernor Highway they indicated we were on our way to the Federal Building. When we arrived there it was sometime after 5 o'clock. I was taken into a room on this floor, if I remember correctly.

Question. Do you recall seeing on the door of the room "Federal Bureau of Investigation"?

Answer. As a matter of fact I can't remember that detail.

Question. Actually their office is right over this one, it being on the ninth floor. The layout of the rooms is something like this. Do you have in mind that it was as high as the eighth floor?

Answer. It was plenty high. We could see the river from the windows.

(This statement is being taken in the office of the United States attorney on the eighth floor of the Federal Building in Detroit. The offices of the F. B. I. are on the ninth floor, immediately over this office, and the arrangement of the rooms is practically the same. In each office a view of the river may be had.)

On my arrival I saw a doctor in the hallway about to enter another door, recognized him and hailed him.

Question. Who was it?

Answer. Dr. Lang, a local plastic surgeon who was an interne at Receiving Hospital at the same time I was.

Question. Did this occur on the floor to which you were taken?

Answer. Yes. I saw this doctor carrying his bag, recognized him, and greeted him. A few minutes later I was taken into one of the offices (an open office), taken behind some filing cases, and told to undress, which I did, and I was then examined by this same physician, Dr. Lang. He looked me over, checked my blood pressure, took my pulse, and looked for scars, and then I was permitted to dress again and asked to sit down at a desk opposite to Mr. O'Hair and Mr. Meekins, who from that point on questioned me for a number of hours.

Question. Was there anyone else in this room other than yourself and the agents?

Answer. There were other people in the room, most of whom I believe were agents. One or two of the other people in the room, it appeared later, had also been arrested and brought down to the office.

Question. But at that time you didn't recognize them as the individuals who had been arrested?

Answer. That is right. That transpired later. Some time after I arrived this young woman, Mary Paige, came through on her way from one room to another and later I recognized Dr. Rosfeld passing through. I was sitting at a desk opposite these two agents, who proceeded to question me, and the questioning went on for hours and hours. I lost track of time except at one stage of the questioning period it was suggested breakfast be sent for.

Question. Who suggested that?

Answer. One of the agents. It must have been around 8 o'clock. Incidentally I had expressed a desire for some coffee when I first got to the Federal Building, and one of the agents was kind enough to send for some coffee and two or three of us had some.

Question. Do you know which of the agents sent for the coffee?

Answer. I think it was Meekins. That brings us to 8 o'clock in the morning with questioning going on. The questions continued for another couple of hours. I didn't have a watch and didn't know what time it was. We had lunch somewhere along about 12:30. The questioning had ceased, I think, shortly before time was taken out for lunch.

Question. Were you asked what you wanted for breakfast, and did you get it?

Answer. Yes.

Question. Was that also true of luncheon?

Answer. I got a darn good lunch. It was perfectly satisfactory. They probably couldn't get the steak I ordered, but hash is good if it is well cooked.

Question. At what time did you have luncheon?

Answer. At about 12:30. I was further permitted to contact my office and leave some instructions concerning patients who had appointments and whose problems required professional attention. I was permitted to use the phone on a gentleman's agreement that I would stick to professional problems concerning patients and not depart from this. I did not know if my wife knew where I was. I was not permitted to call home. I was denied that definitely. I was not permitted to tell anyone over the phone where I was, which didn't make me any too happy.

Question. Did you ask for permission to call your lawyer?

Answer. Of course.

Question. Approximately when?

Answer. When I got here. We had asked at the house when we would be permitted to consult a lawyer. When I got here I was permitted to use the phone after my office opened. I was permitted to use the phone on condition I did not state where I was or with whom I was. I told the office girl I was out on an emergency call and wouldn't be back for the rest of the day, and gave her some instructions concerning disposition of cases.

Question. Did you ask for a lawyer?

Answer. I asked Meekins and O'Hair and they said, "No; you cannot communicate with your lawyer, your wife, or anyone else." The only one I was permitted to talk to was my office girl. The only things I was permitted to talk about were those things which related to my practice. The boys were standing close enough to me to take me off the air if I departed from that agreement.

Question. Now you were at lunch time.

Answer. The questioning had gone on from the time I arrived in the morning, with an interruption for breakfast. The questioning faded off shortly before we had lunch. The only way I knew what time it was was the interruption for lunch. One of the other agents—I am sure he was not one of those who came to my apartment—had a newspaper and I asked him to let me see it. He wouldn't let me see it. Later I learned the newspapers had been splashed with tremendous headlines. That was probably the reason I couldn't see it.

Question. Did the questioning continue after lunch?

Answer. No; not in an organized manner. This man Lally approached me, either shortly before or shortly after lunch, and suggested to me that the F. B. I. never arrested anyone unless it had an airtight case; that the record of convictions was somewhere in the neighborhood of 99 percent.

Mr. President, it is said that third-degree methods were not used. The methods which were used are not disputed. It is believed by Mr. Schweinhaut that the methods used are justifiable, that they are in common use by the F. B. I., and that it is proper that they should be used. I submit that this is an instance which shows how improper the methods are. Even when no physical force is applied, an educated man, as this defendant was, could see clearly just what the agents were driving at. He was given to understand, "The F. B. I. has got you. It never gets anybody unless it has an airtight case, so you had better look out." The idea they wanted to convey to the prisoner was that, "The F. B. I. will get you if you don't look out. The F. B. I. never makes any mistakes. It is perfect. When it gets a man he is done for." If it is permitted to use such methods defendants will be done for, as the men in this case were practically done for.

What must have been the attitude of that educated doctor after that abuse from 4 or 5 o'clock in the morning until 3 o'clock in the afternoon? What must have been his thoughts? How much admiration for our country did the F. B. I. organization inspire in its prisoners? How are love and patriotic enthusiasm for the flag inspired by men who wear the flag about them and wave it at all times, saying, "We are perfect; we are the F. B. I. We never arrest anybody unless we have an airtight case, so you had better look out." Even if they do not say "You had better look out," they know that the prisoners will look out. Such methods are intended to excite defendants, make them nervous, and break them down. When a man is not permitted to kiss his wife good-bye, or if he is permitted to do so, and he thinks at the time—as this man did—that he is probably seeing his wife for the last time, what must his feelings be? He did not then believe that he was in the hands of F. B. I. men, but in the hands of crooks who were about to take him "for a ride." How much did Mr. Feldt's family admire the Government organization when it took that boy away from his home at 5 o'clock in the morning, with his mother, his father, his two sisters, and his brothers there to watch it all? How much higher did the Government of the United States rise in the minds of those people when they saw what was being done, when they were brushed aside, and their house was searched without any warrant and without any cause?

All this goes to show that the impression the F. B. I. agents want to make upon prisoners is, "We have an airtight case against you. We never make a mistake; and you had better look out. We have got you now, and there is no escape." Some of the prisoners were told that it would be better for them to confess and tell everything they knew. They claimed they knew nothing and had nothing to tell. Some of them were asked about all the other prisoners and some were not. "The F. B. I.," said this agent, "never arrested anyone unless it had an airtight case."

I continue to read:

Question. When was all this?

Answer. After the formal questioning had ceased and Lally had relieved one of the agents who was watching me. During the entire procedure the agents were standing by and watching us. Maybe they thought somebody would jump out of a window, I don't know. Lally had seated himself near me after the questioning was concluded and struck up a conversation with me. All morning I had been trying to find out what the charges were and would be answered by someone answering a few numbers, and that was the charge. As a matter of fact we never did find out what the charges were until a couple of days later. Even when we were taken into court and asked to plead, we had no knowledge of the charges, only numbers. As I say, I was trying to find out what the charges were and Lally indicated this charge, which he interpreted into conspiracy to violate a law (without stating what law), was sure to be proved; that the record of the F. B. I. was nearly 100 percent. He was absolutely certain we would be convicted. Lally reiterated his certainty that we would be convicted of this charge and that the conviction carried a long term in jail and a sizable fine, and he suggested that I could do myself a lot of good if I would just tell these boys what they wanted to know. It seemed to me he was suggesting something to me that popularly is known as "turning State's evidence." He was asking me to help myself by confessing to this charge, so to speak, and he was sure that if I did that due consideration would be given to my having done so, when and if sentence was pronounced.

Question. Was all of this more or less casual after lunch?

Answer. Yes.

Question. Let's go back, please, to the morning. What were the type and nature of the questions that were asked you?

Answer. At the outset my identity was established—that is, I was asked where I was born, who my parents were and where they were born, who my brother and sisters are, where I had gone to school, what I had done in the intervals between going to school, how long I had been married and to whom, questions about my wife and her family. Then the questioning converged on the problem at hand apparently, and I was asked whether I knew certain individuals (many names were mentioned), whether I had given medical service to certain individuals, what the political affiliations of certain people were, whether I was a member of this or that party, whether I knew certain individuals who had testified before the Dies committee, what I had done for these individuals or done to them, and a multitude of questions along that line. While I was answering the questions notes were being made of yellow paper of that type, with pencil, by the agents. Meekins continued the questioning when O'Hair left off late in the morning, and O'Hair dictated to a stenographer an abstract of the material which they had gathered as the questioning went along, and a stenographer drew up a four and one-half-page single-spaced typewritten statement which I was asked to read and check through, and sign. You realize, of course, that at that stage of the game I had had only 12 hours' sleep out of the preceding 72 hours. I had been out on night calls practicing medicine and hadn't been getting any sleep, and the morning they came to my apartment for me I had had only 2 hours of sleep. As a matter of fact, in the last 14 days I have had only 4 nights' sleep. They presented me with this four and one-half-page typewritten statement and asked me to read and sign it. I read it and couldn't quite recognize the material in it. It seems in the process of boiling it down and abstracting it and dictating it to the stenographer much of the important context of the statements I made had been omitted. I refused to sign it unless given an opportunity to get some sleep and to consult my legal adviser. My refusal to sign that paper, which Mr. Meekins said wasn't important, absolutely infuriated those boys. They just got mad, though they told me it didn't make any difference whether I signed it or not. I asked them if it didn't make any difference, why bother. They got madder than hornets. At least that is my interpretation of their behavior from that point on. They were extraordinarily unhappy and displeased.

Question. Did you refuse to answer any of the questions they asked you?

Answer. No.

Question. Was the questioning intermittent or constant?

Answer. It was persistent. There was practically no let-up in the questioning, it went on and on and on.

Question. Can you give an example of a statement you had made that had, in transition, become changed on paper?

Answer. I don't think I can do that off-hand. I could if I saw the typewritten document again. As I say, I was very tired and physically fatigued. They turned this thing over to me after perhaps half a dozen hours of questioning. It was difficult to read the thing and try to digest it and understand it.

Question. You said they asked you about a number of different people and asked if you were a member of this or that organization. Can you remember the names of any of the organizations?

Answer. They asked if I were a member of the Communist Party. Also the Civil Rights Federation. I can't remember the others.

Question. Was reference to those organizations and your answer concerning them in the written statement?

Answer. I don't remember.

Question. What transpired after lunch, other than Lally's questioning you?

Answer. Every so often I would inquire as to what the procedure was going to be, when we were going to be permitted to see a lawyer, when we were going to be taken to court, when we were going to have a chance to face our accusers, and when they were going to put an end to this situation of holding us incommunicado without any information given us as to what their plans were and, when I would ask such questions, I would be told just exactly nothing. They gave evasive answers and I was left to figure it out for myself. I had no idea how long they were going to keep me in that office. Whether this business of having our meals brought in and being questioned was going on for a day or a week.

Question. When were you first told you were to be arraigned?

Answer. I think it was indicated to us about 15 or 20 minutes before we were taken to court. I forgot to say we were again examined by the physician.

Question. When was that?

Answer. It is hard to fix these things as to time, but I think it was after the questioning but before lunch. The guards had been changed a couple of times.

Question. What do you mean, the guards?

Answer. The F. B. I. agents who apparently had the job of sitting there watching us.

Question. Were the four agents who arrested you with you throughout the morning?

Answer. At least one of them was there all the time—not all four.

Question. What happened after you were told you were to be taken into court at 3?

Answer. Everybody who was to be taken into court was told to get dressed up. We completed dressing and then we were taken by the respective agents into another part of this series of offices.

I remember at one stage of the game the questioning was interrupted long enough to fingerprint us and take our photographs, and one thing or another like that. It was just before I was questioned I think. When we got here we were given physical examinations, fingerprinted, and photographed with pretty numbers strung across us. We were assembled, so to speak, with our attending agents, in a larger room than the one we had been, in this direction from the office we originally had been in [pointing west]. Up to this time we had not been permitted to communicate with friends, relatives, lawyers, or anyone else. We were not told where we were to be taken. We were kept in the dark more or less. Then we were handcuffed and taken to the elevator and down to a room opposite the courtroom. To the best of my memory we were handcuffed to a chain, the whole string of us, before we left on our way to the courtroom.

At this point Mr. NORRIS yielded to Mr. PITTMAN and Mr. TOWNSEND to present certain newspaper articles which appear at the conclusion of the speech of Mr. NORRIS.

Mr. NORRIS. I resume reading from the testimony:

Question. Can you recall that any of the men who arrested you put on the handcuffs or chain in that assembly room?

Answer. This is a problem in psychology. I am trying to recall precise details. I am thinking back to a situation when I was very much fatigued and pretty thoroughly tired out, when I was concerned with the larger aspects of the problem and not so much with details, at a time when it wouldn't make a damned bit of difference to me if I were handcuffed to an agent or someone else, but, as I say, to the best of my knowledge Mr. Lally put a pair of handcuffs on me and then we went back to that room. He may have put the handcuffs on me after we went through the door. At that stage Lally apparently was taking charge. Shortly thereafter, when the entire group was being gotten ready to move out of the office and take an elevator downstairs, we were handcuffed to the chain. It must have been Lally who took the original handcuffs off so we could be hooked on to the chain. The original handcuffs were on both wrists. The second time the handcuffs were taken off one wrist and hooked to the chain. I don't think it is humanly possible to be absolutely certain of such details, and I don't care to try to imagine what might have happened. I am trying to remember what did happen. To the best of my knowledge we were hooked on that chain.

Question. Did the same agents go down to the courtroom with you?

Answer. They came right along. Lally made an irrevocable impression on me. There were two or three things about Lally that I will never forget. In the first place, I knew somebody by that name and I asked him if he had relatives by that name in a C. C. C. camp or some place. In the second place, he suggested to me that I act the role of an informer if I could and save myself a lot of trouble, which is a suggestion that I don't take very well. The third one is that my wife told me afterward that when he was going through my desk and papers and looking around that he seemed to be a little bit unhappy at having to do that. I will remember Lally after I have forgotten Meekins and O'Hair. There was one other thing. Lally suggested to me that I hold back when the photographers went into action and I probably could avoid having my picture taken so many times.

Question. You refer to newspaper photographers?

Answer. Yes.

Question. Did they take your picture?

Answer. Oh, yes; lots of pictures. They took our picture after we left the detention room and they took some more pictures when we came out. I was acting on Lally's suggestion when we came out, so I didn't get too many flashes.

Question. When did Lally tell you about hanging back?

Answer. I think he made the suggestion in the bureau room.

Question. Did the agents remain with you until you went into the courtroom?

Answer. When we went into the courtroom the agents were still with us and they were also in the jury room when Mr. Goodman came in.

Question. What happened after you got into the jury room?

Answer. We were pretty thoroughly jammed in there—7,543½ agents in there. You couldn't see anybody because the agents were so many. Mr. Goodman came in and told us in a few words that our wives had communicated with him and asked him to come down and appear as our lawyer. I signified that was acceptable to me. Mr. Goodman told us we would be asked to plead and when we were so asked we should simply stand mute. I asked Mr. Goodman what the charges were, but I don't think he answered at that time, so I didn't know. Dr. Rosfeld had his separate adviser, but the rest of us accepted Mr. Goodman's services. After talking to Mr. Goodman a few minutes, in the presence of our guards, we were taken across to the courtroom and seated.

Question. Were you still on the chain when you were led from the jury room to the courtroom?

Answer. As I remember we were.

Question. What happened in the courtroom?

Answer. We were seated at the desk near the judge's bench and, as I remember it, the F. B. I. agents stood along the wall just beyond the door through which we had come. Finally the judge appeared and we acknowledged his entrance and sat down again. I was called to appear before the judge four times and charges were read off by number (indictment numbers, I suppose) and we were asked to plead.

Question. Were you arraigned singly—that is, were you asked to plead singly?

Answer. Most of the time I was one of several individuals, either one other or two or six.

Question. Where were you taken after the arraignment?

Answer. After the arraignment when all the procedure in the courtroom was concluded we were hooked back on this chain and taken up in the elevator a floor or more into the marshal's office, at one end of which was a barred space, a cell, a tremendous cell. There were a couple of men in the cell and we were all taken in there, that is, all the males were taken in there.

Question. Did the agents still attend you?

Answer. They left us at the courtroom. That was the last I saw of them that day. In the marshal's office we were again fingerprinted and some more records made out, and by that time my attorney had succeeded in raising bail for me. It must have been 5 o'clock when we got out.

Question. Did the marshal interrogate you at all?

Answer. The only questioning in the marshal's office was simply for the purpose of identification—date of birth, weight, height, fingerprints, etc.

Question. That concludes the questioning, Dr. Shafarman.

Mr. President, I ask that there be printed the statement of Mr. Goodman, who was the attorney for the defendants in the Detroit case, or of all of them but one, at least.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I am an attorney practicing in the city of Detroit. I graduated from the Detroit College of Law in 1928 and have practiced ever since. I am admitted to practice in the Federal courts. I have been associated with, and acting as counsel for, the Michigan Civil Rights Federation for more than 1 year.

At about 6 o'clock a. m., February 6, 1940, I received a telephone call at my home from, I believe, Mrs. Peter Kowal. I am not certain that it was Mrs. Kowal, or whether it was Mrs. Clark. She told me that the F. B. I. had raided her home, arrested her husband, searched her place, and had just left. She wanted me to take care of the case. I told her to meet me at my office at 9. At 9 o'clock I appeared at my office and found Mrs. Kowal, Mrs. Clark, and Mrs. Hartley, all there. They each told me of F. B. I. arrests of their husbands. During the morning I received a call from the Civil Rights Federation, who had been notified of these arrests, and I was asked to intercede in the matter.

I telephoned Mr. Lehr, the district attorney. Mr. Lehr was not in his office and I spoke to Mr. Thornton, an assistant district attorney, who gave me some general information. I then came down to the office of the district attorney on the eighth floor of the Post Office Building, Detroit, and waited for Mr. Lehr. I asked Mr. Lehr for permission to see the prisoners. He told me that I would have to see Mr. John Bugas who was in charge of the case for the F. B. I.

Mr. SCHWEINHAUT. Did you ask him what they were charged with?

Mr. GOODMAN. Yes. I asked Mr. Lehr the nature of the charges and he told me that there were a number of indictments returned by the grand jury and that these indictments were under the statute, the number of which he gave to me.

I asked him to see copies of the indictments and he told me that the indictments were secret and that I could not see them until the arraignment. I went upstairs to the ninth floor and waited for Mr. Bugas.

When he came into the office, he stepped out into the hall to discuss the matter with me. I told him that I had been retained as attorney for a number of the prisoners, or their wives, and also that I was representing the Civil Rights Federation. I asked him for permission to speak to the prisoners whom I represented. He told me that I could not see them. I told him that as a lawyer I always felt that I had a right to talk to my clients who were arrested, and I mentioned that this right was granted by the Constitution. He replied very curtly to the effect that I could not see the prisoners until they were arraigned. He then became somewhat annoyed, or angry, and told me that I was foisting myself on the case because the prisoners had not asked for me. I told him that as a practicing attorney it was my experience that people who were arrested were not usually the ones to ask for an attorney, but rather the friends or relatives who would retain an attorney to protect their interests. He still refused me permission to see them, and again mentioned that I was foisting myself on the case. I suggested to him that it would be almost impossible for me to represent my clients at the arraignment and plead properly for them before I had had an opportunity to talk to them and to find out what they had to say, so that I would know how to plead. After some discussion, he finally stated that he would let me see my clients for 5 minutes before the arraignment, which was scheduled for 3 o'clock in the afternoon.

I suggested to him that 5 minutes was not a very long time within which to discuss the case adequately with my clients and to represent them properly at the arraignment. He stated that he did not care to discuss the matter any further, and I could see my clients at 3 o'clock.

Mr. SCHWEINHAUT. Fix the time of day as nearly as you can.

Mr. GOODMAN. This conversation with Mr. Bugas took place some time before noon, probably about 11 o'clock. I have no exact remembrance of the time.

Later in the day, approximately 1 o'clock, I had another conversation with Mr. Lehr, at which time I discussed the question of the bonds for the defendants with him. He told me that he would recommend a bond of $20,000 for each of the defendants except for the two doctors, for whom he would recommend bond of $2,500. I told Mr. Lehr that I thought that bond far too high in view of the fact that most of these defendants were workers and had no money and could not raise such a large bond, and from what little I knew of these defendants that they would not attempt to evade trial. He stated that he would, nevertheless, ask for these amounts. I told him that Mr. Bugas had refused me the right to see the defendants, and that I was told I could only see them for 5 minutes before the arraignment.

I appeared at Judge Moinet's courtroom at approximately 2:45. At about 5 minutes to 3 I saw the defendants being led down the corridor toward the courtroom handcuffed to a chain. I was told to go to the jury room near the courtroom where I would be permitted to see the prisoners. The prisoners were then led into the jury room still manacled to the chain. The prisoners and myself were surrounded by men whom I believed to be F. B. I. agents. While surrounded by them, and with the doors to the jury room open, with curious onlookers staring into the room from the doors, and listening to what was being said, I attempted to discuss the case with my clients. I first mentioned to them the fact that Mr. Bugas had told me I did not represent them, and I asked them whether they wanted me to represent them or not. I told them that their wives and the Civil Rights Federation had asked me to assist them in the matter. They all agreed that I should represent them at the arraignment except Dr. Rosefield, who was represented by A. Joseph Seltzer. Mr. Seltzer was also present in the room. In view of the fact that I could not talk with my clients without being overheard by the men whom I thought were F. B. I. agents, as well as the other people who were around the room, I was unable to discuss the case with them, or to ask them more than a few formal questions, and to tell them that the only reason I had not seen them before was that I had not been permitted to do so.

Mary Paige was also in the jury room with the other prisoners, although I do not believe she was handcuffed to the chain.

After a few minutes of this type of interview with my clients, I told the men in charge of the prisoners that I was through questioning them, and they were then led into the courtroom where the chain was taken off, as well as the handcuffs. They were then seated in a corner of the room near the judge's bench, and a person was placed immediately in front of them to guard them. Shortly afterwards Judge Moinet took the bench, and all of the defendants were brought forward to be arraigned.

While the District Attorney was reading the general nature of the charge and asking for a $20,000 bond, I attempted to discuss with the defendants while standing before the judge, those facts in their lives which would suggest a smaller bond to the judge, such as age, whether married or not, whether working, whether they had ever been arrested or convicted, and so forth. The little information I was able to obtain in this way, I presented to the judge as an argument to reduce the bond. The District Attorney recommended $20,000 bond in each case with the exception, I believe, of Mary Paige for whom he recommended a $10,000 bond, and for the doctors, a bond of $2,500 each. Judge Moinet set bond of $20,000 each for five of the prisoners, $10,000 for four of the prisoners, and $2,500 each for doctors. It was almost impossible for me to argue adequately to the judge for a reduction of the bonds because of the very sketchy and inadequate information I had obtained in the few minutes I talked with the prisoners.

After all of the defendants had been arraigned under all of the indictments, I told the judge I had not been permitted to see the defendants, and asked that I be granted permission to do so. He stated that it was his understanding that an attorney had a right to see his clients, and that he was certain I would be given that right. Immediately after the arraignments, the defendants were handcuffed to the chain and led away to the marshal's office.

I appeared at the marshal's office with Mrs. Hartley, who was the only wife of any of the defendants who was in court. The defendants were being fingerprinted and questioned by the marshal, and those who were not being questioned were in the cell in the marshal's office. I asked for permission to see the prisoners, and Marshal Barc at first refused to let me see them. After some argument and discussion, he finally consented to let me speak to them in the cell. He locked me in the cell with the prisoners and there, for the first time, I was able to sit down and talk with my clients.

Mr. SCHWEINHAUT. Was any deputy present while you talked to them in the cell?

Mr. GOODMAN. There were some other prisoners in the cell, but no Government official, so far as I know.

At this time I was still unaware of the exact charges against the defendants, not having been given copies of the indictments. I did not receive copies of the indictments until the following day, when they were mimeographed by the district attorney's office. I talked with my clients for about 20 minutes, when they were again lined up by the marshal, handcuffed to the chain, and taken out to Milan prison. The two doctors were able to supply their bonds and were released that same afternoon.

Mr. SCHWEINHAUT. How long did you talk with the prisoners in the marshal's cell?

Mr. GOODMAN. I believe about 20 minutes.

Mr. SCHWEINHAUT. Did you consider that time enough for your purpose then?

Mr. GOODMAN. Yes; there was nothing much I could do at that time.

Mr. SCHWEINHAUT. You did not protest to the marshal that you were not given enough time then?

Mr. GOODMAN. No.

Mr. SCHWEINHAUT. Were the indictments read when the defendants were arraigned?

Mr. GOODMAN. No; just the titles.

Mr. SCHWEINHAUT. Were you asked to waive the reading of the indictments?

Mr. GOODMAN. Yes.

Mr. SCHWEINHAUT. And you did?

Mr. GOODMAN. Yes.

Mr. SCHWEINHAUT. Were they arraigned singly or in a group?

Mr. GOODMAN. On the conspiracy indictment they were each arraigned separately. After that they were arraigned in groups as they were named in that indictment.

Mr. SCHWEINHAUT. You said that the marshal questioned them also. What type of questions did the marshal ask them?

Mr. GOODMAN. I don't know. I didn't hear the questions. I just knew that they were being questioned.

Mr. SCHWEINHAUT. You pleaded not guilty?

Mr. GOODMAN. We stood mute for all defendants, as did Mr. Seltzer for his clients.

Mr. SCHWEINHAUT. Are you familiar enough with criminal practice in the Federal courts to say whether or not those bonds were average, or high, or do you know?

Mr. GOODMAN. I myself have had no experience in criminal practice in the Federal court. I inquired after the bonds were set and found from the opinion of other attorneys that they were high.

Mr. SCHWEINHAUT. By that you mean higher than usual?

Mr. GOODMAN. Higher than what they would expect in an indictment of this character. On the conspiracy, the sentence can be 2 years and a $10,000 fine. The bond set was twice the amount they could have been fined if found guilty.

Mr. SCHWEINHAUT. Under title 2, the sentence could be 7 years, couldn't it? And a fine?

Mr. GOODMAN. That's the enlistments. Yes.

Mr. SCHWEINHAUT. And, of course, there were the other indictments. There were personal recognizance bonds set on the substantive indictments?

Mr. GOODMAN. Yes.

The following day I went to the Wayne County jail to see Mary Paige. I found that she was being kept in solitary confinement; that is, she wasn't kept in a cell leading into a corridor with other cells so that she would have contact with other prisoners, as was true of the other prisoners there. She was kept in a cell where she could not see nor talk to any other prisoner, but only to the person who brought her meals and myself, when I was able to visit her. I was informed that she could not see any other visitor except myself. She informed me that the cell was extremely cold, and she was wearing a coat when I was there. I told the prison officials when I left that her cell was cold. I returned a few days later and found she had been placed in a cell that was too hot. She was still being kept in solitary confinement and complained that there was vermin in her bed and in her food. She also complained that she was still suffering from an illness which she had during the previous 6 months. I visited her several other times during the 10 days she was in the prison. On the eighth or ninth day, I believe, her parents were able to convince the United States marshal that they should be permitted to see her, and they did see her.

I inquired of the Wayne County jail officials as to the reason she was being kept in solitary confinement, and I was informed that it was on orders of the United States marshal. I asked them whether it was customary for United States prisoners to be kept in solitary confinement. They told me it was not customary, and that Federal prisoners were usually kept in the same way as other prisoners.

Mr. SCHWEINHAUT. Who was it who told you this? What official?

Mr. GOODMAN. That official was the person in charge of the desk at the jail.

I went out to Milan prison to visit the men on Friday, February 9. I interviewed them and then had a discussion with the warden, Mr. Ryan. I asked him what privileges the prisoners would have. He told me that each prisoner was permitted 1 hour per month, which could be divided into two 30-minute periods for the purpose of visiting with relatives. He also stated that each prisoner was allowed $10 spending money per month, $2.50 per week, and an additional amount for newspapers and magazines. This money, of course, was to be provided by friends or relatives.

I asked him if the wives and families of the prisoners could come out to see them on the following day. He told me that the prisoners would have to fill out certain forms. I looked at the forms, and they included a complete statement of the history of each prisoner, including military record and other intimate information. I suggested that this form was apparently intended for prisoners who had been convicted. After some discussion, he finally agreed to eliminate a number of the questions. I went into the room where the prisoners were with the warden and told them that they would only have to fill out part of the forms, and if they did so their wives and families could see them the following day.

The following day several of the wives of the prisoners visited the prison and were told they could not see the prisoners because the forms shown to me the previous day by the warden had not been filled out properly. I telephoned Warden Ryan and asked him if he would not bring the forms in to the prisoners while their wives were there to have them filled out, as I knew they would be willing to do so. He told me he would not do this, as it would hurt discipline in his prison. After standing all day, the wives

returned home without seeing their husbands. Protests were sent to the attorney general's office and to the warden of the prison, and on the following day I called the warden and he said everything would be satisfactory. Subsequently there was no further difficulty.

Mr. SCHWEINHAUT. Were you satisfied with the prison form, as modified?

Mr. GOODMAN. Yes; as modified. But they told me they had filled it out as modified.

Mr. SCHWEINHAUT. Who made bail, and when?

Mr. GOODMAN. The two doctors provided bail the same afternoon, February 6, and were released.

Mr. SCHWEINHAUT. The others never did?

Mr. GOODMAN. They were entirely unable to—all poor people.

Mr. SCHWEINHAUT. So they were in jail until the case was dismissed?

Mr. GOODMAN. That is correct. I believe they were released on the 16th.

Mr. SCHWEINHAUT. Was the bail in the case of any one of them reduced after the arraignment?

Mr. GOODMAN. No. No legal attempt was made. Preparations were being made for an application for reduction to be filed when the defendants were released.

Mr. SCHWEINHAUT. The only member of the F. B. I. you talked with was Mr. Bugas?

Mr. GOODMAN. That's right.

Mr. SCHWEINHAUT. The first person you talked with, seeking permission to see your clients, was Mr. Lehr, who referred you to Mr. Bugas?

Mr. GOODMAN. He said I would have to see Mr. Bugas.

Mr. SCHWEINHAUT. Then you saw Mr. Bugas; he refused to let you see your clients. Then you saw Mr. Lehr again at 1 o'clock in the afternoon, and again asked him for permission to see them?

Mr. GOODMAN. I will be unwilling to state that I asked him in so many words, but I think it was understood that Mr. Bugas told me I could not.

Mr. SCHWEINHAUT. Would it be fair to assume from what you said to Mr. Lehr that you were appealing to him a second time?

Mr. GOODMAN. I made it clear to Mr. Lehr. I had gone to Mr. Bugas, and could not see my clients; now what? There was a book salesman waiting in his office. I suggested to him that he buy a copy of the Bill of Rights. So it was definitely understood that I was denied the right.

Mr. SCHWEINHAUT. Did you protest that day to anyone about the chaining of the prisoners?

Mr. GOODMAN. No; not officially. We all protested, not only myself but other people in the courtroom. People who were present indicated horror at the way they were being treated, but no official protest was made.

Mr. SCHWEINHAUT. Do you have much criminal practice in the State or Federal courts?

Mr. GOODMAN. No. I have had criminal work, but my work is not criminal except on occasions.

Mr. NORRIS. Mr. President, I have here the statements of a number of others of these persons. They are of about the same tenor as the statements of Mr. Hartley and the doctor which I have read. I selected the testimony at random, except that of Mr. Hartley, and I selected his because I had had a personal conference with him and because of the favorable opinion Mr. Schweinhaut had expressed of him. He stated that he thought he was telling the absolute truth, and evidently Mr. Hartley's statement made a deep impression upon Mr. Schweinhaut.

About the time these things were happening, after my first letter to the Attorney General, which the Attorney General published, I received a good many letters and communications from persons in different parts of the United States who had had experiences with the F. B. I. similar to those who were arrested in Detroit. Among others I received a letter from a man in my own State by the name of Carl J. Carlson, a man whom I never met, with whom I am not acquainted. The letter set forth his experience, and I think it can best be told by having the clerk read a copy of the letter I received from Mr. Carlson, dated March 13, 1940. His letter was written with pen and ink, but in order to make it easier for the clerk I have had it copied in typewriting. I send it to the desk and ask that it be read.

The PRESIDING OFFICER. Without objection, the clerk will read.

The legislative clerk read as follows:

CARLSON, "THE MARKWELL MAN,"
Fremont, Nebr., March 13, 1940.

Hon. GEORGE W. NORRIS,
United States Senator, Nebraska, Washington, D. C.

DEAR SENATOR: The enclosed clipping, as well as other items along this same line, interests me a great deal, the reason being that I have had personal experience with this same organization.

I am a salesman, traveling out of Nebraska, covering all of Nebraska, all of South Dakota, and 26 counties in Iowa, maintaining my residence at Fremont.

On June 22, 1939, I returned home from a trip to Omaha, Nebr., on business. I had just reached home a little after 6 p. m. and was just sitting down to eat with my family, which consists of a wife, a mother-in-law, and three sons, 16, 14, and 11, respectively. The doorbell rang, and I went to the door, and there was Sheriff Gallagher, of my county, and another man, a stranger to me. The sheriff said, "Hello, Carl," and I answered with, "Hello, Jack." The sheriff asked me to step out on the porch, which I did. The stranger then asked if I was C. J. Carlson, to which I answered "yes." He then grabbed me and said I was under arrest by the Federal Bureau of Investigation, that he was Mr. Stein, of the Omaha office.

I, of course, wanted to know what for, and he told me I knew better than to ask what for. He told the sheriff to strip me. They took all of my personal belongings off of me.

My wife by that time had come to the door and demanded to know what it was all about. Mr. Stein pushed her back into the house, and Stein called for his men to come on in. They proceeded into the house and started a search. In a few minutes they came out and told the sheriff to bring me in. Then Stein told his deputy to put the cuffs on me, which they did, in front of my family. They then put me in the sheriff's car and took me to the Dodge County courthouse and told the sheriff to lock me up and keep me for the United States marshal, who would come and get me in the morning. I asked if I could call a lawyer and was refused permission. The sheriff then locked me up. The F. B. I. returned to my home and questioned my family further in regard to me.

I finally found that the charges were that I had been at Sioux City and while there was supposed to have impersonated a Federal officer and as such had cashed a bad check.

My daily report records, which I mail to my company each night and of which I retain a copy, revealed that on the day I was supposed to have done the crime I was in Chicago at the Palmer House, attending a company conference. Also, the man they were looking for had a scar of about 4 inches across the back of his neck. I have no scar. Also, the man weighed about 150 pounds. I weigh 190 pounds. Also, the man had dark hair. Mine is gray.

About 10:45 p. m. the same night they returned to the county jail and said they had talked to United States Attorney Joseph Votava, of Omaha, and they had decided to release me, but that I was still technically under arrest until the case could be cleared up.

I was therefore told I would have to go to Sioux City, Iowa, at my own expense, and be identified by the person entering the charge. This I did, and Mr. Farley, chief of detectives at Sioux City, had me taken to the woman who had made the complaint. She stated I did not even start to look like the man of whom she had given the description.

The details on all of this can be obtained from me and from Attorney Joe Cook, of Fremont.

Mr. NORRIS, I have never violated a law in my life. As the father of three boys I have tried to raise them to respect law and have always told them that when F. B. I. took a man they never made a mistake. I wonder, in the face of this, just what kind of jurymen my boys will make in the future, if called on to sit on a Federal case. Also, what future attitude will they have toward the law? I am greatly concerned as a father, and you, as my Senator, should and will help, I know.

No apology was ever made to me for this gross error, which caused grief and pain, plus expense on my part for trips and time lost from my work.

I have been told that I have no recourse against the Government. Have I? Certainly, a man who happens to have the same name should at least have a fair chance to explain, rather than to be manhandled as I was.

I am an ex-service man with war wounds and saw plenty of service in France with the Sixth Regiment United States Marines, and know in the service a man is guilty until proved innocent, but a citizen the court must prove guilty.

Sorry, Mr. NORRIS, this is so long, but I felt you would want some details. These can all be backed up with testimony, if necessary.

Also sorry it is not typed, but I am in a hotel room at Carroll, Iowa, writing this. If this has helped, I am pleased, and if you can help me, I would appreciate same.

Sincerely,

C. J. CARLSON, *Fremont, Nebr.*

Mr. NORRIS. Mr. President, I received this letter immediately before Mr. Schweinhaut called on me after he had been appointed by the Attorney General to investigate the Detroit cases. I had just read it when he came into my office, and I sent for the letter and handed it to him, and asked him to read it, stating that I should be very glad if he would call the attention of the Attorney General to it, and that while he was investigating the Detroit cases, he should also investigate that case. However, I understand he did not do so.

I did not know Mr. Carlson; I had never heard of him, and did not know what kind of a man he was. I immediately wrote to Mr. Cook, who is his attorney and who bears an excellent reputation in my State, an able, fine gentleman, as

well as a good lawyer. He wrote me the facts as he understood them and, as we would expect, his recital of the facts corresponded with the story of Mr. Carlson himself.

I wrote the sheriff a letter asking him to tell me what kind of a man Mr. Carlson was. To that letter I received no reply.

I also wrote to the Federal district attorney at Omaha, with whom I am very well acquainted, and asked him about the case. He very promptly replied and gave me full information, his statement of facts not being very different from the statement of Mr. Carlson himself. I should be glad to read his letter to the Senate if it were not for the fact that he asked me to hold his letter as confidential, for the reason that the alleged crime occurred in Iowa, in a different district, that he had no jurisdiction over it, and that he happened to be mixed up in the case only because the arrest took place in Nebraska, and those interested in the investigation consulted him about holding Mr. Carlson.

I was anxious to know what kind of a man Carlson was that he should be called out of his home, and at once have handcuffs put on him, and be searched, and locked up in jail, without the privilege of consulting a lawyer, without the privilege of consulting anyone.

It is apparent that the F. B. I. agents, after they had locked him in jail, called the district attorney at Omaha, about 30 or 40 miles away, and, after they had talked with him over the telephone, they released the man from jail. I think it is fair to conclude that the district attorney advised them they had better not hold him. Anyway, he was released.

It happens that Mr. Carlson is a very poor man. There came into my office a representative citizen of Fremont, Nebr., a banker whom I have known for a good while, who has lived in Fremont for a great many years, a very prominent man, known pretty well over the State. He came to see me on some other business, but while he was there I asked him if he knew Mr. Carlson, and he said he knew him very well; that he had known him for years. I asked him what kind of a man Carlson was. He said Carlson was a very good man morally; that he had a very fine family, but that he had had a difficult time financially. He said that for several years, some time at least—I do not remember that he said several years—it had been nip and tuck with Mr. Carlson to keep his family off relief. But he had been associated in his time there with a great many good organizations, the Boy Scouts and such organizations; that he had a good reputation, and that he had a fine family.

It seemed to me that the F. B. I. ought to have exercised some kind of common sense in connection with this matter. Had they done so they would not have put this man to the disgrace and the expense they put him to. At his own expense he went to Omaha. Not being a lawyer, he supposed he had to talk with the district attorney there. When he got to Omaha and consulted the district attorney he was advised by him to go to Sioux City and submit himself there to the officers, and that they would take him to the woman who had made the charge against him. He went to Sioux City at his own expense. When he arrived in Sioux City he went to the offices of the proper officials. They took him to the person who had made the charge. It was a woman who ran a boarding house, and a boarder had come there, a man by the name of C. I. Carlson, who had boarded some time with her. He had left, and he represented that he was an employee of the Federal Government. He gave her a check in payment of his board, which on presentation was found to be useless, and she made the charge against him. I have an affidavit from her, in which she sets forth her description of this man. How anyone from that description would arrest the Mr. Carlson in question is more than I can comprehend.

I understand that when they arrested Mr. Carlson they searched his house, his garage, and his automobile, and they found a police badge in the automobile. That is about all I have heard they found against him. But they came back with the charge, "Why, this is a bad man, because he has a police badge in his automobile." I wrote to Mr. Carlson because I wanted to get his explanation of that matter. I received a letter from his wife. He was in the hospital, and afterward when he returned from the hospital he answered my letter.

Mr. Carlson is not an able-bodied man. He offered his services to his Government and served in the World War. He was wounded four times. From a man who lived in Fremont and knew him very well I got the idea, without his telling me in so many words, that because of his services in the World War Mr. Carlson was not physically a healthy, rugged man.

The affidavit of the woman which caused his arrest said Mr. Carlson had brown hair. His hair is perfectly gray. I understand his hair became gray because of his services in the World War. I understand that while he was serving and offering his life for his country, by reason of the hardships endured in that service, he lost his health and that his hair turned gray. While he is a comparatively young man, his hair is completely gray, without any shade of other color whatever in it.

I wanted to know whether he had a police badge, and I wrote to him. I received the following letter from his wife, directed to me and written from Fremont:

I am writing this for my husband, C. J. Carlson, Fremont, Nebr. Last week he received a letter from you asking if you might use the letter that he had written. It arrived the same day that he was stricken with a heart attack while working in Lincoln. Inasmuch as he is a disabled veteran, he is in the veterans' hospital there. He has authorized me to tell you to use the letter if you wish. He is well on the way to recovery now and will be home within next week or two.

This letter is signed by his wife.

Later on he wrote me a letter, which I send to the desk and ask to have read.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

FREMONT, NEBR., *April 27, 1940.*

Hon. GEORGE W. NORRIS,
Senior Nebraska Senator,
United States Senate, Washington, D. C.

DEAR SENATOR NORRIS: This will acknowledge your letter of April 24, 1940.

In reference to the third and last paragraph of your letter, please be advised as follows:

To date Mr. Schweinhaut has in no way been in touch with me or any of my family.

With reference to police badge, which F. B. I. claims to have found in my car: This badge, together with authority, was issued to me by Mayor John Rohn when he was mayor of Fremont. Authority was renewed again under Mayor Fred Drew. The reason for this was that I organized Fremont's school-safety patrol to protect our Fremont junior- and senior-high students crossing a dangerous street in our town. At that time I was also a Scoutmaster and district Scout commissioner here. I did not deny possession of this badge, because question was asked if I had ever posed as a Federal man and as such ever flashed a badge. This, of course, I denied. The badge had hung over windshield in my car at all times. This badge was, however, taken by the F. B. I. men plus a complete search of my car and the breaking of a special pair of sunglasses in so doing.

As to the search of my house, Mr. Stein called in the men and they came in. There was two of the sheriff's men and one other man from the F. B. I. However, my wife had presence of mind to ask Stein if he had a search warrant. This stopped them. However, wife told him to go ahead as we had nothing to hide. Stein, as a result, made a cursory open search. He at that time took some of my personal papers and company reports, which he took to Omaha and which was returned about a week later under registered mail. This package we still have and it has never been opened and will not be until this is settled.

My business is that of a salesman on sales promotion work. The company I am employed for is Markwell Manufacturing Co., Inc., 200 Hudson Street, New York City, N. Y. They manufacture paper fasteners and stapling machines for office use, and also tackers, stitchers, and nailers for industrial use. My job is to place dealers and call on dealers for the office line. Also to call on industrial plants in regard to our industrial line. At the time of this false arrest I had under my contract the whole States of Nebraska and South Dakota and the 25 counties on the western border of Iowa, which includes Sioux City.

At the time of this occurrence I had gone into the employ of this company only from April 26, 1939. If company had been like some companies I know my job would not have been worth very much. As it is, things have not been as good as they might have been. There still is a sense of suspicion apparent.

You asked also if I could add anything beyond what your letter called for. In this connection I might state that a Mr. Ernie Kud-

nell, who was with Mr. Stein, as associate operator, called at my home early the afternoon that I was arrested. I, of course, as stated before, was in Omaha. My mother-in-law, who was home at the time, answered the door. Mr. Kudnell asked for me; he was told I was at Omaha. He wanted to know when I would be back; he was told I was expected home about 6 p. m. He was asked if there was anything she could do. He informed her he was interested in Boy Scout work, and had hoped I was home so he could talk some things over with me. (I having been associated with scouting for some years.) He was told he could come back in the evening, and mother was sure I would be more than glad to visit with him.

Mr. NORRIS, when the F. B. I. has to hide behind the Scout organization I say it's time to call a halt. Is the F. B. I. unable to stand on their own feet, or do they need the Boy Scouts to help them. I, as a Scout man, with sons of my own in the organization, hereby register a definite protest against such tactics.

I trust this letter will be of assistance to you in this matter, and if I can be of further help, please so advise. You have my permission to check my record in any manner that you so desire in Fremont or any other place that I have resided. I hereby offer you a list of the following men, who you or the men in charge might write to in regard to me.

C. Petrus Peterson, Bankers Life Insurance Co., Lincoln, Nebr.; Lyle V. Barnes, general agent, Equitable Life Insurance Co., 907 Redick Tower, Omaha, Nebr.; Ellsworth Evans, past attorney general, South Dakota, Sioux Falls, S. Dak.; Axel Beck, attorney-at-law, Elk Point, S. Dak.; E. B. Moles, Malone & Moles, Sioux City, Iowa; Mr. Carroll Lockhart, president, Citizens National Bank, Watertown, S. Dak.; Victor Stafford, Iowa Light & Power Co., Sioux City, Iowa; also any attorney in the city of Fremont.

Sincerely,

CARL J. CARLSON.

Mr. NORRIS. Mr. President, so far as I know, the facts in this case are absolutely undisputed. When this man got to Sioux City, and was taken by the officers to face the woman who had made the charge, she said, as he states in his letter, that he was not the right man at all, and that anybody reading the description which she had given, which was admittedly a proper description, could not possibly be mistaken about his identity. When the woman said he was not the right man, he was, of course, given his freedom. If he was technically under arrest, at least his case was dismissed, and he went home.

It is admitted in this case that the man was wrongfully arrested. I do not blame the F. B. I. for arresting him. He had the same name as the man who had evidently committed a crime. I realize that the F. B. I. had a right to arrest him. No fault could be found with his arrest. But the F. B. I. had no right to humiliate him, disgrace him, and injure him and his family for life. His boys will never forget. One is 16 years old, another 11, and the third in between the other two. They will never forget, Mr. President, that their father was brought from the porch into the house by the F. B. I. men, apparently to increase the disgrace of his handcuffing, so that he could be handcuffed in the presence of his entire family, consisting of his wife, his wife's mother, and his three boys. They will never forget that picture. That is a wrong to their young hearts which will last as long as they live.

It is because of such injury, Mr. President, and the things which inevitably follow, from which there is no escape, that I protest against the activities of the F. B. I. Long after we are dead the evil effects of their notorious mistakes and inhuman conduct will tell on the rising generation.

This man, on account of the service which he rendered to his country, is almost physically disabled from supporting his family. At his own expense he traveled from Fremont, Nebr., to Omaha, from Omaha to Sioux City, and from Sioux City back to Fremont. That expense would not mean much to a man in ordinary circumstances. However, it is a matter of great importance to a man who has the poorhouse door half way opened before him, and who has a wife, three boys, and a mother-in-law to support. That expense, amounting to a few dollars, was probably all that stood between him and public support. It is now admitted by Mr. Hoover, himself, that the man was absolutely innocent of any crime. The great boast, made throughout all this evidence, is that when the F. B. I. does something it never makes a mistake. In this case it was demonstrated that the F. B. I. made a mistake, which meant much to three young boys just coming into manhood in Fremont, Nebr. It meant a humiliation to the father and mother, in the presence of those boys, which is more than money can repay.

As the record shows, this man was a scoutmaster, engaged in many activities for the benefit of the public, and of young boys and girls. He, a poor man, was compelled to take from his meager earnings sufficient money to defend himself against a charge and prove his innocence. In other words, the burden of proof was shifted. The F. B. I. men were mistaken.

Mr. President, unpleasant as it is, I shall mention some other things in regard to the F. B. I. In mentioning them I still adhere to my original purpose to do good, even for the F. B. I.

Mr. Hoover, the head of the F. B. I., is the greatest hound for publicity on the American continent today. There is not a man sitting in the press gallery who will not privately admit it, from his own experience. Mr. Hoover has an organization, maintained at public expense, writing speeches for him to make or for anyone else to make who will take the speeches. When he makes a speech a copy is sent to practically every newspaper in the United States.

No organization that I know of meets in Washington without having some person appear before it to tell what a great organization the F. B. I. is. The greatest man of all, who stands at the head of it, never made a mistake, never made a blunder. In his hands lie the future and the perpetuity of our institutions and our Government. All such organizations adopt resolutions of commendation of this great man.

I talked with the editor of a daily newspaper in a Midwestern State, because some publicity had been given to this matter and to my original letter. The editor and publisher of that newspaper stated that he receives an average of one letter a week from Mr. Hoover. Whenever anything of a commendatory nature, or anything which could be construed as commendation of anything the F. B. I. has done appears in the newspaper, the editor receives a letter of approval from Mr. Hoover.

I have before me an article appearing in the New Republic of March 18, 1940. The heading is "G-Man Hoover's Nazi Plot." Here is what it says, or a portion of what it says—I am not going to read it all:

> Late on Sunday, January 14, the newspapermen were summoned to the F. B. I. headquarters in New York. Chief J. Edgar Hoover had a front-page story for them. He had just completed, he said, a roundup of 18 men who were plotting to overthrow the Government of the United States and to establish a dictatorship. He gave the press all the details.

Mr. President, it would be interesting to read all the article, but I do not believe I will do so because I have hesitated so far to talk about that particular activity of the F. B. I. for, as I understand, the men involved are now being tried. While I do not suppose anything that I might say would have any influence on the judge or the jury, yet the place where I said it might have some effect, and it has always been my practice to try to steer clear of discussing a case that was at the time being tried in court. In my humble way, Mr. President, in the little practice I have had in the country towns and villages, I have always endeavored to try my lawsuits, whenever I got such a thing, in court and not in newspapers. It seems to me that the F. B. I. would render better service if they would pay less attention to the publication of various kinds of incendiary charges which might be set forth in the headlines of newspapers and give publicity and notoriety to that organization.

I believe that the sheriff of a county who issues flaming announcements of what he is going to do in the way of making arrests, and as to the kind of case he has worked up, before the case is tried, makes a mistake. He may get greater publicity; he may get more praise and adulation and favorable comment from the newspapers by taking such a course, but, in the end the man who does the best work for humanity, society, and the Government is he who tries to do his work outside publicity avenues. The F. B. I., however, does not do that.

It is very easy to prove whether the statement I have just read is true or false; it is susceptible of definite proof. If it

is not true, it would be very easy to prove that it is without foundation. Is it true that J. Edgar Hoover on Sunday, January 14, summoned newspapermen to F. B. I. headquarters? He either did or did not. If he summoned anybody there, those summoned ought to be able to testify and tell about it. Did he tell them what is alleged in the article he did tell them or did he not? If he did, it seems to me that he did something calculated to injure his own organization, for his organization particularly should keep out of the newspapers instead of trying to hunt ways to get into them.

There is another matter to which I wish to call attention. Whenever anything is said in regard to Mr. Hoover or the F. B. I., it is not long until a certain class of newspapers, and sometimes public men, in all sections of the country spring to the defense of Mr. Hoover. When my letter to the Attorney General and his reply were first given to the public, it was immediately said, "Here is another attempt to smear Hoover." That statement was in the headlines. The man who was denounced here the other day by the Senator from Nevada [Mr. PITTMAN] wrote such an article and "smear" was the word used. I was, either by insinuation that could not be avoided or by direct statement, connected with all those accusations. One famous, well-known columnist devoted a whole column to my attempt "to smear Hoover," but of all the articles of that kind I have read not a single one ever stated the facts correctly. The statements that attacks on wire tapping were not well grounded have become so common that it seems to me they must have a common origin. Those who heard my first letter read today, and my second letter, will remember, since I called attention to it, that the words "wire tapping," or anything like wire tapping, was never, directly or indirectly, referred to by me. Yet that was connected with half the newspaper articles condemning me in particular for what they said was an attack on one of the greatest men who ever lived and who now held the future life of our country in the palm of his mighty hand.

I purposely, Mr. President, and with premeditation, stayed away from all but one ground. I think one might well have gone in other directions and might well have talked about wire tapping; but I did not do so. I do not agree that under all circumstances wire tapping ought to be condemned. One thing may be said about wire tapping—namely, that if a man's wires are tapped, and it is not found that he has done anything wrong, he is not hurt. His sense of independence may be shocked, he may be wronged in a legal sense, and his freedom may be interfered with; but if he has not committed a crime wire tapping will never convict him of a crime. I have said nothing about wire tapping up to this time; I have never used the term, as I remember. If I had my way about it, I would not make it completely illegal; but I have not charged the F. B. I. or Mr. Hoover with wire tapping. That is not the charge I have made. I have said that these men in Detroit—ordinary persons—some of them just as respectable as you, Mr. President, or I, were treated like common felons when they were arrested. I have said that there is a difference between a man charged with a crime and a man convicted of a crime. The men in Detroit were not even charged with a heinous crime, and yet they were treated like the worst felons. I find, on investigation and in talking with Mr. Schweinhaut, the Special Assistant Attorney General, who has made the report, that he believes—and since the report is approved by the Attorney General, I presume the Attorney General believes—that such a system of procedure is proper in a free country. I believe, if followed to its legitimate conclusion, it will destroy every vestige of freedom and that tyranny will take the place of liberty. I think the idea of giving a man a fair and honest trial when he is charged with a crime applies just as much to our enemies as it does to us; and, in my opinion, if we do not give justice to our enemies, the logical end will be that justice will not be meted out to us at a time when we shall stand sorely in need of it.

Mr. President, it is my humble judgment—probably no one will pay any attention to it, but at least I shall know that I have expressed it—that Mr. Hoover is doing more injury to honest law enforcement in this country by his publicity-seeking feats than is being done by any other one thing connected with his organization. It is my humble judgment that a man who continually tries his lawsuits in the newspapers will, before long, fail as a lawyer and be recognized as a failure by all who know him. A detective who advertises his exploits every time he gets an opportunity, who spends the public money to see that they are spread over the pages of the newspapers in flaming headlines will in the end be a failure in ferreting out crime and bringing guilty persons to justice.

Mr. President, it is not true that we can resort to the methods to which Mr. Hoover resorts and have success in our efforts to preserve human liberty. It is quite as necessary that we give a Communist a fair trial as that we give a Methodist a fair trial. It is quite as necessary that we protect a man charged with crime until he is found guilty, until he is shown to have committed some overt act, as it is to protect a man against whom no charges are made.

These men in Detroit were not bad men. Probably I would not agree with any of them. Probably you would not, Mr. President; but they have as much right to their ideas, whatever they may be, as we have. If they are charged with crime, it is important for the good of our country that they be treated with the same respect and dignity as would be accorded to you, Mr. President, if you were charged with crime. I say now, without fear of successful contradiction, that in most of these cases in Detroit if any discretion had been used—it seems to me if any common sense had been used—the men would not have been subjected to the disgraceful and humiliating procedure which was indulged in in their cases.

Unless we do something to stop this furor of adulation and praise as being omnipotent, we shall have an organization—the organization of the F. B. I.—which, instead of protecting our people from the evil acts of criminals, will itself in the end direct the Government by tyrannical force, as the history of the world shows has always been the case when secret police and secret detectives have been snooping around the homes of honest men. In my judgment, unless this procedure is stopped, the time will soon arrive when there will be a spy behind every stump and a detective in every closet in our land.

Mr. President, I close by reasserting that I have no ill will or bad feeling against this organization. It has done some wonderfully good work. It is capable of doing good work. One thing that can be truthfully said of it, I think, is that it is very efficient. But we cannot have it dominated by any individuals or by any groups who are looking to newspaper advertising for adulation every day of their lives, who arrest men and try them in the newspapers and not in the courts of law established under our laws, and who do not give to men charged with crime, especially when no malice is connected with their alleged actions, the full protection we would give to our own fathers, our own mothers, or our own brethren if we had the warrants to serve.

Mr. President, I have made these remarks with the hope that the conditions now prevailing may be improved in that respect, and that we may cease to follow a course which will put bloodhounds on the trail of honest citizens and permit their lives and liberty to be jeopardized by fellows who will wreak their vengeance under the guise of law-enforcement officers.

SUPPLYING OF DOLLAR EXCHANGE BY SILVER PURCHASES

During the delivery of Mr. NORRIS' speech,

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Does the Senator from Nebraska yield to the Senator from Nevada?

Mr. NORRIS. I yield.

Mr. PITTMAN. An article appeared in the Times-Herald of Sunday, May 5, entitled "England's Need of United States Dollar Seen Increasing. Loss of Sterling Market in Norway Believed Factor."

The article is by Mr. Joseph Cerutti. It is a very interesting article from London. It deals with the very question which I was discussing yesterday, namely, the need and desire of Great Britain and France to obtain some of our agricultural products, particularly cotton. It also deals with the impossibility of Great Britain and France purchasing such agricultural products by reason of their lack of dollar exchange. As the balance of trade is against Great Britain and France, unless they are permitted to export into this country large quantities of their manufactured commodities, they cannot get dollar exchange. At this time, with a great many idle workers in this country, it is not desirable to reduce our factory production by the importation of manufactured articles from Great Britain and France beyond those which are now coming in.

I shall read the last paragraph of the article, which I then desire to have placed in full in the RECORD in connection with my remarks.

The vagueness of the statement—

He concludes—

prevents even an approximate estimate being made, but the volume of unwanted purchases will need to be substantial if it is to make an appreciable difference to the American agricultural situation.

Where are the dollars coming from? All that are available we need for urgent war-material purchases. If more are spent on unwanted agricultural products, less will be available for planes and other war material from the United States.

Let me read a further paragraph from the article:

For this reason, Government officials and traders here are seeking to devise new measures to increase British exports to the United States. Cotton and rubber circles this week were busy discussing the chances of another big barter deal between Britain and America, and one report is that the negotiations already were under way.

I bring this up, particularly this paragraph, because yesterday the minority leader, the distinguished Senator from Oregon [Mr. MCNARY], suggested that Great Britain did not need to purchase any cotton from the United States; that she could get it elsewhere. I took issue with that statement at the time. This article goes into the situation and clearly indicates that Great Britain is in dire need of cotton and other agricultural products. It calls attention to the fact that the necessity for dollar exchange is far greater now than it was, because Great Britain has been debarred from purchasing farm products and other materials in Norway and Sweden. As a matter of fact, Great Britain has been obtaining most of her butterfats and most of her agricultural products from Norway, Sweden, and Denmark. Those markets are actually cut off, and the products of those countries all go to Germany. Therefore, Great Britain is going to find it very much more difficult to obtain butterfats and agricultural products, because those markets are denied her.

Great Britain and France have been obtaining a large portion of their pork from Denmark. That market is now cut off. I do not know where Great Britain will obtain her butterfats and pork in the future unless from the United States. Yet this article plainly states that while Great Britain may have to resort to the United States, she has not the necessary dollar exchange. She cannot get the necessary dollar exchange except in two ways. One of them is for us to permit her exports to come into this country until there is a balance of trade. That I conceive to be impossible under the present situation. The other is to make available to Great Britain and France, without exportation to this country, commodities with which they can buy such materials.

That is the intention of the amendment I have offered. It is that Great Britain, without shipping her exports into our country, may ship them into Canada or Mexico or Peru or China or India, which have silver, and sell such exports for silver at 35 cents an ounce. She can afford to take silver at 35 cents an ounce if our Government will accept the silver at 35 cents an ounce if the proceeds are applied to payment for our exports of cotton, wheat, butterfats, and other agricultural products. I know of no other way by which dollar exchange can be supplied.

I offer the whole article to be published at the end of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald of May 5, 1940]

ENGLAND'S NEED OF UNITED STATES DOLLARS SEEN INCREASING—LOSS OF "STERLING" MARKET IN NORWAY BELIEVED FACTOR

(By Joseph Cerutti)

LONDON, May 4.—Britain's need for American dollars to finance her purchases has become more acute, according to financial observers, as the result of the extension of hostilities to Norway and the loss of Scandinavian "sterling" markets.

For this reason, Government officials and traders here are seeking to devise new measures to increase British exports to the United States. Cotton and rubber circles this week were busy discussing the chances of another big barter deal between Britain and America, and one report is that the negotiations already were under way.

RUBBER FOR COTTON

The first barter deal provided for an exchange of 600,000 bales of cotton against 80,000 tons of rubber. Although the transaction is not yet completed, the idea of a new arrangement whereby Britain might obtain vital cotton imports without raising dollar balances finds many sponsors here.

Bitter criticism was voiced, however, over the results of the negotiations reported recently concluded in Washington by the Anglo-French economic experts, Frank T. A. Ashton-Gwatkin and Charles Rist. The Financial News, a leading market organ, complains that their activities have jeopardized the British Government's efforts in the last couple of months to close up the loopholes in the economic blockade of Germany.

PROMISES VAGUE

The writer admits that the terms of the official statement of the Allied pledge to do everything practicable to ease the effect of the blockade and other wartime economic policies on American trade are too vague to indicate the extent of the concessions made to the United States Government.

But, despite this, it expresses the fear it will result in a further increase in the volume of goods available for reexport to Germany through the neutral European countries or at best an accumulation of raw materials within striking distance of Germany.

Objections are raised to the Allies' reported agreement to release a certain amount of German exports to the United States arising from deals concluded before the blockade was extended in November to cover exports.

AID TO ENEMY SEEN

"This concession," the Financial News declares, "will provide Germany with additional dollar resources and enable her to increase her purchases of American goods whose shipment has been made possible by the concession the Allies made in the matter of neutral imports."

The Anglo-French undertaking to maintain as far as possible purchases of American agricultural products, including tobacco and fruit, provides another bone of contention which the writer seizes to accuse the Government of dissipating dollar exchange. These products, he claims, are obtainable in "sterling" countries or countries which do not require payment in dollars. The arrangement with the United States, the writer argues, involves an unnecessary loss of the British Government's dollar resources.

ESTIMATES IMPOSSIBLE

"The vagueness of the statement," he concludes, "prevents even an approximate estimate being made, but the volume of unwanted purchases will need to be substantial if it is to make an appreciable difference to the American agricultural situation.

"Where are the dollars coming from? All that are available, we need for urgent war material purchases. If more are spent on unwanted agricultural products, less will be available for planes and other war material from the United States."

THE SILVER ISSUE

Mr. TOWNSEND. Mr. President——

Mr. NORRIS. I yield to the Senator from Delaware.

Mr. TOWNSEND. I ask unanimous consent to have printed in the RECORD, following the remarks of the Senator from Nevada, an editorial from the Washington Post of May 7, 1940, and an editorial from the New York Evening Sun of May 2, 1940.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post of May 7, 1940]

THE SILVER ISSUE AGAIN

Even those who oppose Senator TOWNSEND'S bill to discontinue foreign silver purchases no longer believe that the silver-buying program will achieve its original monetary objectives.

The only other halfway plausible argument in favor of continuing silver buying is that it is a useful instrument of foreign policy. But the chief beneficiary of our buying operations at present is Mexico. And Mexico has just shown her gratitude for our generosity by brusquely refusing to submit the claims of defrauded American investors to arbitration.

Generally speaking, the United States Government rightly refuses to act as collector for private investors. But when a foreign country takes over the property of American citizens, and fails to make the adequate and prompt compensation demanded under international law, it is not only the right but the duty of the Government to protest. Unfortunately, verbal protests have been of no avail in the case of Mexico. It is just possible that a sudden cessation of purchases of silver by the Treasury would produce a change of heart.

Whether or not that should prove to be the case, we have nothing to gain by continuing to buy silver from Mexico. On the contrary, the more silver we purchase abroad the more we stand to lose in the end from exchanging valuable goods and services for an overvalued metal for which we have no use. Moreover, silver purchases add to our already tremendous volume of excess bank reserves and thus aggravate an ever-present inflationary menace.

In short, there is no valid reason for obstructing passage of the Townsend bill now before the Senate. And there are numerous reasons—both economic and political—for urging its prompt approval.

[From the New York Evening Sun of May 2, 1940]

THE TOWNSEND SILVER BILL

As was to be expected, silver Senators are raising cries of anguish over the Townsend bill to put an end to the buying of foreign silver. But the Senate Banking and Currency Committee has approved it and prospects for its adoption at the present session of Congress have been materially improved. As presented by Senator TOWNSEND, of Delaware, on January 17, 1939, this bill would have repealed the Silver Purchase Act of 1934 under which the United States has paid domestic producers and foreign producers considerably more for their silver than it was worth. As reported with amendments on March 24, 1940, it merely separates foreign producers from this reservoir of financial nourishment. In the Senate on Tuesday, Senator TOWNSEND argued that the Government had bought about "two and one-third billion ounces, with absolutely no end yet in sight." Of his maimed measure, he said:

"After all the debate * * * it would be perfectly clear that my bill, which does not touch domestic silver at all, has as its sole objective the termination of the buying of foreign silver, a wasteful, unnecessary, pointless, and disturbing process. The case has long been clear. The hearings have been held. The Secretary of the Treasury has been heard. The State Department interposes no objection. The Federal Reserve System approves. Repeal is long overdue."

The most interesting sentence here is the one about the State Department. If Secretary Hull has made no objection, it is not because Mr. Hull is not particularly interested. He has not yet received from Mexico any satisfactory reply to his recent demand for arbitration of the claims of citizens of the United States whom Mexico has deprived of property through expropriation. Purchases of silver by the United States not only are important in that Republic's internal economy but also contribute materially to the financial resources of the Cardenas government. Nobody knows this better than Mr. Hull does. It therefore requires no vast stretch of imagination to interpret his silence as highly significant.

The silver-buying folly ought to be ended in its entirety, but in a campaign year that is too much to hope for. If silver Senators can prevent any amendment whatsoever they will do so. Some of them no doubt fear that to change any part of the present statute would endanger the whole of it.

After the conclusion of Mr. NORRIS' speech,

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1542. An act to authorize the Director of the Geological Survey, under the general supervision of the Secretary of the Interior, to acquire certain collections for the United States;

S. 1780. An act to authorize the Secretary of the Interior to acquire property for the Antietam Battlefield site in the State of Maryland, and for other purposes;

S. 3098. An act authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dudley F. Wolfe;

S. 3198. An act to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army;

S. 3262. An act to authorize the Secretary of the Interior to grant a right-of-way to the Highway Commission of the State of Montana;

S. 3470. An act to amend the National Defense Act of June 3, 1916, as amended, to provide for enlistments in the Army of the United States in time of war, or other emergency declared by Congress, and for other purposes;

S. 3633. An act to amend section 24e, National Defense Act, as amended, so as to add an alternative requirement for appointment in the Dental Corps;

S. 3654. An act to amend section 10, National Defense Act, as amended, with relation to the maximum authorized enlisted strength of the Medical Department of the Regular Army;

S. 3661. An act to amend the Perishable Agricultural Commodities Act, 1930, as amended, and for other purposes; and

S. 3675. An act to authorize the establishment of boundary lines for the Wilmington National Cemetery, N. C.

PROHIBITION OF FOREIGN-SILVER PURCHASES

The Senate resumed the consideration of the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes.

Mr. REYNOLDS. Mr. President, yesterday I very briefly discussed the pending issue, after which I took occasion to mention the subject of immigration as it relates particularly to our sister republics to the South. From that subject I took advantage of the opportunity of drifting into a discussion of the general subject of immigration, about which too little has been said, and concerning which not enough has been printed.

This afternoon, after briefly discussing the pending issue and bringing particularly to the attention of the Members of this body some very pertinent editorials with regard to that most interesting subject, I shall again discuss in particular immigration into the United States from Mexico, and likewise the question of immigration into the United States from the countries of Central and South America, after which it will be my pleasure to discuss generally the subject of immigration—concerning which, as I have said, too little has been said, and not enough has been printed—on account of the great interest now being evidenced by the American public in reference thereto.

I have observed with much gratification that a number of leading daily publications of my State of North Carolina have commented very favorably upon the position taken by my distinguished colleague, the senior Senator from Delaware [Mr. TOWNSEND]. I see on page 202 of the printed report of the hearings before the Committee on Banking and Currency an extract from an editorial printed in the columns of the Asheville Daily Citizen, of my home town, Asheville, N. C., on February 24, 1940, in which it is written:

"Futile and dangerous," the editors of the Asheville (N. C.) Citizen called this country's foreign silver policy on February 24, 1940, adding:

"The futility—in fact, the danger—of the Treasury's foreign silver-buying program becomes more apparent with every passing day. Our silver stocks are increasing constantly, yet they are still far from the goal set by the Silver Purchase Act of 1934. With each fresh purchase the excess of bank reserves swells, bringing closer the threat of inflation. * * *

"Abandonment of foreign silver purchases should be the first step in a concerted drive to reorient the basis of our national economy."

On page 217 of the hearings, I observe extracts from the editorial columns of the same newspaper, the Asheville Daily Citizen, under date of July 3, 1939, reading:

It seems only logical, therefore, that the foreign silver program should be allowed to lapse. Its "good neighbor" currency is in question. * * * One conclusion is inevitable: Silver purchases have done nothing to stimulate amicable foreign relations; nor to benefit our own domestic economy. Common sense dictates that they should be halted.

Again, on page 219 of the same printed hearings, I read an extract from an editorial published in the Louisburg Times, of Louisburg, N. C., the issue of June 30, 1939:

Mexico seems to be right much troubled over Congress' action toward the purchase of silver. But she is not much conscience-stricken for taking American property and business away from its owners. "The cat comes back sometimes."

Again, on page 218 of the same hearings, I have before me an extract from an editorial published in the Durham (N. C.) News, the issue of June 29, 1939, as follows:

The Senate has voted to discontinue foreign purchases of silver. * * *

The Senate action, of course, was not intended as a reprisal against Mexico. The Senate has passed the bill because of the effect it hopes it will have on our own economy.

But most of us feel that American interests have been grossly served in Mexico, and we must be excused if we do not greatly regret the plight in which Mexico soon perhaps will find herself.

In addition thereto, I note with much gratification contributions from the editor of the Charlotte (N. C.) News, or Observer—it is not designated which—the Wilmington Star, the Greensboro News, and another extract from the Durham newspaper. I wish to read them because I want them in the RECORD, and I hope those of our colleagues who are not present this afternoon will find an opportunity to read these statements from the pens of some of the most able editors in the State of North Carolina.

The editor of the newspaper published at Charlotte says:

Now, this silver is of no earthly use to us. We are surfeited with the stuff already. We have to go to the trouble of storing it and guarding it and taking inventories of it.

The editor of the Wilmington Star, of Wilmington, N. C., published by my distinguished friend the Honorable R. B. Page, says:

Why wouldn't it be simple good sense to apply the half million on the land claims and let Mexico keep her silver? Better still, why wouldn't it be positively astute to cease buying silver altogether and keep our own good money?

There is an idea there. I see here my distinguished colleague the honorable junior Senator from Kentucky [Mr. CHANDLER]. Of course, he is not so much interested in silver as he is in gold, because many billions of dollars of gold are stored in the lovely green hills of his fine State, a State so ably represented by our distinguished leader, the senior Senator from Kentucky [Mr. BARKLEY], and the junior Senator, the fine former Governor of Kentucky. We are interested today primarily in silver, and my friend in the Wilmington Star suggests to my mind that we might at this time, at a time when our brothers across the Rio Grande will apparently not consider any negotiations suggested by the Secretary of State, tell them that we would be very much interested in negotiations leading to a transfer of the peninsula of Lower California, which is Mexican territory, to the United States of America, in part payment of our claims against the Mexican Government.

Here I digress to say that if we are actually, really, genuinely, sincerely interested in providing perfect protection for the western entrance to the Panama Canal, which is in the Pacific Ocean, we should acquire Lower California. It has been suggested by the President of the United States that we might acquire Cocos Island and Goose Island from the Republic of Costa Rica for that particular purpose, and if my colleagues will for the moment carry in their minds the geographic situation off the coast of Mexico, they will recall the peninsula of Lower California and that lying between the peninsula of California and the mainland of Mexico there is a body of deep water, where there could be concealed cruisers and battleships and innumerable submarines. At the point of that peninsula there could be established air bases and aquaplane bases without difficulty, without the expenditure of a great deal of money. If that territory should ever fall into the hands of an unfriendly nation, or if Mexico herself should ever become more unfriendly than she is at present, it might give us some considerable embarrassment in the protection of the Panama Canal. In connection with the question of properly guarding the entrance to the Panama Canal, and the additional locks for which we are about to make appropriation of $290,000,000, and for which we have made appropriations of $15,000,000, we are all interested in whether we want to carry out the suggestion of my distinguished and beloved friend from my sister State of Tennessee, the senior Senator from that State, the honored KENNETH MCKELLAR, that we construct the Nicaragua Canal.

At any rate, in protecting our interests in that portion of the Western Hemisphere, we should give some thought to the possible acquisition of Lower California, and this is the time to negotiate with Mexico to convey to us that Portion of her property in part liquidation of debts which have been due us as the result of seizures of property over a period of 20 years and for which, despite the negotiations which have been carried on, we have never been able to bring about a settlement. So I thank my friend the publisher of the Wilmington Star for providing me with a suggestion of that sort in the editorial from which I has just read extracts.

The Greensboro Daily News, of Greensboro, N. C., says, in part:

This country has subsidized Mexico by taking its silver, it has submitted to heavy tariff exactions, it has met expropriation of the property of its own and other nationals with patient requests for conferences, it has accepted grudging and unsubstantial promises of repayment mañana, it has sought in every way to cooperate.

There has been handed to me an extract of the proceedings of the debates of the Seventy-sixth Congress, first session, in which is printed a speech delivered by the Senator from Delaware, Hon. JOHN G. TOWNSEND, Jr. We find here another editorial from one of the Charlotte, N. C., newspapers, as follows:

Now, this silver is of no earthly use to us. We are surfeited with the stuff already. We have to go to the trouble of storing it and guarding it and taking inventories of it.

I believe that is an excerpt from an editorial which I brought to the attention of my colleagues a few moments ago.

I read from the Wilson Times, of Wilson, N. C.:

The projected fight for the repeal of Silver Purchase Act of 1934 may be defeated on the national-defense plea. Treasury authorities predict that this will constitute the basis of the administration defense of the act.

I have here an editorial pertaining to the pending subject, from the columns of the Asheville (N. C.) Times, a daily newspaper published at Asheville, N. C., entitled "Good Place to Stop." The editorial is as follows:

Heeding the advice of the Advisory Council of the Federal Reserve System, the Senate Banking and Currency Committee has approved the Townsend bill to end all purchases of foreign silver.

Secretary of the Treasury Morgenthau opposes the bill, urging against it that it may worsen the already "chaotic" world conditions. But the arguments for continued buying of foreign silver are not all parallel to the case for purchasing gold, and the problem of accumulating silver stocks seems to be one which can be solved without the complications that would follow changes in the gold policy.

The Treasury now owns nearly three billions of silver, to which it gives a bookkeeping monetary price of $1.29 an ounce. The Treasury has spent almost a billion dollars for silver from abroad at an average purchase price of 52 cents. Today the market price is 35 cents, although the domestic-silver interests, whose importunities started the Government on its silver program, are receiving 71.1 for their silver.

Silver-State Senators declare that silver buying has helped China. Able economists, on the other hand, charge that it has also injured China's economic condition.

That statement is disputed

Mexico has made handsome profits selling the United States silver.

That is unquestionably true.

Senator TOWNSEND remarks that Mexico has reciprocated this good neighborliness by seizing American oil properties, and by mild threats of taking over mining properties if Washington stops buying Mexican silver.

I dare say that might happen. The editorial continues:

A huge silver store might under abnormal conditions not existing today become a temptation to currency inflation, which is one reason the Federal Reserve Council hopes to see a drying-up of the stream of foreign silver.

I am glad, indeed, that Mr. Hiden Ramsey, the editor of the Times, whose editorial I have justed quoted, is quite in accord with my attitude with reference to the pending issue.

Here is an editorial from the sister newspaper of the Asheville Times, the Asheville Star, entitled " 'Friends' and Silver." I wish to read the last paragraph of the editorial which I now hold in my hand.

In the meantime Mexico has seized American oil and cattle lands without paying for them. Furthermore, Mexico only last week sent a trade delegation to Tokyo which the Baltimore Sun describes as "an attempt to shift a certain amount of trade from the United States to Japan," on a barter basis.

This is hardly a shining example of neighborliness. Who, then, are our "friends" of the silver subsidy? To answer, Secretary Morgenthau will have to search a horizon that seems, for the moment, barren of reciprocal friendship so far as Uncle Sam's silver policy is concerned.

That, Mr. President, is unquestionably true. I ask that the entire editorial may be printed in full at this point in my remarks.

The PRESIDING OFFICER (Mr. MINTON in the chair). Without objection, it is so ordered.

The editorial is as follows:

[From Asheville (N. C.) Citizen of March 23, 1940]

"FRIENDS" AND SILVER

Over the opposition of Secretary Morgenthau, the Senate Banking and Currency Committee has approved a bill which would end the Treasury's policy of foreign silver buying. Since the committee's decision is likely to guide the Senate in its vote on the silver program, the merits of both arguments should undergo public examination.

It is an undeniable fact, as the committee majority maintains, that the goal of Treasury silver purchases has not been realized. The Silver Purchase Act of 1934 ordered the buying of both domestic and foreign silver until the Nation's monetary stock of the white metal "was equal to one-fourth of the stock of gold and silver combined or until the price of silver reached $1.29 an ounce."

As we have pointed out before, neither of these aims—directed credibly enough at the boosting of world silver prices—has been achieved in 6 years of buying. Silver stocks are still far below one-fourth; instead of rising to $1.29 an ounce, prices have declined. In the meantime the Treasury has in effect paid a large subsidy to foreign silver producers, who have been able to sell all of the metal they could mine to this country at fancy prices.

Mr. Morgenthau's argument before the committee prior to its vote admitted these points. In the main, however, it fell back on the old theory that American silver purchases serve to avert world economic chaos, and that our activity in the silver market benefitted our friends. In a more idealistic world, this contention might have some point. It is well to recall, however, who these "friends" are.

To some extent, of course, the silver program has aided China. It is well known, however, that many of China's silver mines have fallen into the hands of the Japanese. Canada is another friendly power, but the share of both of these nations in the American silver market hardly equals Mexico's. In the year 1936 alone Mexico produced more than one-fourth of the world silver supply, which we have been buying with only a brief interruption ever since. In the meantime Mexico has seized American oil and cattle lands without paying for them. Furthermore, Mexico only last week sent a trade delegation to Tokyo which the Baltimore Sun describes as "an attempt to shift a certain amount of trade from the United States to Japan," on a barter basis.

This is hardly a shining example of neighborliness. Who, then, are our "friends" of the silver subsidy? To answer, Secretary Morgenthau will have to search a horizon that seems, for the moment, barren of reciprocal friendship so far as Uncle Sam's silver policy is concerned.

Mr. REYNOLDS. I have before me a news article which a friend of mine clipped from the Baltimore Sun of April 24, 1940, entitled "Mexicans Storm United States-Bound Train. Three Hundred Fire Pistols and Yell 'Down With Friends of American Government!'"

I bring this to the attention of the Senate in view of the fact that some of the editorials I have just read make mention of the appreciation that has been and is now being evidenced by the Mexican Government for all the favors that we have conferred upon them, and particularly the favor of providing them with $30,000,000 worth of American products annually for their silver, which we have buried in the State of New York and are not using, and for which perhaps we will never find any use.

This dispatch is by a representative of the Associated Press, from Nogales, Ariz., on the border, and is dated April 23. Listen to this:

A yelling, pistol-shooting crowd stormed a United States-bound Southern Pacific train at Hermosillo, Sonora, today, frightened American tourists, and threatened two Mexican Air Force generals.

Gen. Gustavo Leon and Gen. Alfredo Lezama charged the demonstration was instigated by supporters of Avila Camacho, pro-Government candidate for President. The generals are leaders in the campaign of the antiadministration candidate, Juan Almazan.

LUGGAGE SEIZED

Lezama reported the train was surrounded by 300 men as it pulled into the Hermosillo station about 4 a. m. After firing pistols in the air and screaming insults, some of the men boarded the train, seized luggage and damaged property, he said. None of the cars occupied by Americans was entered, however.

That is well. Of all the tourists the Mexicans should welcome into their country, the American tourists should come first, because annually they pour millions upon millions of dollars over the borders of Mexico for the benefit of the Mexican Government, and tourist dollars can be just as easily spent, and are worth just as much as any other kind of a dollar. Why Mexico should turn upon us at this hour, when we are supplying her with 400,000 tourists a year, is beyond my comprehension. The Mexican people do not seem to have any appreciation whatsoever for the friendly attitude which has been displayed and evidenced by us for many years past. If they continue in that attitude I say that the probabilities are that we shall be called upon to warn the American tourists that if they enter Mexico they will have to do so at their own peril, and take the consequences of any injury they might sustain, or any robbery that might be committed upon their persons.

I continue to read from the Associated Press dispatch:

Ben R. Meyer, Los Angeles businessman, said he was awakened by the shouting and shots. Thinking it was a celebration, he stepped from the car, only to be hustled back by fellow travelers.

Luis Castellanes, Los Angeles attorney, said the demonstrators cried in Spanish:

"Down with Almazan! Down with friends of the American Government!"

DEATH THREATS MADE

The Mexicans threw bottles, brandished pistols, and "threatened to kill us," Castellanes said, adding that at Empalme, where a smaller disturbance occurred, the two generals were warned by telegram not to leave the train at Hermosillo or they "would be killed."

Twenty-two students of the exclusive Southern Arizona School for Boys, Tucson, and two faculty members were aboard.

Lezama said he and Leon offered no resistance to the demonstrators because "a shooting affray would have imperiled the lives of many American tourists," and "there might have been killings which would have caused international complications."

The demonstration at Hermosillo followed a smaller but similar one at Ciudad Obregon.

Generals Leon and Lezama telegraphed a protest to President Lazaro Cardenas.

Mr. President, it is unfortunate, indeed, I repeat, that our neighbors to the south are not grateful for the many favors we have done them, the kindnesses we have shown them, and the large amount of American dollars we have poured into Mexico through the continued purchase of silver and through our tourists, who are going to Mexico annually in numbers exceeding 400,000. I say it is unfortunate. In order that the officials of the Mexican Government may know that personally I am not unfriendly, that I am simply interested in the welfare of the American people, I wish to say that there is no more colorful, there is no more historically interesting country in the Western Hemisphere than Mexico itself. I may say in passing that we should continue on friendly terms with Mexico in order that American tourists, now particularly when they cannot go abroad, might take advantage of the opportunity to visit the countries to the south, for in those countries there are many things which will appeal to them.

I may add in passing, to add strength to my statement that I have no personal feeling in regard to the matter, that if an American tourist desires to see what in effect is a great portion of the world, in one trip, at a minimum cost, he should go to Mexico. After gliding down by motor to Laredo, he will, within 2 days after arriving there, find himself in Mexico City, that beautiful capital which is 7,200 feet above the sea level and is a very interesting place historically.

What do we find in Mexico? We find the things which we go to India to see, and to Egypt, Holland, the Rhineland, Belgium, France, China, Italy, and Peru. For example, we go to Egypt to see the pyramids. In Mexico are the pyramids of the sun, the moon, and a hundred others; but those two are almost equal in size to the pyramids found in Egypt near Cairo. We go to India to see the great open temples. Mexico has them, almost as spacious and magnificent. We go to the Rhineland, Belgium, and Holland to feast our eyes upon magnificent edifices in the form of cathedrals. One of the most spacious and grand cathedrals in all the world is to be found in Mexico City itself.

We go to Venice to ride upon the silent waters of the canal, and to feast our eyes upon the beautiful girls to be seen from the boats in which we ride. Not far from Mexico City, at Xochimilco, are lovely canals, music, and loveliness in every form.

We go to Peru to go down into the bowels of the earth and see the great silver mines. There are also great silver mines in Mexico.

We go to Switzerland in the summertime to see the great snow-capped peaks. In Mexico we can stand in the midst of a banana plantation and see great, towering mountains. I would that many Americans who heretofore have been spending their time and money in Europe might go southward to see the wonders of Mexico.

By the way, after we have learned American history and visited all the American States, we ought to go to Mexico because Mexico presents a history surpassed in interest only by the history of the United States. There is no history more thrilling than that of Mexico, when we consider the time when first Cortez set foot upon the shores of Mexico in 1519, and with about 120 soldiers went up to Mexico City and conquered a million Aztecs.

The present situation is unfortunate. I should like to see American tourists visit Mexico, but I want to see them come out unharmed and unrobbed. Probably the time will come when we shall have to warn American tourists. We have not been treated fairly by the government to the south. We cannot obtain a settlement from it, but we continue to make purchases of silver from Mexico to the extent of $30,000,000 a year, and bury the silver in New York, favoring Mexico all the time, when constantly and almost daily there are demonstrations against us.

Yesterday I mentioned the fact that it has been estimated that there are more than 1,000,000 Mexicans in this country. Some of them are here legally. Some of them have come in legally and remained illegally. I venture the assertion that the greater portion of the 1,000,000 Mexicans have come in illegally and remained illegally. I think the time has come when we should put a stop to it, particularly when in this country today approximately 10,000,000 Americans are out of employment, men and women, young and old, who are seeking employment. The time has come when we must look after the interests of the American people first. After we have cleaned house and taken care of our own people, after we have seen to it that Americans are properly cared for by way of employment, we may devote any time we have left or any energy we may have to spare to those who live outside our territories, insular possessions, and continental United States.

The Mexicans who are in the United States are taking advantage of our opportunities for labor. They are coming across the border without any difficulty. We all know that the quota system does not apply to the Western Hemisphere. It does not apply to Canada, or to Mexico, Nicaragua, Honduras, Guatemala, Salvador, Costa Rica, Panama, Colombia, Venezuela, or Ecuador. It does not apply to Chile, Peru, the Argentine, Brazil, Bolivia, Uruguay, or Paraguay. It does not apply to a single country in the Western Hemisphere.

What is the result? Hundreds of thousands of persons who are desirous of getting out of Europe are coming to the various countries in the Western Hemisphere, in some of which, I am told, it is not difficult to acquire citizenship. Once such citizenship is acquired, it is not difficult to enter the United States, where ultimately all such refugees want to come. Why? Because, unfortunately, they know that we are so neglectful of our own home-grown citizens that anyone who can speak a foreign language, or speak the English language brokenly, can get a job when an American citizen cannot do so. That fact is evidenced in every section of the United States today. Every week ships from foreign shores are unloading refugees and immigrants from foreign lands; and no sooner have they landed upon our shores than jobs are provided for them. How? By way of creating jobs for them, or by way of discharging American citizens to make places for the new arrivals from across yonder Atlantic Ocean.

In that connection, I have been impressed with the fact that the American people as a whole are becoming sick and tired of that sort of thing. Whenever difficulty comes in this country it will come from native-born and naturalized American citizens, who will protest against continuing the attitude which we have evidenced by permitting thousands upon thousands to come from foreign lands and usurp the jobs which rightly belong to Americans. The American people are slow to wake up, but when they wake up they will demand action. They will demand that Americans be provided for before we provide for those who come from over the sea.

Mr. BONE. Mr. President, will the Senator yield?

Mr. REYNOLDS. I gladly yield to my distinguished colleague from the State of Washington.

Mr. BONE. The Senator has indicated that there are no quota restrictions on anyone seeking entry into the United States from any of the countries of the Western Hemisphere. What qualifications or restrictions are imposed on anyone coming to the United States from any of the countries composing the Western Hemisphere?

Mr. REYNOLDS. Of course, as the Senator knows, we having a quota for the world, exclusive of the Western Hemisphere, which has permitted 153,000 annually——

Mr. BONE. I am interested now only in the countries of the Western Hemisphere.

Mr. REYNOLDS. I am coming to that. In that connection, in view of the inquiries I have received, I wish to add that many foreign countries have not filled their quotas; but in the Western Hemisphere there is no restriction upon those who come to the United States from Mexico or from any of the countries of Central or South America. If they are citizens of those countries they may come into the United States without limitation as to numbers.

Mr. BONE. Is there not a requirement with respect to a financial showing which will keep the entrant from becoming a public charge? Does not the Bureau of Immigration impose some sort of requirement that a man be able to care for himself? Are the barriers completely down with respect to all the countries in the Western Hemisphere?

Mr. REYNOLDS. So far as those who come from across the Atlantic are concerned, there is such a requirement; but according to the information I have, when immigrants come from the Western Hemisphere that requirement is not necessary in all cases. I remind the Senator of the fact that when immigrants are permitted to come into the United States from countries in the Western Hemisphere there is no difficulty whatsoever.

The thing in which we should be vitally interested at the present time is the number of persons who are crossing the Canadian border or the Rio Grande, for, as the Senator knows if he has ever motored across from Canada into the United States or across from Mexico into the United States, it is not at all difficult to get by. That circumstance is largely attributable to the fact that we have not a sufficient number of men in the Department of Labor to guard well the borders, which should be well guarded now of all times in the history of our country.

Mr. BONE. Let me ask the Senator about a matter which has been brought to my attention a number of times. I am not certain of the facts, and therefore I inquire in order to inform myself. I know of a number of cases of persons coming into the United States from Canada who have subsequently been taken into custody by immigration officials and returned to Canada because they did not meet the requirements for admission into the United States.

If a Canadian or a Mexican or a Costa Rican or a Brazilian may enter the United States freely without restrictions of any kind, how does it happen that a citizen of Canada, for instance, who enters the United States will be subsequently taken into custody and sent back to Canada?

I will say frankly to the Senator from North Carolina that I have not understood that the barriers are clear down and

that 10,000,000 Mexicans may come into the United States if they merely elect to come across the border. I think it is news to all of us if there are no restrictions at all.

Mr. REYNOLDS. Mr. President, as evidence of the fact that we have no restrictions I have but to cite to the Senator the fact that there are in this country hundreds of thousands of Mexicans. If we had had a quota system for the Western Hemisphere, which naturally would have applied to Mexico, we would not have in the United States today a million Mexicans, part of whom have taken the jobs of American citizens and part of whom are on relief, paid for by the taxpayers of this country. I believe the last report showed that annually there cross and recross the American border from Canada about 50,000,000 persons. Today it is impossible for us to secure from any department of the Government a statement of the exact number of persons who are passing over the Mexican border. We are lacking in personnel to check up on that matter. We do not even know the number of aliens in our country at this time.

By the way, as to my use of the word "alien," I desire to set myself right with those who honor me by listening now, and with those who perhaps will read the CONGRESSIONAL RECORD tomorrow or thereafter. When I employ the word "alien," I refer to the individual who comes from a foreign land, arrives in this country legally, and remains here illegally; or who arrives here legally and remains here legally, but does not choose to make application for American citizenship; or the person from a foreign land who comes here illegally and remains here illegally.

As I have stated, we have no idea as to the number of aliens in this country. I say that now, of all times, we should know how many aliens are here, where they came from, when they came, why they came, where they now are, and what they are doing; and I wish to state in passing that my reference is to the aliens who have violated our law by entering this country, and who are continuing to violate it by staying here illegally.

Some of our finest American citizens came from foreign shores. Some of the finest men we have in American life are those who chose to come here and to make application for American citizenship. I speak only of those who are here as a result of having violated our law to get in, or who have stayed here, in violation of the law, after they arrived.

I was reading, a moment ago, something that reminded me of the fact that we should require aliens in this country to be fingerprinted. As I have already stated, at this time, the Bureau of Investigation of the Department of Justice is daily receiving about 250 complaints concerning sabotage and espionage. Prior to the declaration of war in Europe on September 3, that bureau of the Government received only about 250 such complaints annually. In other words, we are, today, receiving daily about the same number of complaints that we received annually prior to the declaration of war in Europe; and this is occurring at a time when we are at peace. I wonder how many complaints that division of our Government would receive were we engaged in war—and we may become engaged in war. We may unfortunately be sucked into the war; and I am beginning to think daily that the probabilities of that result are growing as I read the editorials in various newspapers and articles in the press throughout the country, in which some persons venture the opinion and very frankly state that we cannot escape participation in the European war.

So far as I am concerned, I will never vote to send a single son of an American mother to Europe or Asia or anywhere else to settle anybody else's quarrels. So much for that; but I say now, when there are a large number of spies and saboteurs in this country, that we ought to have a registration and fingerprinting law, for two reasons. The first is to ascertain the number of aliens in the United States. Miss Perkins, the Secretary of Labor, has estimated that there are 3,300,000. Hon. MARTIN DIES, according to a news dispatch from Chicago which I read some time ago, estimated that there are 7,000,000. I estimate that there are about 4,000,000. The American people are entitled to know how many aliens there are in the United States today; and after they have ascertained that fact they are entitled to know where they came from, how they came, when they came, why they came, whether they entered the country illegally, or whether they entered the country legally and remained here illegally. The American people are entitled to know that now, and the American people are going to demand that they be furnished with that information.

In addition to ascertaining the number of aliens in our midst in order that we may take an accounting of our unemployed, I say that if we were unfortunately to be sucked into the war we should then be in a position to ascertain where all aliens are, because at the time we were dragged into the war every person in the United States, who is not a citizen of the United States, would of necessity be considered a potential enemy of this Government; and we are entitled to know where our enemies are, and what they are doing.

Mr. President, we read a great deal about sabotage. We have been talking about protecting the Panama Canal. Here is an article which I happened to clip this afternoon from the Herald Tribune of New York, entitled "Sabotage Held Chief Peril to Panama Canal; General Strong Asserts Steps Are Taken To Prevent It; Sea Defense Adequate."

We are spending a great deal of money down there with the idea of protecting the Panama Canal in reference to our friends south of the Rio Grande, the Mexicans who are demonstrating against the American Government. Those demonstrations naturally will spread southward. The unfortunate thing about the matter is that it is alleged that thousands of Mexican Communists are coming into the United States for the purpose of preaching the overthrow of our Government, and joining the Communists who are in the United States today in demanding a fundamental change in our form of government.

Mr. President, today I read something in the New York Sun to which I desire to call attention. Speaking of Communists, we have enough of them of our own in this country, and there is no necessity of our permitting more to enter from Mexico. I have here a letter which was published in the Public Forum column of the Sun, reading as follows:

CRITICAL REVIEW AND ANALYSIS OF THE MAY DAY PARADE

To the EDITOR OF THE SUN.

SIR: I watched the May Day parade, the last half consisting of 15,000 Communists. The contrast with the parade of last year was most marked. There were signs this year urging an embargo of Japan, but none of Germany. Signs like last year's attacking Hitler were conspicuously absent. Last year Roosevelt was praised in the banners for his speech "quarantining aggressors"; this year he was condemned as a "warmonger." America's appropriations of two billions for natural defense were attacked under "Bread, Not Guns," but nothing was said about the $9,000,000,000 (not ruble) appropriation for armaments by the Soviet Union, which appropriation was praised that morning by the Daily Worker.

If the Communists want to parade as they did behind the red flag of Russia, that is all right with me. but I object to the use of the American flag by 15,000 men and women whose first allegiance is to a foreign power and who take orders (even to their thinking) from this foreign power. Here was America's "Fifth Column" advertising itself to the American public.

Quite appropriately the Communists were followed right on their heels by six trucks from the department of sanitation washing the streets. It took all six to do the job, too.

J. L. WICK.

NEW YORK, *May 3.*

This man must have been there and made close observation of what went on. It is well that the city had the trucks at that time for utilization for that purpose.

I ask at this point that the article from the Herald Tribune, which I brought to the attention of the Senate a moment ago, be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SABOTAGE HELD CHIEF PERIL TO PANAMA CANAL—GENERAL STRONG ASSERTS STEPS ARE TAKEN TO PREVENT IT—SEA DEFENSE ADEQUATE

WASHINGTON, May 6.—The Army's Assistant Chief of Staff declared today that the greatest danger to the Panama Canal—keystone of hemisphere defense—was in sabotage.

"Sabotage may take many forms," Brig. Gen. George V. Strong told the Society of American Military Engineers. "A vessel might

be blown up in the locks; time bombs might be dropped in the locks; dams might be blown up; vital installations, such as control mechanisms or power sources, might be damaged or destroyed.

"But these possibilities have all been foreseen," he added, "and steps have been taken to minimize, or in some cases nullify, efforts along this line."

A new set of locks, which may be started this summer for completion in 1945 or 1946, would improve the national-defense situation, he said.

At present, with double sets of locks, side by side, "it is quite possible that one lucky hit of a large bomb (from the air) or a heavy explosion in one lock chamber would be sufficient to put the Canal out of commission."

General Strong described the Canal's defenses against sea attack as "adequate to meet and vanquish" an attacking naval force. He deemed the Canal's mobile military force "adequate to meet any initial raids of a landing force."

With the Canal reasonably safe, he said, the joint defense task of the Army and Navy is "to deny an aggressor the seizure and establishment of bases from which he can operate against us or against any other American republic, or against the Canal."

Among other areas where an aggressor might wish to establish such a base, he named Newfoundland (from which air attacks could be made as far south as Washington), the Bahamas, Puerto Rico, Natal, Cuba, Jamaica, the western coast of Central America, and the west coast of Mexico.

Present wars in Europe and in Asia, he said, have shown that, in defending the American continent, "we must be prepared to outblitz the blitzkrieg."

Mr. REYNOLDS. Mr. President, in closing I wish to refer briefly to a resolution before this body, which was offered by the junior Senator from Oregon [Mr. HOLMAN]. He submitted the resolution some time ago, and it reads, in part, as follows:

That the Committee on Immigration, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation of the immigration of aliens into and the deportation of aliens from the United States with a view to determining, among other things, (1) the extent to which aliens have been permitted to enter or remain in the United States in violation of the immigration laws, (2) whether any deficiencies exist in the immigration or deportation laws or in the administration thereof which permit undesirable or deportable aliens or aliens who compete with citizens of the United States in securing employment to enter or remain in the United States, and (3) necessary steps to be taken in order to correct any such deficiencies and to prevent the continuation of any violation or circumvention of the immigration or deportation laws. The committee or subcommittee shall report to the Senate, at the earliest practicable date, the results of its investigation, together with its recommendations.

Mr. President, I submit that the American people are entitled to answers to those questions propounded by the Senator from Oregon in his resolution. I hope that we may see fit to provide the committee with the money with which to conduct the investigation. By the way, the resolution was favorably reported by the Committee on Immigration. It is time we made an investigation into the immigration problem. It is time we should ascertain whether or not our immigration and deportation laws are being properly administered. Many people wonder how in the world immigrants continue to enter the United States outside the quotas. They come in on visitors' visas, and when they get here they never have to leave. They can lose themselves in the mass of the 135,000,000 inhabitants of the United States, and we have difficulty in ever finding them, because we have no registration and fingerprinting law in this country.

Thousands enter our country on students' visas. One will get a visa permitting him to enter this country so that he may study in our universities, then he has the visa continued from time to time, and does not comply with the regulations, and does not leave. It is not the fault of the law, it is the fault of the administrators of the law. They are the ones who have permitted these aliens to enter under students' visas and under tourists' visas. They are the ones who should be condemned.

I can give an illustration, and then I shall conclude. A young Hindu came to this country about 17 years ago from a place in India. He advised the State Department that he was desirous of entering this country for the purpose of pursuing his studies, and he was permitted to enter on a student's visa. I understand he wanted to become an engineer.

This young man went to Raleigh, N. C., where he entered the State college. During his college course he remained here on a student's visa, which was continued from time to time. After he had graduated, he decided that he wanted to live in the United States of America, as all foreigners wish to remain in the United States, the best country on the face of the earth. He decided he wanted to stay here, and in that he exhibited very good judgment.

After this man left college he married a North Carolina girl, and as a result of that marriage there were born two children. I believe they have a little boy 5 years old and a little girl about 18 months old, according to my recollection of the facts, as gathered from a newspaper article published in one of my home-State papers. Time and again this man made application for a continuation of the student's visa. This Hindu gentleman, who was not a citizen of the United States, and who, under our laws, could never become a naturalized citizen, married a North Carolina girl, and as a result of that union there were born two children, as I have just stated.

A short time ago a warrant of deportation was issued against him. It was served, and he was to appear in the city of New York along with a group collected there for deportation by the Labor Department. He was so distressed because he would have to leave the United States and would have to be separated from his dear little wife and his lovely little children that the newspaper reports stated he attempted to take his own life by throwing himself beneath the wheels of a swift-passing locomotive. He was taken to the hospital. North Carolina was up in arms over the fact that this Hindu gentleman, who had married a North Carolina girl and was the father of two children, who are American citizens, since they were born in this country, had to be dragged from the arms of his wife. She was crushed. My heart went out in sympathy to her, and for that man I had a feeling of sympathy, despite the fact that being an intelligent man he must have known that he could never become an American citizen, that the law would not permit him to become naturalized; but he married this girl and they wanted to take him away. To take this man away will crush that dear little wife; it will render fatherless those two dear little children and bring misery and unhappiness into their lives. In my heart I have deep sympathy for them.

Mr. President, whose is the fault? I shall not discuss whether or not this gentleman himself knew that he could never become an American citizen, but I say that the fault was with the administrators of the law. Some of our newspapers editorially condemned a law which would snatch away this husband and father. I do not condemn the law, but I condemn the administration of the law. If those who are charged with the proper administration of the law had done their duty, that Hindu gentleman from India would have been deported, and as a result thereof he would not have married in the United States, and the time would not have arrived when he would bring unhappiness to his dear wife and to his innocent little children who have to suffer. I am in entire sympathy with the gentleman. I think that because of the negligence of those in charge of the administration of the law itself, they are to blame, and that some relief should be extended to that man and to his wife.

Mr. President, again I want to urge that a sufficient appropriation be provided for the investigating committee suggested by the junior Senator from Oregon [Mr. HOLMAN], because I think the time has arrived when we should be permitted to obtain the information he seeks, which is so vital to the welfare of the people of the United States.

Mr. President, I wish to repeat that, in my opinion, there is no subject more important to the people of America today than the one I have just mentioned. I am against permitting thousands upon thousands of aliens to come into this country, now or at any time, and taking the places of American citizens. I am tired of seeing American taxpayers obliged to support those to whom we have no obligation whatsoever, and who have come here illegally.

By the way, that brings me to the question of crime. In this country crime costs the American taxpayers about $18,000,000,000 annually. Hundreds of crimes are committed

every hour in our land. A recent statement, made by a former commissioner of the Immigration and Naturalization Service of the Department of Labor, says that there are 20,000 alien criminals in the United States today. We ought to be ashamed of ourselves for permitting such a condition to exist.

Where is our sense of responsibility to the people of the United States when we permit 20,000 alien criminals to remain in this country? I do not know.

Mr. President, to understand what is going on all we have to do is to read the recent report issued by the former Attorney General of the United States, Mr. Homer Cummings, as to the cause of crime. It is not even necessary to do that. All one needs to do is to pick up New York and Philadelphia newspapers. In New York City we find that they have Murder, Inc. I wish I had before me now a list of the names of those who were the officers of Murder, Inc., who committed murder for fees ranging anywhere from $10 to $5,000, according to how big a shot the competing gangster happened to be. I wish I had that list here. I made a note of it the other day after seeing it in a recent issue of Life magazine.

If Senators desire further information, let them look through the columns of the Philadelphia newspapers, in which were recently described most dramatically what was done in that city by a gang of poisoners. Read their names and find out where they came from, and how they came into this country. It has already been ascertained that many persons identified with Murder, Inc., in New York, and many identified with the poisonings that have occurred in Philadelphia, are aliens who came into this country in violation of the laws of our land.

Mr. President, I ask, where is our sense of responsibility?

TERMS OF COURT AT WINCHESTER, TENN.

During the delivery of Mr. REYNOLDS' speech,

Mr. BARKLEY. Mr. President, will the Senator from North Carolina yield to me for a moment?

Mr. REYNOLDS. I am glad to yield.

Mr. BARKLEY. The Senator from Tennessee [Mr. STEWART] is interested in having the Senate pass a small local bill concerning the holding of court in the town of Winchester, Tenn. The committee unanimously reported the bill. I have spoken to the Senator from Oregon [Mr. MCNARY] about the bill, and its consideration is agreeable to him. Will the Senator yield long enough to have the bill considered and passed?

Mr. REYNOLDS. Certainly.

Mr. BARKLEY. I ask unanimous consent for the present consideration of Senate bill 3828.

The PRESIDING OFFICER. The clerk will state the title of the bill for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3828) to amend section 107 of the Judicial Code, as amended, to eliminate the requirement that suitable accommodations for holding the court at Winchester, Tenn., be provided by the local authorities.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 107 of the Judicial Code, as amended (U. S. C., 1934 edition, title 28, sec. 188), is amended by striking out "*Provided*, That suitable accommodations for holding the courts at Winchester, Columbia, and Cookeville shall be provided by the local authorities without expense to the United States until, subject to the recommendation of the Attorney General of the United States with respect to providing such rooms and accommodations for holding court at Columbia, a public building shall have been erected or other Federal space provided for court purposes in said city," and inserting in lieu thereof the following: "*Provided*, That suitable accommodations for holding the court at Cookeville shall be provided by the local authorities without expense to the United States: *Provided further*, That suitable accommodations for holding the courts at Winchester and Columbia shall be provided by the local authorities, but only until such time as, in the case of each of such cities, such accommodations shall have been provided, upon recommendation of the Attorney General, in a public building or in other quarters provided by the Federal Government for such purpose."

After the conclusion of Mr. REYNOLDS' speech,

TRADE OF THE UNITED STATES WITH RUSSIA

Mr. LODGE. Mr. President, I have just received some up-to-date figures from the Department of Commerce relative to exports from the United States to Russia, and in order to keep the record up to date I should like to read just a few of the figures into the RECORD.

The figures I give represent the value of exports, including reexports, from the United States to Russia. The figures begin in June 1939, with exports amounting to $262,000. In July the exports amounted to $3,201,000; in August the exports amounted to $3,712,000; in September, $1,785,000; in October, $8,626,000; in November, $7,282,000.

Then the figures shoot up in December to $11,922,000. In January 1940, the exports amounted to $13,066,348. I do not know whether or not that was due to the war with Finland.

In February 1940, the exports were $7,320,033.

The figures for the month of March this year, which have just become available to me, are $9,088,691.

Here is how the last figures compare with the month of March, going back 4 years. In March 1937, the exports to Russia were worth $3,094,000; in March 1938, $6,489,000; in March 1939, $6,791,000; and in March 1940, $9,088,691. The exports for the month of March 1940, are higher than the exports in any previous month of March.

It is noteworthy that some of the largest items in these exports were refined copper in ingots, cathodes, billets, bars, or other forms; brass and bronze plates and sheets; power-driven metal-working machinery. All these articles and goods are of tremendous value in conducting war; a fact, I should think, which would be of interest to all those who have been told that America helped the Russian campaign against Finland, and who read in the press that all goods that go to Russia are subject to transshipment to Germany.

Mr. President, this raises the question of what is the foreign policy of the administration, a foreign policy which seems to favor making as much money as possible out of both sides.

I ask unanimous consent to have printed in the RECORD the itemized statement by the Department of Commerce setting forth the facts in detail regarding our exports.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

Trade of the United States with U. S. S. R. (Russia) during March 1940, by principal commodities

	Quantities	Dollars
Total domestic exports		8,706,993
Wheat—bushels	1,278,896	1,120,918
Tin plate and tagger's tin—pounds	1,271,044	85,498
Refined copper in ingots, cathodes, billets, bars, or other forms—pounds	11,167,906	1,397,333
Copper wire, bare—do	1,064,032	159,415
Brass and bronze plates and sheets—do	6,872,065	1,450,009
Other brass and bronze manufactures		131,903
Stationary motors—number	272	140,689
Starting and controlling equipment for industrial motors and parts		107,470
Stationary and portable internal-combustion engines, not over 10 horsepower—number	29	331,437
Reciprocating power pumps—do	1	16,286
Dredging machinery and parts		316,944
Cranes—number	2	73,450
Power-driven metal-working machinery (total)		2,469,496
Engine lathes—number	31	241,428
Turret lathes—do	19	175,424
Vertical boring mills and chucking machinery—do	10	232,021
Thread-cutting and automatic screw machines—do	12	118,480
Milling machines—do	32	199,353
Gear-cutting machinery—do	44	235,751
Vertical drilling machines—do	14	81,337
Metal-grinding machines and parts		657,891
Sheet and plate metal-working machines and parts		140,636
Forging machinery and parts		126,789
Rolling-mill machinery and parts		29,579
Total re exports of foreign merchandise		381,698
Crude rubber—pounds	134,027	36,766
Shellac—do	317,176	46,875
Tin in bars, blocks, pigs, etc—do	515,232	245,186

Trade of the United States with U. S. S. R. (Russia) during March 1940, by principal commodities—Continued

	Quantities	Dollars
Total imports for consumption		962,222
Persian lamb furs, undressed	number	21,926	83,560
Marten furs, undressed	do	1,915	46,632
Plates, mats, etc., of squirrel skins			87,462
Cigarette leaf, unstemmed	pounds	120,104	62,023
Manganese ore (gross)	do	81,412,824	533,215

Prepared by Division of Foreign Trade Statistics, Bureau of Foreign and Domestic Commerce, Department of Commerce, May 1, 1940.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the nomination of Carl W. Smith, of Washington, to be Work Projects Administrator for Washington.

Mr. WHEELER, from the Committee on Interstate Commerce, reported favorably the following nominations:

John Monroe Johnson, of South Carolina, to be an Interstate Commerce Commissioner for a term expiring December 31, 1941, vice Marion M. Caskie;

Edward H. Davidson, of New Jersey, to be assistant chief inspector of locomotive boilers in the Interstate Commerce Commission, vice John Brodie Brown; and

Clyde L. Seavey, of California, to be a member of the Federal Power Commission for the term expiring June 22, 1945 (reappointment).

Mr. REED, from the Committee on Interstate Commerce, reported favorably the nomination of W. A. Ayres, of Kansas, to be a Federal Trade Commissioner for a term of 7 years from September 26, 1940 (reappointment).

The PRESIDING OFFICER (Mr. MINTON in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

THE JUDICIARY

The legislative clerk read the nomination of Herbert F. Goodrich to be judge for the third circuit, United States Circuit Court of Appeals.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 8, 1940, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 7 (legislative day of April 24) 1940

UNITED STATES CIRCUIT COURT OF APPEALS

Herbert F. Goodrich to be a judge of the United States Circuit Court of Appeals for the Third Circuit.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Capt. Samuel Waynne Smithers to Quartermaster Corps.
Capt. Paul William Shumate to Ordnance Department.
First Lt. Edward Bodeau to Ordnance Department.
First Lt. Floyd Allen Hansen to Ordnance Department.
Capt. William Henry Shimonek to Chemical Warfare Service.

PROMOTIONS IN THE REGULAR ARMY

Henry Winston Holt to be major, Field Artillery.
John Magruder Bethel to be major, Cavalry.

POSTMASTERS

CONNECTICUT

E. Allan Measom, Southport.

FLORIDA

Edward R. McKenna, Palm Beach.

IOWA

Anna L. Meyer, Everly.
Thelma Allen, Harris.
Violet A. Shirk, Linn Grove.
Nellie C. Burk, Milford.
Charles W. Tigges, Sutherland.

KENTUCKY

Charles L. Hollingsworth, Smithland.

LOUISIANA

Inez McDaniel, Hackberry.

NEVADA

James Lester Denton, Caliente.

NEW MEXICO

Alline B. Johnson, Loving.

PENNSYLVANIA

Edward M. Hirsch, Tamaqua.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 7, 1940

The House met at 12 o'clock noon and was called to order by the Speaker.

The Reverend Stewart M. Robinson, D. D., pastor of Second Presbyterian Church, of Elizabeth, N. J., offered the following prayer:

Almighty God, Thou hast granted human government for the welfare and happiness of mankind. Bless now these Thy servants gathered here transacting important business of this great Nation. Endue us all with the true sense of Thy majesty and Thy glory. Use us fruitfully in Thy service, for we ask it all through the merits and the grace of our Lord, Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 62. Concurrent resolution to provide for printing additional copies of hearings held by the Committee on Appropriations.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 8745) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. McKELLAR, Mr. THOMAS of Oklahoma, Mr. ADAMS, Mr. BANKHEAD, Mr. NYE, and Mr. HOLMAN to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to

the bill (H. R. 6264) entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes."

PERMISSION TO ADDRESS THE HOUSE

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FITZPATRICK]?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein an amendment I offered to the Social Security Act.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FITZPATRICK]?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, on January 3, 1939, I introduced an amendment to the Social Security Act to provide for the payment of benefits to permanently and totally disabled individuals.

On March 7, 1939, I appeared before the House Ways and Means Committee requesting them to report my amendment favorably. I understand that the Social Security Board favors this amendment.

This morning's papers carried a story that Senator WAGNER, of New York, had introduced a similar bill in the Senate to provide for the payment of benefits to permanently and totally disabled persons who come under the Social Security Act, before they reach the age of 65. The papers quoted him as stating that such a provision should have been included in the original bill.

I would appreciate it very much if the Ways and Means Committee would make a favorable report on my amendment as I consider it very important to persons who would benefit by its enactment into law. [Applause.]

H. R. 42

A bill to amend the Social Security Act so as to provide for the payment of benefits to permanently and totally disabled individuals

Be it enacted, etc., That the title heading of title II of the Social Security Act is amended to read as follows:

"TITE II—FEDERAL OLD-AGE BENEFITS AND DISABILITY BENEFITS"

SEC. 2. Such title II is amended by adding after section 202 the following new section:

"DISABILITY BENEFITS

"SEC. 202½. (a) Every individual who becomes permanently and totally disabled shall be entitled to receive, with respect to the period beginning on the date he becomes so disabled and ending on the date of his death, a disability benefit (payable as nearly as practicable in equal monthly installments) equal to the old-age benefit he would have been entitled to receive under section 202 if he had attained the age of 65 on the date he became so disabled, but in no such case shall the monthly rate of payment be less than $60.

"(b) Whenever the Board finds that any individual has received wages with respect to regular employment after becoming permanently and totally disabled the payments to such individual under this section shall be reduced for each calendar month in any part of which such regular employment occurred by an amount equal to one month's payment. Such reduction shall be made under regulations prescribed by the Board by deductions from one or more payments to such individual provided for by this section.

"(c) Benefits payable pursuant to this action shall be in lieu of any old-age benefit that would be payable to the same individual with respect to the same period."

SEC. 3. (a) Section 203 of such title II is amended to read as follows:

"SEC. 203. (a) If any individual dies before attaining the age of 65 and before any benefit becomes payable to such individual under section 202½, there shall be paid to his estate an amount equal to 3½ percent of the total wages determined by the Board to have been paid to him, with respect to employment after December 31, 1936.

"(b) If the Board finds that the correct amount of the benefits payable to an individual during his life under sections 202 and 202½ was less than 3½ percent of the total wages by which such benefits were measurable, then there shall be paid to his estate a sum equal to the amount, if any, by which such 3½ percent exceeds the amount (whether more or less than the correct amount) paid to him during his life under sections 202 and 202½.

"(c) If the Board finds that the total amount paid to an individual during his life under sections 202 and 202½ was less than the correct amount of the benefits to which he was entitled under such sections and that the correct amount of the benefits to which he was so entitled was 3½ percent or more of the total wages by which such benefits were measurable, then there shall be paid to his estate a sum equal to the amount, if any, by which the correct amount of the benefits payable to him under such sections exceeds the amount which was so paid to him during his life."

(b) Section 206 of such title II is amended to read as follows:

"SEC. 206. If the Board finds that the total amount paid to an individual during his life under sections 202 and 202½ was more than the correct amount of the benefits to which he was entitled under such sections, and was 3½ percent or more of the total wages by which the benefits under such sections were measurable, then upon his death there shall be repaid to the United States by his estate the amount, if any, by which such total payment paid to him during his life exceeds whichever of the following is the greater: (1) Such 3½ percent, or (2) the correct amount to which he was entitled under sections 202 and 202½."

STATEMENT BY HON. JAMES M. FITZPATRICK, OF NEW YORK, BEFORE HOUSE WAYS AND MEANS COMMITTEE MARCH 7, 1939

Mr. Chairman, on January 3 I introduced a bill to amend the Social Security Act, which provides that if any working person who comes under the Social Security Act becomes totally and permanently disabled he will receive compensation beginning on the date of his disability, and in no case shall any person coming under this amendment receive less than $60 per month.

Under the Social Security Act at the present time a disabled worker cannot receive any compensation until he reaches the age of 65. In other words, if a married man 40 or 50 years of age becomes totally disabled he or his family does not receive any aid whatsoever under the provisions of the present act until he reaches the age of 65.

The President recommended that the act should be amended so as to take care of widows and orphans, with which I heartily agree. However, I think it is just as important, if not more so, that a man who becomes totally disabled should be provided for, especially where he has a wife and family.

There is nothing further that I can say on this question, as I feel confident that your committee fully realize the conditions where a person would be totally and permanently disabled, and under the present act could receive no pension until he reaches the age of 65.

Therefore, I ask your committee to accept my amendment, which I feel would be only justice to those workers who come under the act and who would become totally and permanently disabled before they reach the age of 65.

EXTENSION OF REMARKS

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short editorial from the Times-Herald of Washington.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. RABAUT]?

There was no objection.

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein an address by Mr. Harry C. Bates, of the A. F. of L. housing committee.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMASON]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BUCKLER of Minnesota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. BUCKLER]?

There was no objection.

Mr. BUCKLER of Minnesota. Mr. Speaker, the Red Lake Band of Indians in Minnesota has $405,000 in the Treasury of the United States that they have laid up out of their timber funds. I have just received a letter this morning from one of my constituents in Minnesota stating that the Indian families up there are in desperate circumstances. He states that all they have had to eat in a great many cases is fish. He wants me to name somebody to go over the Indian reservation and verify what he says concerning these Indians.

I have a bill to provide a per capita payment of $12.50 to the Red Lake Indians. This bill came up on the floor yesterday. Although the money, only about $25,000, comes out of their own tribal funds, it was objected to by the gentleman from Michigan [Mr. WOLCOTT]. I cannot believe that the Congressman is acquainted with the sorry plight of these Indians, or he surely would not have objected to this small payment of their own money. I cannot understand why they should suffer when they have money on deposit with the Government.

My purpose in asking for this time is to acquaint the membership of the House concerning the situation of the Indians on the Red Lake Indian Reservation.

We collect money to feed the starving and hungry people in Europe, for which I certainly have no criticism. However, why should our own Americans, the Indians, be permitted to go hungry while they have money of their own in the United States Treasury?

I hope we can find some method to approve this small authorization of but $12.50 per enrolled Indian, and I hope some of the Members here might prevail on the gentleman from Michigan [Mr. WOLCOTT] to withdraw his objections. If not, I hope there is some other way to get this worthy measure approved by the House.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. SMITH of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an address I gave in the city of Chicago recently.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SMITH]?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein an article appearing in the Chicago Tribune of May 2, 1940.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. ELLIOTT]?

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief editorial appearing in the Bloch newspapers on the Logan-Walter bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. SPRINGER]?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein a short letter and an excerpt from a newspaper on the W. P. A.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. ANGELL]?

There was no objection.

Mr. BENDER asked and was given permission to extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. JENSEN]?

There was no objection.

Mr. JENSEN. Mr. Speaker, the reorganization of the Civil Aeronautics Authority provides that budgetary and personnel functions must be performed under the direction of the Secretary of Commerce.

Faced with overwhelming criticism, the Budget Bureau now says that this will not prevent the Authority from appointing its own personnel.

Of course, it will not. But the Budget Bureau told only half the story. The C. A. A. can appoint its own personnel, but the power to do so will be subject to the direction and supervision of the Secretary of Commerce. Those are the very words of the reorganization plan, and the Budget Bureau does not deny it.

The way to keep the C. A. A. independent is to keep it out of the Department of Commerce. [Applause.]

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I am more than satisfied that not a single Member of this body gives any serious credence to the statements and letters that the gentleman from Montana puts in the RECORD day after day. Nevertheless, I feel it my duty to give notice that tomorrow I shall ask that the RECORD of yesterday be corrected, in that——

Mr. HOFFMAN. Mr. Speaker, a point of order.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. No, I cannot; I have only a minute.

I now give notice that I shall tomorrow ask that yesterday's RECORD be corrected to show that after a point of order was made that there was no quorum and after adjournment was ordered the gentleman from Montana [Mr. THORKELSON] inserted about 31 typed pages of manuscript in the RECORD, which matters were not spoken of on the floor of the House.

Mr. TABER. Mr. Speaker, will the gentleman yield for a question? What page does the gentleman refer to?

Mr. SABATH. Beginning at 5630.

Mr. HOFFMAN. Mr. Speaker, my point of order was that the words of the gentleman were out of order. They are a violation of the rules of the House. I ask that those words referring to alleged outrageously false statements that were being put into the RECORD by the gentleman from Montana be taken down.

The SPEAKER. The Clerk will report the words to which the gentleman from Michigan objected.

Mr. RANKIN. Mr. Speaker——

The SPEAKER. Nothing is in order until the words have been reported.

The Clerk read as follows:

I am more than satisfied that there is not a single Member of this body that pays any attention to the inserts and the outrageously false statements and letters that the gentleman from Montana puts in the RECORD day in and day out.

Mr. SABATH. Mr. Speaker, with a view to shortening the procedure, I am willing to withdraw the words "outrageously false," as I have given notice I shall take up the matter of correcting the RECORD in connection with the gentleman's remarks in the RECORD of yesterday.

The SPEAKER. The gentleman from Illinois asks unanimous consent to withdraw from the RECORD the words taken down, particularly the words "outrageously false statements," and so forth. Is there objection?

Mr. TABER. Mr. Speaker, reserving the right to object, if the gentleman had made the statement that he would withdraw it, I would consent; but he said some other words, which I think he should now withdraw, with reference to substantiation. If he would withdraw those words, I would consent to it.

Mr. SABATH. All right; I withdraw it for the day.

The SPEAKER. The Chair recognizes the gentleman from Illinois to withdraw the words.

Mr. SABATH. I withdraw them, Mr. Speaker.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

We have a very busy day, and a matter is coming up that I think all the Members of the House should be apprised of, and that is, first, the resolution of the gentleman from California [Mr. LEA] with reference to the fourth reorganization order of the President. This being true, I shall object to any other unanimous-consent requests at the present time, and I make the point of order there is no quorum present, in order that all Members may be here.

The SPEAKER. The gentleman from Texas makes the point of order there is not a quorum present. The Chair is of the opinion there is not a quorum present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 96]

Allen, Ill.	Arnold	Boehne	Byron
Allen, Pa.	Barden, N. C.	Bradley, Pa.	Clark
Andrews	Bates, Mass.	Byrne, N. Y.	Claypool

Coffee, Wash.	Horton	Merritt	Shafer, Mich.
Cole, Md.	Houston	Mitchell	Shannon
Corbett	Jarman	Myers	Sheridan
Crowe	Jenks, N. H.	Nelson	Smith, Ohio
Darrow	Johns	Norton	Smith, Va.
Dunn	Johnson, Lyndon	O'Brien	Starnes, Ala.
Durham	Jones, Ohio	Osmers	Steagall
Englebright	Kennedy, Md.	Patrick	Stearns, N. H.
Gilchrist	Kirwan	Peterson, Fla.	Sweeney
Gillie	Knutson	Randolph	Taylor
Grant, Ind.	Landis	Rogers, Okla.	Ward
Green	Lewis, Ohio	Sandager	Weaver
Harness	McGranery	Sasscer	Whelchel
Hendricks	Martin, Ill.	Schulte	
Holmes	Mason	Seger	

The SPEAKER. On this roll 360 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

The motion was agreed to.

REORGANIZATION PLAN NO. IV, CIVIL AERONAUTICS AUTHORITY

Mr. LEA. Mr. Speaker, I move to discharge the Select Committee on Government Organization from further consideration of House Concurrent Resolution 60.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Concurrent Resolution 60

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the Reorganization Plan No. IV transmitted to Congress by the President on April 11, 1940.

Mr. COCHRAN. Mr. Speaker, the majority members of the Select Committee on Organization are in accord with the gentleman from California, and I ask unanimous consent that the motion of the gentleman from California to discharge the select committee be considered as having been agreed to.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LEA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Concurrent Resolution 60, and pending that I ask unanimous consent that debate on said concurrent resolution be limited to 3 hours, the time to be equally divided and controlled by the gentleman from Missouri [Mr. COCHRAN] and the gentleman from New York [Mr. TABER], and that the final vote on the concurrent resolution be taken on Wednesday.

The SPEAKER. The gentleman from California moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Concurrent Resolution 60. Pending that he asks unanimous consent that debate be limited to 3 hours, the time to be equally controlled by the gentleman from Missouri [Mr. COCHRAN] and the gentleman from New York [Mr. TABER], and that the final vote be taken Wednesday. Is there objection?

There was no objection.

The SPEAKER. The question now is on the motion of the gentleman from California that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Concurrent Resolution 60.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Concurrent Resolution 60, with Mr. ROMJUE in the chair.

The Clerk again reported the resolution.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. LEA].

Mr. LEA. Mr. Chairman, by the Reorganization Act passed last year Congress delegated to the President the right to reorganize and transfer numerous governmental agencies. Congress retained the right to disapprove of the orders of the President by a majority vote of each House within 60 days after an order of reorganization.

On the 11th of April the President made an order proposing to transfer to the Department of Commerce the Civil Aeronautics Authority, which for 2 years has had charge of governmental regulation and promotion of aircraft activities. The Presidential order proposed to place the Civil Aeronautics Authority within the framework of the Department of Commerce. It stated:

> I am bringing the Authority into the departmental structure. The Administrator will report to the Secretary of Commerce. The five-member Board, however, will perform its rule-making, adjudicative, and investigation functions independent of the Department. * * * that it will be supplied with budgeting, accounting, procurement, and other office services. * * *

The name of the Authority is to be changed, and it is to be designated as the Civil Aeronautics Board. It said the—

> Board will be able effectively to carry forward the important work of accident investigation heretofore performed by the Air Safety Board.

The independent Safety Board is abolished.

The residuary or catch-all provision of the order states that, except as otherwise authorized, the function of the head of the agency transferred "shall be exercised by the head" of the agency to which the function is transferred.

The Civil Aeronautics Act of 1938 was the culmination of a fight to lift aviation out of its unfortunate Government setting and place it on a basis of efficient stabilized regulation. This result was accomplished after a 2-year fight against Government departmental interference, with legislative action by Congress. Each department concerned was determined on continuing its improvident control divided among several agencies of the Government. The fight for the Civil Aeronautics Act was to correct demonstrated evils in the administration of civil aviation.

The old set-up of aviation was a divided Authority—political domination, improvident regulation, constant changes, resulting in instability and an appalling record of fatal accidents to pilots and passengers.

All great air lines were in the red. Financing was drying up. We passed the Civil Aeronautics Act just in time to prevent several American air lines from folding up and passing out of the picture. In the last year $25,000,000 have been invested in commercial air equipment.

One major thing accomplished by the Civil Aeronautics Act, was to take various phases of aviation out of departmental control and place them within the regulation of an independent agency. Another great purpose was to establish an independent safety board to investigate accidents and promote air safety. The need of an independent group for this purpose was demonstrated beyond question. The lack of it was a fatal mistake in the old set-up. A fundamental purpose was to destroy a system of self-investigation under which the agencies in control were in a position to whitewash accidents for which they might be responsible. In other words we transferred the function from a self-investigation agency to one of independent action. It could fearlessly investigate where the Authority itself might be responsible for neglects, or regulations, against safety. The members of the Safety Board were placed in position to fix responsibility without the danger of losing their own jobs.

Under the set-up of this act aviation was lifted out of the doldrums, and has written the brightest record of accomplishment that the world has so far known in civil aviation. That record is the most unquestioned achievement of any agency of the Government established during the last 7 years.

The American people are a sensible people. They are going to judge this agency by results. They are not going to drop the bone for the shadow in the river.

The bureau system of administration is necessary in executive affairs of the Government, but that system has no rightful place in the regulatory agencies that should be independent. The bureau set-up is pretty much a buck-passing form of organization with responsible irresponsibility in unseen control.

A subordinate status under a system of bureau operation does not fit into our great regulatory agencies, such as the Interstate Commerce Commission, the Federal Trade, the Federal Power, the Federal Communications, and the Securi-

ties and Exchange Commissions. Proper administration of these Commissions require men of ability, courage, fairness, intelligence, and freedom from political influences. It is hopeless to expect them to function properly if they are to be handicapped by dominating influences, less familiar and less interested in the success of their work.

The proposed plan of reorganization tends to mutilate the Civil Aeronautics Authority. From an important independent agency, it is to become a board under a political organization of the Government.

The agencies created by Congress to perform quasi-legislative and quasi-judicial functions should be independent of the executive department. They should not be under a control that lacks understanding or sympathy or under the control of those who have many other duties, unrelated to such agency.

The Safety Board, with its independent investigative authority, is to be abolished, and the Board given authority to investigate the mistakes for which it may be responsible. The self-investigating system is to be restored.

Here we have a question of fundamental policy as to the status of our important regulatory agencies. This reorganization would make an innovation that might easily develop into a very unfortunate national policy. It would be our first destruction of the independence of an important regulatory agency. Once make these agencies subservient to administrative and politically controlled departments of government, and that subservience will grow like creeping paralysis. All or none of the independent agencies should be treated alike. All should remain independent, or all should, alike, be made subservient to the executive departments.

Do not start on this course unless you are willing to go the whole way.

The questions involved are not ones of personality or temporary expediency or of the men who may happen to be in temporary administrative control, but it is the great question of providing this vital aviation industry, which has such an important relation to the future of our country, with an efficient and stabilized basis of regulation.

I raise no question about the good intentions involved in this proposed change. When the history of aviation in this country finally shall have been written, it must contain four or five chapters covering long periods showing the dark side of the picture due to the well-intentioned but improvident attitude of governmental authorities. Out of the experience of the past we should avoid repetition of mistakes.

The advocates of this transfer are driven to the exigencies of trying to belittle this organization because of those natural difficulties that a new organization develops before it can reach a smooth-running status. Trivial incidents are to be magnified in attempt to justify this transfer. Somebody had a quarrel, some W. P. A. budget funds were used to help air fields, therefore transfer of the agency. Human frailty can never be eliminated from any of our enterprises.

I am satisfied that the reasons asserted for the change are theoretical, inconsequential, and ignore the important problems with which aviation deals.

Transfer this responsibility to a new agency and you repeat the necessity of readjusting by experiences to the new set-up.

The reorganization order, in my judgment, violates the first principles of practical reorganization. The motive to justify reorganization should be to correct established mistakes and improve the service. The order reducing this type of agency to a bureau in an executive department promises little of improvement and menaces the morale of the regulatory body, of the pilots who operate the planes, and discourages the financing of air lines. The instability resulting from the change creates apprehension in the minds of the friends of aviation everywhere.

The limited group of air pilots, before regulation was taken over by the Civil Aeronautics Authority, contributed 146 lives of their limited number to air navigation. The remarkable safety record under the new set-up is an inspiration to them. Any threat of impairment by return to the old conditions distresses them. The Civil Aeronautics Authority had to assemble the personnel of its large group and go through the grief that accompanies an inexperienced organization in its initial stages. It has gone through this initial period with remarkable success. It can function with the advantage of experience and a smooth-running organization. In actual practice it has established its right to continue its work and to receive the acclaim of the American people.

Civil aviation needs stability of policy and continuity in administration of its affairs. Executive departments are under centralized control with one man above another until finally the chain of authority reaches the President of the United States. All the way up the line the idiosyncracies, policies, and frailties of the individuals are reflected in the information that reaches the President. In that line of authority is concealed the influences that frequently dominate administrative organizations.

Under the Civil Aeronautics Authority we know who is doing the job, who is responsible.

Past experiences tend to demonstrate the failure of the plan here proposed.

Under the original set-up of the Interstate Commerce Commission the appointment and compensation of its employees were made subject to the approval of the Secretary of the Interior. It was further provided that the Secretary should supply the Commission with offices and facilities, and that its reports should be made to the Secretary of the Interior.

After some practical experience in this intermixing of the Commission with the Department, the Secretary of the Interior found that the control given him was unworkable and undesirable. In his annual report of 1888 he described this control as "invidious and irksome." He stated he could not perform the duties assigned to him as satisfactorily as an independent commission, and that his duty was "disparaging of the character of the Commission."

Who can for one moment distrust the wisdom of the Secretary of the Interior under those circumstances? How can a great important regulatory agency of the Government, with a fine record of success, lose its independent identity, be merged in a political department of the Government, be required to make its report to that department, and have its budgeting, accounting, procurement of supplies, and other office services performed by that department without the disparagement of its character as an independent commission of the Government?

After this experience and wise advice from the Secretary of the Interior, Congress in 1889 made the Interstate Commerce Commission completely independent, and under that independence it has established its reputation as a great and respected regulatory agency of the Federal Government. It has attained its place by having the opportunity to work independently, thoroughly, and with judicial fairness, without political domination.

In a study of independent agencies made for the Brownwell Committee on Administrative Management, it was said:

> To put a commission in a department that has nothing to do with its work would obstruct rather than aid effective over-all management. The Commission would suffer from the type of neglect that springs from indifference or neglect. It would be merely a cog in a big machine.

Congress must accept responsibility for what is done in this matter. I believe it is its duty to now exercise the authority that it properly reserved to itself of disapproving the Executive order which would make possible this backward step in the regulation of air commerce.

Civil aviation is the foundation on which military defense by air must largely rest. At this critical time of the history of the world we cannot afford to experiment with an agency whose efficiency is demonstrated beyond all reasonable doubt.

This problem rises above the question of mere politics. Partisan appeals on one side of the aisle or the other may be made here today. The highest approval we can hope to have is the confidence of the American people that when a serious question like this arises, whether or not it has political angles,

Congress can be trusted to do the right thing for the American people. [Applause.]

Mr. COCHRAN. Mr. Chairman, I yield such time to the gentleman from North Carolina [Mr. WARREN] as he desires.

Mr. WARREN. Mr. Chairman, I had intended to take no part in this debate other than to vote to sustain the President's order. I have been engrossed for weeks in other matters having my deepest interest. I knew nothing about Reorganization Order No. IV until it was read here in the House, and, of course, I do not mean to infer that I should have had any prior knowledge of it. On account of the misleading propaganda that has been put out in the last 3 or more weeks, I have been appealed to in the last 2 days by a considerable number of Members to look into this order, and I have been impressed that it is my duty as a member of the House committee to not only make such investigation but to submit my views to this body for whatever they may be worth. I regret that the program as arranged by the majority leader has been disturbed, and while any Member is well within his rights to call up this rejection resolution today, since it originated in the Senate 4 weeks ago, and since that body is to act on it this week, we could have well waited for that decision.

We have heard a great deal lately about "Trojan horses." Well, one has been led to the battlements of the majority party here today by the only Democrat in the House who saw fit to introduce a rejection resolution.

When the horse disgorged there outpoured a flock of Republicans headed by the distinguished minority leader and my friend, the gentleman from New York [Mr. TABER].

I never handle the President's name to suit my own purpose. I delight to be with him when I can and in most instances my feeble efforts have been used to battle in his behalf. So today we find the gentleman from California [Mr. LEA] leading the Republican hosts in their efforts to discredit the President. Just a little later in the week we will find him with tears in his eyes as big as horse apples, citing the President in an effort to put over a piece of legislation inimical to the public welfare.

From the study I have made of this matter I am sincerely convinced that a phony issue is raised here today. Now, what are the facts and what are the issues?

Reorganization Order No. III, about which nothing has been said, merely coordinated the authority of the Administrator. Reorganization Order No. IV, which you are now asked to reject, abolishes the Air Safety Board, but transfers all of its authority and functions to the Civil Aeronautics Authority, and in addition to that it places the Civil Aeronautics Authority under a department head. It is needless for me to call your attention to the fact that time after time in all of the debates on the reorganization bill, and especially on the one which we passed at this session of Congress, attempt after attempt was made to exempt from all reorganization the Civil Aeronautics Authority, and in every instance in each House that exemption was denied.

My friend the gentleman from Missouri [Mr. COCHRAN] will discuss that phase. I will confine myself to that part of the plan which proposes to transfer the functions of the Air Safety Board to the five-man Civil Aeronautics Board.

As you know, it will also abolish the $7,500 jobs of two men, the present members of the Air Safety Board.

The air-line industry has not, to my knowledge, opposed the transfer of the Air Safety Board's functions to the five-man board. I am told it is in favor of the plan.

The airplane manufacturers have not, to my knowledge, raised their voice against this transfer. I am told they favor the transfer.

The Civil Aeronautics Authority has not objected to this transfer. I am told they favor the plan. Why?

The only persons, to my knowledge, who are opposed are members of an organization which numbers only 150 persons, the Air Line Pilots Association. The only other persons who object are two men whose names are Hardin and Allen. Their jobs will be abolished. They are the present members of the Air Safety Board.

Hardin was, until his appointment, vice president of the Air Line Pilots. Robert H. Hinckley, Chairman of the present five-man Civil Aeronautics Authority, and Clinton M. Hester, Administrator of the Civil Aeronautics Authority, have on numerous occasions expressed their dissatisfaction with their relationships with the Air Safety Board. I propose to tell you why.

The Air Safety Board since its creation has been one of the rottenest and one of the worst administered messes in the Government for many years. Let me give you some background.

The Air Safety Board is only one part of the three-headed agency now known as the Civil Aeronautics Authority. There is a five-man Board known as the Authority, an Administrator and the Air Safety Board. Each is completely separate from the other. They are really three independent agencies.

In August 1938 the President appointed to the Air Safety Board Col. Sumpter Smith, who was at the time head of the airport construction for W. P. A. He also appointed Tom Hardin, who at that time was vice president of the Air Line Pilots, an organization which is the only group in the country actively opposing transfer of the Board's functions. Colonel Smith was elected chairman. The third man, C. B. Allen, was not appointed until later. Allen's background is interesting. He is aviation reporter of the arch-Republican newspaper, the New York Herald Tribune, and at present he is on leave of absence from that paper.

From the beginning a bitter quarrel marked the conduct of this governmental agency. It started between Smith and Hardin. When Allen joined Hardin to form a majority, the bitterness increased. This ill feeling, which was common knowledge to every informed person in the executive branch of the Government, finally reached a climax when Hardin and Allen deposed Smith as chairman of the Board and elected Hardin.

Now, I have not studied this particular branch of administrative law, so I am not prepared to say that this action is as grossly illegal as certain lawyers have charged, but I do know that Smith had been properly elected chairman for a term of 1 year, and when he was deposed by his associates, that year had not run its course. At any rate, this brought the matter to a head. The problem was laid before the President of the United States. Discussions and conversations were held at great length by the Administrator with the three members of the Board. This entire background of personal bitterness and practically public quarreling, which, according to the statements of the three men, had resulted in the complete demoralization of the entire staff of the Board, was carefully canvassed. In the past few weeks some men have said that Reorganization Plan No. IV was a purely capricious gesture by the President. I have not yet stated the date of these occurrences that I have mentioned. It was in late August 1939, 9 months ago. Hardin, Allen, and Smith admitted they could agree on only one thing. The situation was so bad, they said, that the Board itself was helpless.

It could not solve the problem. The three men felt that only action by the President of the United States could help them out of these difficulties. They stated frankly they could no longer cope with the situation.

A few months before Colonel Smith, at the request of the leading experts in the country, had also taken over the duty of supervising the construction of Gravelly Point Airport. This he did in his spare time. Gravelly Point, however, was reaching the stage when it would become a full-time job. Sumpter Smith was the obvious man to carry it on. Because of this, and to remove the personal bitterness within the Board, it was proposed that Smith be appointed to the position of engineer in charge of the completion of Gravelly Point Airport—which, incidentally, will be the greatest airport in the world.

Nonetheless, it was perfectly apparent this was no solution. Something had caused these quarrels. There were flaws, whether administrative or in the statute, or both, which had crippled the efficiency of the Air Safety Board. The charges and countercharges which the three members made against

each other were ostensibly, at least, based on the organizational defects within the agency. It was clear that a painstaking study of the Board's operations was necessary.

At about approximately the same period the administration was disturbed by complaints that the Air Safety Board persistently refused to confine itself to its own jurisdiction, as outlined by the statute. It was charged that Hardin and Allen were deliberately trying to set up a huge organization to do research of the kind which had nothing to do with the investigation of accidents—which, mind you, is the sole and only function of the Board. If they were successful in this attempt, Hardin and Allen would duplicate the already-existing research staff in the Bureau of Safety Regulation of the C. A. A., which, under the statute, was charged with this type of research.

It was claimed that the Board insisted on buying a large number of airplanes to fly all over the country; that it used Government funds to purchase more planes than the C. A. A., with a much larger staff, had for its use. I am told that these planes were in so little use that the Board had to lend them to the ill-equipped Authority.

It was perfectly clear to everyone there was something "rotten in Denmark." Not only was there friction within the Board itself, but it was rapidly spreading trouble to the entire Civil Aeronautics Authority. The problem was not only serious; it was complex. Clearly, an impartial investigation to sift these matters was necessary.

The administration requested the Administrative Management Division of the Budget Bureau to conduct such a study. This request was made in October 1939, and for the next 5 months the Budget Bureau studied the internal management of the Air Safety Board and its relations with the Authority and with the Administrator.

For the past 9 months, therefore, the Air Safety Board has been a constant problem to the executive branch of the Government. The recommendations finally reached by the Budget Bureau were embodied in the reorganization plans which the President has sent to the Congress.

I do not intend to discuss the reasons which the Budget Bureau has advanced for this plan. The gentleman from Missouri, Congressman COCHRAN, has presented these arguments. There are a few things about the Air Safety Board I should like to emphasize.

How efficient is this Board we have been hearing so much about? Its only function is to investigate accidents. Obviously it cannot do so until after they have occurred. It then reports publicly to the Authority and makes its recommendations. Since it can do nothing until after an accident, how can it claim credit for the year which has just passed without a fatal accident on an scheduled air line?

Are the air-line operators and pilots who are actually in charge day and night to be given no credit at all? I suppose we are to ignore the fact that they voluntarily agreed last year to cancel mutually competitive flights at the first sign of bad weather. Is the five-man Authority which promulgates the safety rules and issues the safety certificates to be given no credit? Is the Administrator who is responsible for the air-navigation facilities to be given no credit?

Does the public really understand the fact that the Air Safety Board is only one small part—the smallest part—of the Civil Aeronautics Authority?

But if the Air Safety Board insists on taking every bit of credit for this record year, why does it not emphasize the fact that under its perfect supervision during the year 340 persons have been killed in nonscheduled private airplane accidents?

Gentlemen, let us place the credit where it is due. I repeat, the only function the Board has is to report to and make recommendations for future action to the Civil Aeronautics Authority. If these reports are to be effective, they must be made just as soon as possible after the accident. Thus a similar accident may be prevented in the future.

However, such reports may reach the Authority over a year after the accident has occurred.

I have quoted verbatim that last sentence from a pamphlet issued by the Civil Aeronautics Authority. The C. A. A. points out that because of the usual delays of the Air Safety Board the Authority is forced to rely on its own personnel to furnish it with speedier action if it is to prevent similar accidents in the future.

It may take "over a year." The average time for reports to reach the Authority is 5 months. How can such delays prevent accidents? The Authority cannot wait—it must itself inspect all accidents with its own admirable facilities so it can reshape its rules and revoke safety certificates where necessary.

According to the annual report of the Air Safety Board, the Board reported to the Authority only a little more than 1,000 of the 2,700 accidents it dealt with. During the first 6 months of its existence no reports were made because the two members at the time were unable to agree on any of them.

Why this record of delay by the Air Safety Board? Its members have been so constantly embroiled with each other in bitter personal quarrels they had no time to perform the work delegated to them by the statute.

The argument that they were not granted sufficient funds to carry on their duties is not satisfactory. The Authority itself thoroughly investigated these accidents efficiently and speedily, using its field personnel, which also performs countless other duties. Is it argued that the Congress shall appropriate funds so the Board will duplicate an already existing staff performing many other functions? Or shall we save money and let the Authority formally take over the job it now is forced to do, if it is to be done right?

The disagreement between the members spread to and eventually disorganized the entire staff of the Board. Employees who dared to disagree with Hardin and Allen were eventually fired. If they had the temerity to side with Smith, the then chairman of the Board, their dismissal was practically automatic. Here is one example of such high-handedness:

The then chief counsel of the Air Safety Board, Mr. Darrell Lane, protested in a legal memorandum against the legal procedure of the Air Safety Board in handling a particular accident report. In the particular case Lane took occasion to compare the procedure of the Air Safety Board with the excellent methods of the five-man Authority in handling the identical accident.

Hardin and Allen had before them no legal memorandum disputing the points raised by Lane. Despite the fact that they were thus unable to criticize his legal conclusions, they demanded his resignation. At their insistent request, Lane resigned.

Their technique in removing personnel who disagreed with them was to abolish their jobs by a reorganization. When they reorganized it was Smith's friends whose jobs were abolished. In fact, the main quarrel, according to the three members, took place over a reorganization scheme which Hardin and Allen adopted and which Smith pronounced unworkable. Despite Smith's complaints they reorganized the three existing divisions of the Board into one division with three sections. They then set up an executive officer as the administrator of the Board. In arguing for the need of reorganization they insisted the Board had been falling further behind in completing its accident reports because of the old system. Smith claimed it created more delays. It is small wonder the administration put Government experts to work.

At one stage the fight became so bitter that the demoralized staff was treated to the absurd spectacle of two of its superiors refusing to allow the other to read the official transcript taken down of the Board meetings. Its minutes were made from these transcripts.

Hardin and Allen insisted that secret signals were arranged with the stenographer to take down off-the-record conversations, and that therefore the transcript should not be made available to the Chairman. This story, admitted in full by the participants, ought to prove illuminating to the House of

Representatives. It graphically illustrates the degree to which Government conduct of business can fall. I personally wonder what these off-the-record conversations could have been if they were so important and so confidential they could not safely be incorporated into the minutes.

This, then, has been the conduct of the Air Safety Board. It presents the pretty picture of a Board divided into two warring camps, two general staffs, each with their own camp followers. They spent Government money and Government time warring against each other while the business of government fell further and further behind. The camp followers who picked the wrong general were eventually dismissed. They committed the sin of betting on the wrong horse.

Does the House believe that the administration should have sat idly by with a situation like this? Should the responsible head of the executive branch pretend to ignore the obvious while Government funds were wasted? Here a Government agency had broken down. The main reason advanced was a question of organization. If this were really so, the natural thing for the administration to do was to send in its Government experts to dig out the trouble.

Can anyone quarrel with this procedure? It has tried and is trying to clean up a mess. The result of its study of the Board is in this reorganization plan.

I have heard no Member opposed to the plan attack the record of the five-man Authority. Instead, they have been high with their praise. If the Members of this House are so satisfied with the record of the five-man Authority, how can they object to transferring the functions of the Air Safety Board to such an efficient organization, at the same time abolishing the positions of the two men responsible for the failure of the Board?

I wonder if the House is under the illusion the Air Safety Board has been functioning in our Government's behalf since this reorganization plan was announced. Are they aware that Chairman Hardin flew at Government expense and on Government time to a meeting in Oklahoma, there to make a speech in which he, a Presidential appointee, expressed the hope that the Air Safety Board would be continued despite the President's wishes to the contrary?

Is the House aware that Hardin and Allen recently prepared a widely distributed pamphlet printed at Government expense, by Government employees on Government time, which attacks this reorganization plan?

Last fall they were too involved in bitter personal quarrels to keep abreast of the work required by the statute. Today they seem to have sufficient time to spend their efforts in such extracurricular activities.

Now let us go into some of these things. We all know there were violent disagreements. Several months ago there was an investigation of the accident at Bolling Field in which the brilliant and well-known Mexican pilot, Serabia, lost his life. The Department of State can doubtless throw a lot of light on that dispute with the Air Safety Board.

There was another controversy which must be touched on. It involved the procurement of two airplanes from the Navy and their subsequent trade to Bellanca for two small untried airplanes of doubtful utility. The reason for this trading away of the Navy planes was that neither member of the Board, Mr. Hardin or Mr. Allen, was competent to fly them, and on that account would not allow members of their staff to fly them although naval cadets are trained on these airplanes.

The negotiation with Bellanca was entered into and the terms of the trade agreed upon before specifications were written and proposals issued. The specifications were restricted, the Bellanca plane being the only plane able to meet the specifications. Before Bellanca made the deal with the first airplane Bellanca arranged a tentative sale of the Navy airplanes to a stunt pilot formerly living in Fort Worth, Tex., Mr. Hardin's home town. The incompetency of Mr. Allen to fly this Navy plane, which is of the same type as cadets for the Navy are trained on, was demonstrated on his only flight when he nearly crashed into a group of Army bombers parked on Bolling Field. This record could be amplified no doubt by officers of the Army Air Corps who were present at Bolling Field when Mr. Allen unsuccessfully attempted to fly the plane. Navy officials will testify that they are training successful flying cadets on the same type of plane.

The competency of Mr. Hardin leaves much to be desired. He took off from Washington in a Boeing transport plane belonging to the Air Safety Board for a trip to Nashville, Tenn. The weather was good; the trip was made in broad daylight, and although Mr. Hardin should be thoroughly familiar with this route, inasmuch as he had flown it many times for American air lines, he became hopelessly lost and finally landed in a cow pasture in Indiana, and asked the farmer for God's sake to tell him where he was.

The law requires that one member of the Board be an experienced air-line pilot with 3,000 flying hours to his credit. Hardin is supposed to be this man.

Here is another thing, Mr. Chairman, and I ask you to follow this:

Since April 11 the entire Washington staff of the Safety Board has been required to spend its entire time preparing material apparently used in the propaganda distributed by the officials and hired agents of the Pilots Union. These statistics are juggled to fit the purpose. They were gotten up to show the decrease in air-line accidents subsequent to the inauguration of the Air Safety Board. The intent apparently was to prove that the sharp decline in accidents could be attributed to the influence of the Safety Board. Much to the surprise of the members of the Board these statistics, when plotted in graph form, showed definitely that the decline in accidents started more than a year before the Safety Board came into being, and that the so-called year of no accidents was merely the tail end of this nonaccident trend. The graph which was to be used in this fight against the President's order was thereupon destroyed. The statistics were then released without a graph.

And they come before you with a misnomer styled "A lobby to save lives!" Here and now I should like to say that the Civil Aeronautics Authority and the Civil Aeronautics Administrator have made far greater contributions to safety than has ever been made by the Air Safety Board. Who made the airways safe? Any contention that safety in the air is primarily dependent on a Board primarily set up to investigate accidents is a travesty on the splendid loyalty and efficiency of every air pilot, every aviation mechanic, every weather observer, every dispatcher, every aeronautical engineer and every employee in the aviation industry, who is doing his job day in and day out and thus making his contribution to air safety. Safety is the product of a multitude of jobs well done, and I should like to point out that neither the Army, nor the Navy, nor the United States Coast Guard have found it necessary to set up safety boards to obtain a splendid operating record. Of course, these services investigate accidents, and, of course, they take measures to prevent them, and, of course, they obtain knowledge and experience from every investigation of an accident. From these and other agencies the President has learned how to correct the mistakes which were inherent in the law creating and misnaming the Air Safety Board, and which were accentuated by an unfortunate selection of Board members.

Mr. Chairman, I feel personally the deepest interest in everything pertaining to aviation. It all started down in my district just 37 years ago when at Kill Devil Hill the Wright brothers made the first successful flight. All of us are vitally interested in maintaining this new American institution, in which every American has a right to take greatest pride—the institution of safety in air transport. Let us not forget, however, that "every human institution is the lengthened shadow of a man," not of a Board. Let us not forget that every American who flies, or services, or helps to equip an airplane is an essential part of this new American institution and deserves a share in the credit for the world record which has been made for safety in air transport. Nothing could be more disastrous at this critical juncture in the world's history than to tempt the thousands

of young Americans who are in training in civilian and aeronautical schools to believe that safety in the air depends not upon the thoroughness with which they train themselves, but upon a Board in Washington which has never yet been able to agree upon the facts found in connection with the investigation of accidents in the air.

I say to this committee today, Mr. Chairman, from all of the investigations that I have made in this matter that the President is eternally right to clean up the sorry mess down there. This order is the way to do it. It will be the greatest thing for aviation if his order placing them under a responsible Cabinet head with a seat at the council table of the President, is sustained, as it ought to be by this House. [Applause.]

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I shall try to restrain myself as to politics in this matter. I regret that the first words of the last speaker were to the effect that the gentleman from California [Mr. LEA] was leading the Republicans today. That has invited some pretty tart rejoinders, but I will refrain.

This is a matter for the majority of the House to determine. We have a great responsibility. We are dealing with safety measures involving the lives of our citizens. The last speaker said it was illuminating that the two members of the Air Safety Board had devoted Government time and expense to furnish us with a little information. From whom are we to get information except from those whose positions are jeopardized and may be willing to talk? It was all right for him to stand here for some 50 minutes or more and read to you—and he read it well, did he not?—about all the dirty linen that has been washed in this Board. Well, who gave him that information? Was that done on Government time and expense? Was it furnished to bolster his argument? This is not a case of washing dirty linen. Let that argument fall of its own weight. If the Air Safety Board could not be disciplined at the time they were disagreeing among themselves, is it possible that a whole reorganization scheme must be undertaken? Shall we go back to that discredited agency, take away their power, and place them under a politically minded gentleman? Our truly patriotic Democrats cannot agree to that.

Why should the minority talk at all? Why should I not keep my seat? I have been on this committee for a long time and am more interested in the principles involved in the reorganization schemes than I am in the details. We all should be. We are in no position to argue about details. No hearings are ever held on these reorganization measures. You take them or leave them. There is no chance whatever to argue or prove whether they be good or bad. The general legislative procedure is that when legislation is enacted, both branches of the Congress must act, take it to conference, and finally bring out a measure fully understood. In this case a recommendation takes effect unless both branches disagree to it. If the great majority of one branch agree and the other branch disagrees, it takes effect just the same. It is a most peculiar rule, is it not? It may be a good rule in some of its provisions. Anyone can bring it up. Both branches tied themselves up with a rule providing that we could act, but its weakness is that if one House agrees and the other disagrees, it goes into effect just the same, which is far from a proper or orderly method.

Mr. Chairman, I have only 15 minutes. I have read a good deal about this subject. This is no time to wash dirty linen and I have not been given it to read. We should forget that line of argument. The administration should have washed that linen clean. Consider the appeasement process of appointing Mr. Hinckley, as Assistant Secretary of Commerce, under Mr. Hopkins. This seems to have satisfied him. It does not appease an interested and anxious public. We are not quite sure who the Administrator may be, but I wish to present this thought.

All the way through these reorganization schemes is the intent of the Executive to get control of all administrative powers, the personnel, the Budget, the procurement, even the type of goods and needed devices. When they get that, the money, the personnel, the administration—and in this case they will appoint an administrator with the powers set forth under Reorganization No. III and leave this Board only the power to adjudicate—then what is left? Adjudicate what? What the Administrator sees fit to give the Board to adjudicate. They can make rules ad infinitum, but when you take the administering features from this present independent organization, the damage is done. We heretofore determined it should be independent after previous unhappy experiences. When we tried to exempt it with the other 21 exemptions that were made, we failed only by a slight margin. It should have been exempted with those other agencies, preventing this questionable operation.

Why could not the Executive have settled those differences between the two men after the other had resigned, without having to take this extreme measure? You have heard the immediate response from the interested public. The previous speaker said that certain organizations and people were favorable. Perhaps a small minority are. Why do we have to sit here and be entertained with a lot of that dirty-linen stuff, which somebody prepared, to distract our attention? Is that to be persuasive? Because certain people had quarrels, and the courage to get rid of them was lacking, should we have a reorganization of the whole activity imposed upon us. Shall we indulge this madness?

I am sorry if I say one word offensive to my Democratic friends, but the minority must needs help in this matter. You gentlemen cannot say some things which the minority may say, perhaps with some hesitation, but of which you really approve. You naturally wish not to be too critical of your own administration, and the minority should speak for you.

I read with great care every word, every syllable of the speech made over the air by the gentleman from Missouri [Mr. COCHRAN] justifying this plan. He stated the President is within his right, that this was not exempted, as were the 21 other agencies. That is true. He says the President's family travels by air, and therefore they are interested in safety. That is not an argument worthy of the gentleman. There were some statements by the previous speaker about Kitty Hawk, N. C., where the first flight was made. That may be persuasive, but it is only oratory, and I am not indulging in that procedure. I should be easily swayed if I were to let that sort of argument affect me in this important decision. The President's family travels by air. Yes; nearly all the time, by some method of transportation.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Did the gentleman from Missouri also indicate that the President's immediate family sells a great deal of aviation insurance, and that the picture of a member of the President's family, the First Lady, appeared in a recent two full-page Saturday Evening Post aviation advertisement?

Mr. GIFFORD. I hope the gentleman will not arouse me to talk on that subject. I may talk about it some other time. It would be a most enjoyable subject. The previous speaker said there was practically no opposition to the other recommendations. What chance did we have for opposition? No hearings were held, and no employees dared speak up and inform us regarding them. Of course, there was little opposition. I have read recently the debates of the last 2 years relating to these matters.

The leader of this House took the floor on the reorganization scheme in 1938 and practically warned with great emotion, "The Republicans will get you if you don't watch out." He just simply forced you to it by a plea of loyalty to the party. It was not the minority that brought politics into it, it was Democratic leaders that did so continually. There was the same cry in 1939, and today we hear it again.

"Does not abolish functions." Of course not. What good are functions if you appoint administrators who will not

carry out functions? Give the power of appointment and control of the personnel to them and functions might disappear.

"Board retains its independence." Ridiculous—with a politician at the head who will give them such personnel as he desires. There would be perfect control of the Administrator, who will investigate what his superiors may see fit. Independence retained? Let us not be so deceived. Would you like to be on a board where all the administrative features were controlled by someone else? You could have no money, you could appoint nobody, you could procure nothing you thought desirable unless it was approved by someone higher up. Do you call that independence? Let not our intelligence be trifled with in such fashion.

"Two sets of investigators." They did have two sets. Yet there are a thousand cases still to be investigated. Perhaps they needed two sets of investigators. If you have this new Board with an Administrator with somebody over him, they will investigate just what he pleases and only what he pleases, and I suspect that most of these pending investigations may be dropped so they can say they are up to date.

"Defeat of this plan will be a set-back for civil aviation." The public does not believe that, and your mail does not indicate it. This is only a method to get complete control, administratively, at least, of this independent organization and change it from what Congress meant it to be. It is in line with the Brownlow scheme from the beginning—the Brownlow scheme which aroused the whole Nation to expostulate. How simple, thinks the Executive, "Let us get control of the personnel, the pay of the personnel, the Budget, and then we have all the control we need." I might say, if I wanted to use picturesque language, "functions be damned. They will function only as I desire if I control the men who are supposed to function." Can we not keep that in mind? That is the scheme back of all these plans.

There are many other changes in this reorganization plan, but no one seems to be interested in or informed about them. All arguments seem to center on the C. A. A. We have had no hearings on this suggestion. I must object, even though I am in the minority, to passing any reorganization plan without having any hearings or some proof offered us except during a few minutes of debate on the floor. We have listened for nearly an hour to dirty linen being washed. It might have been interesting and led to some emotional thinking. But did it have any weight? I trust not.

They could have handled it differently. If there is trouble among your servants, what do you do? Build a new house? Why not discharge them rather than build a new house as the only method of ridding yourself of them?

Referring to other provisions in this plan. I should like to know why they want to hand Madam Perkins more extraordinary power as suggested here. Is it wise? We do not know. The nautical schools are to be taken away from the Navy and put into the Maritime Commission. Is there one here sufficiently informed as to why the nautical schools should be taken from the Navy? The Maritime Commission may not endure long as a commission. They would take away from the boys in the nautical schools that which has been inculcated in them, the love of the Navy, the preparedness for defense of their country.

I speak of these things because the whole scheme ought to be investigated. Any reorganization scheme should be carefully considered, at least by the committee having the duty of studying the matter, with the public being given an opportunity of expression.

My time is exhausted, although I have a voluminous amount of suggestions here that might be presented. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SHEPPARD].

Mr. SHEPPARD. Mr. Chairman, we have listened to a rather interesting discussion pertaining to the proposal we have before us today. While I have the utmost regard for the gentleman from North Carolina [Mr. WARREN] who preceded me on the floor of the House, the records I have been able to compile do not jibe with the statements of the gentleman by a long shot.

I feel that we are called upon today to consider a proposal that goes far beyond any political ramifications. We are now faced with a condition where we are called upon to consider what is going to happen to humanity that may choose to use our modern-day transportation, to wit, aviation, as its method of travel. I believe we have something before us that merits intense consideration. I am not concerned with any interdepartmental fight that may have occurred. I will say, however, that my experience as a Member of this House would indicate to me that if there has been such a terrific turmoil in the air-safety department as our friend the gentleman from North Carolina [Mr. WARREN] has indicated, it is rather peculiar that more Members of this House have not heard of that disturbance. I, for one, have not heard anything about any misunderstandings that have been going on in these departments which, in any manner, were impeding the orderly process of the respective departments concerned with the control of aviation.

We heard the gentleman from North Carolina [Mr. WARREN] quoting that some gentleman had been removed from office down there.

I am just wondering if we were to scrutinize this picture carefully if, possibly, we would not find that one of the gentlemen who had lost his job was not on the investigating committee that made these recommendations to our President. This is something for you to think over at least. [Applause.]

Another thing I would like to call your attention to is this. The gentleman from North Carolina [Mr. WARREN] referred very definitely to the tremendous expenditure that had taken place in the safety department. Well, Mr. Chairman, my information is to the effect that out of $380,000 for the fiscal year they anticipated turning back to the Treasury between $50,000 and $75,000, and yet they have been called upon to do a tremendous amount of work, much of it from the old Commerce Department.

You know it is rather startling that in some of the proposals that we have listened to we find that the proposal incorporates the idea that a body of gentlemen be transferred to a specific department and that they also take over, if you please, the supervision of safety when they themselves are the persons who designate the appliances to be used; in other words, if these splendid gentlemen in the Authority—and I have no quarrel with them as individuals or collectively—are put into the set-up that is proposed by this reorganization, then what do we find? We find that they are the gentlemen who will pass upon the blue prints of planes to be put into modern transportation as being acceptable, and then, if they crack up, the same group of gentlemen pass upon their own inability to have functioned properly in the first instance. You know we may have men in these departments who are constituted quite differently from you and me as Members of Congress, but I have never yet found any particular situation where that great element of the human equation was not a material factor, and I want to make this statement to you. Both my wife and I love to fly commercially and in private planes. We were among the first, if you please, to go up in the "wingless bug" commonly known as the gyro down here because we wanted to see what made the wheels turn around in aviation; but under the circumstances of the reorganization plan as proposed today——

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. SHEPPARD. I do not want to jeopardize my life or the lives of my family due to the attitude of gentlemen who might be called upon to pass upon their own mistakes; and I may say this to you: The record that has been made by the Safety Board is a most enviable one, and I shall ask at the proper time unanimous consent to insert in the RECORD a table of mileage flown under the direction of the Department of Commerce and the number flown for the last 20 months

under the present Safety Board; and read this table and reach your own conclusions as to how you should vote on this issue. [Applause.]

Fatal accident statistics, domestic scheduled air-carrier operation

	Fatal accident	Fatalities			Days per fatality
		Crew	Passengers	Total	
1927	4	4	1		
1928	11	10	13		
1929	21	22	14		
1930	9	9	24		
1931	13	13	25		
1932	16	17	19		
1933	9	9	8		
1934	8	12	17		
1935	8	14	15		
1936	8	17	44		
Total	107	127	180		
1937	5	12	40	52	7
1938 (first 8 months)	4	9	22	31	8
Total	9	21	62	83	
Grand total	116	148	242	390	
Air Safety Board began safety program Aug. 22, 1938					
1938 (last 4 months)	1	1	3	4	30.5
1939	2	3	9	12	30.4
1940	0	0	0	0	(1)
Total	3	4	12		

[1] No fatalities.

Scheduled domestic air-carrier operation

Last 20 months under Department of Commerce:

Passengers carried	1,852,902
Miles flown	109,793,440
Passenger miles	816,810,297
Fatal accidents	9
Fatalities:	
Crew	21
Passengers	62
Total	83

Average death rate, 1 every 7.2 days.

Last 20 months under Air Safety Board:

Passengers carried	3,071,671
Miles flown	134,775,977
Passenger miles	1,213,299,969
Fatal accidents	3
Fatalities:	
Crew	4
Passengers	12
Total	16

Average death rate, 1 every 37 days.

NOTE.—The average death rate during the last 20 months of operation under the Department of Commerce was more than 5 times greater than that after the Air Safety Board assumed office, a net increase in safety of more than 400 percent. During the last 16 months of the 20 months' operation under the Air Safety Board there was not a single pilot fatality. In the last 13 months there was not a single passenger fatality. This astounding improvement in safety was accomplished during a period of unparalleled expansion of operations.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield such time as he may desire to use to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, I should like to say a word in opposition to the reorganization plan of the President relating to the Civil Aeronautics Authority. I intend to vote for the resolution to set the plan aside. We should be glad we did not listen to the ardent new dealers who tried to prevail upon the Congress to give the President blanket authority to reorganize the executive branch of the Government. We should be glad we retained a check on the exercise of the power delegated. If we had not done so we would be unable to do anything with respect to the action taken by the President in connection with the Civil Aeronautics Authority.

The reorganization plan submitted by the President would, in substance, abolish the Air Safety Board, strip the Civil Aeronautics Authority of its independence, and place regulatory control of air transportation and civil aeronautics under the Department of Commerce. One of the major reasons offered by the President for his proposal is that by placing the Civil Aeronautics Authority in the Department of Commerce it would have representation at the Cabinet table.

Mr. Chairman, the argument advanced by the President in behalf of his proposal is really an argument against it. We have already had experience with the politics-ridden Bureau of Air Commerce. Congress deliberately made the Civil Aeronautics Authority an independent agency because of that experience. And the remarkable improvement in air transportation in the last 2 years is evidence of the wisdom of Congress in taking that step.

As an independent agency the Authority has been able to speak directly to the Congress. But the President would make it a subordinate bureau able to act only through the Secretary of Commerce. It would be at the mercy of a single man, and that was one of the troubles with the old Bureau of Air Commerce. Moreover, it should be pointed out that our railroads, our merchant marine, and our motor carriers are regulated by independent agencies and not by subordinate bureaus.

It would be a serious mistake if we allow the Civil Aeronautics Authority to become a subordinate bureau, whose personnel and budget would be controlled by the Secretary of Commerce. Under the old Bureau of Air Commerce we witnessed a high death rate for passengers and pilots. Under the present Civil Aeronautics Authority and the Air Safety Board we have made remarkable strides both in the efficiency and safety of air transportation. I cannot approve a return to the old system which, in essence, the President has recommended. [Applause.]

Under leave to revise and extend my remarks, I am inserting a copy of a letter addressed by one of my constituents, Mr. Wayne Carpenter, of Waukegan, Ill., to Senator PAT MCCARRAN on this subject. I feel it merits special attention because it expresses the views of a small, indepedent aviation operator.

MAY 5, 1940.

Senator PAT MCCARRAN,
United States Senator from Nevada,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: As a charter member of the Aircraft Owners and Pilots Association I want to amplify, from the viewpoint of a small independent aviation operator who has trained 79 pilots this year (without injury or fatality to anyone and without subsidy of any kind), what is stated by Mr. Hartranft in his letter of May 2, 1940, to you.

We are a struggling young industry which, if free from the rumors, turmoil, and uncertain status of rapidly changing "screwball" policies in Washington (for example the Eugene Vidal regime in the Department of Commerce), can mean a lot to business recovery.

Under the Civil Aeronautics Authority we (the nonscheduled phase of the industry) have had greater expansion along sound lines than in any other period of our struggling existence. It has been stated that the Civil Aeronautics Authority will remain independent, if Reorganization Order No. IV goes into effect. According to that order the Secretary of Commerce will have charge of budgetary, accounting, and other such functions for the Authority. It is axiomatic that the man who supervises the cash for a given activity, has supervision in other ways over that activity. The President, the Attorney General, and Mr. Smith of the Budget Bureau, and Congressman COCHRAN, in his radio address on May 3, ignore this vital point. Mr. Smith was quoted in the press here as stating that, while the Civil Aeronautics Board, under the reorganization plan, is to be independent, the Secretary of Commerce may add his comments to the Board's reports and decisions. The President has given as justification for his plan No. IV, that civil aviation may be represented at Cabinet meetings. If the Secretary of Commerce controls the budget, may add his comments to decisions of the Board (why make them if they will not mean anything?), and represents civil aviation at Cabinet meetings, the independence of the Civil Aeronautics Authority will be what we in aviation call zero zero. I have heard arguments in opposition to the plan termed "spinach." To many of us who have struggled against odds for years to get somewhere in this business, this vague answer to an extremely important problem makes us fearful of our futures.

This reorganized Board may work, with a certain degree of success, with such a man as Robert Hinckley as Assistant Secretary of Commerce, but Mr. Hinckley will undoubtedly have other duties to perform and perhaps cannot give the attention to civil-aviation problems which they deserve. And can aviation count always on having such men as Mr. Nobel and Hinckley in the Department of Commerce? The record under the well-intentioned Mr. Daniel Roper and Mr. J. M. Johnson was a disastrous one.

With regard to the Air Safety Board, although it seems to some to be in duplication of the function performed by the regular Government inspectors, this, in the opinion of many in our branch of aviation which flies more miles and operates more aircraft (or did in the year 1938) than the military services and the air lines combined, is just as necessary as a coroner is necessary. The pilot and aircraft owner does not want the policeman (inspector) to be the coroner also. But, in my opinion, the coroner (Air Safety Board) should not follow pilots and planes around to prevent their having accidents. The Air Safety Board should investigate and report causes of accidents and make recommendations as the result. It should not be wiped out by having its duties combined with those of the Board which passes on the safety rules. If this takes place, we will be back to the sorry mess we had under the Department of Commerce when the investigators were investigating themselves and naturally had a human-nature tendency to pass the buck of responsibility to the other fellow.

The Air Safety Board has been a hair shirt to a lot of people, including the private and nonscheduled operator and apparently to the President and the Civil Aeronautics Authority. Some would like to be rid of the hair shirt but it has been good for us—just having it set up the way it is makes us operate more safely.

For the above reasons, and as a practical operator who does not consider himself uninformed on this subject, nor has he, to his knowledge, ever been considered gullible, I hope and pray that this reorganization order will be defeated.

Sincerely,

WAYNE CARPENTER,
Owner and Manager, Waukegan Air Service.

This organization has soloed 87 students, flown over 500,000 miles, made over 10,000 landings and take-offs; at present we have 5 flying clubs in operation with 85 members and 150 students.

W. C.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BRADLEY].

Mr. BRADLEY of Michigan. Mr. Chairman, ladies, and gentlemen, at the risk of being accused of being ignorant and gullible and even stooping to play politics or indulging in a bit of "spinach," I want to raise my voice in protest against Reorganization Plan IV, which I consider to be untimely, ill-advised, and unsound in logic.

Mr. Chairman, I have no desire to question the sincerity of anyone in his treatment of aeronautics. We cannot escape the fact, however, that whenever the President has acted in the aeronautics picture he has invariably created chaos and confusion within the entire industry, to say nothing of resultant accidents with a tremendous destruction of life and property. The aeronautical picture changed quickly when the New Deal took over in 1933. We had the unfortunate experiment of the Army flying the mails and the cancelation of the air-mail contracts which drove all air-line fleets out of the sky temporarily. Then the President turned over the operation of aeronautics to four strictly political appointees, each having the support of some political "Major Domo," and each of whom immediately set to work to build up his own political organization within the Bureau of Air Commerce, which resulted in no end of chaos and confusion. The aeronautics industry itself then went to work on the Congress, representing the people of the United States, and after years of bitter controversy got enacted into law by the Congress the Civil Aeronautics Act, conceived by and drafted for the aeronautics industry by those who were in the industry and knew what they wanted in order to make for safety in aviation in this country.

Now, I do not need to repeat to you again the harrowing list of accidents which preceded the creation of the Civil Aeronautics Authority and the Air Safety Board. Those figures have been given to you and the public often enough. The unmistakable fact remains that when the control of aviation passed out of the hands of the President and the Department of Commerce in 1938 into the hands of an independently created bureau, answerable directly to the Congress as well as the President, that air safety and the entire aeronautical industry rapidly regained its accustomed stride. Therefore I say to you that when we are reminded of the unmistakable fact that not a single accident has occurred on the air lines in this country over the past 13 months, in which our planes night and day, in good weather and bad, have flown over a billion passenger-miles and created the greatest safety record in any form of transportation at any time in the past, then I say to you respectfully that it is indeed untimely to change that set-up as now proposed. I care not who created it, a perfect record is hard to beat—harder to criticize. When I say to you that Reorganization Plan IV is ill-conceived or ill-advised, then I say that you have only to recall the failures of the past, the success of the present, and the present proposal to return to the folly of the past.

It has been said that friction exists in the present organization. I am convinced that friction does not exist to any greater degree now than it did to my personal knowledge during the dark days of air commerce.

Unquestionably there exists friction between individuals, and unquestionably some friction existed originally between the Air Safety Board and the Civil Aeronautics Authority. I have previously pointed out to you that this friction originated when Col. Sumpter Smith, one of Harold Hopkins' pets, was personally placed in control of the Air Safety Board by the President. Colonel Smith learned how to pour the people's money down the rat hole when he was building airports for the W. P. A. It was not strange therefore, as soon as he took over the chairmanship of the Air Safety Board, that he immediately proceeded to set up an entirely separate organization on a Nation-wide scale, the cost of which he made no effort to even predict; but it was his intention to create in effect a separate organization in direct competition with the other, and this naturally led to friction. Later we know that in direct contravention of the law, which required that the members of the Air Safety Board must give all their time to that work and undertake no other duties, that he then assumed charge of the construction of the Gravelly Point Airport here in Washington. In so doing he not only violated the express word and intent of the original law but proceeded to take so much time away from his Air Safety Board duties that the other two members found it necessary to remove him as Chairman, and later he resigned, and since that time the Air Safety Board has continued to function with remarkable smoothness and efficiency.

But, for the sake of argument, let us assume that some friction does exist at the present time. We know the history of the past. If one lived in a rat-infested hovel, he might be excused for building himself a new, modern home. If a rat got into that new home, I would assume he would drive the rat out and not burn down the house. If we have the same condition existing in aeronautics right now, it is quite possible to drive the rat out of the house, not burn it down. But because aeronautics has prospered under a bureau created by the Members of Congress, as requested by and laid out by the aeronautics industry itself, I say it is indeed ill founded to now propose to turn it back into the old rat-infested Bureau of Air Commerce, completely dominated by politics under the executive branch of the Government.

Mr. Chairman, I have yet to talk to a pilot, I have yet to talk to an air-line official, I have yet to talk to a private owner of an airplane or a private pilot who favors this change.

Let us continue to give aeronautics that which it should have, that which it has proven it must have to prosper; that is, independent regulation by an independent bureau created by and responsible to the Congress of the United States. If the present set-up needs change, let the Congress, and Congress only, do its constituted legislative duty and clean the rats out of the house—not burn it down. [Applause.]

Mr. MUNDT. A point of order, Mr. Chairman. It seems to me that, inasmuch as we are discussing something of tremendous importance to the lives of many Americans, a quorum should be present, and I make the point of order that a quorum is not present.

The CHAIRMAN (Mr. ROMJUE). The Chair will count. [After counting.] One hundred and three Members are present, a quorum.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. COCHRAN. Mr. Chairman, the gentleman from Illinois is a member of the committee and I yield the gentleman 10 minutes of my time.

Mr. DIRKSEN. Mr. Chairman, let me address an answer to the indictment that was leveled by the gentleman from

North Carolina [Mr. WARREN] against the members of the Air Safety Board of the Civil Aeronautics Authority. That indictment consisted in large measure, first of all, of showing the use of governmental time for other than strictly business purposes, a flight to some town in Texas for the purpose of addressing a convention as against this reorganization plan and certain administrative difficulties that obviously, according to him, existed in the Air Safety Board. That whole indictment can be dismissed at once. In the first place, if it is as bad as our good friend states, then the President should have discharged those gentlemen. That is the answer. As to whether the President has authority to discharge them, we go back to the Humphreys case of 1935. I think that settles that. Finally, we might state that if it is as bad as alleged, why abolish the Air Safety Board? Why burn down the barn to get at a few people in the barn, and yet that is the brunt of the whole argument that was advanced here for more than 30 minutes, and certainly it constitutes no reason for approval of the pending plan, No. IV.

Mr. Chairman, I am curious to know who wants this plan. Did the industry want it? You have not heard a word from anybody to indicate that they want this change in the Civil Aeronautics Authority. Is it the air-line pilots, the men who fly these great corsairs of the sky, and who undertake the responsibility for human life? Is it the pilot and the aggregation of pilots who have flown over 2,000,000 people in the last 12 months without a single death or injury to a member of the crew or to a single member of the traveling public? Do they want it? Then read the statement of David Boehnke, the president of the Air Line Pilots' Association, who pleads with the Congress to defeat this reorganization proposal. Is it the traveling public that wants it? Then listen and learn from those who do fly of their keen opposition to this proposal, ranging from General Johnson and other air travelers on down. Is it the insurance group that wants it? Listen to this telegram from the Associated Aviation Underwriters, to Senator McCARRAN dated April 29:

> Drastic reductions in rates have been made during the last year, due to excellent experience which our unemotional analysis indicates due in no small measure to present Civil Aeronautics Authority and Air Safety Board arrangement. Therefore urge you strongly resist suggested transfer to the Department of Commerce.

No; the Associated Aviation Underwriters are opposed to it. Does labor want it? Read the letter that William Green, of the American Federation of Labor, addressed to Senator McCARRAN on the 29th day of April, and I quote only the last sentence to this effect:

> The American Federation of Labor heartily endorses your Senate Concurrent Resolution No. 43 to set aside Reorganization Plan No. IV.

The industry does not want it, the underwriters do not want it, the pilots do not want it, the public does not want it, labor does not want it. I am wondering who wants this reorganization plan as proposed by the President. How singular that there has not been a single hearing on this proposal. You know how it began? In December 1939 the President asked the administrative management section of the Budget Bureau to make an investigation and they did, and they brought in this proposal. A gentleman named Donald Stone is the Assistant Director of the Budget Bureau in charge of that work. Who actually did the work does not appear. It seems rather strange, however, that the report of the Budget Bureau was inserted in the RECORD by our good friend the gentleman from Missouri [Mr. COCHRAN] not so long ago, but oddly enough the Budget Bureau's report was not signed, and I am curious to know the names of the personnel who may have fabricated that report. In any event that is where it started, and what an amazing concatenation of events have followed since that time. You know chronology is a very interesting thing. This started on the 4th of December 1939. The second step in chronological order is this: April 3, the third reorganization plan to clarify the functions of the Administrator in the Civil Aeronautics Authority; April 11, plan No. 4, which is before us at the present time; April 30, the President's statement to the public in which he talked about well-intentioned people staking out an exclusive claim for the safety of lives. It is very regrettable that the Chief Magistrate of the Nation had to use that language. April 30, the Democratic members of the Special Reorganization Committee of the House went to the White House and had their photographs taken before they came away.

The gentleman from New York [Mr. TABER], the gentleman from Massachusetts [Mr. GIFFORD], and myself, who are minority members, were not invited on that exploratory expedition. [Laughter.]

May 1 the name of Col. Monroe Johnson, Assistant Director in the Department of Commerce, was sent to the United States Senate for confirmation as a member of the Interstate Commerce Commission. You see, that was to cushion the objection; that was to cushion the great surging wave of protest that was beginning to rise in the country.

May 3 a letter from the Director of the Bureau of the Budget, either directed to the Secretary of Commerce or to the Chairman of the Civil Aeronautics Authority—and I cannot tell which, because the letter as inserted by Senator BYRNES was directed to the Secretary of Commerce, while the same letter which was inserted in the RECORD by our good friend from Missouri [Mr. COCHRAN] was apparently addressed to the Chairman of the Civil Aeronautics Authority. So I am not clear on it, in view of the fact that the letter on two separate occasions was inserted in the CONGRESSIONAL RECORD apparently addressed to two different sources. But there in 16 specific different items the Director of the Bureau of the Budget undertakes to tell why this plan should be approved. Certainly the letter is full of absurdities, and, in fact, constitutes an entirely new plan.

May 3 a letter from the Attorney General of the United States appeared telling why, in his judgment, this plan as proposed was quite all right.

May 4 it was intimated to the public that Mr. Hinckley, present Chairman of the Civil Aeronautics Authority, would have a place in the Department of Commerce, so that this agency which is to go to the Department of Commerce would be under the nurturing of kind and experienced hands.

So this blitzkrieg against the Civil Aeronautics Authority, which began way back in December, is finally dissipated in a great smoke screen. [Laughter.]

I am rather surprised at this. I cannot find out from anybody who is affected by this proposal what they want; there have not been any hearings. Nobody's advice has been asked, and then there comes confusion worse confounded in order to take the thought of the public from the fact as to what this will do.

Now, when they attack the Air Safety Board the fact remains that a great safety record is there. Neither the gentleman from North Carolina [Mr. WARREN], the gentleman from Missouri [Mr. COCHRAN], or Mr. Roosevelt or Mr. Hinckley or Mr. Monroe Johnson or anyone else can dissipate the effect of the record for the last 12 months—aye, for the last 20 months. Not a single fatality in 408 days; not a single life lost in 408 days; not a single plane dashed to the ground in 408 days. If that is what friction will do in a governmental agency, then, by the great eternal, give us more friction. [Laughter and applause.]

Mr. BRADLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BRADLEY of Michigan. In your discussion of the question of all these dates, I wonder if the gentleman could tell me when the Budget Bureau report was brought up? I have a copy of it here. It is supposed to be the original report, and there is no date on it and no signature. It is not addressed to anybody. I just wonder if the gentleman could give me that date?

Mr. DIRKSEN. It is enveloped in mystery like all blitzkriegs are enveloped in mystery when they start.

Now, there is the record: 90,000,000 miles in 12 months, 2,000,000 passengers carried, not a life lost.

Now, an attack is leveled at Tom Hardin, Chairman of the Safety Board. The gentleman from North Carolina [Mr. WARREN] says perhaps there is something to be desired in his record of aerial experience. Well, let us see what is to be desired. Tom Hardin and the Board came before the Appropriations Committee in connection with the appropriations for 1940. It is my privilege to serve as a member of that subcommittee. So we asked the members of the Board to submit some biographical data. Here is the data on Tom Hardin, Chairman of the Air Safety Board: He was the senior air-line pilot for American Air Lines. He holds the highest pilot's license that is available to anyone. He is rated for instrument flying and blind flying. He has had a great aviation background. Besides, he has officially 10,000 hours to his credit in the air. Page 1885, hearings on the appropriation bill for 1940, available to any Member of the House, will disclose this.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. KLEBERG. I might add to that documentary evidence that I have spent a great many hours personally flying with Tom Hardin as I have flown with many pilots. In my estimation, no better pilot was ever at the controls of a plane than Tom Hardin. [Applause.] I just wanted to make that contribution.

Mr. DIRKSEN. I thank the gentleman from Texas.

So all that has been said about the Air Safety Board, all that has been said about friction down there has an answer, and the answer is this: A gentleman named Col. Sumpter Smith, who, by indirection at least, our good friend the gentleman from North Carolina [Mr. WARREN] defended on this floor just a brief while ago, has been derelict in his duties as a member of the Safety Board. When he should be discharging his responsibility as a member of the Air Safety Board, as the law provides, he was partially engaged with this new glorified airport down on the Potomac River. The Civil Aeronautics Authority Act provides that his full time shall be devoted to the job of safety. Where was he? He was giving only partial time down there, and the rest of the time he was down on the Potomac supervising the airport work. We invested him with a responsibility under the law of 1938 to discharge his responsibility in behalf of public safety; and was he doing it? No; he was not doing it. That is the reason for the friction; that is the reason for the trouble; that is the reason that Tom Hardin and Mr. Allen went to the White House and saw Colonel Watson. All the testimony is there in the file if anybody cares to read it. That is the answer.

What is wrong with this pending reorganization program? I will tell you what is wrong. There are two things, and that is all that time will permit me to develop. The first is—and do not forget it—that you invest in the Secretary of Commerce the authority specifically for procurement, for accounting, for budgeting, for management control. You give Harry Hopkins the authority to spend $27,000,000 and to look after the interest of 5,042 people in that agency.

The net effect of the proposal before us is this:

It transfers the Civil Aeronautics Authority and its functions to the Department of Commerce. It transfers the Administrator and his functions to the Department of Commerce. It transfers the functions of the Air Safety Board to the Department of Commerce. And then vests those functions in the new Civil Aeronautics Board. It renames the Civil Aeronautics Authority and calls it a Board. The Air Safety Board is abolished. The functions of the Administrator are to be administered under the direction and supervision of the Secretary of Commerce.

The Civil Aeronautics Board shall report to Congress and the President through the Secretary. The Civil Aeronautics Board shall continue to exercise its rule-making and adjudication powers independent of the Secretary. Finally, all of the budgeting, accounting, personnel, procurement, and management functions are to be performed under the direction and supervision of the Secretary.

Now, what are the reasons advanced for the plan? In so far as I can learn, they are about as follows: First, that it will provide representation for Civil Aeronautics at a Cabinet table; secondly, that the work in this field can be coordinated with the work of the Weather Bureau and the Coast and Geodetic Survey; third, that it will prevent friction; fourth, that it will effect economy; fifth, that it will result in prompt translation of safe findings into remedial action; and, sixth, that the President will be more closely advised of developments in the field of civil aviation.

Let me offer some general observations on this whole matter. Despite the statement of the gentleman from North Carolina [Mr. WARREN], there has been no scandal in the C. A. A. It began a herculean task to take over the work of the old Bureau of Air Commerce, add to the personnel, set up an administrative system, establish field offices, and initiate the work which was authorized in the Civil Aeronautics Act. Considering the enormity of the task, it must be admitted that the C. A. A. and the Air Safety Board have done quite well.

If, as the gentleman from Missouri contended in his radio address of May 2, that sooner or later the aviation industry, along with other governmental activities in the field of transportation, will be consolidated in a newly created Department of Transportation, then why transfer the C. C. A. to the Department of Commerce now only to have to retransfer it to a new Transportation Department at some future time?

I cannot emphasize too strongly the fact that the President had authority to ask for resignation if alleged friction and discord existed, but seemingly the President, the Budget Bureau, and others preferred to use any existence of friction as the vehicle on which to black-out the independent character of this whole agency.

If it is economy which is desired, I share with the President that desire, but I am not insensible of the fact that the $380,000 per year which is appropriated for the Air Safety Board can easily by mere action more than be offset by a single major air accident.

As for the investigation record of the Air Safety Board, the true fact is that in the last 21 months it has investigated 2,947 crashes, transmitted 2,300 accident reports, and made 115 remedial recommendations. In the light of all these circumstances, it is an excellent record.

Say what you will, the appropriations for the Civil Aeronautics Board if it is ever transferred to Commerce will be under the direction of the Secretary of Commerce. He will appear before the Budget Bureau. He will appear before the appropriations committees of Congress. He will have power to shift appropriations within his own Department and put this agency on meager rations if he is so disposed. Under such circumstances I would find it difficult indeed to believe that it will not become just another bureau among many bureaus in the Department of Commerce, and that it would constitute a backward step for the civil-aviation industry.

This Congress will concur in a genuine service upon the air-traveling public of this country, upon a growing industry, upon the pilots, upon the investors, and upon every part which has an interest in aviation by repudiating the plan which is now before us when it comes on for a record vote.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield myself 6 additional minutes.

Mr. Chairman, the act specifically states that all the procurement, personnel, management, and Budget functions shall be carried on under the direction and supervision of the Secretary of Commerce. Thus Mr. Hopkins will inherit an agency of 5,000 people, a normal appropriation of $27,000,000 for 1941; and do not for a minute think that he will not use that authority. If I am to run an agency, I want to pick out the people. If you will just let me pick out the people to run the show, you can take all the rest of it, but I will be able to impose my policies and my thinking on that agency. Well, you are going to bury this in bureaucracy such as we had starting with 1926 and continuing to 1938. All right, if you want to go back to that, O. K., then vote against the disapproval of this plan. But if you believe that this agency has done a good job in the interest of

safety, the regulation and encouragement of aviation, then the thing to do is to disapprove Reorganization Plan No. 4.

The second major reason is this: The Civil Aeronautics Board under this Authority will still make rules, they will still make regulations, they will still do the adjudicating, they will still issue certificates to pilots, they will still issue certificates to aircraft. All right. They are making the traffic rules, and ostensibly they ought to make an independent investigation of safety. But let us see about that. Suppose they issue a certificate to a piece of aircraft that is faulty as in the case of the one that dropped at Oklahoma City which had a bad propeller, an old-style propeller, and an old-style, obsolete control mechanism. When they investigated this what happened? The very fact of human nature dictates that they will have to whitewash themselves. Am I right, I ask the gentleman from Kentucky?

Mr. MAY. That is right.

Mr. DIRKSEN. You would not reproach yourself. Obviously you could not. The mistake was made in the first instance to issue a certificate to a defective piece of aircraft. They are expected to investigate it, but all the Presidential rhetoric, all language that the President or anybody else can pack into any kind of order, or regulation, or plan, cannot offset the persuasive force of human nature, that you are not going to hurt yourself when the record comes in. So when the Civil Aeronautics Board under this plan investigates itself there is not a Member in this Chamber who cannot dictate the answer in advance. That is what is wrong with this thing: The cause of public safety will suffer. The Civil Aeronautics Board becomes the judge, the jury, and the prosecutor. I say to you that I shall never give my support or endorsement to that kind of plan.

How singular, Mr. Chairman. It is exactly 2 years ago this afternoon that we were first debating the Civil Aeronautics Act. It came on this floor on the 7th of May, 1938. It went into effect on the 22d of August 1938. Two years to the day from the time we were debating the creation of the Civil Aeronautics Authority here comes a plan to push it into oblivion despite the pilots, despite the industry, despite the insurance underwriters, despite anybody who has an interest in aviation. That is the story in a nutshell.

They say to me, Oh, the Air Safety Board only has authority to investigate and then to recommend remedial action. How short-sighted and stupid that statement. They have a far more potent force at their command. It is to investigate and put it on the front page and let the public do the rest. On May 6, 1935, in the small hours of the morning Senator Cutting fell out of the sky at Mason, Mo., and came to an untimely death. What brought about the Civil Aeronautics Authority and the investigation was a great surge of public sentiment as the result of the untimely death of a very promising and virile young Member of the United States Senate. That created the Civil Aeronautics Authority. Gentleman on the Democratic side, in spite of whatever your loyalty may be, are you going to be a party to retarding the progress of civil aviation in the country by pushing us back more than 5 years over the time that the progress was made? [Applause.]

Mr. COCHRAN. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, I anxiously awaited the speech of the gentleman from Illinois [Mr. DIRKSEN], because if there is any one man on the Republican side of the House who should know something about the Civil Aeronautics Authority it is the gentleman from Illinois, who just preceded me. He is a member of the subcommittee that handles the appropriation for the Civil Aeronautics Authority. He has always been most attentive to his duties by attending all meetings. The gentleman from Illinois stated there is danger in Mr. Harry Hopkins, Secretary of Commerce, spending $27,000,000. If the gentleman understands the law and if he understands the decisions of the Bureau of the Budget, as well as the Attorney General, he will find that Harry Hopkins cannot spend 27 cents. He also talked about Mr. Smith shirking his duty.

Mr. DIRKSEN. Does the gentleman care to yield?

Mr. COCHRAN. I yield.

Mr. DIRKSEN. I am sure the gentleman is familiar with the terminology of plan No. IV and with the fact that budget, accounting, personnel, procurement, and related routine management functions of the C. A. A. shall be performed under the direction and supervision of the Secretary of Commerce through such facilities as he shall designate or establish.

Mr. COCHRAN. I will define that for the gentleman. My definition of that is a little bit different from yours.

Mr. DIRKSEN. Yes, but the gentleman is not going to formulate the definition. Mr. Hopkins is going to do that.

Mr. COCHRAN. The gentleman is not going to formulate the definition for me either and he is not going to make it for the Budget Director.

They have a division in the Department of Commerce that attends to all such matters. Is there any harm in saving the taxpayers' money by letting them use these services for the Civil Aeronautics Board when it is only paper work. That is going to be the extent of the control of the Secretary of Commerce.

The gentleman spoke about Mr. Smith and stated that he did not attend to his duties, but Mr. Smith is no longer a member of the Civil Aeronautics Authority or Board of Air Safety. He is out of the picture.

Mr. DIRKSEN. For clarification, the gentleman knows that the statement that was made——

Mr. COCHRAN. I know he is no longer there.

Mr. DIRKSEN. That is quite beside the point. There is a vacancy there and it can be filled at any time.

Mr. COCHRAN. He has another job and he is performing it very well.

Mr. DIRKSEN. Why did not the President discharge the members of the Air Safety Board?

Mr. COCHRAN. Mr. Smith is supervising the construction of the greatest airport in the world just across the Potomac River.

Mr. DIRKSEN. What has that to do with the Air Safety Board?

Mr. COCHRAN. Nothing; I want to show he is not with the Board.

I do not think there is anything I can possibly say that will have any effect on the Members to my left, because, as usual, reorganization becomes a political football, and, as your leader, the gentleman from Massachusetts [Mr. MARTIN], announced, there is not one Member on the minority side who will vote to support the President. Further than that, a lady, a member of the Republican National Committee, announces this morning how autocratic the President is in following out his obligations and responsibilities in trying to put his own house in order. So I am going to direct my remarks to my colleagues on the Democratic side of the House.

Mr. Chairman, I regret this is a partisan issue. I have never looked upon reorganization from a partisan standpoint, and I have been a member of every reorganization committee that we have had around here since the days of President Hoover.

Just what does the President do? As the gentleman from Illinois said, he puts the Civil Aeronautics Authority in the Department of Commerce and abolishes the Air Safety Board. You will remember how the gentleman from Ohio [Mr. CROSSER], when the reorganization bill was up, argued, "Do not give the President the power to destroy functions." When the bill finally became law there was a provision in it which denied the President the right to destroy functions; so no matter what you might say, under no condition can the President of the United States, or anyone else, destroy the functions of the present Civil Aeronautics Authority or the Air Safety Board. Bear that in mind.

The gentleman from Illinois spoke a moment ago about the Civil Aeronautics Authority getting the power to make investigations. Is it not making them now? But he complained about investigating themselves in the event that they might issue a certificate and the plane was later found to be faulty.

Now, who is Chairman of the Air Safety Board? Mr. Tom Hardin. What position did he occupy—and he might occupy it yet for all I know? He is vice president of the Pilots'

Association. Has not Mr. Hardin been investigating his fellow pilots, members of the association of which he was vice chairman? You do not complain about Mr. Hardin investigating accidents in which pilots are concerned. Why complain because the Civil Aeronautics Authority investigates accidents? Be consistent.

Some statements have been made about the Air Safety Board and how it has functioned. The gentleman from Illinois said if there is friction in the Department, and friction saves life, give us more friction. He indicates that the Air Safety Board is responsible for the saving of lives.

The gentleman from Illinois sat in the hearings when Mr. Hardin appeared, and if you will refer to his testimony, you will see that he said, in attempting to justify the $380,000 which he sought for the Air Safety Board:

> At the present time the Air Safety Board is in arrears some 1,022 accident dockets which have not been analyzed and acted upon by the Board.

When was that? That was in December 1939, and the act had only been in operation since June 1938. Yet they are 1,022 dockets in arrears in 18 months of operation. How many are they in arrears now? Mr. Hardin, the man who made that statement, is the one who kicked up this fuss just as soon as the President announced this plan. His effort is to save his job. The propaganda has been inspired and is one-sided.

The president of the Air Pilots' Association, who was president when Mr. Hardin was vice president, sent the pilots on here and he said they knew nothing about politics, but I am told they were pretty well schooled when they got here. I say they are a fine set of men, but badly misinformed. They saw the various Congressmen. They did not come to see me. I do not know why. I was going to try and arrange to have them name a committee of two or three to go with me to see if I could not get them an audience with the President to let him explain the order, but they never came near me. Of course, I know I am only one Member of this House, but nevertheless, I was chairman of the reorganization committee. They did not ask for any hearings—simply put, or tried to put, the pressure on Members.

They said they were a lobby to save lives. I hope they always save lives. I do not want to see anyone get killed in an airplane accident or in any manner any more than anyone else does, and I know no Member of this body, or any public official, wants to see anyone get killed; but when these gentlemen come here and try to tell you that the Air Safety Board is responsible for the great record that has been made in recent months, which was celebrated here just a few weeks ago, they are certainly taking a lot of credit away from themselves. It is those very pilots, coupled with the cooperation of the air-line corporations, as well as the rules and regulations of the Civil Aeronautics Authority, that are responsible for what has happened in safety in air. Do not let anybody tell you any different. That resulted in the outstanding record that has been made, and which we all hope will continue to be made.

Just look at the difference in the situation that prevails now and what formerly prevailed. I recall that while I was in St. Louis everyone was shocked by reading of a great disaster in the southwestern part of the country. One of the finest ships in operation at the time was destroyed and the pilots and everyone else in it lost their lives. A friend of mine called me up over the telephone and told me that the weather bureau at Denver twice broadcasted and also sent telegrams to all the air fields in the southwestern and western part of the country predicting the most serious electrical storms in years, and warned the companies to keep their ships on the ground. The slogan then was not "The lobby to save lives"; the slogan at that time was "Keep the air schedule." Instead of following out the recommendations of the United States Weather Bureau and staying on the ground, they took off, and every one of them lost their lives.

I saw some reports in reference to that storm. I read the report of an old gentleman who ran a little store up on top of one of the mountains. He was about 70 years old and was an observer for the Weather Bureau. He said he was born and lived in the vicinity all his life, but never saw such an electrical storm, and it was in the area the pilot was supposed to go through.

Today you have to have a certain ceiling, a certain clearance, not only at the place where you take off but where you are going to land, or you stay on the ground. They obey storm warnings; there is cooperation now. That is what has caused this great record to be made, and not the Air Safety Board, because the Air Safety Board has absolutely nothing to do with the making of rules and regulations. Their sole responsibility is to investigate. They go to the scene of an accident, and another set of investigators from the Civil Aeronautics Authority likewise go. They are both on the same job. They cooperate up to a certain point, then they go in different directions. They both make their reports. The Air Safety Board makes recommendations if it seems justified in doing so, and there their responsibility and authority end. They could not change a regulation, they could not make a regulation if they desired; only suggest.

To say the Civil Aeronautics Authority itself cannot perform the duties of the Air Safety Board is foolish. It is surprising to me that some of the gentlemen on my left who are so interested in economy have not long since offered an amendment to some legislation on the floor of the House to stop this duplication of work, thus saving money.

Mr. GIFFORD. Mr. Chairman, does the gentleman care to yield?

Mr. COCHRAN. I yield to my friend.

Mr. GIFFORD. The gentleman made a remark a little while ago that he never has treated this as a political matter. I want to pay a great tribute to his loyalty to all these measures. He finds no fault with any of them. To illustrate that, "He told the maid to ask his wife, who was going to Florida, if he was going, too."

Mr. COCHRAN. The gentleman from Massachusetts is always interesting, but I was surprised he did not have something to say today that was worth while and that someone could answer.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. In just a minute.

I want to get to the independence of the Authority, about which the gentleman from California [Mr. LEA] and the gentleman from Massachusetts [Mr. GIFFORD] spoke. The Director of the Budget—and his conclusions were concurred in by the Attorney General—wrote the Secretary of Commerce, in reply to his request for information, telling the Secretary he has absolutely no power and no authority to discharge any of the duties of the Civil Aeronautics Authority. The law provides that they must report to the Congress and to the President. The President did not even have the power to change that requirement, because that is part of the Authority's functions. They are still going to report to the Congress and to the President, but the Secretary of Commerce will bring the report to the White House. That is what he is going to do with that. The Director of the Budget further pointed out that when the Authority makes its reports the Secretary of Commerce cannot delete one word. He also told the Secretary the Authority is in no way divested of its power in connection with the personnel. The Authority still controls the personnel, and do not forget that the personnel is under civil service. Do you know that? You talk about politics. How about the Administrator? Do you know him, Everett?

Mr. DIRKSEN. I know him very well, personally.

Mr. COCHRAN. He is a wonderful fellow, is he not?

Mr. DIRKSEN. Yes; I will say for Mr. Hester that he is a good Administrator, but he has never had an hour's experience in the air. That was the testimony before our committee.

Mr. COCHRAN. He is doing a fine job, is he not?

Mr. DIRKSEN. I am wondering why Reorganization Plan No. III was brought in to clarify the authority between the Administrator and the Authority.

Mr. COCHRAN. Because the law did not specifically define their duties.

The President was not required to place a civil-service man in the position of Administrator. If he had wanted, he could have placed a politician in that most important position.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I yield myself 5 additional minutes.

The President could have put anybody he desired in that position, because it was exempted from civil service, but what did he do? He picked up a career man, a man who has had nearly 30 years of service as a civil-service employee with the Federal Government—I do not believe anyone knows his politics, if he has any—and the President made him the Administrator. There is no evidence there that the President has ever tried to inject politics into the Civil Aeronautics Authority. He has tried to make the Air Safety Board function without success.

Now, on this same question of independence, it might be well to point out that other independent boards function in an entirely satisfactory manner in the Department of Commerce at present and in other departments as well. The Bureau of Marine Inspection and Navigation is one of a number of quasi-independent agencies in the Department of Commerce, and there are many others in departments. Let me read this quotation regarding these independent agencies in various Government departments:

> They are expressly established by law rather than by departmental action; their functions and procedures are largely created by law; under the law they make their own decisions or orders independent of the head of the department within which they are located; the law provides that their action may be final, or that appeals from it lie not to the head of the department but to the courts; they, rather than the head of the department, are responsible for seeing that the law under which they operate is enforced. (From pp. 41–42, Federal Regulatory Action and Control, by F. F. Blachly and M. E. Oatman, Brookings Institution.)

Under the President's Reorganization Plans Nos. III and IV, the Civil Aeronautics Board within the Department of Commerce will be operating under its own law, the Civil Aeronautics Act of 1938, which is an entirely different situation from the old type of organization within the Department of Commerce, when the Bureau of Air Commerce was set up by the Secretary of Commerce by virtue of his own executive authority and was therefore subject to his complete domination.

This Board and not the Secretary of Commerce will be responsible under this basic law.

The plain intent of Congress was to separate the economic regulatory functions of the Government from the administrative problems attached to the enforcement of these regulations. It was plainly intended that the Authority should be relieved of as much of the administrative problem as possible, in order that it might have the freedom to consider and act promptly on the problems of economic regulation. For this purpose an Administrator of Civil Aeronautics was set up. The very complexity of the subject has, as shown by experience, to a large extent nullified this distinction which was plain in the legislative intent, but which the wording of the act itself was inadequate to make effectual. The President's Reorganization Plans Nos. III and IV not only cure these organizational defects but take advantage of all the experience gained in the operation of this act.

Based on experience, the Weather Bureau is transferred to the Commerce Department. The Coast and Geodetic Survey is already a part of the Department of Commerce, and the coordination of its aeronautical functions with those of the agencies now being transferred brings all Federal agencies related to civil aeronautics into one close-knit administrative agency. The President's plan thus takes advantage of all the experience gained both prior to and after the enactment of the Civil Aeronautics Act.

We are not dealing with a small agency now. This is the fastest-growing industry in this country. Last December $600,000,000, according to the Chairman of the Board, was invested, and they say that by this time $1,000,000,000 has been invested in commercial aviation. During the present year $108,000,000 is being spent by the Government in connection with aviation. This money comes from the taxpayers and must be safely guarded.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentlewoman from Massachusetts for a question.

Mrs. ROGERS of Massachusetts. I am very glad that the gentleman will yield. In 1934 and on March 9——

Mr. COCHRAN. I thought the gentlewoman was going——

Mrs. ROGERS of Massachusetts. I am, in the interest of safety——

Mr. COCHRAN. I must go along with this. I appreciate the gentlewoman's interest in safety. She has often demonstrated her interest.

Mrs. ROGERS of Massachusetts. It is only for safety and you would not yield to me then and adjourned the House rather than let me speak.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I yield myself 5 more minutes.

This sum of money I just mentioned before being interrupted warrants that the President be continually advised of the operations of the Civil Aeronautics Authority and what is going on in all branches of aviation. How is he going to be advised continually except by having someone at the Cabinet table to tell him what is going on? With over 125 independent agencies in this Government, you know as well as I know it is absolutely impossible for the President to see the heads of these agencies as often as he should see them, but in this way you have the Secretary of Commerce bringing reports to the Cabinet table as to what is going on in commercial aviation; and, furthermore, civilian instructors of the Authority are now training cadets for the War Department on commercial fields. There is a hook-up between national defense and the Civil Aviation Authority. Do not overlook that. It is a proper matter to be discussed when the Secretary of the Navy, the Secretary of War, and the Secretary of Commerce are all sitting around the table with the President.

I am not only in favor of this order but I would go much further, and there are some of you here now who will be here at the time when what I say now is going to be an absolute fact. It will not be very long before you are going to be asked to create a Department of Transportation in this Government, with a Secretary of Transportation sitting at the Cabinet table.

That day is coming, and you will have all forms of transportation in that Department of Transportation, rail, water, air, motor carrier, and so forth. It is an absolute necessity that this work be coordinated. For the time being, in the interest of economy and efficiency, I say to you that a grave mistake will be made if you do not sustain the President's recommendation with reference to placing the Civil Aeronautics Authority in the Department of Commerce and to provide for the abolition of the Air Safety Board.

You have a pilot-training program going on in 437 colleges.

You have dozens of factories manufacturing aircraft.

You have had over 2,000,000 passengers traveling over recognized air lines in the last year.

You have a billion dollars invested in the industry with thousands of stockholders.

I have received letters and a resolution adopted by the pilots' organization. Aside from that not one protest has reached me in opposition to the President's proposal. I am confident the pilots' opposition was inspired.

This order is for the betterment of aviation in all its branches. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I do not wish to be numbered among those who assert that the reason why the President desires to transfer the duties of the Civil Aeronautics

Authority to a new board under the Department of Commerce is to obtain political control of our air service. I am of the opinion that he feels this move will insure more safety and efficiency in making some department of the Government responsible. However laudable his purposes are, I do not agree with this transfer.

One body of men is solidly opposed to the transfer—the Air Pilots Association. While it has been said that this organization numbers about 150 men, yet it speaks with a power that mere superior numbers cannot refute. These men are the ones who risk their own lives every day and every night; these are the men into whose keeping the lives of millions of our citizens are committed annually; these are the men who for the past year have so piloted their planes that no major accident has occurred. Whose evidence shall we take, if not that which these men can give? Shall we listen to some spurred officer in the Department of Commerce, whose only use for spurs is to keep his feet on a mahogany desk? Shall we listen to some political leader who pretends to know more about airships than the men who build them and the men who operate them?

No, Mr. Chairman; I have heard the evidence. The pilots have spoken; and being wholly without better evidence, and being myself unfamiliar with the operation of this dangerous business, I will rest my case with their testimony, whether they number 150 or less. I shall vote to resist the transfer of the Civil Aeronautics Authority to the Department of Commerce. [Applause.]

Mr. BRADLEY of Michigan. Mr. Chairman, this is a very important debate here today, and I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Michigan makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and one Members present, a quorum.

Mr. DIRKSEN. Mr. Chairman, I yield 13 minutes to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Chairman, I thought as late as this morning that I probably might support the President's reorganization plan because I wanted so much to conform with his wishes. However, after putting the last 3 hours before lunch into a study of the reorganization suggestion, together with certain letters written by the Bureau of the Budget, I find the plan in such a state of confusion that in the interest of a great young industry, and in the interest of the flying public, that much as I would like so to do, I cannot help but oppose the plan, and in so doing raise my voice against it. And therefore, Mr. Chairman, I take this time at the risk of being misunderstood. The gentleman from North Carolina [Mr. WARREN], when he was on his feet earlier in the afternoon, pointed to his record in support of the President. Well, I can point to a rather good record myself in support of those things which have been proposed by the President. I think in this instance that the President has not been properly advised. He is the busiest man probably in the United States; certainly he has more responsibility. And I venture the assertion that the President—and I make this assertion from reading press releases that he has given, and after seeing those press releases, I have read this proposed reorganization plan—I venture the assertion that the President does not know what is in this reorganization plan and I venture the further assertion that the men or the people who wrote it have not properly advised him as to what is in the plan.

I do not want to court the disfavor of the President. I was one of those who exerted my every effort side by side then with the President to have this Civil Aeronautics Authority created. It is deeply embarrassing on me at this time, knowing how the President feels about this matter, to find it necessary to be in opposition to his proposal. Obviously he must delegate to others the responsibility of detail. This cannot be escaped by any busy executive, and I repeat that the President, in the very nature of things, is not familiar with the garbled, the ill-advised, the confused details, contained in this reorganization plan.

I am not here, certainly, to defend the Air Safety Board. For the purposes of my argument, I am willing to admit that they should be fired. This is not a trial of Hardin and Allen. This is a matter of whether an independent agency which has done a grand job is to be scuttled into another bureau, where it cannot longer properly function. Let Allen and Hardin be convicted, so far as I am concerned. If the President is tired of them, and if they are not doing a good job, he had but to fire them, and if he cannot do that, then he had but to send to this House a reorganization plan which would have abolished the Air Safety Board, and left the rest of the Civil Aeronautics Authority against which not a single man has raised his voice today. It could stay there and function in the orderly manner that it was intended to function in the light of the action of the Congress less than 2 years ago.

My distinguished friend, the gentleman from North Carolina [Mr. WARREN], said that the Air Safety Board has bought more airplanes than it knows what to do with, except to go joy riding in them. Mr. Chairman, I am not defending the Safety Board now, but the Air Safety Board never bought any airplane. The Air Safety Board cannot purchase an airplane. That function lies only in the Authority itself, and it is a rule of the Board and of the Authority, and a good rule, that when planes owned by one branch of the Authority are not used by that branch that they be used by other branches of the Authority to save the expense of buying additional airplanes. It is a good rule.

The gentleman from North Carolina [Mr. WARREN] said that the industry is not against this reorganization. The president of the Air Transportation Association, Colonel Gorrell, sits in the gallery this minute, and, I presume, can hear my voice. Many of you know him. Call him to witness if the statement I am about to make is untrue. Every mechanic, every pilot, every executive, every air line, manufacturers, even, oppose Reorganization Plans III and IV and no one can gainsay that.

Let me take you through a few brief steps of what this thing will do if this is put under the Department of Commerce. This reorganization plan was born in confusion, and it is here in confusion. Follow me if you will, for I have written this so that I will not be liable to make mistakes. The confusion which Plan III, coupled with Plan IV, reorganizing the Civil Aeronautics Authority, will cause can be illustrated best by showing what an air carrier—and I mean an air line—would have to do, if these two plans are adopted. An airline carrier comes before the new Board that comes under the Department of Commerce, and it comes in there for authority to do business before it starts its operation. First, the carrier, before it starts to operate, will read the Civil Aeronautics Authority Act, and it will find very many provisions for administrative action. I am talking now about the present act. Then it will have to go to the Statutes at Large and the Federal Register to find plans III and IV now under consideration. It will notice in their terms a number of very ambiguous phrases from which it will gather the impression that there are two separate agencies in the Department of Commerce.

First. The Board and their Administrator exercise different ones of the various powers set forth in this act.

Now, follow me. Under your reorganization plan you come under the Department of Commerce, and there will be set up one agency as a Board and the other as Administrator. Now, follow me. Then, if the company is fortunate enough to know about a letter from the Budget Bureau to the Authority dated May 2, 1940, which is an interpretation or an attempt to interpret what Reorganization Plans III and IV mean—it has been read. Of course, it is not law and never will be, but the Budget Bureau attempts, and uses page after page, to straighten out whoever is muddled up on what this means. This air carrier had better be cognizant of it, too, when he makes his application.

As I say, if it is fortunate enough to know about a letter from the Budget Bureau of May 2, 1940, which tries to explain some of those broad generalities in the plans, it will look for that letter.

Third. The Reorganization Act requires that the terms of a reorganization plan be set out in the Statutes at Large and in the Federal Register. But it says nothing about the long

explanatory interpretations from the Bureau of the Budget. So our air carrier will have to hunt up the letter somewhere else, and if there are any mimeographed copies left, it will probably get one.

Armed with these data our air carrier will go into the matter with its attorneys and start out rather bewildered to find which agency does what. First, the carrier will have to get a certificate of convenience and necessity from the Board. To do that it will have to prove that it is fit to operate between certain points. After it gets the certificate it will find that it must have a safety operating certificate. For that, under this plan, it must go to the Administrator and it must prove that it is fit to operate to certain points.

Two sets of witnesses under two different administrative heads to prove a single thing, both of them within the same Authority. Follow me.

For that purpose it will perhaps want to subpena some witnesses. Now, listen. It will look to the act to find that the power to subpena witnesses is given in title X. It will then read the Budget Bureau's letter and find that all the powers of title X shall be in the Board. So that although its hearing is before the Administrator it will have to go to the Board to get subpenas issued for the witnesses to testify before the Administrator. If the Board and the Administrator disagree about the fitness of the carrier to operate, the carrier can go nowhere except to the courts, and if it wants to appeal from a ruling of the Board, a specific appeal is given to it to the circuit court of appeals. But if it wants to appeal from a ruling of the Director, unless the Walter Act is passed, it has no appeal.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. DIRKSEN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. NICHOLS. Mr. Chairman, of course, I cannot even start through this in 2 minutes.

Then the carrier will examine the terms and conditions prescribed by the Board in its certificate of convenience and necessity and the terms prescribed by the Administrator in its operating certificate, to see if they are consistent. If they are, it can go ahead. If they are not, it is stymied again. And even after the Administrator acts, the Secretary of Commerce may step in and revise or overrule his action. The carrier will find that out if it happens to read *Knight* v. *United States Land Association* (142 U. S. 161).

When it starts to operate the carrier will have to examine some safety rules issued by the Board. Then it will have to check the terms in its operating certificate again to see if they conflict with those rules. If it thinks they do, it will go back, not to the Board, but back to the Administrator, and tell him that the terms prescribed by the Administrator conflict with the rules prescribed by the Board. Hurley-gurley, flippity-flop. [Laughter.] The carrier's lawyers will fumble in their brief cases until they find a mimeographed copy of the letter of the Bureau of the Budget, which says that the Administrator is to be bound by the rules of the Board, and the Administrator will reply that the reorganization plan set forth in the Statutes at Large, as required by the Reorganization Act, says no such thing, but simply gives him the power to issue safety operating certificates. There you go. Hurley-gurley of the worst kind.

I will not stand here and permit the President of the United States to be charged with this kind of knowledge. He does not know what is in this thing. You pass this reorganization bill and you are retarding the progress of aviation in the United States by 15 years, I bound you. [Applause.]

There is no more important, young, struggling industry today than that of aviation, and none more hazardous. I do not want for the Air Safety Board credit for saving all of these lives, but I do want it for the pilots and the Civil Aeronautics Authority, and I want them both let alone. I do not care what you do with the Safety Board, but you surely do not have to reorganize all of the Government to fire two men or abolish a board. [Applause.]

If, however, the Administrator believes that the Bureau of the Budget's mimeographed letter was correct, he will then have a hearing and argument before him to determine whether his terms in the certificate conflict with any rule made by the Board. After he reaches his decision the Secretary of Commerce can, of course, revise or overrule his decision.

Suppose he decides there is no conflict. That will not help the carrier, because if it violates a safety rule, it can be severely fined. To determine whether there is a conflict between the Administrator and the Board, it will have to go to the courts.

But finally—we hope—the carrier will begin to operate. It will again have to look to the safety rules of the Board to see how it should maintain its equipment. But it will have to deal with the Administrator's inspectors in trying to follow those rules.

Suppose the Administrator's inspectors and the carrier disagree about the meaning of the Board's rules. The carrier may suggest that they go to the Board to find out what the rules mean. But the inspectors will reply that they are under the direction of the Administrator. So the carrier will go back to the Administrator, and from him, perhaps, to the Secretary of Commerce.

Suppose they uphold their inspectors. The carrier will then, to protect itself, inform the Board that it is doing so-and-so as directed by the Administrator and the Secretary of Commerce. But the Board will reply that their rules mean what they say, and the Administrator and the Secretary of Commerce cannot revise them.

Again the carrier will have to go to court to get the conflict settled.

Now suppose the Board looks into the carrier's operations and decides that an operating certificate should not have been issued by the Administrator. It proposes to revoke the certificate. The carrier pleads that the Administrator issued the certificate as he was empowered to do. The Board replies that under the act it may revoke a certificate for any reason which in its judgment would justify a refusal to issue one in the first instance.

Again the carrier has to go to court to get the Administrator and the Board into line with each other.

Or suppose the Administrator decides to amend the certificate so that the carrier can no longer fly from A to B to C but must fly from A to B to D. The carrier starts flying to D. But then it hears from the Board that jurisdiction to revoke a certificate in whole or in part is vested in the Board and not the Administrator; that the Administrator's change was not a mere amendment but a revocation in part of the certificate; that therefore the carrier must continue to fly to C.

Again the carrier must go to court to get the matter straightened out.

Then suppose the carrier has an accident. The Board investigates it and blames the Administrator's faulty inspection. To protect himself the Administrator has his own inspectors investigate it and blames the Board's safety rule on minimum visibility. The Secretary of Commerce sustains the Administrator and says so. The Board announces that it is independent of the Secretary.

The next time the carrier has an accident there is a truce between the Board and the Administrator.

They both blame the pilot.

That is safe.

There will be no recrimination.

There will be no controversy.

Because the pilot is dead!

After a while our air carrier will go to another air carrier to find out how things were in the old days.

"In the old days," it will be told, "that is, B. R.—before reorganization—things were different. Things worked smoothly then."

"Didn't you have an Administrator then?" it will ask.

"Oh, yes," comes the reply. "But then the old Authority assigned administrative functions in regard to safety regulation to the Administrator and he had to perform them under

the direction of the Authority. Then there was no question who had the power to tell us what to do. Then there was no conflict of power or division of responsibility."

"Another thing," the old air carrier will add. "In the old days, that is, B. R.—before reorganization—there was an Air Safety Board to investigate accidents. That Board had nothing to do except to find out what happened. It had no axes to grind, no responsibility to evade."

But that was all before reorganization.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. YOUNGDAHL].

Mr. YOUNGDAHL. Mr. Chairman, like many another measure before Congress, this proposal is a combination of a little bit of good and a lot of bad.

The general idea of a reorganization of the executive departments was granted to the Chief Executive, unless the Congress disapproved, under the plea of less cost and greater efficiency.

Neither of these aims, in my opinion, would be promoted by this fourth reorganization plan.

It is my desire, however, to confine my remarks to but two provisions of this plan, the transfer of the Civil Aeronautics Authority to the Department of Commerce and transfer of the enforcement provisions of the pure Food, Drug, and Cosmetic Act from the Department of Agriculture to the Social Security Agency.

For years the aviation industry and development of this country was kicked from pillar to post. New regulations and new agencies were created, transferred, and killed and recreated.

Two years ago the Civil Aeronautics Authority was created with full authority to regulate and control aviation. That Authority took the place of a bureau in the Department of Commerce.

For the first time aviation was put on a secure footing, its problems handled with understanding and foresight, its regulations based upon sound knowledge of the best interests of aviation.

Commercial air-line aviation has just completed a full year with the outstanding record of not one passenger fatality. This record has been achieved under the guidance of the Civil Aeronautics Authority.

Ten thousand new civilian pilots are now completing their training with the amazing record of but one death to date. Not only that, but this enormous training program has been completed with a new record for low cost of instructional flight.

Now it is proposed to wipe out this Authority and return it to its former status of a bureau under the Department of Commerce, back to the place where it was such a failure 2 short years ago.

In my opinion, the Civil Aeronautics Authority is one of the outstanding independent agencies of our Government today. Its efficient management, intelligent regulations, and its record for safety and growth of aviation are outstanding.

To reduce such an independent agency to the status of a bureau under the budgetary control, if not coercion, of another department would be to again set back the sound growth and progress of aviation in this country. It would be a blow to the development of commercial aviation and an undermining of one of the most important defensive arms of our Nation.

The proposed transfer of the enforcement of the Pure Food, Drug, and Cosmetic Act from the Department of Agriculture to the Social Security agency, in my opinion, not only is ill-advised but follows much the same pattern as the other transfer—demotion because it has proven its efficiency.

The Department of Agriculture has administered the pure Food, Drug, and Cosmetic Act since its inception. It has done so with fairness and in a manner which has met the general approval of both manufacturer and consumer. It has the personnel and equipment to make the necessary analyses and to set the required standards, and in the determination of violations and other matters of enforcement much of the work has a direct relation to other activities of this Department.

Now, to transfer this enforcement activity to the Social Security agency is to rob this act of its years of successful and satisfactory enforcement experience to place it under the jurisdiction of an agency wholly unequipped to handle such enforcement.

Such a transfer, with all the best intentions in the world of all those concerned, cannot but be a step backward in the enforcement of one of our important protective statutes.

Mr. Chairman, I hope this House will express in no uncertain terms its disapproval of this fourth reorganization plan. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Chairman, I started to fly in 1916; flew overseas with the British and French; wrote a report for the Navy on the organization and operation of a naval air station; was Ohio's first director of aeronautics; have written articles on air law. I have not a dime's worth of aviation stock. I do not represent any aviation company. I am not even a qualified pilot any more, but I am not uninformed or gullible or selfish when I say to you, as seriously as I can, that defeat of plan IV is a fight to save lives. After 24 years of aviation experience and observation, I know that what aviation needs is expert, unbiased, unpolitical regulation and supervision in order to live, in order that those who fly may live. We have it now. We will not have it under plan IV.

The present C. A. A. set-up is unusual, and probably anathema to bureaucrats, for it provides for a division of executive, quasi-judicial, and inquisitorial powers and responsibilities. With its unparalleled practical success, this set-up should be duplicated in other departments rather than destroyed.

The Administrator is the executive for air-navigation facilities, developing and promoting 24,249 miles of civil airways, and surveying more, with a staff of 2,623.

The C. A. A., a 5-man independent quasi-judicial board with long terms, has a staff of 553 experts, inspectors, engineers, and so forth, for regulatory functions, for economic and safety supervision. In the past year they inspected and certified, as airworthy, 33,000 pilots, 12,000 aircraft, 32,000 students, 10,000 mechanics for ground duty. They had 345 formal docket cases before them. They grounded 48 pilots, recommended prosecutions of 15. If present trends hold we will have 10,000 pilots, 30,000 planes, 4,000,000 passengers in the next 2 years.

The Air Safety Board is another separate independent 3-man board to investigate accidents, to furnish an independent audit from a safety standpoint of the work of the Administrator and the C. A. A. It hires its own staff of 69 inspectors, engineers, and experts, has investigated 2,947 crashes, has made 115 formal air-safety recommendations.

Often there is not much left after an airplane accident. It takes an expert to find out what happened, and an independent and unbiased expert to tell what happened, but it is vital to air safety and progress to know what happened. Suppose the crash was caused by poor maintenance of a field or by a faulty beacon? Would the Administrator like that? Suppose it was caused by an unfit pilot who had just been certified by a C. A. A. inspector, or caused by a C. A. A. traffic regulation? Unbiased decisions in such cases require decisions made independent of C. A. A. and the Administrator.

That independence is destroyed by plan IV, under which the C. A. A. investigates itself, for the Air Safety Board is abolished, and the Department of Commerce hires the investigators, decides on pay, promotions, budget, and does the talking to the President and Congress. If that is independence, then Poland is still independent.

Others have told of the utterly astounding and unparalleled record of perfect safety the past year under the present C. A. A. set-up, with all air lines in the black, and with air-mail subsidy reaching the vanishing point. Whoever would change this set-up has the burden of proof. What are the reasons for change?

First. We are told it is to eliminate duplication; that the C. A. A. can investigate themselves and their inspectors can inspect themselves. This shows an utter failure to understand their functions. In our city we have a public prosecutor and a public defender. We could combine the two and let one man argue against himself, thus eliminating duplication, but only one with the omniscience complex of a petty bureaucrat or a dictator would claim that such an elimination of duplication would work.

Second. We are told it is for economy, will save two salaries, $15,000. In view of the 61,000 added to the pay roll since the first reorganization plan, I have little hope for economy; but if this is economy, then expect next a proposal to abolish judges and let people decide their own cases in the name of economy.

Third. We are told that it will "simplify the task of executive management." Those are the President's own words, and here we find the real reason for the shake-up. Why does the expert regulation of safety in flying need "executive management"? Why does aviation need a place at the Cabinet table any more than the Interstate Commerce Commission, the Civil Service Commission, Federal Trade Commission, or the Veterans' Administration? The answer is aviation does not need the politicians; the politicians want aviation. This shake-up is a shake-down.

Here is the history of "executive management" of aviation in the Department of Commerce since 1933. Five qualified men wanting the job, Ewing Mitchell, who knew nothing about it, was chosen because he delivered Missouri delegates at the right time in Chicago, and the five were put under him. Then the five started sparring for positions and to oust Mitchell, until finally he was let out. Then Monroe Johnson, "Rowboat" Johnson, was put in and three of the five were reshuffled and as farewell presents were given inspection trips to far countries, from which only two returned alive, and Fred Fagg, a fine air-law man, came and soon left when he found what "executive management" meant. Then came Denny Mulligan, and then Congress wiped out the hideous mess and created the independent C. A. A. The Copeland committee had reported that "aeronautics within the Department of Commerce today is a stepchild." It was executive management that cost the lives of 12 pilots and millions of dollars in the air-mail cancelation. It is executive management that put "Rowboat" Johnson in the I. C. C., no doubt to administer safety regulations for rowboats under the new transportation bill, in order to make a place for the one man out of the whole C. A. A. set-up who now says a good word for plan IV. Executive management—political manipulation—is exactly what aviation cannot stand.

Fourth. We are told that freedom of the C. A. A. is not abolished because the President says in his order that it shall exercise some of its present functions "independently of the Secretary of Commerce." When the Germans went into Norway the announcement was, "You're free from the British now. You're independent. Give three cheers for independence. Whoever doesn't cheer will be shot." If the C. A. A. is transferred to the Department of Commerce, you know what will happen to anyone in the C. A. A. who does not cheer for independence.

Fifth. We are told that, because the President's family travels constantly by air, he is interested in air safety. I sometimes wonder about that. I suppose they all think that they are experts because they ride. Years ago I hauled planeloads of politicians who thought they were experts in aviation just because they could go through bumpy weather without getting sick, and I know that interference of these nonflying experts, kiwi control, has hurt aviation immeasurably.

Sixth. We are told that the opposition to plan IV is selfish. At least no member of my family ever got $5,000 down payment on a Government Fokker contract.

There are men here today, however, who have a selfish interest, the pilots. They want to live, and I suppose that is selfish, but when the slogan of the transport pilots is "I don't want to be the nerviest pilot but the oldest pilot," that means safety for you and me and our families. They are fighting here because they know in detail, from past experience, what Department of Commerce control means. They have helped bury their comrades, they have seen trusting passengers pulled out of twisted wreckage—dead. That is why they call this a lobby to save lives. That is why we must defeat plan IV. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield to the gentleman from California [Mr. HINSHAW] such time as he may desire.

Mr. HINSHAW. Mr. Chairman, I represent the western terminus of three transcontinental air lines all of the personnel of which are opposed to this reorganization order. This terminus is the Union Air Terminal at Burbank, Calif. Safety in the air and on the air lanes is vitally important to these people not only because of the fact that they fly thousands of hours, but because flying is their bread and butter.

They are evidently quite satisfied with the present status of air-commerce regulation and safety controls. They are enthusiastic about it. They want no change.

As a member of the Committee on Interstate and Foreign Commerce I have been very greatly interested in aviation legislation. As one who on occasion makes use of air-transportation services I am vitally interested in air safety. In considering the proposed Reorganization Plan No. IV I have given considerable study to the development of civil aviation and the effect of Federal control upon it and submit to the House a statement prepared for my purposes of study and from which much information may be gleaned.

The statement follows:

I. BACKGROUND OF FEDERAL REGULATION OF AVIATION

The Air Commerce Act of 1926 (44 Stat. 568), providing for the encouragement and regulation of the use of aircraft in commerce by the Secretary of Commerce, was the first recognition by Congress of the need for Federal regulation of aviation. The act, which provided only for the safety regulation of air commerce and made no provision for the regulation of the economic aspects of the industry, defined "air commerce" as "transportation in whole or in part by aircraft of persons or property for hire, navigation of aircraft in furtherance of a business, or navigation of an aircraft from one place to another in the operation or the conduct of a business." Among the safety features of air commerce which Congress specifically charged the Secretary of Commerce with fostering and regulating were included the following: (1) Registration of aircraft; (2) rating of aircraft as to airworthiness; (3) examination and rating of airmen; (4) examination and rating of air-navigation facilities; (5) promulgation of air-traffic rules; (6) issuance, suspension, and revocation of certificates; (7) establishment of civil airways and navigation facilities; and (8) recommendations to the Secretary of Agriculture as to necessary meteorological service.

Amendments to the original act on February 28, 1929 (45 Stat. 1404), and June 19, 1934 (45 Stat. 1113), gave the Secretary of Commerce, in addition to certain other functions and certain legal powers in connection with the exercise of the responsibilities enumerated in the original law, the additional function of the investigation of accidents in civil air navigation. Broad legal powers, including the power to administer oaths, issue subpenas, take depositions, etc., were further granted as adjuncts in the exercise of this recognized aid to aviation safety.

The Aeronautics Branch of the Department of Commerce was subsequently changed to the Bureau of Air Commerce of the Department of Commerce and the regulation and the investigation aspects of air commerce were administered by this agency until the enactment of the Civil Aeronautics Act of 1938, which repealed the Air Commerce Act of 1926, as amended, and created the offices of the Civil Aeronautics Authority, the Administrator of the Civil Aeronautics Authority, and the Air Safety Board. This latter act provided not only for the exercise by the Civil Aeronautics Authority of all safety regulation of air commerce, formerly exercised by the Secretary of Commerce under the Air Commerce Act, but also further provided for the regulation of all economic aspects of the industry. The investigation of accidents and related safety functions formerly exercised by the Secretary of Commerce in addition to his rule-making and regulatory functions, was placed in the Air Safety Board, which was made independent of the Authority and was consequently placed in a position of impartially weighing facts and determining responsibility.

As a natural consequence to this independence of action in connection with fact-finding activities, the right—and duty—was placed on the Air Safety Board of making recommendations to the Civil Aeronautics Authority, predicated on such independently made and unprejudiced investigations, which, in its opinion, would prevent the recurrence of similar accidents in the future.

Coordination of safety and economic rule-making and enforcement powers in one agency and of investigatory powers in another

agency entirely independent of the other insofar as such investigatory functions were concerned was the result obtained by the Civil Aeronautics Act of 1938.

II. STATISTICS ON AIR-CARRIER AND NON-AIR-CARRIER SAFETY

Attached hereto as appendices are the following detailed statistical data taken from the official statistical records of the United States Government which depict in detail the safety record of the various phases of American aviation from the time the first official statistics were maintained (January 1, 1927) to the present time:

Appendix 1. Fatal-accident statistics for domestic scheduled air-carrier operation from January 1, 1927, through April 15, 1940.

Appendix 2. Fatal-accident statistics for foreign scheduled air-carrier operation from January 1, 1927, through April 15, 1940.

Appendix 3. Fatal-accident statistics for domestic scheduled air-carrier operation for the last 20 months under the Department of Commerce (January 22, 1937, to August 22, 1938) and the first 20 months under the Civil Aeronautics Authority and the Air Safety Board (August 22, 1938, to April 22, 1940).

Appendix 4. Domestic air-carrier operation and accident statistics for the yearly periods March 27, 1937, to March 26, 1938, March 27, 1938, to March 26, 1939, and March 27, 1939, to March 26, 1940.

Appendix 5. Total accident statistics for non-air-carrier operations from January 1, 1927, through April 15, 1940.

The safety record of domestic scheduled air-carrier operation is depicted in Appendix 1 attached, in which it is to be noted that during the 11 years of regulation by the Department of Commerce that 116 accidents were experienced, resulting in the death of 148 crew members and 242 passengers—or an average of almost 11 accidents per year involving the death of 35 persons. Comparable statistics included in this appendix on the record of domestic air carriers since August 22, 1938, reveal that 3 fatal accidents have occurred during the 20-month existence of the Air Safety Board with a total of 4 crew and 12 passenger fatalities—or an average of 1.8 accidents per year with an average annual death of 9.6 persons. Such figures, though revealing in themselves a greatly improved safety trend under the Civil Aeronautics Act as compared with Department of Commerce regulation under the Air Commerce Act of 1926, as amended, reflect only the safety records in terms of years, and due to the steady increase in the number of miles flown by air carriers from 1927 through April 15, 1940, do not depict the full import of the increase in the safety of domestic air transportation during the periods involved. The true increase in safety can only be appreciated when consideration is given to the fact that the average of 11 accidents per year under the Department of Commerce occurred during an average annual yearly operation by the domestic air carriers of 45,787,138 revenue miles, while the average of 1.8 accidents per year since the creation of the Air Safety Board occurred during an annual yearly operation of approximately 84,000,000 miles, an average under the Air Safety Board of one-sixth as many accidents during nearly twice as many miles of flying.

Of further interest in this connection is the fact that the average death rate of 35 persons per year under the Department of Commerce occurred while the domestic air carriers were transporting an average of 592,525 revenue passengers per year, while the average death of 9.6 persons per year since the creation of the Air Safety Board was experienced while domestic air carriers were transporting an average of approximately 1,600,000 revenue passengers per year, an average under the Air Safety Board of about one-fourth as many persons killed while approximately 3 times as many persons were being transported.

As is further shown in the attached statistical data, an average of 1,191,812 miles were flown per fatality while the domestic air carriers were under the regulatory jurisdiction of the Department of Commerce, while an over-all average of 7,914,913 miles per fatality have been flown since the creation of the Air Safety Board—and, as shown in appendixes 1 and 4, a total of approximately 90,000,000 miles have been flown since March 26, 1939, without serious injury or death to a passenger or crew member.

The safety record of domestic air carriers during the 20 months' existence of the Air Safety Board as compared with the safety record of these carriers during the preceding 20 months under the Department of Commerce is depicted in appendix 3. It is particularly to be noted in this connection that the air carriers were operating substantially the same number of route miles during both periods, and, with but very few exceptions, were operating the same type of flying equipment and utilizing the same navigational aids and facilities. As therein indicated, the safety averages during these two comparable periods improved from 9 accidents under the Department of Commerce involving 83 deaths in 109,793,440 miles of flying while carrying 1,852,902 passengers, to a total of 3 accidents since the passage of the Civil Aeronautics Act, involving 16 deaths in 134,775,977 miles of flying while carrying 2,472,979 passengers—or an improvement in safety from an average in domestic air-carrier operation of a death every 7.2 days to a death every 37 days.

The crowning achievement in air transportation has, of course, been attained by domestic air carriers during the last 13 months, when scheduled aircraft operated by these carriers flew a total of approximately 90,000,000 miles carrying approximately 2,000,000 passengers without the injury or death of a single passenger—an all-time record of safety in any field of transportation.

III. NON-AIR-CARRIER FLYING

The impossibility of obtaining accurate statistics on number of miles flown by private or nonscheduled aircraft prevents the making of specific comparisons between the safety records of this type operation under the jurisdiction of the Department of Commerce and under the Civil Aeronautics Authority and Air Safety Board. It is to be noted, however, as detailed in appendix 5, that 309 accidents, involving 477 fatalities, occurred during the last 20 months under the Department of Commerce, while only 273 accidents, involving 421 fatalities occurred during the 20 months' existence of the Civil Aeronautics Authority and Air Safety Board. The full import of this increase in the safety of non-air-carrier flying is not revealed, however, until consideration is given to the fact that the 309 accidents under the Department of Commerce occurred while an approximate average of 20,000 pilots were flying an approximate average of 9,000 aircraft, and the 273 accidents under the Civil Aeronautics Authority and Air Safety Board occurred while an approximate average of 32,000 pilots were flying an approximate average of 12,000 aircraft.

IV. FUNCTIONS AND ORGANIZATIONS OF THE AIR SAFETY BOARD

The Air Safety Board, as has been previously stated, was created under title VII of the Civil Aeronautics Act of 1938 (52 Stat. 973), which became effective on the 22d day of August 1938. Enumerated in such act were the following principal duties of the Air Safety Board:

(1) Make rules and regulations, subject to the approval of the Authority, governing notification and report of accidents involving aircraft;

(2) Investigate such accidents and report to the Authority the facts, conditions, and circumstances relating to each accident and the probable cause thereof;

(3) Make such recommendations to the Authority as, in its opinion, will tend to prevent similar accidents in the future;

(4) Make such reports and recommendatons public in such form and manner as may be deemed by it to be in the public interest; and

(5) Assist the Authority in ascertaining what will best tend to reduce or eliminate the possibility of, or recurrence of, accidents by investigating such complaints filed with the Authority or the Board, and by conducting such special studies and investigations on matters pertaining to safety in air navigation and the prevention of accidents as may be requested or approved by the Authority.

With the exception of four clerical employees, previously employed by the Department of Commerce in the performance of accident analyses and statistical work, the Air Safety Board had no staff of any kind to assist in the performance of its mandated functions and the organization of the Air Safety Board for the purpose of carrying out its independent investigatory functions had to be created in its entirety. Faced with the duty of performing efficiently duties of an emergency nature in all parts of the United States on a moment's notice, the Air Safety Board created a compact Washington organization consisting of but one division (including Investigation, Legal, Technical, and Analysis Sections) under an executive officer and a field organization of seven regional offices in New York, Atlanta, Chicago, Fort Worth, Kansas City, Los Angeles, and Seattle. Personnel in the regional offices varies from one to three investigators and enables the Board to reach the scene of any private or air-carrier accident in a comparatively brief period of time and at a minimum of expense. Aircraft are stationed in Washington and in each field office to facilitate the work of the investigators. The Washington and field personnel of the Board totals 78, including clerical and secretarial employees, which figure includes 56 employees in the Washington office and 22 employees in the field offices. The Board's entire staff was selected on the basis of the technical and professional qualifications of the personnel concerned, practically all of whom have civil-service status. The 1939 fiscal year appropriation of the Air Safety Board was $380,000, and the Independent Office Appropriation Act passed by Congress for the 1940–41 fiscal year provides an equal appropriation for this period. The Board, during its 20 months' existence, has reported to the Civil Aeronautics Authority, pursuant to section 702 (a) (2) of the Civil Aeronautics Act of 1938, the facts, conditions, circumstances, and probable cause of approximately 2,000 accidents involving aircraft.

Predicated both on the investigations of individual accidents and the collective experience gained in a number of investigations, the Board, pursuant to section 702 (a) (3) of the act, has made a total of 115 recommendations to the Authority which, in the opinion of the Board, would prevent the recurrence of similar accidents to those on which such recommendations were based. These recommendations cover a wide scope. Some relate to regulatory procedure or practices of general application, and some to particular characteristics of particular aircraft or the status of particular personnel. They include recommendations as to the modification of the fuel system of an air-carrier aircraft, redesign of portions of the structure of a new type aircraft intended for air-carrier use; revocation of certificates of competency of personnel involved in an air-carrier accident; dispatching and operating procedures of domestic air carriers; the requirements for certification of pilots; the requirements for issuance of an instructor rating to pilots, and reexamination of the approved power ratings of certain engines used in air-carrier aircraft together with the present procedure employed in determining such ratings.

V. REORGANIZATION PLAN IV

In order to fully appreciate the significance and effect of the proposed abolition of the offices of the members of the Air Safety Board and the transfer of the functions of the Board to the Civil Aeronautics Board, under the Secretary of Commerce, it is necessary to consider briefly the background and history of the independence of the Air Safety Board and the status of the proposed

organization set-up in the light of such background, as well as more recent history.

Prior to the passage of the Civil Aeronautics Act of 1938 the Secretary of Commerce had complete control of American aviation in all its varied phases. He approved the specifications and granted the type certificate for the manufacture of aircraft, aircraft engines, propellers, and component parts; he set the standards for aircraft airworthiness; he prescribed standards for issuance of certificates of competency for airmen; he established air-navigation facilities; he inspected and approved aircraft as to airworthiness; he granted certificates of competency to pilots and he promulgated air-traffic rules. And then, when something went wrong with the aircraft, engine, air-navigation facility, or airman he had approved and an accident occurred, frequently involving the destruction of aircraft and the death of pilot and passengers, it was he who investigated the accident and ascertained where the responsibility lay for the cause of the accident. In short, he was the prosecutor, judge, and jury of aviation, and was in a position of setting the standards and then passing on whether or not his own actions had any part in the cause of accidents or in any way were to blame for their tragic result.

That this mode of accident investigation was functioning in an unsatisfactory manner was common knowledge over a period of years, and in 1936 Congress saw fit to itself investigate the activities of the Department of Commerce in connection with the investigation and circumstances surrounding the air-carrier accident in Missouri on May 6, 1935, which resulted in the death of Senator Cutting of Arizona. (The Senate resolution in this regard is attached hereto as appendix 6.) The demand of the public and the demand of Congress for an independent and impartial investigation of accidents; the ascertainment of the true cause of the accident; the placing of the blame where the blame actually lay; and the making of recommendations which would prevent the recurrence of such accidents became so strong that in the enactment of the Civil Aeronautics Act of 1938, the Air Safety Board—a three-man agency, a part of the Civil Aeronautics Authority, but entirely independent of the authority insofar as its investigatory functions were concerned, was created.

Subsequent to the establishment of the Air Safety Board, on August 22, 1938, the investigation of accidents and other related safety activity have continued as a function independent of the Federal regulation of civil aviation. Accidents have been investigated and the facts, conditions, circumstances, and probable cause thereof reported to the Civil Aeronautics Authority pursuant to law; and 115 recommendations have been made by the Air Safety Board to the Civil Aeronautics Authority predicated on such accident investigations which, in the opinion of the Air Safety Board, would increase the safety of air transportation. The marked increase in the safety of private flying since the creation of the Air Safety Board, and the operation by domestic air carriers of some 90,000,000 miles of scheduled flying during the last 13 months without so much as injuring a passenger, reflect conclusively the effectiveness of the work of the Air Safety Board.

In Reorganization Plan III, submitted by the President to the Congress on April 2, 1940, transfer of functions from the Civil Aeronautics Authority to the Administrator of Civil Aeronautics was incorporated, which placed the entire inspection staff of the Civil Aeronautics Authority under the jurisdiction and control of the Administrator, who, under section 7 (c) of Reorganization Plan IV is to administer his functions "under the direction and supervision of the Secretary of Commerce."

Turning now to the proposals as contained in Reorganization Plan No. IV submitted to the Congress by the President of the United States it is to be noted that section 7 (a) of this plan transfers the Civil Aeronautics Authority and its functions, the office of the Administrator of Civil Aeronautics and its functions, and the functions of the Air Safety Board to the Department of Commerce. In section 7 (b) the functions of the Air Safety Board are consolidated with the functions of the Civil Aeronautics Authority, hereafter to be known as the Civil Aeronautics Board, and which, in addition to its other functions, will "discharge the duties heretofore vested in the Air Safety Board so as to provide for the independent investigation of aircraft accidents." A further proviso of the plan is that "the offices of the members of the Air Safety Board are abolished." Section 7 (c), among other things, provides that the functions of the Administrator of Civil Aeronautics shall be administered "under the direction and supervision of the Secretary of Commerce" and that the Civil Aeronautics Board shall report to Congress and the President, through the Secretary of Commerce, and "shall exercise its functions of rule making (including the prescribing of rules, regulations, and standards), adjudication, and investigation independently of the Secretary of Commerce. Budgeting, accounting, personnel, procurements, and related routine management functions of the Civil Aeronautics Board are to be performed under the direction and supervision of the Secretary of Commerce through such facilities as he shall designate or establish."

With relation to investigation of accidents and related safety activities of the Air Safety Board, described by the President in the transmittal of Reorganization Plan No. IV as "the important work of accident investigation heretofore performed by the Air Safety Board," it is to be noted that several very definite results will be obtained in the event the proposed Reorganization Plan No. IV becomes effective. First, the functions of the prosecutor, judge, and jury, i. e., rule making, adjudication, and investigation will once more be embodied in one regulatory agency, an administrative organization set-up identical with that which existed under the Bureau of Air Commerce of the Department of Commerce and which Congress saw fit to first investigate and then change only 2 years ago. Secondly, the Reorganization Plan by its own terms places mandatory functions on the Civil Aeronautics Board which are inconsistent in their nature, i. e., the "independent" and impartial investigation of aircraft accidents in addition to exercising the rule-making and adjudication functions incident to the Federal regulation of the safety and economic aspects of aviation. Third, the degree of control to be exercised by the Secretary of Commerce over the investigatory, rule making, and other functions of the Civil Aeronautics Board by virtue of the "direction and supervision" of the "budgeting, accounting, personnel, procurement, and related routine management functions of the Civil Aeronautics Board" granted to the Secretary of Commerce by Reorganization Plan IV is—to say the least—left in a state of confusion. Fourth, the Civil Aeronautics Board and the Administrator of Civil Aeronautics will both be placed in the position of having to pass judgment on their own responsibilities. It is to be particularly noted in this connection that in no other field of transportation does the Federal Government have so active a part in the actual physical operation of the carriers as is true in the field of air transportation. The establishment of standards, certification of airmen and aircraft, establishment of air traffic rules, operation of air traffic control, construction, maintenance, and operation of air navigation facilities are included in the functions of the Civil Aeronautics Authority and the Administrator, and, though somewhat shifted, would remain as functions of the Civil Aeronautics Board and the Administrator of Civil Aeronautics under the reorganization plans now before the Congress.

The necessity, therefore, of the technical and field staff of the Administrator having to investigate and report on accidents and safety matters, which of necessity involve and therefore reflect on the caliber of their own activity or on the functioning of the navigation facilities which they establish, maintain, and operate, and of the Authority, in the exercise of its "independent investigation functions" mandated by Reorganization Plan IV, having to pass on the sufficiency or correctness of standards set or actions previously taken in the exercise of its "rule-making and adjudication functions," can be readily seen. It is obvious that such assignment of responsibility and division of functions therein outlined is predicated on the assumption that personnel of the Administrator and Civil Aeronautics Board in the exercise of "independent investigation functions" can divorce themselves from other responsibilities, and objectively pass judgment on such other activity and its relationship to a particular matter under consideration. That such a predicate, regardless of the effort expended, or mental honesty of individuals concerned, is contrary to human nature, and would place personnel of the Administrator and Civil Aeronautics Board in a very unfair position, goes without saying, and the hesitancy on the part of the public to accept the findings of a Federal regulatory agency for aviation as to its own functions or responsibilities for an aircraft accident, regardless of the facts of the case, when question exists as to such responsibility in connection with the accident, has been demonstrated on numerous occasions between 1927 and the present. Absolute independence of entity and action has been shown by both history and experience to be the most expeditious and efficient—if not the only—way in which aircraft accidents can be investigated, and causes ascertained and eliminated as future hazards to aviation, and, at the same time, the confidence and morale of the regulatory agency, the industry, and public maintained and protected.

Reorganization Plan IV, insofar as air transportation safety is concerned, means, in short, that with but a very questionable saving of expense to the Government, a Federal regulatory and investigatory system which has effected such marked increases in air safety in the 20 months of its existence and established a safety record never before equalled by any mode of transportation, will be junked, and the system which Congress only 20 months ago found to be so unsatisfactory as to demand its abolition, and the enactment of the Civil Aeronautics Act of 1938, will be again brought to life.

APPENDIX 1

Fatal accidents in domestic scheduled air-carrier operation, Jan. 1, 1927, through Apr. 15, 1940

Year	Fatal accidents	Fatalities	Revenue-miles flown	Revenue-passengers carried	Miles per fatality
1927	4	5	5,779,863	8,661	115,597
1928	11	23	10,400,239	47,840	452,184
1929	21	36	22,380,020	159,751	621,667
1930	9	33	31,992,634	374,933	969,473
1931	13	38	42,755,417	469,981	1,125,142
1932	16	36	45,606,354	474,279	1,266,843
1933	9	28	48,771,553	493,141	1,741,841
1934	8	29	40,955,396	461,743	1,412,255
1935	8	29	55,380,353	746,946	1,909,667
1936	8	61	63,777,226	1,020,931	1,045,528
1937	5	52	66,190,639	1,102,707	1,272,891
1938 (to Aug. 22)	4	31	43,927,107	684,001	1,417,003
Total	116	401			

Fatal accidents in domestic scheduled air-carrier operation, Jan. 1, 1927, through Apr. 15, 1940—Continued

Year	Fatal accidents	Fatalities	Revenue-miles flown	Revenue-passengers carried	Miles per fatality
1938 (from Aug. 22) [1]	1	5	25,741,720	492,767	5,148,344
1939	2	12	82,554,239	1,717,090	6,879,520
1939 (Mar. 27, to Dec. 31)	0	0	[2] 91,293,718	[2] 1,720,318	[3]
1940 (Jan. 1 to Apr. 15)	0	0			
Total	3	17			

[1] Air Safety Board took office Aug. 22, 1938.
[2] These figures cover the period Mar. 27, 1939, to Apr. 15, 1940. March and April (1940) figures included herein are estimated.
[3] No fatalities.

APPENDIX 2

Fatal accident statistics, foreign scheduled air-carrier operation, Jan. 1, 1927, through Apr. 15, 1940

Year	Fatal accidents	Fatalities	Revenue-miles flown	Revenue-passengers carried	Miles per fatality
1927	0	0	90,627	18	90,627
1928	1	1	273,211	1,873	273,211
1929	3	7	2,761,479	13,654	394,497
1930	0	0	4,952,569	42,570	4,952,569
1931	1	1	4,630,570	52,364	4,630,570
1932	1	9	5,326,613	66,402	591,845
1933	0	0	5,870,992	75,799	5,870,992
1934	2	9	7,831,155	99,627	870,128
1935	0	0	8,159,880	113,815	8,159,880
1936	2	6	9,526,610	127,038	1,587,768
1937	1	14	10,942,656	164,873	781,618
1938 (to Aug. 22)	3	24	[1] 7,592,866	[2] 128,456	106,941
Total	14	71			
1938 (Aug. 22 [1] to Dec. 31)	0	0	[2] 3,796,434	[2] 64,228	[3]
1939 (Jan. 1 to Aug. 14)	1	14	[2] 7,428,670	[2] 129,950	530,619
1939 (Aug. 15 to Dec. 31)	0	0	[2] 4,571,330	[2] 80,050	[3]
1940 (Jan. 1 to Apr. 15)	0	0	[4] 3,500,000	[4] 56,199	[3]
Total	1	14			

[1] Air Safety Board took office Aug. 22, 1938.
[2] Prorated.
[3] No fatalities.
[4] Estimated for March and April.

APPENDIX 3

Fatal accident statistics, scheduled domestic air-carrier operation

	Last 20 months under Department of Commerce, Jan. 22, 1937, to Aug. 21, 1938	First 20 months under Air Safety Board, Aug. 22, 1938, to Apr. 15, 1940
Miles flown	109,793,440	134,553,519
Passengers carried	1,852,902	2,472,979
Passenger-miles	816,810,297	1,213,299,969
Number of fatalities:		
Passengers	62	12
Crew	21	5
Total	83	17
Death rate:		
Days per fatality	7.2	35
Miles flown per fatality	1,322,812	7,914,813

NOTE.—After the Air Safety Board took office on Aug. 22, 1938, the average death rate during its first 20 months of activity was lowered to 1 every 35 days as compared with 1 every 7.2 days under the Department of Commerce during the immediate preceding 20-month period, an increase in the safety factor of over 400 percent.

APPENDIX 4

Domestic air-carrier operations and accident statistics for the yearly periods Mar. 27, 1937–Mar. 26, 1938; Mar. 27, 1938–Mar. 26, 1939, and Mar. 27, 1939–Mar. 26, 1940

	For 12 months ending Mar. 26—		
	1938	1939	1940
Miles flown	67,002,154	71,080,308	87,325,145
Total passengers carried	1,157,738	1,389,818	2,028,817
Total passenger-miles	503,484,761	565,220,938	814,906,250
Fatal accidents	4	5	0
Fatal passenger accidents	4	5	0

Domestic air-carrier operations and accident statistics for the yearly periods Mar. 27, 1937–Mar. 26, 1938; Mar. 27, 1938–Mar. 26, 1939, and Mar. 27, 1939–Mar. 26, 1940—Continued

	For 12 months ending Mar. 26—		
	1938	1939	1940
Passenger fatalities	32	20	0
Crew fatalities	10	8	0
Miles flown per fatal accident	16,750,539	14,216,062	[1]
Miles flown per fatal passenger accident	16,750,539	14,216,062	[1]
Passenger-miles flown per passenger fatality	15,733,899	28,261,047	[1]
Miles flown per crew fatality	6,700,215	8,885,039	[1]

[1] No fatalities.

APPENDIX 5

Fatal-accident statistics, non-air-carrier flying, Jan. 1, 1927, through Apr. 15, 1940

	Number of fatal accidents	Total fatalities	Number of certificated pilots at close of each year	Number of certificated aircraft at close of each year
1927	95	146	1,572	1,780
1928	215	362	4,887	2,840
1929	287	457	10,287	6,278
1930	301	507	15,280	6,754
1931	253	400	17,739	6,960
1932	208	321	18,594	6,766
1933	182	313	13,960	6,392
1934	186	325	13,949	5,821
1935	164	262	14,805	6,912
1936	159	272	15,952	7,044
1937	185	283	17,681	8,766
1938 (to Aug. 22)	124	194	[2] 22,983	[2] 9,655
Total	2,359	3,842	[3] 13,974	[3] 6,330
1938 (from Aug. 22) [1]	59	84	[2] 22,983	[2] 9,655
1939	194	305	31,264	12,466
1940 (to Apr. 15)	20	32	33,188	12,505
Total	273	421	[3] 26,478	[3] 11,542

[1] Air Safety Board took office Aug. 22, 1938.
[2] Total for entire year 1938.
[3] Average.

APPENDIX 6

UNITED STATES SENATE RESOLUTION

Whereas an airplane owned by Transcontinental Western Air, Inc., while engaged in interstate air commerce was wrecked near Macon, in the State of Missouri, on the 6th day of May 1935, resulting in the death of five persons, among whom was an honored Member of this body, Hon. Bronson M. Cutting; and

Whereas it is imperative that life and property transported through interstate air commerce should be accorded the greatest degree of safety obtainable through the use of every reasonable safeguard; and

Whereas it is essential, in order to protect life and property in transportation through the air, that a thorough and searching inquiry should be made into the causes of the wreck referred to and into the efforts, if any, for the prevention of accidents of like character, and the safeguards, if any, provided both by the companies engaged in interstate air commerce and the precautions and safeguards, if any, required by governmental agencies; and

Whereas such investigation and the knowledge to be derived therefrom are necessary to enable the Congress to adopt legislation for the protection of life and property by air transportation: Therefore be it

Resolved, That the Committee on Commerce, or a subcommittee thereof, be, and it is hereby, authorized and directed to investigate fully and thoroughly the said wreck of the airplane owned by Transcontinental Western Air, Inc., which occurred on the 6th day of May 1935 near Macon, in the State of Missouri, and any other accidents or wrecks of airplanes engaged in interstate air commerce in which lives have been lost; and to investigate fully and thoroughly interstate air commerce, the precautions and safeguards provided therein, both by those engaged in such interstate air transportation and by officials or departments of the United States Government; and to investigate fully and thoroughly the activities of those entrusted by the Government with the protection of property and life by air transportation, and the degree, adequacy, and efficiency of supervision by any agency of Government, including inspection and frequency thereof, and to take testimony in all aspects in relation to any of the matters herein indicated and in relation to any subject related thereto; be it further

Resolved, That the said Committee on Commerce, or the subcommittee thereof appointed for the purpose, shall determine what legislation, if any, shall be adopted in the interest of safety of life

and property transported in interstate air commerce, and what legislation, if any, shall be adopted to prevent accidents in the air and to provide appropriate safeguards for their prevention; and be it further

Resolved, That for the purposes of this resolution such committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, sit, and act at such times and places during the sessions or recesses of the Senate during the Seventy-fourth and succeeding Congresses, until a final report is submitted; to employ such counsel, experts, clerical, stenographic, and other assistance, and to require, by subpena or otherwise, the attendance of witnesses, the production of books, papers, and documents, to administer oaths, take testimony, and make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee, not to exceed the sum of $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. DIRKSEN. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. VREELAND] such time as he may desire.

Mr. VREELAND. Mr. Chairman, I am in favor of this resolution.

On the night of May 3 the gentleman from Missouri [Mr. COCHRAN] made a speech over the radio in support of the proposed reorganization of the Civil Aeronautics Authority.

He said that there are selfish interests opposing the reorganization. But those who oppose are the pilots, the mechanics, the radio operators, the dispatchers, the American Federation of Labor. Their selfish interest is to preserve their lives and the lives of their passengers. The industry unanimously opposes it, including not only the air lines but also the insurance underwriters and the air express company and the manufacturers. Their selfish interest is the protection of the lives of their employees and their passengers and the investment which has been attracted into this industry since the C. A. A. was set up. The private flyers oppose it. Their selfish interest is the protection of their own lives and the lives of the students they are teaching to fly. All these interests may be selfish. But it is a selfishness which is seeking greater security, greater safety, greater efficiency, in a civil-aviation industry that must be as safe as human hand and mind can make if it is to be the strong, sure backlog for our national defense which we so desperately need.

Then the gentleman from Missouri [Mr. COCHRAN] said that the President is interested in aviation and so would not do anything to make it unsafe or harm it. But the fact of the matter seems to be that the President, a busy man, was given a plan, worked out after superficial study by some bureaucrats in a division of the Bureau of the Budget who knew nothing about aviation, without consultation with the Authority. And then the plan was so badly worded that recently the Budget has been compelled to go to the Attorney General and get his approval to a long, involved, complicated letter to the Authority trying to explain all the ambiguous phrases in the plans themselves. The Budget Bureau has had to take two or three bites at this thing, and still does not have it clearly explained. The fact of the matter is that the President was badly advised by people who are not experts in the field of aviation and who have given the matter no such careful and thorough study as did the gentleman from California, Representative LEA, and the other members of the Committee on Interstate and Foreign Commerce when the Civil Aeronautics Authority was created.

Then the gentleman from Missouri [Mr. COCHRAN] said that the President was within his rights in proposing this reorganization because Congress defeated an amendment to the Reorganization Act which would have exempted the C. A. A. But note what was said on the floor of the House when that amendment was being debated. On March 8, 1939, at page 3513 of the RECORD, the gentleman from Missouri [Mr. COCHRAN] himself said that those concerned about the continuance of the Authority need have no fear because—

> Can anyone imagine that the President is going to abolish or cripple an agency of this character in which he himself is so greatly interested? * * * We all know the value that is going to come as a result of the Safety Board and the leadership of the Authority. * * * [The President] can add to the duties of the Authority, and I predict he will do it rather than in any way impede the progress that is being made.

That is what the gentleman from Missouri [Mr. COCHRAN] said just before the amendment to exempt the Authority was rejected. But what has the President done? He has not done what the gentleman from Missouri [Mr. COCHRAN] said. Instead of adding to the powers of the Authority he has abolished the present Authority and made it into a new subordinate board in the Department of Commerce. He has stripped it of vital powers of safety regulation. He has completely abolished the Air Safety Board. He has made the Authority into a dependent appendage of the Department of Commerce. Maybe the President is within his rights. But he did not do what the gentleman from Missouri [Mr. COCHRAN] said he was going to do.

Next the gentleman from Missouri [Mr. COCHRAN] says that the abolition of the Air Safety Board does not mean that independent accident investigation will not be continued. The gentleman from Missouri [Mr. COCHRAN] says that the present Air Safety Board cannot translate its findings into action by making rules and regulations. That is true. That is why the Air Safety Board was set up. It was set up to do nothing but investigate accidents so that it would have no interest in the investigation except to get at the facts, and find out what is wrong, without fear or favor. That is what the Director of the old Bureau of Air Commerce admitted before the Senate Committee on Commerce was needed so badly. That is what we need if we are to have real investigations instead of whitewashings. Someone must investigate who will not want to blame the dead pilot and obscure the facts in order to hide his own bungling. But the reorganization abolishes the Safety Board, and gives to the rule-making Board the duty of investigating itself.

The gentleman from Missouri [Mr. COCHRAN] also said that there is $108,000,000 spent on civil aviation every year and that the President ought to know from a Cabinet officer regularly what is being done with this money. Therefore the Authority ought to be put into the Department of Commerce. But the expenditure of all but about $30,000,000 of that sum is already under Cabinet officers of the Work Projects Administration, which is the same as being under a Cabinet officer, because that sum, as shown by the Budget Bureau's report printed in the New York Times on the morning of May 4, is made up of the money spent on W. P. A. airport projects, the Weather Bureau under the Department of Agriculture, and the expenditures of the Post Office Department, over and above the money spent by the C. A. A. As to the money spent by the C. A. A., why should it be put into a department? There was Cabinet representation for civil aviation before 1938. What good did it do? It left a trail of wrecked airplanes, dead passengers, and bankrupt companies.

Finally the gentleman from Missouri [Mr. COCHRAN] said that Mr. J. Monroe Johnson, the present Assistant Secretary of Commerce, is being moved out and a new one can be appointed who will know all about civil aviation. And Saturday we read the President's announcement that he would "probably" appoint the present Chairman of the Authority to that post. This is a bare-faced admission that it is not intended to permit the Authority to continue as an independent agency. This is a bare-faced admission that the regulation and development of civil aviation will henceforward depend upon the changing personalities holding the office of Secretary and Assistant Secretary. The gentleman from Missouri [Mr. COCHRAN] himself said in his speech that the Assistant Secretary "would probably be directly in contact with civil aeronautics." Indeed, he would. And who will be the Assistant Secretary next year or the year after? Instead of having an independent Authority, with fixed terms of office, removable only for cause, we will once again be returned to a system where political appointees of varying character and competence will be the men in ultimate control. That was the system that nearly wrecked civil aviation under the Department of Commerce before 1938. That was the system we put an end to when we adopted the Civil Aeronautics Act and created the C. A. A. There should be no return to that system.

The gentleman from Missouri [Mr. COCHRAN] closed his speech with another reference to the "selfish interest" opposing reorganization. Earlier he referred to the small group of air-line pilots who have come to Washington to protest the

reorganization. That small group represents every air-line pilot in the country. They may be selfish. Who would not want to save his own life? If that is selfish, it is the strongest possible appeal to the Congress of this Nation to respond with an overwhelming vote of confidence in the Civil Aeronautics Authority as it exists today, free and independent. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, for a few moments I would like to have the attention of the Committee to discuss that part of the President's fourth Government reorganization plan concerning the transfer of the State nautical schools from the Navy Department to the Maritime Commission.

At the present time there are four State nautical schools located in Massachusetts, New York, Pennsylvania, and California. Each of these schools trains young men for the United States Naval Reserve and for the American merchant marine. These schools are part of the State educational systems but are subsidized by the Federal Government. Twenty percent of the cost of maintenance is assumed by the cadet and paid in the form of tuition; 40 percent paid by the Navy; and the remaining 40 percent by the respective State.

In addition to the expense of maintenance, the Navy Department assumes the cost of an annual overhaul of the ships in a navy yard. Each of the ships now being used is the property of the United States Navy, being loaned to the State nautical schools. These ships are based at navy yards throughout the year, and since they are Navy ships in reserve, the moment war is declared the State commission pennant is hauled down and replaced by a naval commission pennant, thus placing the vessel in active service of the United States Navy. These ships in time of war, as part of the United States Navy, are potential flagships for the offshore patrol and may be found guarding harbor nets, mine areas, and so forth.

In other words, at this very moment these vessels have an assignment with the United States Navy in time of war. The sole reason for the existence of these State nautical schools and the ships they use is for national-defense purposes. As already explained, the ships have a definite assignment in time of war. The captain and his crew are all Naval Reservists, while every cadet is a member of the Naval Reserve. The entire crew, including cadets, are trained for war duties through a systematic and detailed course of instruction similar to that in effect at the United States Naval Academy at Annapolis.

The Maritime Commission, I am told, knew nothing about this proposed transfer of the State nautical schools. As a matter of fact, let me read you a portion of the Commission's letter dated July 29, 1939, to Chairman BLAND, of the House Committee on Merchant Marine and Fisheries, in which they said:

> The Maritime Commission believes that the State nautical schools should be brought under the supervision, at least to a limited degree, of the Commission so as to integrate them with its training program.

The Navy Department apparently knows nothing about the proposed transfer, since they state in a letter to Chairman BLAND dated October 24, 1939:

> The Navy Department considers that the interests of national defense, with particular regard to the training of prospective merchant-marine officers and their enrollment in and qualification for the Naval Reserve, are best served by the retention of Navy Department control over the State nautical schools.

The opinion of the heads of the several State nautical schools supports the position of the Navy. For instance, I quote Mr. G. Coe Farrier, chairman of the Pennsylvania State Nautical Schoolship Committee, who, under date of April 19, 1940, stated:

> Such transfer would operate to bring about the discontinuance of State maintenance of such schools, and that lacking the initiative given to such activities by local interests, the standards of merchant marine officers would be lowered and their value to shipowners and operators decreased. Speaking for myself, I believe that any such transfer would destroy the esprit de corps of the entire training service and could only result in a deterioration of the quality of the future crop of junior merchant marine officers.

Mr. Clarence E. Perkins, chairman of the Massachusetts State Nautical School, takes a strong position against the transfer of these ships to the Maritime Commission in a letter dated May 6, 1940, when he said in part:

> We believe that the interests of national defense, with particular regard to the training of prospective merchant marine officers and their enrollment in and qualification for the Naval Reserve, will best be served by the retention of Navy Department control over the State nautical schools. We do not believe this control should be abandoned in favor of some untried program.

Speaking for the California Maritime Academy, Robert H. Fouke, chairman of the board, in a wire dated May 6, 1940, states:

> All State nautical schools, including ours, oppose transfer ships, funds, supervision, Navy training from Navy Department to Maritime Commission.

When it is all said and done, everyone connected with the State nautical schools, speaking from years of experience, vigorously oppose any such transfer of these schools from the Navy to the Maritime Commission.

In a few words, I am asking support of the Lea resolution which will nullify the President's fourth Government reorganization plan, thus permitting the State nautical schools, which are a part of our national defense and manned by Naval Reservists, to remain under the supervision and control of the Navy Department. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman, I approach this discussion in a thoroughly dispassionate manner. When the Civil Aeronautics Authority was created it came from a first-class committee of this body and was created by this Congress after full and complete discussion at both ends of this Capitol. The consideration given this measure by the Interstate and Foreign Commerce Committee of this House was full and complete. The record of efficiency already set up and established is evidence enough that the representative branch of this Government accepting a recommendation from the Chief Executive had worked well when it created the C. A. A.

The past history of aviation and its struggles in this country cannot be encompassed in the 2 minutes of time at my disposal. For my part, Mr. Chairman, having ridden many miles in airplanes since 1916 across this country in almost every direction, and knowing something about both the formation of commercial air lines and the development of the military and naval air service I feel it a part of my duty to rise in opposition to the proposed reorganization plan now before this body. I do this because I am sure that at a later date if the operation of the Civil Aeronautics Authority can be improved upon at least the Chief Executive should be given more time to consider his recommendations before sending them up to the Congress. I feel that we have worked well and I am willing to stand by our own creation, which has served us well. I hope the Congress will do likewise. [Applause.]

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield 11 minutes to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Chairman, as one of the members of the Committee on Interstate and Foreign Commerce which drafted the aviation bill, and as one of the conferees on the same bill, I am opposing Reorganization Plan No. IV. Let us here analyze why these gentlemen who have spoken in favor of this plan say it should be adopted. The Authority itself. No cause for complaint against it. No cause for complaint against the Administrator. They all come back to the Safety Board. Here is the only opposition.

From one of the Members we hear the Safety Board has been a terrible thing, that it has been filthy and foul. By another one we are told that they have not done anything at all. Now let us see about that just a minute.

The President of the United States, and I take his word for it, in a letter to the Chairman of the Civil Aeronautics Authority dated March 21, 1940, has the following to say:

Certificate of special commendation presented to the Civil Aeronautics Authority—

That includes all branches of it—

United States of America, in recognition of the inspiring leadership, the inflexible determination that safety should come first, the spirit of sincere cooperation that contributed so much to the establishment of an outstanding record in safe transportation.

Then the certificate was presented. That was on March 21. It is strange, is it not, that the President of the United States never sent a message to the Congress to ask that the law be amended in any respect whatever if he had known of these things, that the gentleman from North Carolina and the gentleman from Missouri have spoken about. Nor has the President sent any message to Congress concerning the Civil Aeronautics Authority.

Mr. Chairman, who comprises the Authority? Robert H. Hinckley, Harllee Branch, Oswald Ryan, G. Grant Mason, Jr., and Edward Warner. On the 6th day of January the Authority sent to every Member of the House the first annual report of the Civil Aeronautics Authority, and when they spoke of the Safety Board they spoke very highly of it. It is said by some that it has done nothing. Let us see about that:

From August 22, 1938 (the date upon which the Air Safety Board assumed office), to October 31, 1939, the Board has dealt with a total of 2,668 accidents involving aircraft. It should be pointed out, however, that because of the all-inclusive definition heretofore given to the term "aircraft accident" many of these cases involved nothing more than minor mishaps. Only 8 percent of this seemingly large number of aircraft accidents resulted in fatal injury to persons and only 17 percent in the complete destruction of the aircraft involved. The investigation of 1,935 of these accidents has been completed by the Board, the remainder being still under consideration. A final report to the Authority has been made in 1,135 of them.

Sixty-eight of the total number of accidents reported occurred in scheduled air-carrier operation, of which 5 involved fatal injuries to passengers and 7 complete destruction of the aircraft. In addition to this total of 68 accidents, 1,120 mechanical interruptions to air-carrier service were reported to the Board involving failure of an engine or structural part of the aircraft, but not resulting in other damage or injury to persons. In connection with 5 of the air-carrier accidents, the Board ordered and held extensive public hearings.

The remaining 2,600 of the total accidents reported to the Board during this period included those occurring in noncommercial operation and nonscheduled commercial service. Of this number, 209 involved fatal injuries and 181 serious injuries to persons and 448 resulted in complete destruction of the aircraft. In 2 of these cases the Board conducted public hearings in connection with the investigation of the accidents, one involving a multimotored aircraft being operated in nonscheduled commercial service and the other a multimotored aircraft designed for scheduled air-carrier operation, but being flown experimentally at the time of the accident.

Members of the Authority appeared before the Appropriations Committee. Nothing was mentioned of any trouble with or in the Safety Board.

The gentlemen who favor this reorganization plan say that Hinckley, Branch, Ryan, and men of that type would hide this stuff that has been going on and would come before the Congress and say it is all right. Oh, no. You cannot make me believe that at all. The President and others concerned would not attempt to cover all the troubles up. No one can make me believe that they would.

The truth of the matter is I do not know why this is being done. I want to give you, however, a brief history of the C. A. A. Only 2 years ago the bill creating the Civil Aeronautics Authority was passed by the House, and 2 weeks later the report of the conferees came in and was agreed to. But the chairman of the House Committee on Interstate and Foreign Commerce, the gentleman from California, CLARENCE LEA, for nearly a year beforehand had worked with the interdepartmental committee on this subject. The interdepartmental committee, the President, and others were very much interested in this matter. Upon one occasion the President called Senator MCCARRAN, author of the bill in the Senate, and the gentleman from California [Mr. LEA], author of the bill in the House, to come to the White House, at which time he told them he approved Senator MCCARRAN's plan of having a separate commission for the Authority. [Applause.] The President not only did that, but I went to the White House twice and I saw him twice. I saw Mr. James Roosevelt once. The President approved of a separate commission, because if he had not he would not have had to sign the bill on final passage. He did approve it.

Why has this been done? Why all this talk about the Safety Board? They wanted some goat to hang something on, so they brought up the Safety Board. I do not know what it has done, but as a Member of Congress, and as a member of the Committee on Interstate and Foreign Commerce, I know that not one single, solitary soul from the administration or otherwise has appeared before the committee asking for an amendment to the act. Like a bolt out of the clear sky, this thing comes up in the form of Reorganization Plan No. IV. Then we are lectured and told that it is a terrible thing for Democrats on this side to oppose the President. Oh, no. Mr. Chairman, after all is said and done there may be defects in the law that we passed. We can amend it. Remember that the Civil Aeronautics Authority is the arm of this Congress to take care of civil aviation in the United States. It is the arm of this Congress which passes upon the rates to be charged, just as the Interstate Commerce Commission is the arm of this Congress. They both report to the Congress and both are required to report to the Congress. As our aviation agency, I appeal to you, let us preserve it as such. Let us not go back to the days before we had the Authority. You know the trouble we had then. There is not a man in this House who served at that time who did not talk with disparagement at the way it was run. It was under three or four separate commissions at that time. So I say to you, when the vote comes tomorrow, let us remember that we created this agency and that we can change it to suit ourselves, but let us keep it. Let us keep it as our agency to report to the Congress and you will find that we have done right. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield to the gentlewoman from Massachusetts [Mrs. ROGERS] such time as she may desire.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I believe if this reorganization plan goes through, a tragedy may well take place, just as misinformation given the President caused him to make a terrible mistake in 1934. In 1934, through poor advice and obviously a complete lack of understanding of the situation, he took away the carrying of the air mail from the commercial pilots and turned it over to Army pilots, who did not have the proper equipment for carrying mail, especially during the winter months, through the snow and hail and blizzards. Many of you here today were not in Congress in 1934, but the horror and tragedy caused by those unnecessary deaths were known to you through the press and the radio. A few minutes ago I asked the gentleman from Missouri to yield for a question. I reminded him that in 1934, on March 9, the administration adjourned the House in just 13 minutes rather than permit me to speak to my resolution to stop the carrying of the air mail by the Army pilots. Later the President realized he had been misinformed, and rescinded his order for the carrying of the mail, but only after a score of lives had been lost. Since that time we have come far in the progress of commercial aviation, and the fact that in the last more than 400 days the Civil Aeronautics Authority can report no accident speaks volumes for the efficiency of the work that has been accomplished by them. To be sure, they have worked in cooperation with other people, but why not leave the Civil Aeronautics Authority to function as it is now functioning? Do not take a chance, I beg of you, to return to a system that did not prove so efficient. I believe the President has had misinformation in this case, just as he did in 1934. I am sure he will be grateful to us in saving him from making another error with tragic consequences. Many of us in the House have flown all over the country and been in the air for hours and hours. Many of us have done everything in our power

to make aviation less hazardous. We know what the record has been for the past hundreds of days. Let us not take a chance of undoing the great accomplishment. For every reason we should make flying practical and safe. [Applause.]

Mr. COCHRAN. Mr. Chairman, I yield the remainder of my time to the gentleman from Illinois [Mr. BEAM].

Mr. BEAM. Mr. Chairman, I am sure there is not a Member in this Chamber who questions the sincerity of purpose or the earnest desire of the distinguished gentleman from North Carolina [Mr. BULWINKLE], who just preceded me, to see aviation prosper and advance.

I am certain that his anxiety and eagerness to give this Nation the greatest aviation service in the history of the world can only be equaled by his personal desire to see the Congress of the United States perform its duty in the statesmanlike manner he has just described.

I feel, however, that there is a great deal of confusion and misunderstanding relative to the interpretation of Reorganization Plan No. IV. I have listened attentively to the Members who have preceded me, particularly the gentlemen who are opposed to this plan, and I have not heard a word of criticism against any other of the points involved in this reorganization plan. No gentleman who has disapproved of Reorganization Plan No. IV has commented on the various improvements and changes which are made with regard to the Department of State.

No gentleman who has spoken against this plan has made any references to the advancement made in the Treasury Department by this proposed reorganization. Not a word of criticism was advanced of the changes made in the Department of Justice for the betterment of the American people. Not a word of criticism was raised to the advances made by this reorganization plan in the reorganization of the Post Office Department and, likewise, the Department of the Interior. No word of criticism was spoken about the various changes and modifications suggested in the Department of Labor for the benefit of the citizens of the United States.

Did anyone opposed to this plan stand in the Well of the House and make any constructive criticism with regard to the changes made in the United States Maritime Commission or the Federal Security Agency? No, Mr. Chairman; not one word was uttered in respect to these proposals because they realize these changes are for the advancement and progress of governmental business, and for the best interest of the people of the Nation.

Mr. Chairman, everyone who spoke in opposition to the contemplated changes directed their arguments to section 7—transfer of the Civil Aeronautics Authority.

There is not a person in this Chamber who listened to the speech of the distinguished gentleman from North Carolina [Mr. WARREN], and the uncontradicted facts and circumstances which he presented to the committee, who would not be convinced that because of the interdepartmental discord and dissension, ever present in the Air Safety Board, that it was in the best interests of the progress of aviation that the changes be brought about, as suggested.

Likewise no one could hear the sound and logical reasons advanced by the distinguished chairman of the committee, the gentleman from Missouri [Mr. COCHRAN], without arriving at the same conclusion.

These changes as proposed will result in broader advances in the field of aviation; resulting in greater efficiency and safety for men who fly the airplanes; and added protection for passengers who travel the air lanes of the United States.

Mr. Chairman, $600,000,000 has been invested in the aviation industry, and before the conclusion of this year there will be invested upward of $1,000,000,000.

Does anyone believe for a single, solitary minute that this reorganization plan would endanger lives or would imperil the capital invested in this industry? It is a fallacy, it is a mirage, it is a snare and a delusion when they say they want to defeat this proposal merely on a pretense of saving lives. We are all interested in saving lives. The development this industry has made over the years will be augmented and enlarged, because it will be under the supervision of the Department of Commerce, and will have a voice in the council chambers of the executive branch of the Nation.

The Civil Aeronautics Board shall exercise its functions of rule making, including the prescription of rules, regulations, and standards, adjudication and investigation, independently of the Secretary of Commerce.

Mr. Chairman, this is simply an attempt to embarrass the President of the United States and the administration in perfecting further developments in an industry which is destined to become one of the greatest in the world, and one which will have at all times the hearty cooperation of the Government of the United States in keeping America foremost in development, safety, and progressive ideals for this great enterprise. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired; all time has expired.

The Clerk will read.

The Clerk read as follows:

House Concurrent Resolution 60

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the Reorganization Plan No. IV transmitted to Congress by the President on April 11, 1940.

Mr. LEA. Mr. Chairman, I move that the Committee do now rise and report the concurrent resolution back to the House, with the recommendation that the concurrent resolution be agreed to.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROMJUE, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the concurrent resolution (H. Con. Res. 60), had directed him to report the same back to the House with the recommendation that the concurrent resolution do pass.

The SPEAKER. By unanimous consent agreement heretofore entered into, the vote on the concurrent resolution will come the first thing tomorrow, after the reading of the Journal and the disposition of matters on the Speaker's desk.

EXTENSION OF REMARKS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a few excerpts therein.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LEA. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days within which to extend their own remarks on the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, after consulting with the gentleman from California [Mr. HAVENNER] and the gentleman from New York [Mr. BLOOM], it has been decided that the rules with respect to the fairs will not be called up this afternoon.

EXTENSION OF REMARKS

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to insert certain tables and telegrams as an extension of the remarks I made today in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to include in my remarks made today a letter written by Mr. Wayne Carpenter to Senator MCCARRAN.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix of the RECORD.]

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and to include therein certain data.

EXTENSION OF REMARKS

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. PAGÁN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on Puerto Rico and the sugar legislation pending in Congress.

The SPEAKER. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

The SPEAKER. Under the special order of the House heretofore entered, the gentleman from Texas [Mr. SUMNERS] is recognized for 1 hour.

AMENDMENT OF THE HATCH BILL

Mr. SUMNERS of Texas. Mr. Speaker, I am under a very great temptation this afternoon, but I am not going to yield to it. A number of the newspapers have been saying a lot of things about me recently in connection with this Hatch bill. Thus far I have said nothing. They have gone as far as they could go day after day trying to make the country believe that I am a crook or a slicker. I do not say they have lied; they may have been mistaken; whether they have lied or are mistaken will depend on whether or not they correct what they have been saying when they check up on the facts which I am about to state.

I am going to make a statement now as to exactly what has happened in the Committee on the Judiciary with regard to the Hatch bill—and, by the way, with regard to the secret proceedings, I will venture that my newspaper friends, some of them, at least, who have been so concerned about this executive proceeding, if the committee had voted about 3 to 1 in executive session to have brought out the Hatch bill, we would have been a great bunch of statesmen. I think that is a fairly safe statement.

Now, let us see what happened. The Committee on the Judiciary had the Hatch bill under consideration for a long time. As chairman of the committee I thought it was about time I should find out just what the committee had in its mind with regard to that bill, in order that we could determine how we should proceed with reference to it. We had read it and carefully considered it, and were getting ready to see whether we wanted to amend it or not. So I had the bright idea, which does not seem to have been so bright now, of instead of asking each one of the members how he felt about it, so that I could determine whether or not the committee should spend more time in the consideration of the bill, we already having had the bill under discussion for 10 meetings, I prepared some little slips and passed them around and asked this question.

I said, "You gentlemen who would not favor this Hatch bill in any shape it might happen to get in, let me know about it by voting 'No,'" because if a majority of the committee would not favor the bill, regardless of what shape it got into, there was not any use taking up any further time of the committee. That looked like horse sense to me. The result of that inquiry was that 12 Members said they did not favor this Hatch bill no matter what shape it got into, and 10 advised me the other way. That was a pretty important determination. I thought the committee ought to give it more mature consideration. I did not want to act on that advice.

There were two gentlemen of the committee who were here in the city, but who were not present at that meeting, and there was one member absent from the city. The next day I spoke personally to one member of the committee who was not present and asked him to speak to the other member and to see that everybody was present the next morning, when I would sound out the committee again. No member of the committee objected or indicated that it did not seem a practical procedure.

The first one of these tests the next morning was in favor of going on with the bill. Then one member said there was a mistake in it; that he was mistaken in his vote. It was tacitly agreed that there should be another vote. It was not really a vote. It was just a convenient method by which I was advised as to the attitude of the committee. Nobody questioned the procedure or made any adverse indications of any sort. Next time when everybody got ready to vote, the ballots having already been distributed, one member of the committee said, "Oh, what's the use of playing with it, I move to table the whole thing."

And so by common consent these ballots instead of being used to advise me, as had been intended, were used to vote on the motion to table. There was not a single member of the committee and, they were all present except one, who protested against that method of voting on the motion to table the bill. Those are absolutely the facts which were unanimously agreed to by each member of the committee this morning, both those who were for and those who were against tabling the bill.

Any newspaperman, as anybody else, can check up on this statement, and he will find it true. We were ready to express our views about it, and we did it in that way. It was thoroughly understood and expressed that any member could go out and tell the world what he did. That vote was 14 to table the bill and 10 against it. That is what happened, and that is all there is to this hullabaloo about a secret vote. That is how the newspapers got a chance to have the people read their abuse instead of examine this bill.

If I followed my natural inclination I would take a little hide off this bunch of people who think they can back-seat drive this Congress by making a horrible example of the Committee on the Judiciary and particularly its chairman. I have respect for the newspapers and for the newspaper's place, but I do not propose to "yes" a bunch of newspapers or anybody else. You know what the notion of a lot of fellows of a "yes" man is.

In addition to what I have said, it is a fact that I never said a word to a single member of our committee, and every member of this committee knows it and will so state, to try to influence him in the slightest degree with regard to what he should do with reference to that bill—not one single human being did I speak to from the beginning of that investigation to this time—not because I favored the bill. I assume every member of the committee and most of the House knew from the beginning that I could not favor it, but I was much inclined to the notion that it might be a good thing if the bill should get to the floor of the House. There is something in the philosophy that things sometimes have to get worse before they get better. In such a situation it is better for them to get worse quickly.

I know that something has got to happen to get us on the job as a self-governing people. I have examined the matter by every test which experience has taught me to use in arriving at a sound opinion. It is my judgment that this Republic is being destroyed by relieving the people of governmental responsibility—the same sort of concentration of governmental power, the same sort of processes as that provided for in this Hatch bill.

As we are destroying the necessity of the people to govern by the concentration of power here in Washington, that ought

to be left in the States, we destroy as a result the capacity of the people to govern. I regret especially to oppose my friend the gentleman from New Mexico, JACK DEMPSEY, but I do not believe that we can preserve free government unless we have a responsible people, and we cannot have a responsible people unless we keep them in responsibility. I have tried to figure it the way God Almighty handles the people, and that is the way I think he does it. I am sure of it. We see His plan revealed on every hand, and we see what happens where people ignore His plan.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. No, I cannot yield. I do not mean to be discourteous to my friend. If I act with seeming discourtesy during this discussion, I do not mean it at all. I am speaking extemporaneously, and of necessity under great concentration, with my mind thinking, selecting, disconnectedly, and doing all the things it must do, it seems to forget its manners and is constantly embarrassing me. I shall not do as well as some of you might, but let me stumble along as best I can.

Let us make some examination of this Hatch bill to see what it proposes to do. There has been talk about the roll of honor. A roll of honor. Is there any reason on earth why a man should stand on the floor of this House and declare to the world, as he does by supporting this bill, that he represents a constituency not fit for self-government and claim thereby that he is getting on the roll of honor?

And yet they talk about a roll of honor. That declaration is in this bill. What do they propose to do? Let me read you something from this bill:

> No officer or employee of any State or local agency who exercises any function in connection with any activity which is financed, in whole or in part, by loans or grants made by the United States or by any Federal agency shall use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No such officer or employee shall take any active part in political management or in political campaigns.
>
> All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects and candidates.

Such impudence!

These are State people in a State—in my State—where we have heretofore believed we are not yet so base and unfit that we have to go into governmental receivership, turn our matters over to a Federal bureau and turn our citizens over to the governmental power of somebody from Washington. We do not favor graft or corruption, but we are not ready to go out of business as a State government.

Whose place is it to tell the people of my State what they shall do? My State, the great State of Texas! Do you mean to tell me that my people have not got sense enough and courage enough and patriotism enough to tell their people what to do; that we have to come up here and get one of these appointees to tell the free people of the State of Texas what they shall do? And then talk to me about a roll of honor that in order for me to get on it I must slander my people or the great State of Texas by supporting a bill which can have no justification except on the theory that my people who sent me here are unfit to govern as to their own local matters. If I represented a people like that I would quit them in shame! Talk about the Federal power following the Federal dollar. Here we have it with a vengeance. Where did that money come from? It came from the people of the States. It does not matter how little of it gets back to the States. With it, when it gets back, is to be this Federal official proposing to take things over. As soon as some people get to Washington they begin to cultivate the notion that all wisdom, virtue, and patriotism will die with them.

These are exempt from what I have read: The Governor or the Lieutenant Governor of any State or any person who is authorized by law to act as Governor or the mayor of any city; duly elected heads of executive departments of any State or municipality, who are not classified under the State or municipal merit or civil-service system; officers holding elective offices. They are the ones who are exempt—and they are the people who are most likely to offend. Why these exemptions?

Some common man working for his living, boot him out. Who boots him? They send a commissioner down there—one of these birds from Washington. He comes down into your State, and he noses around, and he finds—not the Governor; you bet your life, not the Governor; not the mayor; no, sir, not the mayor, not the people from whom the danger could come; not a mother's son of them are brought under this great bill; but some poor devil who has not got the influence to resist and has not got the money to fight—one of these fellows comes down and he says, "You are engaged in pernicious activity."

One of these people in Washington saying that to my people. Go down there and tell an American citizen of my State such a thing. Then what happens? What chance has he got? What is going to happen to him? Can he get a trial first? No, sir; not on your life; not on your life under this bill. When this appointed governmental "God Almighty" up here in Washington says he does not think the man is doing right, he goes off the pay roll right then. Think of that, and talk to me about an honor roll.

You have slandered your people, saying that they cannot govern themselves and preserve the purity of elections in their respective districts. Oh, I do not mean that. I am sort of mad. [Laughter and applause.] They have sort of been tromping on me.

All right. Poor devil, little fellow who has been booted out, he sneaks across from Texas to Oklahoma. What happens? One of these hounds strikes his trail and runs him into Oklahoma. What happens then? If Oklahoma does not fire him, they fine the sovereign State of Oklahoma 2 years of his salary because one of these impudent Federal employees says so—he is not afraid—no wonder he is not afraid, with a bunch of boot-licking, spineless people in the State, coming up here to the Federal Government and asking them to preserve decency in the elections in their communities. Talk to me about American citizenry. Strut about American citizenship. Talk to me about decency in American citizens, believing in American Government. Why do you not turn it over to a Hitler and be done with it? That is where you are heading for. [Applause.] And talk about the absurdity of this bill. For pure impudence listen to this on page 3, lines 16 and 17, "All such persons shall retain the right to vote."

That certainly is big-hearted. Now, if you want pure unadulterated gall, listen to this:

> Whenever the United States Civil Service Commission determines that, by reason of special or unusual circumstances which exist in any municipality or other political subdivision in the immediate vicinity of the National Capital in the States of Maryland and Virginia or in municipalities the majority of whose voters are employed by the Government of the United States, it is in the domestic interest of persons to whom the provisions of this act are applicable, and who reside in such municipality or political subdivision, to permit such persons to take an active part in political management or in political campaigns involving such municipality or subdivision, the Commission is authorized to promulgate regulations permitting such persons to take an active part in such political management and political campaigns to the extent the Commission deems to be in the domestic interest of such persons.

Who is going to make the exemption? The Commission from Washington, of course. Either we preserve in our Government people capable of self-government or we have got to have one of these governors, and that is all there is to it. Do not fool yourselves, either. How are you going to keep from having them? Keep people on the job of governing.

If you can find in God Almighty's economy any way to preserve decency in our community, responsibility and governmental efficiency, the ability to maintain free government, other than by having the responsibility of self-government inescapably rest upon the people, then I will quit my opposition and vote for this bill. God Almighty in all His wisdom, according to His plan, has no other way for the development of human beings and the preservation of ability, governmental and every other sort, except by putting responsibility upon human beings, making them face their responsibility and pay the price of their mistakes and reap the reward for their nonmistakes. There is no other plan in nature but that, and this Hatch bill turns its back on that plan, denies govern-

mental capacity of the American people in the States; challenges the wisdom of God Almighty's great plan for the development of human beings and cries out for a Federal employee to come down there and kick my people off the pay roll.

What do we mean? What do we mean in this hour when free government, the ability of the people to govern, is challenged in all the world, to declare under the dome of this Capitol we do not believe in it? Keep the plan of this Hatch bill working, practicing the doctrine of defeatism, taking over more and more of the duties of Government, softening and weakening the people, making them irresponsible by relieving them of responsibility, and we will join the rest of the nations who will have to have a dictator. Do not anybody make any mistake about that. You cannot tell me that a man who believes in free government, in self-government, and in the governmental capacity of his people, ought to suggest this sort of bill, even though there is some crookedness going on, things that are wrong.

These difficulties in the communities of the country, these corruptions in public office that need to be cleaned out, are arrangements of Nature that shall and they do challenge men and women to the discharge of their duty. Nobody has ever been improved by things that are all right. It is the weeds that make good farmers. It is tough opposition that makes good football players. It is the law of life. When Uncle Sam goes in the county sits down; nobody has ever made any progress sitting down. It is the people who make this Government, and it is the people who must preserve it. It is the things that are difficult, the things that have to be done, the things that challenge men and cause them to struggle and make a fight and win a victory, that makes them fit to go on and on and on. It is the plan of God, and no man under the dome of this Capitol can overrule the plan of the great God of the universe. Yet we have got some people who do not have any more sense than to think they can do it. [Laughter.]

We are going somewhere from where we are. I have been down the road as far as I can go. I have been back-tracking as far as I can go, and I do not find, in all the history of the ages, a single exception to the rule that when people will not do their duty, when they permit their muscles to become flabby, when they are unwilling to pay the price of liberty; I have never found, in all the annals of human history, a single exception to the rule that that people must be sent to the school of experience and learn, by the lash of oppression, to be obedient to the will of the great God of the universe.

Find me one single exception in all the annals of time that when human beings shift their duty to some super government, are themselves unwilling to pay the price of liberty, that that people were able to remain free. Find one single exception. You cannot do it. Yet we are moving directly in defiance of that solemn warning.

This doctrine of defeatism that we are preaching in America is a doctrine of death. It may be very alluring, this having Uncle Sam come in and do for the people of the States that which is within their governmental capacity, but it is the lure of death to free government. Who is there can believe that we have not got to go back home and clean our own back yards?

The greatest fable to be found in all the fables is that of the family of larks. You all know it. It is worth repeating, for it is the philosophy of life. The old mother lark noticed her young were not quite able to fly but that the wheat was getting ripe. She said to the little larks, "Listen and tell me when I come home tonight what you heard." When the old lark came home that night the little ones said, "The farmer and his sons came out and looked at the grain. They said, 'This grain is getting ripe. We are going to invite our neighbors in to help us harvest it.'"

The old lark said, "You do not have to go yet."

The next report was that the farmer and his sons had come out and said, "Our neighbors failed us. The grain is getting ripe. We are going to ask the kinfolks in."

The old lark said: "You don't have to go yet."

The next report was that the farmer and his sons had said: "Our neighbors failed us, our kinspeople failed us. Tomorrow we are going to harvest it."

The old lark said: "It is time to move."

You bet your life! Oh, may God give us a people in America conscious that they are the Government, a people willing to pay the price of liberty, who will be ashamed to come to the Federal Government and confess their inability to run the local crooks out of their community. God give us men and women under the dome of the Capitol who will be ashamed to confess to the world that they represent constituencies that cannot do the jobs of local cleaning up. If we can be a people conscious of responsibility, strengthened and made responsible by its discharge, I will know that the future of my country is safe. Under the dome of this Capitol, and sometimes in the name of progress, scheme after scheme is evolved to take responsibility, lying close to the people, and shift it up here to Washington. I do not mean to be offensive, but it is a judgment tested by every test by which a human being can test judgment that it is beneath the dome of this Capitol that we are destroying this Republic.

There is not a person in this audience today who can look his little children in the eyes and be sure they can live under a free government. Why? Why? Is it because of fear of foreign invasion? No. There has not been the foot of a foreign foe on this soil in a hundred years. Is it because we do not have the material for food and shelter and raiment? No. Is it because we do not have everything to make us a happy, prosperous, and contented people? No.

What is the matter? The matter is that in America—shame upon this generation—we have turned our backs upon the course of history. We are unwilling to pay the price of being free. Our muscles are soft.

When some trouble comes to my State and to your State in the goodness of God to challenge us to effort, to give us a chance to be a stronger people, a wiser people, a more patriotic people, so that we can have a chance to do the bigger job of tomorrow, what do we do? What do we do? My God! What does this generation do? This generation that hopes that their children may live under a free government—what do their parents do? We turn our back upon the challenge and come hotfooting it up here to get some fellow to come do the job for us. Keep that thing up a little while longer and they will be down there, too, and they will be telling you what to do; and you will do it for two reasons: One, they will have the power; and the other, you will not have sense enough to do it yourself.

God Almighty does not let the ability to do a thing remain where the people who have it do not use it. Do not forget that. I would like to repeat it. It is said there is a law of nature that Nature will not waste its energies. Nature never on this earth permitted ability to do a thing to remain where it is not used. The only way we are going to retain the ability of self-government is by using it, and you cannot use it when you pass bills like this Hatch bill to get somebody else to come in and do your stuff.

Mr. Speaker, how much time have I used?

The SPEAKER pro tempore (Mr. THOMASON). The gentleman has consumed 25 minutes.

Mr. SUMNERS of Texas. Mr. Speaker, I want to show you a little more about this thing; I will show you the evolution of this bill. I am not going to read it all. This Hatch bill had not got over to the House until they decided to tighten it up a little bit. Whom were they aiming at? They were aiming not at a Governor or a mayor but at that fellow they bumped off of the pay roll, and he went over into Oklahoma and they followed him up under the Hatch bill. That man was fighting for his life, fighting for his right to live, fighting for his right to earn a living.

Think of it. He has not had any trial but he had been put off the pay roll. He has to go off when "infinite wisdom" from up here comes down to Texas. He is not fired; oh, no; but he just does not get any money. [Laughter.] It is a pretty serious thing to deny a man the right to make a living just because somebody goes down there who does not think he

is acting right—possibly because he is not voting right. I am not reflecting on anybody. I am talking about power. You put this power into a Federal bureaucracy, Mr. Chairman, and when that Federal bureaucracy has reached its full growth—and we are growing pretty fast—what may happen? Who is to do the enforcing? Is it one of our own local people? No. If there is any prosecution, it has to be by somebody who is a part of that bureaucracy. Did you ever think about that? I will come to it in a minute, and I will talk about it, too.

This bureaucracy business grows mighty fast. It has been growing even since this bill has been under consideration. Under the Senate bill, if anybody was not satisfied with the determination of the Commission he had a right to go to the district court, and when he got to the district court he would have the right to the same sort of trial anybody else had. Was there anything wrong about that?

Think of anybody offering a bill in the American Congress giving to a federally appointed employee the right to bump one of your citizens off the pay roll, follow him into another State, then when he finally gets to court, what shape does he find himself in? If you look at the latest suggested amendment to the Hatch bill which was getting tighter all of the time, you will find this provision—

The review by the courts shall be limited to questions of law—

What law?—

and the findings of fact by the Commissioner if supported by substantial evidence shall be conclusive.

What do you thing about that? Talk about honor? Would you deprive an American citizen of a job under these ruthless circumstances and then strut around here and talk about honor? I guess if these papers had let me alone I would not be saying all these things, at least not so much. Let us see where we are headed for and let us see about this outfit we are turning them over to.

In the various States the people elect their own prosecuting attorneys and, you know, it is a mighty fine thing for the people in the States to feel they are responsible for enforcement of their criminal and quasi-criminal laws. I used to be a prosecuting attorney myself. I do not think there is a more ennobling thing for a community than to have that community respond to a challenge of conditions that ought to be corrected. I have seen it happen. I have seen a challenge like that, and men who never knew they had capacity for leadership stand out in that community and become its leaders.

I have seen them when they made a struggle to clean up their conditions. I have seen the community solidarity that has been developed. I have seen the inspiration that has come. I have seen the consciousness of responsibility and, Mr. Speaker, that is a big thing. In your entire life you never have measured up to your highest possibilities except under the challenge of responsibility. They want to take that away by this bill. They want to take that away from the States in this bill and you tell me that is in line with good American statesmanship?

I have seen the thrill of victory that has come to these communities as they have done their job. The philosophy of this bill is against that sort of thing. The philosophy of this bill says, "You poor little communities, you cannot do anything unless Uncle Sam comes down and tells you what to do." That is the truth.

What do you think about that? Talk about honor? You have not got any honor when you agree to that sort of stuff, and then talk about signing the honor roll. Would you dishonor? I guess if these papers had let me alone I would not be saying all these things, at least not so much. Let us see where we are headed for and let us see about this outfit we are turning them over to.

You know, there is one thing these newspapers have done for me in this situation. They have at least made it possible for me to have a chance to have considered these fundamental things we are discussing. Certainly it cannot be charged now that there is any New Deal or anti New Deal involved.

Nobody is going to charge this bunch of anti New Deal newspapers with being favorably disposed to the New Deal. In other words, I have a chance now to discuss this thing without regard to administration or antiadministration, and I am very much obliged to them for that. I am trying to be useful in my day and generation. I regret that I have been compelled to turn aside in any degree from my normal course in this attempt to preserve my possibility of usefulness against the efforts of these papers to destroy it.

I tell you men and women that the time is at hand when we have to consider these great fundamental principles which concern free government, or else free government must disappear from the face of the earth. This is its last remaining citadel not at this moment under threat of destruction. It cannot remain here except a people capable of self-government shall preserve it, and shall defend it. Do not make a mistake about that. When you think of the responsibility of our Nation today, when you think of the doctrine of defeatism of popular government that has established practically every despot that has ever lived on earth, when you think of the great philosophy of the American system of government, which is that its people are capable of self-government and that they must be held in governmental responsibility, then think what we are doing.

It is tragic. With a rapidity unequaled in the history of government, we are converting this democracy into a bureaucracy and everybody knows it. I am not criticizing the persons who are operating these bureaus. Many of them are my personal friends. They are high-class, efficient, honorable persons. I am talking about the nature of bureaucratic government. What is its nature? Is anybody so ignorant of history; is anybody so ignorant of human nature not to know? Does anybody believe that with a bureaucratic government established it will consent to its own dissolution? Has anyone that little sense? The dominating personalities of such a government usually cluster around some more dominant personality or some figurehead whom they dominate. Their first and continuing concern is an aggregate self-preservation. Power feeds on power.

By this sort of legislation we are putting great power in these bureaucratic agents, and there is no reflection on the men who are doing the work in these bureaus. I want that definitely understood. I am not talking about them. It is their government, and they are as patriotic as I am. I am talking about what is happening to the structure of a great government.

Mr. Speaker, let us be sensible about this thing. This is not a small matter. We are at the crossroads, do not make any mistake about that, and we are going to either turn in the direction that leads us toward preservation of the greatest system of government that ever came through the ages, a heritage to our people, or we are going to keep on the road we are traveling.

My God, what a responsibility rests upon you and myself in this the most tragic hour in the world's history, when free governments are disappearing from the earth, when the hope of the ages is centered in my country, and to a large extent centered in those men and women who now sit underneath the dome of this Capitol. What shall we do? Which way shall we go? Shall we go this way or that way? I do not see how anybody with any sense can fail to know that this fallacy of ours leads eventually toward a Hitler, a Stalin, or a Mussolini. That is the direction in which it is leading. It is leading away from leaving responsibility of government close to the people. There is no one that can challenge that. This is a government of the people. There is no king and there is no hereditary nobility in America. It all depends on the people.

Do you think I could come to Washington and subscribe to the notion that even now my people, who have a great ancestry, my people whose ancestors have preserved a system of government from the first century, my people who left to us the greatest governmental heritage ever left to any people since the ages began, have so degenerated that we have to have somebody from Washington go down there and keep them from being crooked in a local election or in any other

election? What do you think of that? I would not do it for my right arm.

We are going somewhere. We are either going back toward the people with these governmental responsibilities or we are going toward a great Federal bureaucracy that eventually will have all the power that Hitler or Stalin ever had. It is inevitable, because when you bring these powers up here—I repeat, I have nothing to say against the people who constitute this personnel, but I am talking about a representative system of government—when you put the power of general government in the Federal organization and destroy the State, the local, responsible, sovereign agencies of government, and put them in the hands of a governmental organization, only one of which is elected by the people, and a million people constitute that organization—why not be sensible?

There is no one who has so little sense that he does not know that the President does not know who these million people are, where they are, or what they are doing with their powers. When you send one of those fellows down into your State, who is watching him? You cannot fire him. You can fire your local attorney; you can stimulate your local attorney to discharge his duty; but when this man comes into your community and you find out he is prosecuting somebody because he did not vote right, what can you do about it? Do not forget where you are putting this power to prosecute.

Do you think that in a fully developed bureaucracy that one who makes up a part of the group will go down and prosecute somebody who is trying to keep him and his group in office? Maybe he would. I would and you would, but that is just two. He probably would prosecute the other fellow when he got around to him, but he would be mighty busy on the ones that did not vote right first. If you have any doubt about it, just check up on history and see how they worked. I am not talking about people; I am not talking about individuals; I am talking about systems of government. Do you think I am going to put that power in the hands of somebody?

Now, you can do what you please about this bill; you are going to do it anyhow. I am proud of my committee. We all get a little warm at times as the weather is warming up a little bit; you know how it is. But I am pretty proud of my committee. I do not think history will pay any attention to me and I do not care. I see a friend of mine here now. When we first came to Congress we were up here in this park, I believe they call it Lafayette Park, where you pass by that horse standing up on its hind legs, that Jackson is riding.

He said, "Hatton, would not you like to know that when you quit here they will do something like this to you?" I said, "No; I would not give a nickel, not a penny." He said, "Well, why?" I said, "In the first place, if this life is all there is to it, I would not know anything about it. If I would go to heaven I could not see it with a spy glass, and if I went to hell I could not enjoy it while being pitched around with a hot pitchfork. Besides," I said, "I do not want to be condemned to eternal horseback riding, anyway." [Laughter.]

I like people; I love people; but I do not think so much of them, especially my own generation. We can go places faster and know less what to do after we get there than any generation that ever lived. I used to think there were some awfully smart people—I mean supermen. I even thought it when I came up here, though I had been weakening on it a bit. I got to batting around here among them, as we country boys used to say, and found out that I was about as smart as many of them, and then I lost nearly all my respect for human intelligence. [Laughter.]

Only God is great in this great economy. The only chance of a really big partnership that you and myself have as statesmen is to find out the plan of God Almighty, the natural laws that govern governments, and try to work in harmony with those laws. Governments are not accidents.

Governments are provided for in the big economy and like all things thus provided for they themselves are governed by natural laws which limit human discretion and determine sound governmental policy. When we examine nature, I do not believe anybody will be confused as to its central objective, and that central objective is the development of people. When you come to examine how people are developed you have no difficulty in discovering that they are developed as they struggle with difficulty. This is the plan of God. As I have had occasion to say before, and I am certain you will agree, difficulties are the gymnastic paraphernalia provided in nature for the development of people. Where we are making a fundamental and a terrible mistake in America is that when we come face to face with some difficulty in government we immediately feel we must turn in the other direction.

When our people in our communities confront a difficulty in government, instead of grappling with that difficulty, they turn in the other direction. We encourage them. That is the tragic thing. These difficulties are provided for in nature. God Almighty has no disposition to avoid difficulties for people. He provides difficulties for people. The difficulties in government constitute a part of the great gymnastic paraphernalia provided for the development of people. But we who have the responsibilities of statesmen are doing our best to deprive our people of the chance to get that development.

Men love liberty, not that they may enjoy the thrill of being free. Men love liberty in order that they may first struggle to be free and gain strength by the struggle, and then that they may do the work of the day incident to being free. We have been foolish enough in America to believe that we can preserve the blessings of liberty without doing the job which Nature has demanded we shall perform if we are to be free. Think about it, men! We are at the crossroads. Our problems run deep. Human wisdom is not wise enough to guide a great republic in an hour like this.

It is not an unmanly thing for men to seek to know the plan of God Almighty for guidance in an hour like this. With all the nations of the earth and with all the blood and the tragedy of the earth, here we are making shipwreck of a great republic—making shipwreck of a great republic, because we are not holding our people to the discharge of the governmental responsibility which lies within the capacity of the small units of government. That is my firm conviction.

We have a great system of government given to us by the ages, which we are destroying. We have the machinery but we will not use it. We are destroying it.

Our States, not too big, functioning largely through small communities, are the places where the voice of the individual citizen may be heard; not here where it is drowned in the tumult of the multitude. His community is not too big for him to have a chance for his influence to be felt; but not here.

How can you expect the people to be able in the future to do the bigger job of America when you withdraw from them the necessity of doing the job of today? Answer me. I want to repeat that. How can you expect statesmen or the American people to do a bigger job for America, which they must do if we survive, if you withdraw from them the necessity of doing the job of today? That is a tragedy. That is why I cannot support this Hatch bill.

That is why I could not support it, if every one of the papers on the face of the earth denounced me three times a day for not doing it. They cannot do anything to me. I go out here on a clear night and I look up at the stars and I realize that I am on a little clod of dirt, and I see these little things around here, like myself, little microbes on this little clod of dirt, get a little job, maybe running one of these little papers [laughter], maybe holding a job like this, or they have a few dollars and then stick their little noses in the air and go strutting their little stuff for a period measured by the sweep of the ages, no longer than a flash of light. The idea of these little things presuming to tell me what to do. I am glad I cannot say what I want to say. [Laughter.]

If there is any chance for a human being to keep a decent fellow with him when he is by himself—then he is all right, but that fellow wanders off from me a lot, but I feel sort of lonesome when he is gone. When I have a pretty decent fellow with me when I am by myself, do you think any of these little microbes can affect me by sticking out their little tongues or clapping their little hands at me? It is just sort of funny. It makes me sort of mad, but it is funny. [Laughter.]

I tremendously appreciate this audience and, Jack, I love you just the same. He is an awfully good fellow, the gentleman from New Mexico, JACK DEMPSEY. I have not said anything about him. I have said a few things at him. I would not let anybody else do it, either. I appreciate very much talking to you today. I am as grateful as one can be to a bunch that one is mad at, to these newspapers who at last have created a condition that makes it possible for me to discuss these fundamental things that I am pretty anxious about without anybody being able to say that I am saying anything against the New Deal or for the New Deal. I had better quit. [Laughter and applause, the Members rising.]

EXTENSION OF REMARKS

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a short resolution introduced by myself.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to extend my remarks made before the House today and to add thereto some statistics.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my own remarks on the Hatch bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a letter I received on the Hatch bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an editorial from the Shreveport Journal.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LEONARD W. HALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter from the President of the United States, and also a letter addressed to myself.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARTER of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a short article.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a radio address delivered by myself.

The SPEAKER pro tempore. Is there objection?

There was no objection.

BALANCING THE BUDGET

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point, and to include certain tables.

The SPEAKER pro tempore. Is there objection?

There was no objection.

HOW CAN THE BUDGET BE BALANCED UNDER PRESENT CONDITIONS?

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to insert into the RECORD two tables compiled by myself, which I shall explain. Table I shows that during the first 6 years of this administration, the several States, Territories, and the District of Columbia paid into the National Treasury in internal revenue $24,985,417,728. Of this amount $1,705,000,000 was social-security money set aside for an old-age reserve fund, and for which I O U's were issued, leaving net internal-revenue receipts from the States of $23,280,417,728.

It shows that the individual States, Territories, and so forth, drew out of the Federal Treasury in some form of Federal aid during that same period of time, $17,318,263,721. It further shows that during that 6-year period, we paid $5,339,599,913 in interest on the national debt. In other words, when we take the internal revenue which the States, Territories, and the District of Columbia paid into the Federal Treasury, deduct the amount set aside for the old-age reserve fund of the Social Security Act, also deduct the amount paid back to the States in Federal aid, and also the amounts paid in interest on our public debt during those 6 years, we find that we have left of those internal-revenue receipts less than $625,000,000 with which to pay the other expenses of Government during that 6-year period.

It is interesting to note that the State of New York, during this 6-year period, paid into the National Treasury $300,000,000 more than all of the net internal revenue collected by the Federal Government from all the States and Territories in 1939.

I was amazed to learn that the total amount of money paid back to the States in 1939 in Federal aid, plus the interest on the national debt for that year, exceeded the net revenue of the Government by $200,000,000. When we got through paying back the amount of money to the various States, we had to borrow $200,000,000 so we could pay the interest on the national debt. In addition to this sum, we had to borrow money to pay for our national defense program and all other operating expenses of the Government. There was paid back to the States in 1939 in Federal aid $4,420,834,181. The interest on the public debt in 1939 was $940,539,763. The amount paid to the States, plus the interest on the public debt, was $5,361,000,000, or $200,000,000 more than the net receipts of the Government, including customs—and not including the Social Security trust fund—in 1939, which totaled $5,164,800,000, according to the Treasury report.

Six States—Arizona, Idaho, New Mexico, North Dakota, South Dakota, and Wyoming—have a population of 2,921,174, according to the 1930 census figures. Their combined assessed valuation was $2,769,000,000. They paid into the Treasury $71,600,000 and drew out of the Treasury $849,000,000. In other words, they drew out during these 6 years nearly 12 times the amount they paid in. They drew out $283 for every man, woman, and child, or $1,132 for each family of four in those States. They drew out a sum equaling more than 30 percent of the assessed valuation of every piece of property, real and personal, in those six States.

Seventeen States and Puerto Rico paid into the Treasury during that 6-year period $733,310,613, and drew out of the Treasury $3,507,887,320, or approximately five times what they paid in. On the other hand, eight States—California, Illinois, Michigan, New Jersey, New York, North Carolina, Pennsylvania, and Virginia—paid into the Treasury $15,193,329,000 and got back $6,650,694,000.

It is interesting to note that North Dakota got back 23 times what she paid in, or an amount equal to 43 percent of her assessed valuation, while Delaware paid into the Treasury during the 6-year period a sum that exceeds her assessed valuation. South Dakota got back 22 times what she paid in, or 22 percent of her assessed valuation. New Mexico got back 12 times what she paid in, or 40 percent of her assessed valuation. Idaho got back 10 times what she paid in, or approximately 30 percent of her assessed valuation. Puerto Rico got back 14 times what she paid in; Mississippi, 10 times; Arkansas, 9 times; Arizona, Montana, and Wyoming, 6 times; Alabama and Alaska, 4 times.

The record shows that during that 6-year period we paid back to the States and Territories approximately 75 percent of the money we collected from them. When we paid the interest on the public debt out of the remaining 25 percent, very little was left with which to pay other expenses of Government. It is obvious that no plan of balancing the Budget can be successful so long as we have a condition of this kind existing. You cannot eat your cake and have it. You cannot pay this money back to the States and at the same time use it to pay governmental expenses and balance the Budget. Any plan of balancing the Budget must be based upon a principle that the Federal Government must retain a greater share of the revenue it collected from the States, and that Federal aid to the States must be drastically cut. When I say "drastically cut," I am not advocating the cutting of relief funds beyond such cuts as can be made to eliminate waste and extravagance.

The assessed valuation of Michigan in 1936 was $5,630,426,000. Michigan paid into the Federal Treasury during the first 6 years of this administration, from July 1, 1933, to June 30, 1939, $1,275,840,264, or a sum that equals nearly 23 percent of that valuation. It has been estimated that the taxpayers of Michigan have paid, in addition to that sum, during those same 6 years, somewhere around one and a half billion dollars in State and local taxes, fees, and so forth. The total cash disbursements of the State, according to the State treasurer's report for 1938, was $241,345,199. This does not include city, county, township, and other local taxes, fees, and so forth. When we add this State and local tax burden to the Federal burden, we find that the people of Michigan—and they are all taxpayers, direct and indirect—have paid into the Public Treasury during those 6 years a sum that equals nearly 50 percent of the assessed valuation of every piece of real and personal property placed upon the assessment roll by the local assessing officers in 1936.

Michigan's population in 1930 was 4,842,345. This means that there has been collected in Michigan in various kinds of taxes—Federal, State, and local—during those 6 years a sum that equals somewhere around $500 for every man, woman, and child in the State, or a sum that equals somewhere around $2,000 for every family of 4 in the State.

Looking into the future, the taxpayer cannot see how that burden will be lightened. He finds that unless drastic changes are made, and drastic economies are invoked, he will probably have to pay a sum that equals another 50 percent of the assessed valuation during the next 6 years.

In addition to all this, the industrialists and farmers know, and should know, that the national debt has reached $45,000,000,000, and the State and local debt for the Nation is now somewhere around $20,000,000,000, or a total public debt of $65,000,000,000. This sum is almost equal to another 50 percent of the assessed valuation of every piece of property in America as that valuation stood in 1935.

The taxpayer, whether businessman or worker, knows that this tremendous debt is not only a first mortgage on every piece of property in the country equaling 50 percent of its assessed valuation but is a first lien on every dollar that is earned, whether in dividends or by labor. There is no exemption when it comes to paying indirect taxes. Taxes are paid on the bottle of milk the hod-carrier's baby drinks, as well as on the 12-cylinder car the millionaire drives.

I realize, of course, that some of the taxes levied in Michigan are passed on to the consumer in other States, but I realize also that some of the taxes levied in other States are likewise passed on in some form or other to the consuming taxpayer in Michigan.

In view of these facts, is it surprising that the country is alarmed because after nearly 7 years of the New Deal spending program we still have some 10,000,000 people unemployed and millions more on relief? How can industry carry a burden of this kind and still furnish employment to the unemployed? How can the farmer expect to get fair prices for his products when the prices of those products are increased by direct and indirect taxes to where the public, whether employed or unemployed, cannot pay an adequate price or consume an existing surplus? The tax hounds are not only eating all the meat—profit—but they are gnawing at the bone—capital structure.

Mr. Roosevelt, 8 years ago, in 1932, had a philosophy of government which I believe was sound, and which I believe would have carried us out of the depression. Typical of the many expressions is the following, which he made at Pittsburgh on October 19, 1932:

> Taxes are paid in the sweat of every man who labors. If excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of hungry tramping the streets and seeking jobs in vain.

That statement was true in 1932. Subsequent events have emphasized the soundness of that philosophy. Any sound program of recovery to be successful must be based upon that principle. If that statement was true then, how much more true is it not now in the face of the present picture?

TABLE I.—*Internal-revenue collections and Government payments, by States, July 1, 1933, to June 30, 1939, inclusive*

	Population [1]	Assessed valuation [2]	Internal-revenue collections	Government payments	Per capita collections	Per capita payments
EASTERN STATES						
Maine	979,423	$663,532,161	$64,047,314	$80,649,909	$65.39	$82.34
New Hampshire	465,293	558,986,024	38,540,463	57,144,703	82.83	122.81
Vermont	359,611	272,872,962	18,255,338	48,511,839	50.76	134.90
Massachusetts	4,249,614	6,444,000,271	829,073,530	605,202,331	195.09	142.41
Connecticut	1,606,903	2,943,537,356	371,201,141	163,472,495	231.00	101.73
Rhode Island	687,497	1,335,295,386	136,049,198	76,431,580	197.89	111.17
New York	12,588,066	25,667,925,760	5,507,911,979	1,873,541,323	437.55	148.83
New Jersey	4,041,334	5,879,166,815	963,530,447	469,456,062	238.42	116.16
Pennsylvania	9,631,350	12,065,399,666	2,054,690,813	1,307,569,961	213.33	135.76
West Virginia	1,729,205	1,729,495,451	97,361,310	216,484,671	56.30	125.19
Maryland	1,631,526	2,629,049,410	460,856,428	164,854,819	282.47	101.04
Delaware	238,380	297,692,266	300,327,328	26,859,052	1,259.87	112.67
District of Columbia			130,326,781	117,491,097		
SOUTHERN STATES						
Alabama	2,646,248	$917,543,734	$74,118,775	$302,731,752	$28.01	$114.40
Arkansas	1,854,482	411,419,430	31,742,793	273,753,785	17.12	147.62
Florida	1,468,211	499,372,925	187,026,796	208,121,996	127.38	141.75
Georgia	2,908,506	1,059,819,000	170,819,947	297,248,628	58.73	102.20
Kentucky	2,614,589	2,470,506,437	618,960,325	264,746,933	236.73	101.26
Louisiana	2,101,593	1,348,163,553	195,889,057	262,531,729	93.21	124.92
Mississippi	2,009,821	545,649,495	24,888,120	255,713,070	12.38	127.23
North Carolina	3,170,276	2,184,061,652	775,613,576	273,714,977	244.65	86.34
Oklahoma	2,396,040	1,233,781,471	306,040,107	363,007,853	127.73	151.50
South Carolina	1,738,765	362,934,109	77,862,401	217,719,158	44.78	125.21
Tennessee	2,616,556	1,480,430,481	144,566,200	245,982,548	55.25	94.01
Texas	5,824,715	3,157,529,185	592,040,405	713,632,023	101.64	122.52
Virginia	2,421,851	2,064,049,259	1,005,940,355	197,722,183	415.36	81.64

[1] 1930 census.

[2] In 1935 or 1936.

TABLE I.—*Internal-revenue collections and Government payments, by States, July 1, 1933, to June 30, 1939, inclusive*—Continued

MIDDLE WESTERN STATES

	Population	Assessed valuation	Internal-revenue collections	Government payments	Per capita collections	Per capita payments
Ohio	6,646,697	$8,683,851,057	$1,371,108,172	$1,010,872,084	$206.28	$152.09
Michigan	4,842,345	5,659,727,087	1,275,840,264	628,559,938	263.48	129.80
Indiana	3,238,503	3,693,896,218	490,869,313	438,332,911	151.57	135.35
Illinois	7,630,654	5,269,827,000	2,159,020,736	1,055,904,590	282.94	138.38
Wisconsin	2,939,006	4,263,845,401	417,741,906	463,695,740	142.14	157.77
Minnesota	2,563,958	1,957,812,381	342,201,574	448,730,202	133.47	175.01
Missouri	3,629,367	3,821,563,766	619,549,147	476,075,810	170.70	131.17
Iowa	2,470,939	2,915,453,234	108,955,498	290,991,837	44.09	117.77
North Dakota	680,845	489,895,606	9,016,868	205,685,346	13.24	302.10
South Dakota	692,849	969,908,600	9,738,445	216,755,824	140.56	312.85
Nebraska	1,377,963	2,060,835,168	86,493,683	244,068,005	62.77	177.12
Kansas	1,880,999	2,710,976,546	122,366,142	303,655,548	70.37	161.43
MOUNTAIN STATES						
Arizona	435,573	$357,966,807	$17,095,460	$101,332,784	$39.25	$232.64
New Mexico	423,317	282,430,833	9,773,042	119,040,738	23.09	281.21
Utah	507,847	518,830,745	36,494,720	114,602,062	71.86	225.66
Nevada	91,058	184,531,441	18,949,939	47,962,528	208.11	526.73
Colorado	1,035,791	1,088,350,535	147,644,710	249,059,180	142.54	240.45
Wyoming	225,565	308,500,347	13,008,096	79,095,466	57.67	350.65
Idaho	445,023	369,506,621	12,980,035	127,380,862	29.17	286.23
Montana	537,606	1,049,612,827	31,718,710	185,256,356	59.00	344.60
PACIFIC STATES						
Washington	1,563,396	$1,083,329,750	$147,647,637	$275,862,113	$94.44	$176.45
California	5,677,251	7,258,146,172	1,400,687,868	844,225,509	246.72	148.70
Oregon	953,786	924,071,621	63,998,251	179,389,615	67.10	188.08
TERRITORIES						
Alaska			$2,554,609	$10,336,196		
Hawaii			57,487,619	42,786,721		
Philippine Islands			4,129,473	837,469		
Puerto Rico			5,698,264	74,230,441		

PER CAPITA INTERNAL-REVENUE COLLECTIONS AND GOVERNMENT PAYMENTS, BY SECTIONS, JULY 1, 1933, TO JUNE 30, 1939, INCLUSIVE

	Per capita collections	Per capita payments
Eastern States	$275.91	$119.58
Southern States	120.23	116.97
Middle Western States	140.13	174.24
Mountain States	78.84	311.02
Pacific States	136.09	171.08

TABLE II

	Population [1]	Assessed valuation [2]	Internal-revenue collections	Government payments	Per capita collections	Per capita payments
Arizona	435,573	$357,966,807	$17,095,460	$101,332,784	$39.25	$232.64
Idaho	445,023	369,506,621	12,980,035	127,380,862	29.17	286.23
New Mexico	423,317	282,430,833	9,773,042	119,040,738	23.09	281.21
North Dakota	680,845	489,895,606	9,016,868	205,685,346	13.24	302.10
South Dakota	692,849	969,908,600	9,738,445	216,755,824	140.56	312.85
Wyoming	225,565	308,500,347	13,008,096	79,095,466	57.67	350.65

[1] 1930 census.

[2] In 1935 or 1936.

The SPEAKER pro tempore. Under special order the gentleman from California [Mr. VOORHIS] is recognized for 45 minutes.

SHALL OUR CHILDREN LIVE UNDER A FREE GOVERNMENT?

Mr. VOORHIS of California. Mr. Speaker, I have asked this time today in order to discuss what seems to me to be the problem that lies closest to the question which was touched on by the gentleman from Texas [Mr. SUMNERS] in his very moving address, namely the question as to whether our children will live under a free government or not. It seems to me that question is going to be primarily decided by whether or not we are wise enough and earnest enough to prevent the coming to this country at any future time of what might be called a "revolutionary situation." What does that mean? It means a situation in which the hopelessness of the people about an improvement in their situation causes a break-down in their faith in duly constituted government, and until such situation comes there is little, in my judgment, to fear from any movement which seeks to accomplish the destruction of democracy in America. I think there is more than one group in this country that might today hope to benefit from a revolutionary situation. I think there is one group on the extreme left and another group on the right which does not operate so much in the open, and I think in the long pull the group on the extreme right is far more likely to be the force that does our democracy away. It has been so in every other industrial nation. But all that is necessary to give such groups a chance is long-continued failure on the part of the forces of progress to offer the people substantial hope of security and a betterment of their condition, and all those who would like to see democracy preserved have got to battle against the bitter intolerance of new ideas and the lack of response to measures for a constructive solution of our problems.

I would like to make one brief comment on the speech we have just listened to by the gentleman from Texas [Mr. SUMNERS] and to say just this much, that there are those poeple who believe differently about the so-called Hatch bill, for the reason that we would like to do something to prevent the possibility of people from Washington coming out in our States, and preventing people from continuing perhaps to do a very good job in some capacity of Government service, just because those people do not happen to perform the political activities which might be asked of them; and I am not sure that the whole issue is by any means on one side, if we are going to consider the question of what is good government and what will promote responsibility on the part

of the people. One thing people certainly should be responsible for is the job they are hired to do in Government service. And some of us do not want anything to interfere with that.

UNEMPLOYMENT

It is my purpose this afternoon to discuss as well as I can in what really is a short space of time the problem of unemployment, and I want it to be understood in the remarks I make that they are not made in any spirit of attack on industry or attack on anything else or anybody else. They are made in a spirit of trying to analyze this problem and see what measures we have to take in order to promote the reemployment of our people. I start with a short quotation from Msgr. John A. Ryan, of Catholic University, one of the truly great leaders of progressive thought in America.

QUOTATION FROM MONSIGNOR RYAN

He says this is a little booklet entitled "Can Unemployment Be Ended?":

Why has unemployment become so widespread and why has it lasted so long? To this audience I repeat the same answer that I have given to some 50 other audiences during the last 10 years. The answer can be stated in two words—"bad distribution." To the question which forms the title of this address, "Can Unemployment Be Ended?" the answer is "yes" if the right methods are adopted and if they are applied over a period of from 5 to 10 years.

Then he goes on to describe what he means by bad distribution, and how it leads to a superabundant setting aside of income by about one-third of the population, with a corresponding inability on the part of the other two-thirds to purchase the things that they really need.

Father Ryan gives this illustration:

Suppose that one-third of the people of New Orleans (which happened to be the place where the address was given) who now receive higher incomes than the other two-thirds, were to save, on an average, one-half of the amount that they now spend for necessities, comforts, and luxuries, what effect would that conversion of spending into hoarding have upon the merchants and businessmen in this city? I need not give you the answer.

THE DISTRIBUTION OF AMERICA'S BUYING POWER

I have here a chart, a most impressive one to me, on income levels in American life. That pyramid represents a division of the American population and shows that at the bottom you have 8,000,000 people who are described on this chart as being very close to hunger all the time. Just above it you have 11,000,000 people who are described as fighting poverty. Above that the comfortable middle class of 8,000,000. Above that the luxury level of 1,585,000 families. And above that people receiving over $5,000 a year, the income savers, the saving level of 800,000 families.

IDLE DOLLARS MEAN IDLE MEN—PROBLEM OF TAX-EXEMPT BONDS

We have heard a good deal about "the devastating effects" of idle capital, of money lying in the banks unused, uninvested, and unspent. We know that our system of economics only works if those savings are promptly put to work. At the present time, and here is one of the solutions I would advance to this problem, at the present time we find ourselves rewarding the people who fail to make investments in constructive enterprise. Why do I say that? Because we offer to those people of substantial means the opportunity to purchase tax-exempt securities; to put their money into savings even if of low yield, investments where they will not be subject to any tax whatever. Furthermore, we tax quite heavily the consumption of the people, the expenditures for the necessities of life, and at the same time we have no provision for the taxation of idle accumulations, nor do we, in my judgment, have the levels of inheritance and income taxation which we ought to have if we really mean business about balancing the Budget and also having a general prosperity.

EFFECT OF HOARDING

I have said many times on the floor before today that industry and agriculture must in each year recover out of the sale of their products at least as much as they disburse in paid-out costs, which in turn are the realized income of all the people of America. And if, as is true, approximately 20 percent of our national income is saved by the top one-third of our people, then we find that industry and agriculture literally cannot recover the cost of the goods that they produce, and you have depression resulting.

The American Federation of Labor submits these figures: That families with incomes of $1,250 and less spend each year more than they receive. They sell property or do something. I do not know how they manage, but at any rate they spend on an average about $92 a year more than they receive. Those are the figures of the National Resources Planning Board as well. The A. F. of L. proceeds with figures in their monthly survey of business for the first quarter of 1940, in which they say that families with incomes of $3,000 and less spend 99 percent of their income, and that families with incomes of $20,000 and above save 51 percent.

HOW ABOUT "CONFIDENCE"

Now, what is the answer to this problem of idle dollars, this problem of bad distribution of income, which is the cause of idle dollars? Is it just to restore confidence? I want to know, in the first place, what we mean by "confidence." Do we just mean that people are going to be willing to put unlimited amounts of money on the stock market, as they did in the late 1920's? That is not going to help us out. It will lead to a new collapse. Do we mean that a war starts some place, as it did last September, and because of the anticipation of war orders you have an increase of production in some few industries in America? Or do we mean by "confidence" that because of the fact that we have seen to it that there will be an even and just flow of consumer purchasing power in the American people's hands, therefore the producers of America have confidence that there will be orders for goods available when those goods are produced?

So I say I think every attempt should be made for the encouragement of business, but I do not think it can possibly be encouragement to business to take any step which cuts consumer buying power in any direction whatsoever—such as by cutting the W. P. A. employment at a time like this.

HOW ABOUT THE 1920'S? AND DEBT?

The 1920's have been discussed a good many times and pointed to as a period of great prosperity. It has been said that we ought to get back to that period so that we would not be increasing the public debt like we are now. I have some interesting figures here that in the decade of the 1920's the debts of local governments, States, and counties, increased a total of $10,000,000,000; that we made foreign loans so that foreign countries might buy goods from America, of about five billion dollars, which were never repaid, and that consumer debt expanded $10,000,000,000.

You have $25,000,000,000 of new debt injected as buying power into the purchasing-power stream in those twenties. Those debts, most of them, the consumer debts and the foreign loans at least were never paid. We see this debt problem more plainly now than we have ever seen it before because it is concentrated largely in one place, namely, the Federal Government. We must have an increase in the power to purchase, else we will find that we simply are failing to decently operate what ought to be an expanding dynamic economy, and our failure can be directly traced to the fact that we are trying to operate it on the basis of a debt-money system, where the greater your power to produce becomes the greater your debt must be, because your medium of exchange is literally based on that debt. We need to learn that when our power to produce increases it ought to be true that we will, under those circumstances, increase the volume of our active buying power without an increase in public debt.

REASONS WHY A RETIREMENT PENSION SYSTEM IS AN ECONOMIC NECESSITY

One-third of our people today can produce all of the necessities of life needed by all the people, but unless all the people are able to consume their share of those necessities, even that one-third cannot keep their jobs. We have today a vast excess of unused capacity in industry. Technological improvement increases it every day. I do not know a single businessman—maybe there is one—who would like to see additional capacity in his own industry. Oh, yes; they like to see somebody else expand; they would like to see capital expenditures made in another industry but not in their own, because they feel and know that there is already enough unused capacity

in their particular field to more than supply the demand for the goods of that particular field. What those businessmen want is more demand for the goods they have capacity to produce and sell. So I think that means that we have got to consider this question of unemployment primarily from the standpoint of that consumer demand, and we must further realize that the only answer to it is a higher standard of living, that you cannot solve unemployment merely on the basis of producing food, clothing, and shelter for the American people. If you are going to add to employment then, and if you do not want to give purchasing power away to foreign countries so they can just take your goods and never pay for them, or do some other crazy thing in order, deliberately, to create that new demand—indeed, if you want to avoid a constant danger of war you must have considerable new investment in what I might term social capital, such as health service, more hospitals, better homes, more things to make life better, richer, and fuller, not just because we want to pamper anybody, but because it is an economic necessity that we should have that kind of thing, else we will bog down industry after industry with unused capacity.

Let me ask you to think of this: In the years 1935, 1936, and 1937 American industry spent $17,400,000,000 for additional plants. There was that much plant expansion paid for in those years. Of that $17,400,000,000, $16,000,000,000 came from internal sources—I mean it came out of the corporate savings of those industries themselves; I mean they did not have to borrow a dollar of it or get a dollar of it from any other investor at all. It came out of their own depreciation accounts. It had already been paid for by the people who bought the goods. Business and the public, too, cannot put money aside in anything like that volume and still have a market. You cannot eat your cake and have it too, Mr. Speaker; you cannot let great corporations and a few people accumulate in idle pools as much money as they want to and also have the people as a whole able to buy the goods that are produced, perhaps, by those very same people's industries. We expect unlimited investment opportunities without a distribution of buying power, and such a combination simply is not possible. The general pattern of the answer that is to be given to this phase of the problem—of excessive accumulations of idle funds—and I think it is a long-time problem—I mean I do not think it is going to be removed by confidence or anything like that; I think the basic answer to it is, generally speaking, this: We must have a tax program, together with a social-security or a pension program, or whatever you want to call it, which will lift about $4,000,000,000 to $5,000,000,000 annually out of what would otherwise be idle funds desiring to be invested but not finding profitable investment into the active stream of consumer purchasing power. I want to see that done not in some hit-or-miss manner by pushing certain people onto relief who ought to be at work and paying them a dole. I do not want to see some people a part of the economic system and other people not a part of it, but I believe the way that that has got to be taken is by deciding that those people who have served the Nation longest shall be permitted to consume, although they do not produce. Coupled with that, I think there ought to be a tax which would reduce the volume of now-idle funds. If that is done, you will find that the remainder of the accumulations in the hands of the class that can save will find opportunity for prompt investment—first, because the investment-seeking funds will be smaller in total volume; and, second, because there will be a better demand for consumer goods and hence more likelihood of a good market for the increased volume of commodities to be produced as a result of the investment.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Would the gentleman then advocate repeal of the social-security pay-roll tax, and have the funds for the operation of the social-security program collected from some other source, say by a net-income tax?

Mr. VOORHIS of California. I would be very much better satisfied if that were done.

Mr. SCHAFER of Wisconsin. That pay-roll tax decreases the purchasing power of the rank and file of the mass of producers?

Mr. VOORHIS of California. Inevitably that happens and furthermore, it is a very difficult act of administration, both from a national standpoint and from the standpoint of the individual businessman. I would like very much to see us have the nerve to fix our individual income-tax rates at a point where they would be proper to finance to system of social security and old-age retirement pensions. I would rather see that done.

NEED FOR EXERCISE BY CONGRESS OF ITS POWER TO CREATE NATION'S MONEY

That is not the whole story. It is not just a question of idle funds. It is more than that. We are afraid of machines. We are afraid machines are going to take jobs away because we as a nation have never realized that they are wealth-creating and, therefore, demand the creation of additional debt-free medium of exchange. The great problem of America is for us to see and understand that the right to create the medium of exchange is a national right and must be lodged in this Congress and must be exercised by it. If I could do that one thing, I would rather do that than anything else in all the world.

If all the income in the hands of those who are able to save were promptly invested in new capital goods, we would have no trouble to maintain employment in that year. If all the savings are invested in a current year, everything will be all right for that year, but the next year you have an additional capacity that you did not have before and you have to have an additional buying power to match it. Always in the past we have tried to get that by expansion of debt, because the only way we create money now is by the creation by the banks of demand deposits so that loans can be made by the banks. You cannot have that go on, because your debt cannot expand forever. So what happens is that periodically you have a collapse and the savings of the country are wiped out, your property values are cut in two and misery spreads among the people.

That happens because the people who control the creation and destruction of our bank-deposit money will see that it happens. As soon as they discover that the purchasing power of money is going down and prices rising, they will find their particular commodity—money—is getting too cheap and, as they did in 1920 and 1929, they will withdraw from circulation several billion dollars of bank credit merely by not renewing loans, which is all they have to do in order to increase the value of money and drive down the value of everything else. And yet we sit here helpless and say the only thing we can do is increase the public debt to meet the problem. That is wrong.

WHEN EFFICIENCY INCREASES

Mr. Speaker, the Brookings Institution gives out the figures that between 1922 and 1929 the output per worker in the United States increased by 18 percent. That means one of three things was going to happen. Either the price of goods was going to decline 18 percent so that the people would be able to buy 18 percent more goods, with the same volume of buying power, or if that did not happen you were going to have to create 18 percent more money as an addition to the consumer purchasing power of the country, that is, 18 percent more money in active circulation in the hands of the consumer so that they might buy 18 percent more goods, or else you would have to fire 18 percent of the workers and cut down that much of your force because you could produce as much as you did before with less people.

Monopoly control of industry prevented a reduction of prices. Monopoly control of finance prevented an increase in the volume of money in circulation. So the third thing happened. May I say, I am not one who believes that the right solution of this lies in a general reduction in prices. I do not think that has ever worked. I think we can look at the history of our country over a long period of time and we will find that never has there been a period of prosperity when the price level was going down, and as John Maynard Keynes, the great

English economist, stated, over a long period of time there has been a tendency for the wage unit to rise constantly. In other words, the answer to increased production is increased buying power for the people who must spend because they have need of goods. The question is, Shall creation of money follow automatically upon the creation of wealth or must debt always intervene and cause collapse and depression? Production we find is increasing and has in recent years increased. This additional production of goods results in the creation of real buying power—for real buying power is goods produced—but it must be represented by the tickets which we call money and these tickets if poorly distributed or in insufficient quantity means that some of that real buying power in the form of goods produced cannot be taken off the shelves.

CENTRAL PRINCIPLE

I am going to skip some excellent quotations which I have here, because I will not have time. The main point I want to make this afternoon is this: As the Nation, through the genius of its inventors, the organizing ability of its executives, the skill of its labor grows, as its power to produce increases, there is required additional consumer demand. At present that increase has been accomplished only by an increase in debt, because the Congress has given away its constitutional right and duty to create the money of the Nation. Instead it should be our primary economic law that the growth of productive power of the Nation should be matched year by year by a corresponding percentage increase in the volume of money in circulation. And that money must be created debt-free by the Congress of the United States.

To illustrate my point I submit the following quotation from Institutional Economics, page 589, by Prof. John R. Commons, for many years dean of American economists:

> The fundamental reason why the share theories of the national monetary income do not account for the alternating booms and depressions is because increasing the share of one class reduces the shares of other classes and does not change the total purchasing power of all classes. The purchasing power of all classes, whether expended as savings or expended for consumption, furnishes the same employment for labor, barring temporary difficulties of adjustment. In order to increase the purchasing power of labor the unemployed must be put to work by creation of new money, and not by transferring the existing purchasing power of taxpayers to laborers, as Malthus proposed, nor by borrowing money by government which transfers investments but does not augment them. This new money cannot be created and issued by bankers, either in commercial, investment, or central banks, because, in a period of depression, the margins of profit have disappeared, and there are no business borrowers willing to cooperate with bankers in creating the new money. In order to create the consumer demand, on which business depends for sales, the Government itself must create the new money and go completely over the head of the entire banking system by paying it out directly to the unemployed, either as relief or for construction of public works, as it does in times of war. Besides, this new money must also go to the farmers, the business establishments, and practically all enterprises, as well as to wage earners, for it is all of them together that make up the total of consumer demand.

Here is something I put in a little pamphlet I wrote 2 years ago which I would like to read:

> The Government of the United States has a primary duty to see to it that the consumption of the Nation keeps pace with its production, and one of the primary methods it must use in accomplishing this is the establishment of a scientific relationship between the supply of money in circulation and the productive capacity of the country.

As long as there are idle noninvested funds, and too much investment money, as long as there is idle, unused machinery and manpower, there are only three answers to the problem: First, either compensate for the drawing off of that idle money by Government borrowing and Government spending of a like amount; second, set up a system of taxation for the payment of some kind of benefits, either old-age retirement pensions or by the payment of wages to people for real work done; or, third, provide a scientific, modern, and workable monetary system.

Government debt today is simply a substitute for private debt, made necessary because of the paramount need to try to keep our debt-money exchange medium up to a point where it will demand the additional use of now idle productive capacity.

PROBLEM OF MONOPOLY WITHOUT MONOPOLY MACHINES WOULD NOT CAUSE UNEMPLOYMENT

I said a while ago we are worried about the machine, and we are afraid of the machine, and I have given you one reason why. There is another reason why. I do not believe that machines would create unemployment if it were not for the fact that many of the machines are controlled by monopolistic concerns, but monopoly plus the machine or monopoly plus technological improvement does mean unemployment. Technological change without monopoly would not mean unemployment. Monopoly causes unemployment because it maintains high prices and restricts output. Competition cannot do either of these things even if it wanted to. Monopoly siphons off the benefits of the machine into huge corporate surpluses made possible by excess monopoly profits.

Under conditions of true competition, the benefit of the machine would go to the consumers in lower prices and to the producers engaged in larger production of other goods for which consumers would have purchasing power which they did not have before. Such considerations are among the best arguments for such enterprises as the Tennessee Valley Authority, which have the effect of breaking down monopoly price structures and reducing the cost of electricity to consumers.

So we find that we have a great growth of the productive power of the country brought about by technological improvement over the years, that we have a great disparity in income between various income groups, that we have to have abundant consumption in order to have abundant production, that all efforts must therefore be directed to increasing that active consumer demand, and that only by higher living standards among our own people, by enabling our people to consume what they can produce so easily, can we solve this problem and put our people back to work.

CAUSES OF UNEMPLOYMENT

I would list in the following order the main causes of unemployment:

First, a faulty distribution of income as between the various groups of our people, as between different sections of our country, and between agriculture on the one hand and industry on the other. Second, the large volume, as a consequence of bad distribution, of idle accumulations of would-be investment funds. Third, monopoly, technological change, and the machine, which I have said are bad only when and because controlled by monopoly. Fourth, low farm income. And, finally, the debt-money system, which prevents any other method than an increase in public debt being used to keep the volume of active buying power in line with the Nation's power to produce.

LONG-RANGE BASIC ATTACK ON UNEMPLOYMENT

I have already suggested several things that I think must be done about this problem. I want in just a very few minutes to give you what seems to me to be a valid, long-range program to end unemployment, the sole aim of which is production and consumption of abundance. We cannot do justice to people when by helping one we hurt another. Instead of battling over the division of a "too little" we ought to be working to change that "too little" into "enough for all." Our effort must not be to regulate scarcity but to induce abundance.

FIRST. TAXATION

The things that I will mention here are in five fields. In the first place, in the field of taxation, our major purpose must be to tax money that is not spent or invested—that is, idle accumulations. Our second effort should be to place the burden where it can best be borne. Our third principle should be to levy by direct taxes and not hidden taxes. Specifically, no more tax-exempt bonds, and a provision that even now the income derived from tax-exempt bonds must be reported in making an income-tax return as a part of the income received by that person. This he is not now required to do. For tax purposes the income from tax-exempts is regarded as nonexistent. That one thing will mean that we cease encouraging people to put their money away into the

purchase of instruments of debt, and thereby encourage the man who does invest in constructive enterprises.

In the second place, for reasons that will soon be evident, there must be an increase in income, inheritance, and estate taxes, and lower exemptions in these cases; an increase in income taxes in the middle brackets; yes, and some lowering of exemptions. The exemptions from the estate tax, totaling about $120,000 in all, are far larger than they should be. I would graduate corporate income taxes more than they are, but I would exempt the little corporation—for example, the one earning $10,000 or less—completely, and I believe it could be done without too much loss of revenue.

Then, I would pass a bill at the moment, a war excess-profits tax bill, one of which I have introduced. Its number is H. R. 9513. This bill, which I have already explained to the House, is based on the principle that you take a base period and figure normal profits, but never less than 5 percent, and the tax does not apply to those normal profits at all, but it does apply to those corporations which are benefiting greatly today, a few, in a few lines of business, out of the war situation abroad, while many other sections of the American economy are hurt by it. The bill I have introduced would, experts tell me, raise some half billion dollars of revenue.

As I said to the gentleman from Wisconsin a while ago, I would replace the pay-roll taxes that we now have for social-security purposes with the other forms of taxation I have just mentioned. I think they are sounder taxes because, I believe, they would go much further in bringing about this balance between consumer buying power and investment funds, about which I have spoken. As a further measure along this line I would reduce just as much as possible the consumption taxes, except the ones on liquor and tobacco.

SECOND. NATIONAL SYSTEM OF RETIREMENT PENSIONS

The second thing I think we need is a system of retirement pensions for the older people of the country. I think we need it because a part of our people can produce enough for all the people, and therefore, and under those circumstances, you have to have some of the people who are able to consume even though they do not take part in current production. If that is true, this group should not be selected on a hit-or-miss basis, with Tom Jones, over here, with a wife and four children, out on relief or something like that when he ought to be and wants to be at work. This group of people can be selected on the basis of age, as having made their contribution, for then there is no danger of the discouragement and sapping of the spirit that might take place in younger people, but where there can be a reward for service rendered. Such a system of general retirement pensions for people past 60 should be used as our principal means of keeping a balance between our capacity to produce and our power to consume.

I would have it a general system. I would have it the same in every State of the Union, and I would have it apply to every group in the population, with the possible exception of those whose current income is sufficient so that they clearly do not need it. Do not make anybody take it. Do not say you have got to take it; but say if you have no other means of income and if you wish to retire from industry, then you may retire decently and with respect.

THIRD. CURB MONOPOLY

The third thing I would say is basically important is a restoration of competition, and a curbing of monopoly to the greatest possible extent. I think we have been all too short-sighted about the enforcement of the antitrust laws, trying to save a million dollars or something like that by cutting the appropriations for that purpose, when we ought to have seen that the very future of democratic government may well depend upon the break-up of some of these monopoly holdings. We have not explored, so far as I know, the inter-corporate dividend tax where the changing of two little figures in the revenue laws which allow an 85-percent exemption to corporations on dividends received from other corporations might be of telling effect in breaking up control of one corporation by another one. If we reduced that dividend exemption to 50 percent, let us say, we would break up more holding companies than we ever can break up by regulation.

Then I think it is most important that we do what we can to equalize credit opportunities for small business as compared to great business. Perhaps the greatest injustice in the whole financial system is the fact that those who enjoy the privilege of creating credit can create at will bank-deposit credit and buy real property in America with it. They can decide what business is going forward and what business is going back or what industry is going to go forward or what industry is not. The little fellow does not have much chance. So I insist that one of the main things to be considered is the equalization of credit opportunities between large- and small-scale enterprises.

Maybe this is not economically perfect. Maybe you could theoretically get more goods produced under monopolistic conditions. But you cannot get them sold. And I am sure that in preserving a free democracy it is necessary to preserve as the backbone of the Nation the independent farmer and the small-scale merchants and the small manufacturers.

FOURTH. JUST INCOME FOR AGRICULTURE

This brings me to the matter of the protection of the family size farm owner, and I am going to say now that I am about 101 percent in favor of the Jones-Wheeler farm-credit bill, because what it will mean in the net result is 3-percent interest to the farmers, and there is not any reason in the world why they should not have that. When private banking institutions loan money to farmers they simply monetize the farmer's property and loan against his mortgage. But when he borrows through a Government credit agency that agency must not, according to the way we do things now, perform the credit-creating function which a private bank does. It must first sell bonds to raise the credit and pay interest on the bonds, and then lend to the farmer at a rate high enough to cover that interest. I cannot possibly understand why a Government credit agency should not do exactly what the private banks do—namely, monetize the farmer's property and loan directly against his mortgage. Were that done, with no interest on bonds to pay, we could get the interest even below 3 percent. However, this bill does not even propose that. It proposes sale of guaranteed Government bonds to raise the credit and the lending of money to farmers at 3 or 3½ percent, with opportunity, as I understand it, of refinancing present outstanding debts on this new basis. By increasing the security and lowering the debt burden of the farmers, this measure will contribute much to the solution of unemployment.

I think one of the best things that has been done recently is the blue-stamp plan of the Surplus Commodity Corporation. It means enabling people who need food to consume the food the farmers have already produced. It ought to be expanded, though, until it reaches the whole country, and if you wonder how it is going to be paid for, I would just like to suggest that we know one thing for sure. It would improve economic conditions in this country. We know if we could have the pre-depression price level for basic agricultural commodities, things would be better, the farmer's buying power would be increased, and the demand for goods thus created would help reduce city unemployment. And we know that always in the past when we put an additional volume of money into circulation, the prices of these basic commodities rose. Here are goods already produced, here are hungry people ready to consume them. Why can we not use the power of the Government to create credit in order to enable people to consume those goods until such time as the price level for those basic commodities has been restored? The answer is, of course, that we can, if only we would; and the results can be predicted by a glance at history. They would be good results.

FIFTH. MONETARY REFORM

So I say our central task, after all, is a monetary task, for our whole life depends today on money. None of our people produce what they are going to consume themselves. We live by exchanging products and services with one another, and if this exchange does not take place, we are in trouble, and, it is also within our power by increasing the volume of money in circulation to enable our people to consume very

nearly all our farm products. That is our main problem—to enable the American people to consume as they produce.

I believe human liberty will either be saved or lost here on the floor of the House of Representatives and on the floor of the Senate. I believe this because America of all the nations of the earth still has an excellent chance of demonstrating that free parliamentary government and a free economic system are capable of providing to the people of a great Nation opportunity to earn a living, security against the mischances of life, and substantial freedom for the spirits of men. If that is done democracy and freedom will live and will overcome all threats and dangers. If it is not done they may suffer temporary eclipse. I have no fear or concern for the ultimate outcome of the struggle between freedom and oppression. Our great grandchildren will gain back inevitably what we may lose for our children and grandchildren. But I am concerned not only for the distant future but the immediate future as well.

The issue is in our hands and we shall not meet it unless we act both wisely, boldly, and with our concern focused on the general welfare of all the Nation. I am convinced that there is now before the House certain legislation which, if enacted, would go so far toward putting our people back to work and stimulating our production that instead of dark forebodings of disaster we would hear from the lips of Americans a new and buoyant hopefulness.

Let no one mistake the temper of the people. They are not looking for a conservative program. All they know is that they are still unemployed, still in distress, still without decent provision for retirement in old age. They may vote for a change in 1940. If they do, it will not be because the Republican Party promises them deflation and the sort of thing about which Republican members speak here in the House. It will be because Republican speakers make the same approach they made in 1938—because they promise more indeed than the Democrats do. If a change comes in 1940 it will be just because the people want a change. But I fear they will get a different kind of change from the one they want. The American people want a solution to this economic problem. And they will go right on kicking people out of office until they get it. So far I fail to find one single suggestion from the Republican ranks that offers hope of that solution. And so far I think my own party has also failed to strike effectively at the root of the difficulty, though one basic fact has been demonstrated by its work; that the task of government in this day is to so increase the consuming power of the people as a whole that it will call forth inevitably an increase in productive activity and sustain it thereafter.

The economic system under which we now operate has never provided work or decent incomes to the people except during periods of rising prices, deflation of outstanding debts, and net additions to buying power from somewhere. To suggest that merely to repeal New Deal laws, balance the Budget, and reduce taxes will put the American people back to work is the very height of folly, deception, and lack of historical perspective.

To suggest that more capital goods production is the answer is like suggesting that without any increase in the market for his corn, a farmer can solve his problem by buying more corn planters or constructing a larger barn. And what happens to inventories if we have a capital-goods expansion and neglect the all-important matter of consumer buying power?

For many years this was done by westward expansion. People who today would go on W. P. A. or some similar program were given land, and, moreover, there was a constant increase in the volume of new borrowing—that is, new-money creation by the banks. This was made possible by the fact that finance could and did constantly monetize or loan against anticipated increases in the value of American property. Property values meanwhile were constantly being increased, especially in new western cities, and so the real burden of debt was correspondingly being reduced.

When the period of expansion was over, there came in the early twentieth century a period which might have been exactly like the period in which we now live but for the World War. The World War meant, of course, that we did get money for the destructive work of war, even though we would have heard howls of impending disaster if we had gotten it to pay to our people for constructive work in their own country. We paid out several billions dollars in one way or another during the war and there was prosperity. We didn't know how to put people to work to increase the American standard of living. But we did know how to take our best workers out of production and send them to war and then to keep the rest of the people at work at high wages trying to make up for the destruction of the war. Consuming power was deliberately and artificially increased relative to production and there was prosperity. All these facts about the war period make me wonder whether we will one day once again condemn our sons to a hero's death because we, their fathers, lacked the courage to establish a system of decent retirement pensions in this country or to lay patriotic hands on the financial monopoly which now claims the exclusive right to monetize the property, growth, and resourcefulness of the American people and teaches this great Nation that it must always incur a staggering increase in debt in order to enjoy a short-lived prosperity.

The analysis of our economic ills which has underlain the policies of the New Deal has been briefly this: The depression was caused by failure of the buying power of the people to keep up with the inventories piled up by an ever-more efficient productive machine. Therefore, by a program of public works, loans and grants to farmers, and a variety of other methods the attempt was made to increase consumer demand which after all is and must always be the one and only mainspring of production.

The New Deal analysis is fundamentally sound. As long as the New Deal followed it we had improvement. Improvement stopped when in 1937 the opposite policy of retrenchment was temporarily adopted.

But there is no essential difference between what the New Deal has tried to do and what has been done before in every prosperous period in American history, except that under the New Deal a sincere attempt has been made to protect the poor, the farmers, and the wage earners of America from want.

The central fact is, however, that only when somehow a net addition to purchasing power over and above that paid out currently by industry was being put in circulation has there been prosperity.

And after the war was over what happened? With the cruel, deliberate destruction of our money supply by the simple and easy process of credit contraction which the Federal Reserve Board carried through in 1920 the prosperity of American agriculture collapsed. It has never come back since. But a new, ingenious idea was evolved to save industry, which had the ear of Government. It was the sale of foreign bonds in the United States. Beside that operation, which, added to unpaid war debts, accounted for an outright gift of some $22,000,000,000 of buying power from American investors to foreign buyers of American goods, our current purchases of gold and silver are comparatively insignificant. The thing held together until 1929, when it began to become apparent that the bonds were no good and the foreign debts would not be paid. Then the bubble burst, not because the debts were not being paid but because the method of increasing buying power had become discredited. The central idea of the New Deal is not new. It uses wages instead of free land; and it pays our own people for work to increase consumers' buying power at home instead of giving credits to foreign countries for them, not to pay back.

And why has it been necessary to artificially increase the buying power of consumers every single time that we have succeeded in achieving anything like a prosperous condition? Here, I think, is the reason. Look at these figures for the year 1929.

National income produced	$81,128,000,000
National income paid out	78,556,000,000
All savings, individual and corporate	20,000,000,000
Gross capital formation	11,489,000,000

Flow of producers' durable commodities plus business construction.

In this year there were $81,000,000,000 of goods and services produced. Somehow they had to be sold or depression would result. But in order for this to happen there would have had to be exactly $81,000,000,000 spent by consumers for these goods and services. Now $78,000,000,000 was paid out by industry in that year, almost enough to match its output of goods and services. But of that $78,000,000,000, $29,000,000,000 was saved and not spent. Eleven billion dollars of it was invested, which means it was turned into new machinery of production the value of which was absolutely dependent on there being a future market for an increased volume of goods. The other $9,000,000,000 remained idle and inactive. And the depression deepened upon the Nation.

It did so for lack of two essential adjustments in the economic system. The first is an adjustment so that as a portion of current consuming power is diverted into new-capital formation—or new-production goods—there will be brought into circulation debt-free by Government a volume of new consuming power sufficient to balance that proportion of investment which does not go to wages of one kind or another but is frozen into the value of the finished new equipment itself. The second adjustment is more complicated and probably never can be perfect. It is to reduce the volume of savings to the point where they will not exceed the amount required for new profitable investment. I have already spoken of this.

Lacking these adjustments the only way under our present monetary system that the Nation can have enough buying power to balance its production and keep inventories from engulfing every business in the country in bankruptcy is if somebody borrows the additional required buying power into circulation. Unless you are going to let the Nation collapse completely Government must do this borrowing unless somebody else does. This explains the New Deal's deficits. It explains its borrowing. It explains them completely.

And it also proves to me, at least, that we have got to change the debt-money system under which we are now trying to operate our national economy. That debt-money system spells death by strangulation for every value that you and I hold dear. It has got to go.

To prove this let us assume that all the savings of 1929 or any other year were promptly invested. Let me read to you one paragraph from Joan Robinson's profound work Introduction to the Theory of Employment.

> The tragedy of investment is that (unless stimulants are applied) it can never remain at a constant level. For if the rate of investment one year is the same as the last, then, generally speaking, the level of employment and incomes and therefore the level of demand for goods will be the same in the second year as in the first. But all the time capital is accumulating and in the second year there is a larger amount of equipment available to meet the same demand for commodities. The rate of profit consequently falls off, future prospects are dimmed by the decline in present receipts, and in the third year new investment appears less attractive to entrepreneurs than in the second.

New investment implies that somehow the community has made a corresponding sacrifice of current consumption. But such new productive wealth is the soundest base for money in the world. And unless that increase in productive capacity is matched by a corresponding net increase in the volume of actively circulating money in the hands of consumers, the investment itself will spell not economic health and growth, but economic death and the destruction of the very values the investment itself is supposed to represent. The only ultimate purpose of investment is to produce goods which somewhere along the line must be sold to a consumer. Without that consumer—indeed, without him plus money in his pocket no investment is sound.

Government in this age must be free to capitalize the economic growth of the Nation—that is, free to create money and pay old-age pensions with it or wages for public works with it in sufficient quantity to keep consuming power equal to productive power in an expanding economy. This is not inflation, it is only common sense. And this is the reform that H. R. 4931 would accomplish and it is why I believe that bill is one of the three or four most essential and urgent matters before this Congress at this time.

I want to quote one or two things that I think will be of interest to you. First I quote from an open letter of the Secretary of the Treasury of the United States which he sent to Senator WAGNER, chairman of the Committee on Banking and Currency of the Senate. He says in that letter:

> A factor that more than any other will increase the confidence of businessmen in the future is the assurance that business will improve; a development contributing substantially to that expectation would be the prospect of a stable or moderately rising price level. What businessmen fear with regard to the dollar is not that the price level in the United States may remain stable or rise but that the price level in the United States may fall, i. e., that the purchasing power of the dollar may rise.

So much for my discussion of a program in five fields of our national economic life that would, in my humble judgment, go a very long way toward solving our unemployment problem. I have not gone into the details of what a scientific monetary system should be like, for I have done that heretofore on more than one occasion and shall no doubt do it again many times in the future. I have given the governing principles. Now, before I am through I want to talk about our immediate situation and a measure that I believe fits that situation too perfectly to be overlooked or neglected.

A BILL WHICH COULD AND SHOULD BE PASSED AT ONCE AND WHICH WOULD START OUR ECONOMY ON AN UPWARD CLIMB WITHOUT A DOLLAR'S INCREASE IN PUBLIC DEBT

We have today in the Treasury a vast store of monetary resources which are virtually hoarded there. I have already spoken about this in the House. Without giving the impression that it will give a complete answer to our problem or that it will establish the kind of monetary system I believe is necessary in this day of vast productive capacity, I want to explain, if I have the time, a little bit about a bill that I have prepared. This bill proposes to take a billion and a half dollars of the silver seignorage that now lies idle in the Treasury and a billion and a half dollars of the gold credits that are in our stabilization fund and use those $3,000,000,000 as a base for loans at 1-percent interest of the following three types: First, to revive the Public Works Administration by putting $1,000,000,000 at its disposal for making loans at 1-percent interest to public bodies for public works; second, $1,000,000,000 to the Federal Housing Administration to enable them to loan 45 percent of the cost of a $4,000 house at 1-percent interest to a man who has already borrowed another 45 percent under the regular guaranteed-loan plan of the F. H. A. Under the terms of the bill, F. H. A. is also empowered to loan up to $1,000 to owners of homes for their modernization or repair—these loans also to be at 1-percent interest.

The other $1,000,000,000 to the Department of Agriculture, $500,000,000 of it to be used under the Bankhead-Jones Farm Tenant Act, in order to put that additional credit in the Department of Agriculture to enable farm tenants to become farm owners. One hundred million dollars of this money is for loans to people who used to be farm people but who have been driven off their farms and are now migrants to enable them to settle on reclamation projects, because they need about $2,000 per family to enable them to do it. The remaining $400,000,000 is to be loaned to farmers for improvement of the soil, buildings, or equipment of their own farms. All these loans are to be made at 1-percent interest.

What does it mean? It means that instead of basing the credit of this country on a bond that we sell to a bank for the figures the bank writes on its books, and upon which we must pay interest, we use some of the monetary resources now lying idle in the Treasury of the United States. When I was a boy I was told that if you had 5-percent gold reserve behind money it was sound, but today you are not taught that. You are told that you must not touch the gold or the silver, because it would mean inflation. What inflation means is

that you create money faster than your productive capacity can keep up with it, and we are not in that situation. We are in a situation where we should be putting enough money into the hands of the people for purchasing power to keep up with the production actually taking place.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. Yes.

Mr. MURDOCK of Arizona. Would not the gentleman's proposal put back into the hands of Congress the power the Constitution gives us to coin money and regulate the value thereof?

Mr. VOORHIS of California. For a moment. We would be asserting that we have the right to make use of these monetary resources, but we would not have established a system or done the job with it that I think needs to be done, such as to purchase the 12 Federal Reserve banks and make once and for all the decision that the bank of issue of the United States shall be forever a bank under the control of Congress and belonging exclusively to the whole American people.

Mr. MURDOCK of Arizona. In other words, the gentleman's proposal is a first step and not the only or last step by any means.

Mr. VOORHIS of California. That is right. It would not even be a first step. It would be the kind of measure every one knows we need to expand production. It would be a means of putting out additional money into the hands of the very people who will best use it, but without increasing the public debt one single dime. Those funds would come back again. This bill would revive the Public Works Administration and it would extend our attack on farm tenancy. It would make more vigorous the prosecution of our program for soil conservation, and would stimulate the construction of individual homes for families among our people at a lower rate of interest.

Mr. MURDOCK of Arizona. I agree with the gentleman on the wisdom of a wider use of both gold and silver in our monetary system. I will not interrupt further, but I would like to add, when time permits, a plan for the use of silver seigniorage, which is a part of the gentleman's scheme. Silver seigniorage since July 1, 1939, when we remonetized silver, is in a class by itself. I would like to see it used in the very worthy way to stimulate the whole mining industry.

Mr. VOORHIS of California. I may say that personally I am not in favor of going back on any gold standard. I merely point out that to base our credit on this metal which we have bought and paid for is far more sensible than is the method of buying privately created bank credit by the sale of bonds.

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman's time may be extended because I want to ask him a question.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. SCHAFER of Wisconsin. The gentleman indicated that in order to solve our difficulties we had to increase the purchasing power of the American people and have to change our monetary system. Do you not believe, from your study of the monetary system and purchasing power, that we should stop playing Santa Claus, stop purchasing billions of dollars of foreign gold at $35 an ounce, and putting purchasing power in the hands of foreign nations to carry on wars, and taking that purchasing power out of the hands of our American people?

Mr. VOORHIS of California. Of course that is a big question to ask me when I only have 5 minutes left. I would like to make a speech for 20 minutes on that gold question. We are not taking the purchasing power out of the hands of the American people. We are doing exactly as we did in the twenties, when we made loans that were not repaid. We are making it possible to export more goods and services than we import, and unless we make constructive use of that gold in some monetary fashion, we do not really get paid for the goods we ship away.

Mr. SCHAFER of Wisconsin. Exactly, but when Americans were forced to turn in their gold for $20.67 an ounce or go to the jailhouse for 5 years, and then we imported from foreigners almost $12,000,000,000 of gold and paid them $35 an ounce, insofar as improving our economic situation and putting purchasing power in the hands of the people, it is like the old witch doctor trying to cure an active tuberculosis hemorrhage by taking a butcher knife and tapping some more blood out of the patient who has the hemorrhage.

Mr. VOORHIS of California. This problem of gold is a thorny one. It is not easy to answer as long as we are in the position that we find ourselves in today. Men can make pretty speeches about what the trouble is, but I have not yet found anybody who can tell me what the answer is.

The SPEAKER pro tempore. The time of the gentleman from California has again expired.

EXTENSION OF REMARKS

Mr. VOORHIS of California. I ask unanimous consent to extend my remarks in the Appendix and include therein a short bibliography of pamphlets and books on the unemployment problem.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a very splendid address by a high-school girl in my district on citizenship.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE HATCH BILL

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HILL. Mr. Speaker, I rise to a rather unwelcome and also unpopular duty. I listened to the speech by the gentleman from Texas [Mr. SUMNERS] this afternoon. I happen to be one of those who signed that petition on the Speaker's desk, and I, for one, resent from the bottom of my heart the attack that he made on those of us who had the courage to sign that petition. I think we, as Members of this House, have the right, if committees refuse to report bills to the floor of the House, at least bills that are of the importance of the Hatch bill and other bills that I might mention, we have the right, and it is our duty as Members of this House to sign these petitions and bring these measures out on the floor. [Applause.]

I just wonder why sometimes we should listen to the lectures of some of these older Members. Who is this gentleman who lectured us this afternoon? He came from a State where in 1936 only 26 percent of the adult voters in that State voted——

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HILL. I have the figures here.

Mr. RAYBURN. I know; but there is some explanation necessary there.

Mr. HILL. I do not like to have the gentleman take up my time.

Mr. RAYBURN. I am going to stay with you. You can have all the time you want. I must make two unanimous-consent requests before adjournment.

Mr. HILL. Very well.

Mr. RAYBURN. If the gentleman will look at the primaries, he will see that probably a million people voted. It is a 1-party State, and people do not go to the general election. I had a Republican opponent the first time I ran for office, and he got 248 votes in 5 counties. There is no restriction on anybody voting in our State on account of race, color, previous condition of servitude, or anything else.

Mr. GEYER of California. How about the poll tax?

Mr. RALBURN. Anybody in our State, it matters not where he came from or where he is going, if he is a citizen, can vote on the same grounds that I can.

Mr. GEYER of California. If he has got the money.

Mr. HILL. The gentleman from New Mexico [Mr. DEMPSEY] proposing the Hatch bill in the House comes from a State where 94 percent of the adult population vote, yet we have to sit here and be lectured for doing what we feel is our duty.

Who is the gentleman from Texas? He is a genial sort of man, but he is the chairman of the Judiciary Committee. Only 2 years ago without cause, because no measure was before the House, he got up on the floor of the House and said—read his speech—that he as chairman of that Committee on the Judiciary would not allow the Court bill to come on the floor of the House. He talks about dictatorship, and I ask what is more the act of dictatorship than for the chairman of that great committee to say to us on the floor of the House: "You must not consider this bill, you must not record your vote on this bill." Talk about dictatorship. I call that dictatorship. Now, he as one of the members of this committee, says that we must not have this Hatch bill upon the floor of the House to discuss its merits. He discussed the merits of the bill rather than the right of Members of this House to bring upon the floor bills that are of such importance that they may be discussed and voted on.

Mr. RAYBURN. I think my friend the gentleman from Washington will find if he reads the remarks of the gentleman from Texas [Mr. SUMNERS] that the gentleman from Texas did not make an attack upon the men who signed that petition. I think he will find that is true.

Mr. HILL. If he revises his statement, probably it will not be in there.

Mr. RAYBURN. Oh, no.

Mr. HILL. But as I sat here and listened to him he quoted the Bible. I, too, can quote from the Bible. The Bible says that the man who calleth his brother a fool is in danger of hell fire. It seems to me that he charged us as being foolish and otherwise in asking that the Hatch bill be brought up for discussion. Others who were here when he spoke, I am sure, will substantiate this statement.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the gentleman may have sufficient time in which to complete his statement.

Mr. HILL. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HILL. I read here a headline in the Washington Post that President Roosevelt has asked for the passage of the Hatch bill. Would the gentleman from Texas [Mr. SUMNERS] include President Roosevelt as one opposed to democracy and not sufficiently intelligent to legislate or suggest good legislation?

Now, must we oppose the Hatch bill because the chairman of the Judiciary Committee, the fount of wisdom at whose feet we must sit down to learn, says we cannot express ourselves? May we not have ideas of our own, and do what we want to do? For my part, I am sick and tired of that kind of procedure. I believe that the Members of the House have a right to their own views without being criticized and ridiculed.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield.

Mr. SCHAFER of Wisconsin. The signers of the petition did not take any position on the Hatch bill but merely asked for its consideration by the House. After discussion, the defects which were pointed out by the gentleman from Texas, the chairman of the Judiciary Committee, could be cured by amendment.

I am glad that the President favors the Hatch bill and I hope he supports the amendment which I intend to offer to prohibit President Roosevelt and Postmaster General Farley from shaking down the economic royalists to raise a $1,000,000 campaign fund by the sale of autographed books for $250 each in violation of the criminal laws of the several States and the Nation.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield.

Mr. MONRONEY. It was my pleasure to have signed this so-called petition to bring out the Hatch bill. During the entire course of the remarks by the gentleman from Texas I did not hear one disparaging word against a Member of this House who had signed that petition. The gentleman's remarks were addressed in criticism of the abuse the press had heaped upon the committee. I do not believe the gentleman from Texas was any more out of order in making his criticism of the bill than the gentleman from Washington is in making his criticism of the gentleman from Texas.

Mr. HILL. The gentleman is entitled to his viewpoint. I certainly cannot agree with him. We were ridiculed and told that we ought to be ashamed of ourselves. The rules of the House give us the right to sign a petition to bring that Hatch bill out for consideration on the floor of the House. [Applause.]

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

Mr. RAYBURN. Mr. Speaker, the gentleman from Texas [Mr. SUMNERS], and I listened to every word he said, and in my opinion he did not reflect in anywise upon any signer of this petition. What he was saying was in criticism of newspaper writers or editorial writers that this was the roll of honor; and he made the clear statement that he thought these newspapers intended to convey the impression that those Members who did not sign the petition were not going on the roll of honor. I think the gentleman from Washington will read in vain trying to find where the gentleman from Texas criticized anyone for signing that petition.

Mr. HILL. Will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Washington.

Mr. HILL. I think my hearing is fairly good. He ridiculed us time and again and said we ought to be ashamed to have signed the Hatch bill petition.

Mr. RAYBURN. That is not my understanding of what the gentleman said, but I am not going to enter into any controversy about that.

Mr. HILL. Well, I think my hearing is not defective.

Mr. RAYBURN. I did not say anything about the gentleman's hearing being defective.

Mr. Speaker, if the committees of Congress reported at this session of Congress every bill that has been introduced, we would never get through. When Members are interested in their bill they say that regardless of the feelings of the committee members the committee should report the bill. I imagine that if the 44 committees of the House were to report at this session of Congress all the bills that have been introduced, without another bill being introduced, the House of Representatives would be in continuous session all the way from 7 to 10 years to pass them. Committees do have functions, and they ought to perform those functions, and they ought to determine through independent judgment whether or not a bill should be reported. I think my friend from Washington, who is always fair, who is always intelligent, will find that he was a little bit mistaken about the criticism of the gentleman from Texas [Mr. SUMNERS].

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. WARREN] may have permission to revise and extend his own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business in order for tomorrow, Calendar Wednesday, may be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. BOLAND]?

There was no objection.

Mr. BOLAND. Mr. Speaker, I listened quite attentively to the gentleman from Washington when he said that he and other Members of Congress had a perfect right to sign the petition without being dictated to in any way. He said that dictator methods of the worst kind predominated with the chairman of the Committee on the Judiciary.

I am wondering if he and the proponents of the Hatch bill realize that they are dictating to the employees of the Government and of States that participate either partly or in whole in Federal funds, their actions politically? I wonder if those Members realize for 1 minute that under the Hatch bill the Congress does delegate its powers to a commission, the Civil Service Commission, to define what pernicious political activity is? Congress gives away its power to an appointive body and that Commission defines, if you please, what pernicious political activity is.

Because of this situation, Mr. Speaker, I asked permission to address the House for 1 minute, and I want to state an experience I had a week ago last Tuesday in the Pennsylvania primaries. I ran into the situation that many of these people who are working on the W. P. A. did not come to the polls to vote because they were under the impression that if anyone at the polls talked to them about the candidate they would, in turn, lose their jobs. Now, we know that is not true, but you try to tell those people that, as we tried to do. They were afraid to vote because of the fear of being accused of political activities. They were afraid they would lose their jobs.

For my part I refused to accept the theory that the Civil Service Commission should be delegated the power to define what pernicious political activity is.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to have printed in the Appendix of the RECORD something from the Evening Post of New York.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. GEYER]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. GEYER]?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I wish to pay a tribute to nine Members of this House. As we all know, there is a section of the Nation embracing eight States where 64 percent of the white population and 94 percent of the colored are unable to vote. These 8 States send 78 Representatives to this body. It has often been said in this House that the vote of a man should not be questioned, as he must represent the majority of those who vote in his district or he will not remain long in political life. That I call good politics. Last week when we voted on the unprecedented rule to make in order the amendments to the wage-hour law we again expected our membership to vote as their voters at home desired them to vote. Since most of my voters work for a living, I naturally voted against the rule and thus against any changes in the act. That was good politics. You who come from strictly farming communities in many cases voted for the rule, for you felt the farmers, who constitute the majority of your voters, were not interested in the bill. That, too, was good politics. Most of the Representatives from the 8 poll-tax States voted for the rule, for those who vote in their States are the upper 10 percent and are largely employers of labor or they are controlled in their votes by having someone else pay the poll tax for them. This, again, was good politics. At least it must be considered so, for they have been casting this type of vote for many years and they lead in seniority in this House. From this poll-tax ridden section of the Nation, where democracy is unknown and those who toil are at the mercy of an oligarchy made up of privileged people, comes an example not of good politics but of good statesmanship. Nine men, hearing the cries of distress from their districts and believing in humanitarian principles, voted against the rule making in order the consideration of amendments to the wage-hour law.

This is so unusual coming from that section, for in the attack on every social measure these poll taxers seem always to lead the opposition. Of course, the Republican side of the House is only too glad to assist in the killing of any New Deal measure. That, too, is good politics for them. Let us see how it works. If this House desires to practice economy at the expense of the unemployed, it goes to Virginia for its high executioner of the W. P. A. It is safe for one from Virginia to kick the unemployed in the face, for those on relief are unable to pay the amount of tax and they have no recourse at the polls. If we want one to conduct a smear of the National Relations Board with a so-called investigation, we again go into the "cradle of democracy," the same State that furnished a long line of our first Presidents. Yes; the poll tax makes it safe to attack labor in Virginia. In the 1936 Presidential election Virginia voted but 25 percent of her adult population, while in comparison her neighbor, West Virginia, sent 92 percent to the polls. If we desire to scuttle the Fair Labor Standards Act, we look about for a leader, and immediately Georgia furnishes the man of the hour. His district sends him to the National Congress with less than 6,000 votes. Yes; it is safe to do that if you come from Georgia, for how can the one who works for a pittance pay poll taxes for every year since he was 21 years of age in order to vote? But 19 percent of the adult population of Georgia voted in 1936. Then there is the slum-clearance program. Where will a man be found to take the floor and eloquently plea, as he pounds the table, for votes to kill the program whereby the miserable slum dwellers may get out of their rat-infested firetraps? Another poll taxer stands ready to suffer political martyrdom for the cause of those who will, perhaps, lose profits if unable to pile several families in a space too small for one. Tennessee, "the Volunteer State," naturally produces the man. It is safe to ignore those who live in the slums in Tennessee, for they cannot pay a poll tax and thus become real citizens. Only 33 percent vote in Tennessee, while nearby Missouri, without the tax, has a voting percentage of 80. A check of those offering amendments weakening the Wage and Hour Act while under consideration shows that of all amendments offered by Democrats, by far the vast majority came from these eight poll-tax States, the very section where the law is most needed. Yet, in the face of these facts, there are those who would tell us that the poll-tax issue is a local issue. That those in other sections are meddling. My people are interested in greater social gains, and when these gains are always slowed up because it is good politics to consider only those in the higher-income brackets in certain States, then I say it is a matter of concern not only for those in my Seventeenth California District but for all people of the Nation. Soon we will have the bill before us that seeks to amend the Wagner Labor Act. The Democrats who will be most active in that battle, I

predict, will hail from these same eight States, and the Republicans will use the usual strategy of allowing the Democrats to carry the ball. I maintain until the reconstruction of these eight States is completed and the majority of these citizens given their American birthrights of voting for their elected officials, progress for the submerged third will be very slow. I recommend to you the Geyer anti-poll-tax bill. In the meantime let us pay high honors to the nine statesmen from these districts.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 258. Joint resolution to amend section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1542. An act to authorize the Director of the Geological Survey, under the general supervision of the Secretary of the Interior, to acquire certain collections for the United States;

S. 1780. An act to authorize the Secretary of the Interior to acquire property for the Antietam Battlefield site in the State of Maryland, and for other purposes;

S. 3098. An act authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dudley F. Wolfe;

S. 3198. An act to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army;

S. 3262. An act to authorize the Secretary of the Interior to grant a right-of-way to the Highway Commission of the State of Montana;

S. 3470. An act to amend the National Defense Act of June 3, 1916, as amended, to provide for enlistments in the Army of the United States in time of war, or other emergency declared by Congress, and for other purposes;

S. 3633. An act to amend section 24e, National Defense Act, as amended, so as to add an alternative requirement for appointment in the Dental Corps;

S. 3654. An act to amend section 10, National Defense Act, as amended, with relation to the maximum authorized enlisted strength of the Medical Department of the Regular Army;

S. 3661. An act to amend the Perishable Agricultural Commodities Act, 1930, as amended, and for other purposes; and

S. 3675. An act to authorize the establishment of boundary lines for the Wilmington National Cemetery, N. C.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 258. Joint resolution to amend section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 50 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 8, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of a subcommittee of the Committee on Interstate and Foreign Commerce, on Thursday, May 9, 1940, at 10 a. m. Business to be considered: Hearings on H. R. 7466 and H. R. 8242.

There will be a meeting of the Committee on Interstate and Foreign Commerce on Monday, May 13, 1940, at 10 a. m.

Business to be considered: To begin hearings on S. 280 and H. R. 145—motion pictures. All statements favoring the bill will be heard first. All statements opposing the bill will follow.

COMMITTEE ON PATENTS

There will be a meeting of the Committee on Patents on Thursday, May 9, 1940, at 10:30 a. m., for the consideration of H. R. 8441, H. R. 8442, and H. R. 8444, all of which relate to amendments to the patent laws.

There will be a meeting of the Committee on Patents on Thursday, May 16, 1940, at 10:30 a. m., for the consideration of H. R. 9384, H. R. 9386, and H. R. 9388, all of which relate to amendments to the patent laws.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be meetings of the Committee on Immigration and Naturalization on Wednesday, May 8, 1940, at 10 a. m., for the consideration of H. R. 8310, to deport Communists.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold the following hearings at 10 a. m. on the dates specified:

Wednesday, May 8, 1940:

H. R. 9581, to amend the Merchant Marine Act 1936, as amended. (This bill has to do with tax exemption of a construction reserve fund to aid in the construction of new vessels. It is an improved form of H. R. 5883.)

Tuesday, May 14, 1940:

H. R. 9553, to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes.

Thursday, May 16, 1940:

H. R. 9477, to apply laws covering steam vessels to certain passenger-carrying vessels.

COMMITTEE ON MINES AND MINING

The subcommittee on Mines and Mining that was appointed to consider S. 2420 will hold hearings beginning Thursday, May 16, 1940, at 10 a. m., in the committee rooms in the New House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

1596. Under clause 2 of rule XXIV a letter from the Chairman of the Civil Aeronautics Authority, transmitting draft of a proposed bill to provide for the administration of the Washington National Airport, and for other purposes, was taken from the Speaker's table and referred to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CUMMINGS: Committee on Agriculture. H. R. 9654. A bill to extend, for an additional year, the provisions of the Sugar Act of 1937 and the taxes with respect to sugar; without amendment (Rept. No. 2080). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 8512. A bill to provide for the acquisition of additional lands for the national military parks, national historical parks, national battlefield parks, and battlefield sites administered by the National Park Service of the Department of the Interior, and for other purposes; with amendment (Rept. No. 2088). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on the Public Lands. H. R. 9087. A bill to remove the time limit for cooperation between the Bureau of Reclamation and the Farm Security Administration in the development of farm units on public lands under Federal reclamation projects; without amendment (Rept. No. 2089). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. S. 3676. An act to withdraw certain portions of land within the Hawaii National Park and to transfer the same to the jurisdiction and control of the Secretary of War for military purposes; with amendment (Rept. No. 2090). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. S. 255. An act authorizing the Secretary of War to convey to the Port of Cascade Locks, Oreg., certain lands for municipal purposes; with amendment (Rept. No. 2093). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. S. 2122. An act to authorize the sale of the Wilmot National Guard target range, Arizona; without amendment (Rept. No. 2094). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. H. R. 8258. A bill for the marking, care, and maintenance of the Mount of Victory plot in the Cypress Hills Cemetery, in Brooklyn, N. Y.; with amendment (Rept. No. 2095). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. H. R. 5478. A bill to provide for the maintenance, at public expense, of two mounts for officers of the Regular Army who are designated as mounted officers; without amendment (Rept. No. 2096). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. H. R. 9595. A bill to postpone for 1 year the date of the transmission to Congress by the United States Coronado Exposition Commission of a statement of its expenditures; without amendment (Rept. No. 2100). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. House Joint Resolution 486. Joint resolution authorizing the acceptance of the invitation of the Government of Italy to participate in the Rome Universal Exhibition to be held at Rome, Italy, in 1942; without amendment (Rept. No. 2101). Referred to the Committee of the Whole House on the state of the Union.

Mr. DARDEN of Virginia: Committee on Naval Affairs. H. R. 9636. A bill authorizing the conveyance to the Commonwealth of Virginia of a portion of the naval reservation known as Naval Proving Ground, Dahlgren, Va.; without amendment (Rept. No. 2102). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITTINGTON: Committee on Flood Control. H. R. 9640. A bill authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes; without amendment (Rept. No. 2103). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. O'DAY: Committee on Immigration and Naturalization. Supplemental report (pt. II) to accompany H. R. 8226. A bill for the relief of David Morgenstern (Rept. No. 1717). Referred to the Committee of the Whole House.

Mrs. O'DAY: Committee on Immigration and Naturalization. Supplemental report (pt. II) to accompany H. R. 8379. A bill for the relief of Izaak Szaja Licht (Rept. No. 1784). Referred to the Committee of the Whole House.

Mrs. O'DAY: Committee on Immigration and Naturalization. Supplemental report (pt. II) to accompany H. R. 7955. A bill for the relief of Louis Rosenstone (Rept. No. 1838). Referred to the Committee of the Whole House.

Mr. HART: Committee on War Claims. H. R. 541. A bill for the relief of John Toko; with amendment (Rept. No. 2081). Referred to the Committee of the Whole House.

Mr. HART: Committee on War Claims. H. R. 3204. A bill for the relief of Lizzie Berry; with amendment (Rept. No. 2082). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. H. R. 7573. A bill for the relief of Perkins Gins, formerly Perkins Oil Co., of Memphis, Tenn.; without amendment (Rept. No. 2083). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. S. 1635. An act for the relief of the Acme Die Casting Corporation; without amendment (Rept. No. 2084). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. S. 1638. An act for the relief of Thermal Syndicate, Ltd.; without amendment (Rept. No. 2085). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. S. 1678. An act for the relief of Charles B. Chrystal; without amendment (Rept. No. 2086). Referred to the Committee of the Whole House.

Mr. JOHN L. McMILLAN: Committee on Immigration and Naturalization. S. 3673. An act to enable Kurt Frings to enter and remain permanently in the United States; without amendment (Rept. No. 2087). Referred to the Committee of the Whole House.

Mr. WHITE of Idaho: Committee on the Public Lands. S. 163. An act directing the Secretary of the Interior to issue to Albert W. Gabbey a patent to certain lands in the State of Wyoming; without amendment (Rept. No. 2091). Referred to the Committee of the Whole House.

Mr. KRAMER: Committee on Immigration and Naturalization. H. R. 6680. A bill for the relief of Laszlo Kardos, Magdolna Kardos, and Gaby Kardos; with amendment (Rept. No. 2092). Referred to the Committee of the Whole House.

Mr. HARTER of Ohio: Committee on Military Affairs. S. 505. An act authorizing the President of the United States to summon Sam Alexander before an Army retiring board, and for other purposes; without amendment (Rept. No. 2097). Referred to the Committee of the Whole House.

Mr. HARTER of Ohio: Committee on Military Affairs. S. 2782. An act for the relief of Harold W. Kinderman; with amendment (Rept. No. 2098). Referred to the Committee of the Whole House.

Mr. EDMISTON: Committee on Military Affairs. S. 3038. An act to provide for the advancement of John L. Hines on the retired list of the Army; without amendment (Rept. No. 2099). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 9672) granting an increase of pension to James O. Scott, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLASON:

H. R. 9677. A bill to amend the Agricultural Adjustment Act of 1938; to the Committee on Agriculture.

By Mr. DAVIS:

H. R. 9678. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn.; to the Committee on Interstate and Foreign Commerce.

By Mr. JENNINGS:

H. R. 9679. A bill to amend the act of May 22, 1926 (44 Stat. 616), as amended, providing for the establishment of the Great Smoky Mountains National Park, and for other purposes; to the Committee on the Public Lands.

By Mr. McCORMACK:

H. R. 9680. A bill to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Massachusetts; to the Committee on the Judiciary.

By Mr. MILLER:

H. R. 9681. A bill to amend the Agricultural Adjustment Act of 1938; to the Committee on Agriculture.

By Mr. SCHAEFER of Illinois:

H. R. 9682. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill.; to the Committee on Interstate and Foreign Commerce.

H. R. 9683. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets

in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. TREADWAY:

H. R. 9684. A bill to amend the Agricultural Adjustment Act of 1938; to the Committee on Agriculture.

By Mr. VINSON of Georgia:

H. R. 9685. A bill to prohibit the entry into the United States of quota immigrants; to the Committee on Immigration and Naturalization.

By Mr. BYRNE of New York:

H. R. 9686. A bill to exempt certain State owned and operated carriers and employees of carriers from the provisions of the Railroad Retirement Act of 1937; to the Committee on Ways and Means.

By Mr. STEAGALL:

H. R. 9687. A bill to authorize the purchase by the Reconstruction Finance Corporation of stock of Federal home-loan banks, to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. FLAHERTY:

H. R. 9688. A bill to provide for the advancement on the retired list of any officer of the Navy or Marine Corps retired pursuant to the provisions of section 13 or 15 (e) of the act of June 23, 1938; to the Committee on Naval Affairs.

By Mr. DWORSHAK:

H. R. 9697. A bill for the relief of certain settlers in the town site of Ketchum, Idaho; to the Committee on the Public Lands.

By Mr. FERGUSON:

H. Res. 485. Resolution to instruct the Speaker to invite the Secretary of War and the Secretary of the Navy and others to provide the House with adequate and accurate information as to the present state of the national defense; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 9689. A bill for the relief of James F. Mellon; to the Committee on Military Affairs.

By Mr. CARTWRIGHT:

H. R. 9690. A bill for the relief of Samuel C. Sparks; to the Committee on Naval Affairs.

By Mr. WOOD:

H. R. 9691. A bill for the relief of sundry claimants, and for other purposes; to the Committee on War Claims.

By Mr. GORE:

H. R. 9692. A bill for the relief of Abbie Pogue Hicks; to the Committee on World War Veterans' Legislation.

By Mr. GRIFFITH:

H. R. 9693. A bill for the relief of Rosaria Tumminello Cimino; to the Committee on Immigration and Naturalization.

By Mr. McCORMACK:

H. R. 9694. A bill for the relief of Joseph Mulkern, Margaret Mulkern, and Mary Mulkern; to the Committee on Immigration and Naturalization.

By Mr. OSMERS:

H. R. 9695. A bill for the relief of Alexander Edward Metz; to the Committee on Invalid Pensions.

By Mr. TENEROWICZ:

H. R. 9696. A bill for the relief of Josephine Pencak Pipala, nee Jozefa Pencak; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8086. By Mr. DEROUEN: Petition of the Review Club, Lake Charles, La., condemning the recent smear campaign directed at Hon. J. Edgar Hoover, Chief, Federal Bureau of Investigation, Department of Justice, and opposing wholesale circulation and distribution of communistic and other alien propaganda in Congress and throughout the United States; to the Special Committee to Investigate Un-American Activities.

8087. By Mr. JOHNSON of Illinois: Petition of 16 signers, urging passage of the Hatch clean politics bill; to the Committee on the Judiciary.

8088. Also, petition of 10 residents of the city of Monmouth, Ill., fourteenth district, urging passage of the Hatch clean politics bill; to the Committee on the Judiciary.

8089. By Mr. KEOGH: Petition of the Chamber of Commerce of the State of New York, opposing chain-store tax legislation; to the Committee on Interstate and Foreign Commerce.

8090. Also, petition of the Chamber of Commerce of the State of New York concerning cotton allotment certificates; to the Committee on Agriculture.

8091. Also, petition of the Building and Construction Trades Council, New York City, concerning prosecutions of labor under the Sherman antitrust law; to the Committee on Labor.

8092. Also, petition of Cleaners, Dyers, Pressers, Drivers, and Allied Trade Union, Local 239, New York City, opposing all amendments to the National Labor Relations Act; to the Committee on Labor.

8093. Also, petition of the Empire Typographical Conference, New York City, opposing any amendments to the wage and hour law; to the Committee on Labor.

8094. Also, petition of the general grievance committee, Brotherhood of Locomotive Firemen and Trainmen, Philadelphia, Pa., favoring recommitting of the conference report, Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

8095. Also, petition of the United Marine Division, Local 333, International Longshoremen's Association, New York City, favoring recommitment of the conference report on transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

8096. By Mr. PFEIFER: Petition of the general grievance committee, Brotherhood of Locomotive Firemen and Enginemen, Philadelphia, Pa., concerning the transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

8097. Also, petition of the Central Trades Labor Council of Greater New York, concerning the transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

8098. Also, petition of the United Marine Division, Local 333, International Longshoremen's Association, New York City, concerning the transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

8099. By Mr. SPRINGER: Resolution of Local No. 855, International Brotherhood of Electrical Workers, Muncie, Ind., urging support of Senate bill 591; to the Committee on Banking and Currency.

8100. By Mr. THOMASON: Petition of the El Paso Chamber of Commerce, urging passage new relief bill that will require Work Projects Administration to do its construction work under the contract system; to the Committee on Appropriations.

8101. Also, petition of residents of Fort Davis and Valentine, Tex., protesting against the adoption of any amendment to the social-security appropriation bill the provisions of which will cover employees of religious and educational institutions; to the Committee on Appropriations.

8102. By the SPEAKER: Petition of the Alabama State Federation of Labor, Birmingham, Ala., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8103. Also, petition of Branch 3111, International Workers Order, Grand Rapids, Mich., petitioning consideration of their resolution with reference to violations of the Bill of Rights; to the Committee on Rules.

8104. Also, petition of Jack B. Smith, president, American Institute of Architects, Alabama Chapter, petitioning consid-

eration of their resolution with reference to the United States Housing Authority program; to the Committee on Banking and Currency.

8105. Also, petition of the Los Angeles Industrial Union Council, Congress of Industrial Organizations, Los Angeles, Calif., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

8106. Also, petition of Branch 79, International Workers Order, petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

8107. Also, petition of Lake County (Ind.) School Employees Local 123, Hammond, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8108. Also, petition of Local 18, United Retail and Wholesale Employees of America, Philadelphia, Pa., petitioning consideration of their resolution with reference to the so-called antialien bills; to the Committee on Immigration and Naturalization.

8109. Also, petition of the Wood Preserving Employees, Union Local No. 20493, Terre Haute, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8110. Also, petition of the Distillery Workers' Union No. 20418, petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8111. Also, petition of the International Hod Carriers' Building and Common Laborers' Union of America, Galveston, Tex., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8112. Also, petition of the International Workers' Order, Branch No. 614, Yukon, Pa., petitioning consideration of their resolution with reference to the Bill of Rights; to the Committee on Rules.

8113. Also, petition of the United Retail Shoe Employees, Local No. 114, Philadelphia, Pa., petitioning consideration of their resolution with reference to the United States Housing Authority program; to the Committee on Banking and Currency.

8114. Also, petition of the Labor Department, Local No. 12, United Federal Workers of America, Washington, D. C., petitioning consideration of their resolution with reference to Senate bill 3859, concerning Federal employees; to the Committee on the Civil Service.

8115. Also, petition of Peter Turk, Perth Amboy, N. J. (Hungarian Section, Branch No. 1010), petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

8116. Also, petition of the Cherneshevsky Club, New York, petitioning consideration of their resolution with reference to the Bill of Rights; to the Committee on Rules.

SENATE

WEDNESDAY, MAY 8, 1940

(Legislative day of Wednesday, April 24, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, our Heavenly Father, as we enter the Holy of Holies through the sanctuary of prayer, fill us with the spirit of reverence and awe, and fix our minds on things eternal, that we may learn how dear we are to Thee, as Thou settest our feet upon the rock of Thy favor. Encourage in our hearts this day every good intent; cleanse our consciences, and stir our wills, that we may gladly serve the living God, who dost carry us from strength to strength.

Leave in us, dear Lord, no room for spiritual wickedness, no lurking place for secret sins, but so establish and sanctify us by Thy power that we give heed only to that which is right and, speaking the truth in love, may keep ourselves close to the lives of the great body of men, and, sharing alike their joys and sorrows, may follow in the steps of Him who made this world's ills His own, even Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Tuesday, May 7, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Lodge	Sheppard
Ashurst	Donahey	Lucas	Shipstead
Austin	Downey	Lundeen	Slattery
Bailey	Ellender	McCarran	Smathers
Bankhead	Frazier	McKellar	Smith
Barbour	Gerry	McNary	Stewart
Barkley	Gillette	Maloney	Taft
Bilbo	Glass	Mead	Thomas, Idaho
Bone	Guffey	Miller	Thomas, Okla.
Brown	Gurney	Minton	Thomas, Utah
Bulow	Hale	Murray	Townsend
Burke	Harrison	Norris	Tydings
Byrd	Hatch	Nye	Vandenberg
Byrnes	Hayden	O'Mahoney	Van Nuys
Capper	Herring	Overton	Wagner
Caraway	Holman	Pittman	Walsh
Chandler	Hughes	Radcliffe	Wheeler
Chavez	Johnson, Calif.	Reed	White
Clark, Idaho	Johnson, Colo.	Reynolds	Wiley
Clark, Mo.	King	Russell	
Connally	La Follette	Schwartz	
Danaher	Lee	Schwellenbach	

Mr. MINTON. I announce that the Senator from Georgia [Mr. GEORGE] is absent from the Senate because of illness.

The Senator from Rhode Island [Mr. GREEN] is unavoidably detained.

The Senator from Alabama [Mr. HILL], the Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senators from West Virginia [Mr. HOLT and Mr. NEELY], and the Senator from Missouri [Mr. TRUMAN] are necessarily absent.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] and the Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] are necessarily absent.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

REVISED REPORT ON LOGAN-WALTER BILL—SETTLEMENT OF DISPUTES WITH UNITED STATES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting a revised report relative to the bill (S. 915) to provide for the more expeditious settlement of disputes with the United States, and for other purposes, which, with the accompanying report, was referred to the Committee on the Judiciary.

PETITIONS

The VICE PRESIDENT laid before the Senate a resolution of the Pasadena (Calif.) Branch of the National Woman's Party, favoring the prompt adoption of the so-called equal-rights amendment to the Constitution, which was referred to the Committee on the Judiciary.

He also laid before the Senate the petition of the city of Seward, Alaska, signed by the mayor thereof, praying for a congressional investigation of the entire Alaska Railroad situation, together with the Matanuska Farm Colony in the Territory of Alaska, which was referred to the Committee on Territories and Insular Affairs.

REPORTS OF COMMITTEES

Mr. WHEELER from the Committee on Interstate Commerce, to which was referred the resolution (S. Res. 259)

authorizing the preparation of a supplement to the document on the Compilation of Federal Laws Relating to the Regulation of Carriers Subject to the Interstate Commerce Act, reported it without amendment and submitted a report (No. 1575) thereon.

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, to which was referred the bill (H. R. 9185) to amend section 73 of an act entitled "An act to provide a government for the Territory of Hawaii", approved April 30, 1900, as amended, reported it with amendments and submitted a report (No. 1576) thereon.

Mr. McKELLAR, from the Committee on the Library, to which was referred the joint resolution (S. J. Res. 175) to provide for the observance and celebration of the four hundredth anniversary of the discovery of the Mississippi River by Hernando De Soto, reported it without amendment.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, May 8, 1940, that committee presented to the President of the United States the following enrolled bills:

S. 1542. An act to authorize the Director of the Geological Survey, under the general supervision of the Secretary of the Interior, to acquire certain collections for the United States;

S. 1780. An act to authorize the Secretary of the Interior to acquire property for the Antietam Battlefield site in the State of Maryland, and for other purposes;

S. 3098. An act authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dudley F. Wolfe;

S. 3198. An act to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army;

S. 3262. An act to authorize the Secretary of the Interior to grant a right-of-way to the Highway Commission of the State of Montana;

S. 3470. An act to amend the National Defense Act of June 3, 1916, as amended, to provide for enlistments in the Army of the United States in time of war, or other emergency declared by Congress, and for other purposes;

S. 3633. An act to amend section 24e, National Defense Act, as amended, so as to add an alternative requirement for appointment in the Dental Corps;

S. 3654. An act to amend section 10, National Defense Act, as amended, with relation to the maximum authorized enlisted strength of the Medical Department of the Regular Army;

S. 3661. An act to amend the Perishable Agricultural Commodities Act, 1930, as amended, and for other purposes; and

S. 3675. An act to authorize the establishment of boundary lines for the Wilmington National Cemetery, N. C.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BILBO:

S. 3939. A bill to provide for the publication of a list of the owners of deposits in insolvent banks, trust companies, and other banking institutions in the District of Columbia; to the Committee on Banking and Currency.

By Mr. SCHWELLENBACH:

S. 3940. A bill to authorize the incorporated town of Sitka, Alaska, to purchase and enlarge certain public utilities, and for such purpose to issue bonds in the sum of $200,000 in excess of present statutory debt limit; to the Committee on Territories and Insular Affairs.

By Mr. MALONEY:

S. 3941. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide that the marketing quota provisions with respect to tobacco shall be applicable to Connecticut Valley shade-grown tobacco; to the Committee on Agriculture and Forestry.

(Mr. WHEELER introduced Senate bill 3942, which was referred to the Committee on Irrigation and Reclamation, and appears under a separate heading.)

(Mr. O'MAHONEY introduced Senate bill 3943, which was referred to the Committee on Public Lands and Surveys, and appears under a separate heading.)

By Mr. SHEPPARD:

S. 3944. A bill for the relief of emergency officers with certain specified service; to the Committee on Finance.

By Mr. WILEY:

S. 3945. A bill to amend the Public Salary Tax Act of 1939 to grant relief to certain State employees from payment of Federal income taxes for taxable years beginning prior to January 1, 1939; to the Committee on Finance.

SACO DIVIDE UNIT, MILK RIVER PROJECT, MONTANA

Mr. WHEELER. Mr. President, I ask unanimous consent to introduce, for proper reference and printing in the RECORD, a bill which was prepared and approved by the Bureau of Reclamation at the request of Mr. O. S. Warden, president of the National Reclamation Association. The bill is endorsed by the districts affected, and I shall press for its speedy consideration.

The VICE PRESIDENT. In the absence of objection, the bill will be received and appropriately referred.

The bill (S. 3942) authorizing allocation of funds for the construction of Saco Divide unit, Milk River project, and for other purposes, was read twice by its title, referred to the Committee on Irrigation and Reclamation, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the President, in making allocations from and pursuant to the item for water-conservation and utility projects contained in the Interior Department Appropriation Act, 1940, may allocate such amounts as he deems necessary for the construction of pumping and distribution facilities and land development for the Saco Divide unit of the Milk River project: *Provided*, That such amounts shall be reimbursed to the United States by the water users on the Saco Divide unit in not to exceed 40 annual installments, the first installment to begin in the year following the last payment made to the United States by the water users on the Saco Divide unit for that portion of the cost of the facilities common to the Saco Divide unit and other units of the Milk River project to be allocated by the Secretary of the Interior to the Saco Divide unit. Payments on account of those costs of said common facilities thus allocated shall be paid into the reclamation fund, and the component of such payments attributable to costs of construction prior to 1935 as determined by the Secretary of the Interior shall be credited to write-offs made on the Milk River project pursuant to the act of May 25, 1926 (44 Stat. 636).

JUDICIAL REVIEW IN CERTAIN CASES INVOLVING DISPOSITION OF THE PUBLIC LANDS

Mr. O'MAHONEY. Mr. President, in the belief that in order to insure complete impartiality in the disposition of controversies between the Government and its citizens involving claims to the public lands, provision should be made for judicial review both as to law and fact in all cases in which the Government and the claimant have adverse proprietary interests. I introduce a bill to effectuate that purpose.

Until the creation of the national forests 30 years or more ago, the Land Department was an agency for the distribution of the public lands among the citizens. Controversies which came before it involved the conflicting claims of different citizens for the right to obtain title to a portion of the public domain. Mineral claimants and homestead claimants were contesting among themselves and the Land Department was involved solely as a judge to make certain that the rights claimed went to the applicant who had complied with the law.

In these conditions a great body of intradepartmental precedent was built up, and when cases were appealed from the Department to the courts, those tribunals held that the decision of the Land Department with respect to the facts in any particular case would not be reviewed, but that court action would be based only upon questions of law.

This was satisfactory enough when the cases involved only controversies among citizens. A great change, however, came with the creation of the national forests, the passage of the General Leasing Act, and more recently the passage of the Taylor Grazing Act. Under these new statutes the Government, as a government, has acquired a proprietary interest in the land, and many controversies now arise between the Government and the citizen, each having an adverse interest.

For example, the Government may wish to retain certain oil lands and dispose of them only by way of lease under which royalty is paid to the Government while the claimant may assert a title under the placer laws under which, if he has complied with the law, he is entitled to unrestricted ownership.

Obviously, in such a case the Government is no longer a disinterested umpire between rival claimants as formerly, but is now itself an interested party. In such cases it has seemed to me in all fairness the rule of law which makes the Land Department the final judge of the facts should be set aside and appeal should be allowed to the courts on both the law and the facts.

Under the bill which I am now introducing, the court is granted the power to review all questions of law and fact and when necessary to remand the case to the Department for a rehearing.

My attention was brought to this matter by the discussion in the Judiciary Committee over the so-called Walter-Logan bill, as well as by communications I have received with respect to certain cases initiated several months ago by the Interior Department against certain placer claims to oil lands in Lance Creek, Wyo.

While the Walter-Logan bill might deal with this matter by construction, it does not deal with it directly. Moreover, that bill contains many other provisions which raise serious questions as to its effect upon administrative matters which have nothing to do with cases of this kind. It seemed unlikely that this matter could be given proper consideration as part of that legislation.

I have discussed the general principle with Solicitor Margold of the Interior Department and have requested him to give study to this bill with the view of working out a formula which will preserve the essential rights of citizens to an impartial hearing by an impartial tribunal.

The VICE PRESIDENT. Without objection, the bill of the Senator from Wyoming will be received and appropriately referred.

The bill (S. 3943) providing for judicial review in certain cases involving the disposition of the public lands was read twice by its title and referred to the Committee on Public Lands and Surveys.

Mr. O'MAHONEY. Mr. President, the bill which I have just introduced reads as follows:

Be it enacted, etc., That notwithstanding any other provision of law any party aggrieved by any determination, decision, or order of the Secretary of the Interior relating to the disposition of any part of the public domain within the jurisdiction of the Department of the Interior and involving the proprietary rights or other direct and actual interests of the United States adverse to those of the party aggrieved may, within 30 days after receiving notice of such determination, decision, or order, institute proceedings for the review thereof by filing a written petition in the circuit court of appeals for the circuit in which the petitioner resides. A copy of such petition shall forthwith be served upon the Secretary of the Interior and thereupon the Secretary shall certify and file in the court a transcript of the record and evidence upon which the determination, decision, or order complained of was made. Upon such review such court shall have power to decide all questions of law and fact, and to affirm, modify, or reverse the determination, decision, or order complained of with or without remanding the case for a rehearing as justice may require. The judgment of any such court shall be final, except that it shall be subject to review by the Supreme Court of the United States on certification or certiorari as provided in sections 230 and 240 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, secs. 346 and 347).

THE OBLIGATIONS OF LEADERSHIP—ADDRESS BY HON. LEWIS W. DOUGLAS (S. DOC. NO. 195)

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed as a Senate document an address delivered by Hon. Lewis W. Douglas before the Chamber of Commerce of the United States on Thursday, May 2, 1940, entitled, "The Obligations of Leadership."

Mr. CONNALLY. Mr. President, why should the address be made a public document? Does it cost more or less than to print it in the RECORD?

Mr. HAYDEN. I do not think the cost is materially different, but it is much easier to read when printed as a document.

Mr. CONNALLY. Very well.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona? The Chair hears none, and the address will be printed as a Senate document.

THIRD TERM FOR PRESIDENT ROOSEVELT—ADDRESS BY SENATOR LEE

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a radio address by Senator LEE at Oklahoma City, Okla., on Monday, April 29, on the subject, Third Term for President Roosevelt, which appears in the Appendix.]

MATTERS PRINTED IN RECORD ON REQUEST OF SENATOR ASHURST

[Mr. ASHURST asked and obtained leave to have printed in the RECORD certain addresses delivered by him, certain letters written by him, and bills introduced by him which became laws, which appear in the Appendix.]

ADDRESS BY HON. JOSEPH E. DAVIES AT MADISON, WIS.

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD an address delivered on May 5, 1940, by Joseph E. Davies, Special Assistant to the Secretary of State, at the banquet of the University of Wisconsin at Madison, Wis., in connection with ceremonies dedicating the university's new law library, which appears in the Appendix.]

ADDRESSES AT DEDICATION OF TABLET COMMEMORATING COOPERATION OF RAILROADS WITH THE GOVERNMENT IN 1917

[Mr. WHEELER asked and obtained leave to have printed in the RECORD addresses in connection with the dedication at the Union Station, Washington, D. C., on April 26, 1940, of a bronze tablet commemorating the patriotic cooperation of American railroads with the Government and the services of the Railroad War Board in 1917, which appear in the Appendix.]

ADDRESS BY HON. NATHAN L. MILLER ON ADMINISTRATIVE LAW

[Mr. BURKE asked and obtained leave to have printed in the RECORD an address on administrative law delivered by Hon. Nathan L. Miller, former Governor of New York, before the New York State Bar Association on July 2, 1938, which appears in the Appendix.]

SENATOR WHEELER AND THE PRESIDENCY

[Mr. CLARK of Idaho asked and obtained leave to have printed in the RECORD editorial comment from the Milledgeville (Ga.) News of April 12, 1940, commenting on Senator WHEELER in connection with mention of his name as candidate for President, which appears in the Appendix.]

NAZI INFILTRATION IN THE BALKANS—ARTICLE BY DOROTHY THOMPSON

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article by Dorothy Thompson entitled "Fifth Column on the March—Nazi Infiltration in the Balkans" published in the Washington Post of Wednesday, May 8, 1940, which appears in the Appendix.]

UNITED STATES AID TO ALLIES—ARTICLE BY LUDWELL DENNY

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by Ludwell Denny on the subject of United States Aid to the Allies published in the Washington (D. C.) Daily News, which appears in the Appendix.]

PROHIBITION OF FOREIGN-SILVER PURCHASES

The Senate resumed the consideration of the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to what is known as the Pittman amendment.

CIVIL AERONAUTICS AUTHORITY AND AIR SAFETY BOARD

Mr. McCARRAN. Mr. President, under my oath of office as a Senator, I feel compelled to place before the Senate and the people of the United States certain facts which, in my opinion, are an indictment of the Bureau of the Budget, and indicate the need for a thorough investigation of that Bureau by a joint committee of the Congress.

On last Saturday morning, May 4, 1940, there appeared in a New York newspaper the complete text of a confidential staff memorandum from the Bureau of the Budget to the

President of the United States entitled "Summary of Civil Aeronautics Study."

This memorandum recommended transfer of the Civil Aeronautics Authority to the Department of Commerce, and various details of legislative reorganization of the Authority by the Chief Executive during the transfer.

This memorandum by the Bureau of the Budget is divided into four sections:

I. Redefinition of responsibilities between Authority and Administrator.

II. Reorganization of air safety functions.

III. Transfer to Department of Commerce.

IV. Desirability of effecting change at this time.

It is to the first three paragraphs of section 3, "Transfer to Department of Commerce," that I wish now to direct the attention of the Senate.

They disclose facts about the Bureau of the Budget which are shocking to me as a member of the Committee on Appropriations and of the Committee on Post Offices and Post Roads.

We of the Senate, and we, the members of the committees, have largely been of the opinion that financial accuracy, at least, could be expected of the Bureau of the Budget, even when we had good reason to suspect that it was not as familiar with the program of the President as it proclaimed itself to be.

It is now appallingly evident, from this confidential staff memorandum to the President, that the Bureau of the Budget not only does not know how to examine, prepare, and present even a simple budget, but, on top of that, is actually deficient in the simplest elements of bookkeeping and accounting.

and so plain that it is beyond dispute, denial, or excuse. In my judgment, and the judgment of impartial experts on accounting and budgetary practice, the fiscal statement of expenditures for civil aviation, contained in paragraph 2 of section 3 of the Bureau's report to the President, is a complete confession of inadequacy and incompetency to advise the President and the Congress on budgetary matters and the appropriation and expenditure of public funds.

I shall now read the full text of the paragraphs in the section of the Budget report to which I refer. The title is: "Transfer to Department of Commerce." I shall quote the text, sentence by sentence, item by item, and comment as I quote:

> The existing arrangement which places promotion and regulation of aviation entirely outside of the regular executive establishment can be looked upon only as a temporary device to be used during a transitional period.

This is, of course, purely an individual opinion of whoever wrote the report, and therefore of value only as such. Furthermore, it is a conclusion, disguised as a statement of fact, which is wholly unsupported by any facts offered by the writer of the memorandum, since obviously he could find no facts to support it.

The sentence is worthy of notice only because it reveals a theory of government which does not contemplate any sharp division and constitutional limitation of powers between the executive and legislative branches of our Federal Government. I remind the Senate that we set up the Civil Aeronautics Authority deliberately, and after long and careful study, to place the promotion and regulation of aviation entirely outside the regular executive establishment, and we did this by the suggestion and the wish and the will of the Executive himself. Furthermore, we certainly did not intend to set up "a temporary device," let alone one "to be used during a transitional period." In our representative American way, without benefit of bureau, we established what we assumed to be a permanent and progressive program for the future of a form of transport vital alike to the commerce, the defense, and the general welfare of the people of the United States. Correct me, Mr. President and gentlemen of the Senate, if I am wrong.

The next declaration of this remarkable and amazing document of the Bureau of the Budget reads as follows:

> The defense and commercial implications of civil aviation make it imperative that the President be currently apprised of any significant developments and that he at all times be in a position to integrate this function with related governmental activities.

That sentence sounds as if it has been written by one recently promoted from the freshman class of law school to the dignity of sophomore standing.

I trespass upon the time of the Senate to discuss this absurd sentence only because the sentence is supposed to set the stage for what follows. If civil aviation needs any defense, it is only against those who would now return it to the evil conditions and the unhappy days it knew when it was under the Department of Commerce. Since those who are commercially interested in aviation, especially those who are interested in it as business users of the mails, are thoroughly satisfied to have an independent Civil Aeronautics Authority directly under the supervision of the Congress of the United States, I am utterly at a loss to understand, as I am sure you must be, exactly what might be meant by such a meaningless phrase as the "commercial implications of civil aviation." Furthermore, if the President of the United States has not been "currently apprised of any significant developments" these last 2 years, then Mr. Noble was not only derelict to his duty as Chairman of the Civil Aeronautics Authority but also, as Under Secretary of Commerce, could not be entrusted with any supervision of a civil aeronautics board, Mr. Hinckley is not qualified either to be Chairman of the Civil Aeronautics Authority now or perhaps Assistant Secretary of Commerce later; and the Bureau of the Budget could not possibly, by any stretch of charity, be said to have told us the truth when we were given the justifications for the Civil Aeronautics appropriations for 1940 and 1941, and were assured that these appropriations were "in accord with the program of the President."

A President not "currently advised of any significant developments" in a fast-moving and dynamic form of public transport of such vital importance to the future as civil aviation has obviously been in no position to pass upon a budget to be submitted to this Congress or any previous Congress or session of Congress. If the President were not so "apprised," then the fault lies directly at the door of individuals, and of the Bureau of the Budget, because the Congress, in enacting the law establishing the Civil Aeronautics Authority, placed no barriers of communication between the Authority and the Executive and the Bureau of the Budget. Furthermore, we have been assuming, obviously with no reason, in the light of recent developments, that the Bureau of the Budget was fulfilling its duties under the law and making a competent analysis of the fiscal affairs of the Civil Aeronautics Authority, on the basis of which we could safely appropriate the money for that Authority to spend in the public interest, necessity, and convenience.

Let me say to the Senate, Mr. President, that there is far more, or, at least, there should be far more, to the operations of a budget bureau than merely the routine of a small group of high-salaried and ostensibly well-qualified gentlemen sitting in pontifical array around the head of an expensive walnut conference table, nodding with reserved and dignified approval or frowning with the omniscient thunder glance of Jove, as some skulking wretch of an executive from an agency created by Congress appears before them to beg the money which later, with an almost jaunty confidence, he requests of Congress.

The examination, determination, and final statement of a budget is a job to be entrusted only to experts, qualified by previous experience in the preparation of budgets equivalent in size and complexity to the budgets they are required to examine, determine, and certify. Note, please, Mr. President, that I say "certify." When an executive department of the Government, or some other agency, sends to us a report on a bill concluding with the sentence, "It has been ascertained from the Bureau of the Budget that this is in accord with the program of the President," or, "It has been ascertained from the Bureau of the Budget that this is not in accord with the program of the President," it has been confidently accepted,

and we have assumed that this decision was also a certification by a bureau of budgetary experts. It has been the common assumption that there had been thorough examination and determination by personnel qualified from experience with Budgets of similar size and complexity, on whose approval or disapproval we could confidently rely. Yet, look at the staggering revelation of the contrary situation accidentally revealed to us in the past few days.

We have learned that for a long time prior to last December 4, 1939, disquieting news relating to the Civil Aeronautics Authority had been, we are now informed, reaching the President from unnamed and unidentified sources. We are now told, further, that for 5 months, beginning December 4, 1939, the Bureau of the Budget, by order of the President, mind you—not of its own initiative or discovery, but by order of the President—has been conducting a confidential survey of the Civil Aeronautics Authority, culminating in its recommendation that the Authority be transferred to the Department of Commerce. Certain unpleasant facts obviously emerge from such a disclosure.

The first question which suggests itself is, if the President were not being "currently apprised of any significant developments," how did he know last autumn that seemingly all was not well in the Civil Aeronautics Authority? If he had access to such information then, what gain could there possibly be by a transfer to the Department of Commerce? And how does it happen that the Bureau of the Budget was not then aware of these same facts—facts which should have had a vital bearing on its determination of the budget for the Civil Aeronautics Authority which the Bureau recommended to us in December 1939? A budget must be spent by individuals in charge of an organization. The determination of a budget and its certification depend in no small measure on the qualifications of those who are to spend it and the circumstances under which they will spend it. If the Bureau of the Budget had not determined these factors last autumn, it committed a public scandal when it certified to us in December and January that the budget for the Civil Aeronautics Authority was "in accord with the program of the President," and therefore by implication assured us that we should vote appropriations for the continuance of the Civil Aeronautics Authority under its existing set-up. If the Bureau of the Budget was right then, it is wrong now. If it did not recognize, study, or know last autumn what would produce efficiency and economy for the Civil Aeronautics Authority, it has forfeited all right to be listened to now or any acceptance of any recommendations it has now made to the President as published in the New York press last Saturday.

Mr. President, I shall proceed now to the second paragraph of the section of the Bureau of the Budget's confidential report to the President setting forth alleged reasons for a transfer of the Civil Aeronautics Authority to the Department of Commerce. This second paragraph contains the budgetary meat of the entire matter, and contains also a shocking revelation of the Bureau of the Budget's apparent inability to handle accurately the simplest problems in bookkeeping, accounting, and budgeting.

This second paragraph consists of one long sentence, to which is appended a table purporting and attempting to set forth the estimated expenditures in 1940 for civil aviation. I shall read first and analyze the sentence which opens the paragraph, and then read and analyze the table of expenditures, which reveals the utter ineptitude and unreliability of the Bureau of the Budget as a dependable source of examination, determination, and certification, at least in any fiscal matters relating to civil aviation.

The opening sentence of the second paragraph is as follows:

> The need for establishing and maintaining such a relationship (integrating civil aviation with related governmental activities) may be better appreciated if it is realized that the estimated Federal expenditures which will be incurred during the current fiscal year for civil aviation total more than $108,000,000, which total is made up of the following items.

I draw your attention, Mr. President, to the fact that the Bureau of the Budget has informed the Chief Executive of the United States, by this sentence, that he will gain a better appreciation of the need for transferring the Civil Aeronautics Authority to the Department of Commerce if he will just realize that more than $108,000,000 are to be spent this year by the Federal Government for civil aviation.

Obviously, if the President of the United States will gain a better appreciation of the need for this proposed transfer by examining the figures presented by the Bureau of the Budget, it is not unreasonable to suppose that the Congress of the United States might gain a like appreciation by a similar examination.

Regrettably for the reputation of the Bureau of the Budget, an accountancy examination and budgetary study of the figures the Bureau presents serve only to destroy the case it attempts to make out for the transfer of the Civil Aeronautics Authority to the Department of Commerce, and to damage almost beyond repair any confidence the Congress may have had in the reliability of the Bureau of the Budget as an agency of information and guidance to the Congress on any legislative matter involving appropriations.

At this point, Mr. President, I send to the desk, and ask to have read by the clerk, the table of 1940 estimated expenditures offered by the Bureau of the Budget in its confidential memorandum to the President as a vital reason for the transfer of the Civil Aeronautics Authority to the Department of Commerce.

The PRESIDENT pro tempore. Without objection, the clerk will read.

The legislative clerk read as follows:

1940 estimated expenditures

Civil Aeronautics Authority [1]	$25,518,000
W. P. A. and P. W. A. funds for airport construction and for C. A. A. emergency relief administration expenses	43,901,992
Total C. A. A., W. P. A., P. W. A.	69,419,992
Domestic air-mail deficiency	8,260,000
Foreign air-mail deficiency	6,293,000
Weather Bureau: Airway weather service and research	3,469,000
Total net expenditures [2]	87,441,992
Air-mail expenditures offset by revenues	20,600,000
Total gross expenditures	108,041,992

[1] Includes $4,000,000 civilian-pilot training program.
[2] Includes National Advisory Committee for Aeronautics and Army, Navy, and Coast Guard.

Mr. McCARRAN. Mr. President, I wish to draw to the attention of the Senate the fact that the exact sum, as alleged by the Bureau of the Budget, is only a trifle more than $108,000,000. It is $108,041,992.

In the next place, I direct the attention of the Senate to the astounding fact that this budgeted statement of expenditures contains a startling error of precisely $20,600,000.

I submit, Mr. President, that any fiscal agency of the Government that can make an error of $20,600,000, in one out of six items which total $108,000,000-plus, is obviously a cause for our alarmed attention.

Without any further scrutiny of its figures, such an agency is 19 percent wrong to begin with—and when 19 percent represents $20,600,000 of the public's money, we have a serious situation.

This gross and obvious error occurs as item 6 of the expense budget just read from the desk. The item reads as follows:

Air-mail expenditures offset by revenues	$20,600,000

Obviously, if the expenditures for air mail are offset by revenues, as stated by the Bureau of the Budget, they should either not be included in any total of expenditures, or, if included, then the corresponding offset of $20,600,000 should be deducted from the gross total. This is such elementary bookkeeping that I feel I should apologize to the Senate for even bringing it to its attention. I emphasize it only because the correction of this gross error reduces the actual total of expenditures from $108,041,992 to $87,441,992.

However, this is only a beginning at uncovering the errors in the Budget's statement to the President, and by him in turn made available to the press. I shall proceed now to a

brief examination and disclosure of the other errors, equally startling and disturbing as issuing from the Bureau of the Budget.

The second obvious error occurs in item 2, which reads:

W. P. A. and P. W. A. funds for airport construction and for C. A. A. emergency relief administrative expenses $43,901,992

It is evident at a glance that the largest part of this sum of $43,901,992, in any system of budgeting and bookkeeping, would be offset by a credit to capital account, since obviously it represents investment and not expense. By no conceivable figment of accountancy imagination could this total be debited in its entirety against civil aviation. By what devious process the Bureau of the Budget could arrive at the conclusion that it should charge this whole sum of $43,901,992 against civil aviation, I am not clairvoyant enough to perceive.

Merely for sake of reasonable correction of the error, I will charge off more than half that total to direct expense, and say that no more than $20,000,000 should be credited to capital account as a permanent investment. In other words, for the purpose of speculative discussion, I shall assume—although obviously the assumption is fictitious—that the remaining $23,901,992 was direct expense.

This yields another $20,000,000 of erroneous debit, which actually is a credit, and therefore must be deducted from the sum total of expenditures. Making this second deduction, the corrected total is now reduced to $67,441,992, instead of the original total alleged by the Bureau of the Budget to be $108,041,992.

Now we come to the third error. The Bureau of the Budget states that among the estimated expenditures for civil aviation in 1940 is an item which reads:

Domestic air-mail deficiency $8,260,000

Presumably this estimate was derived from the cost-ascertainment report of the Post Office Department. If so, the Bureau of the Budget is almost 3 years behind the times, because the Interstate Commerce Commission, almost 3 years ago, in Air Mail Docket No. 19, rejected and disapproved the cost-ascertainment system of the Post Office Department as a wholly inaccurate and useless method for measuring air-mail costs. The Civil Aeronautics Authority quite properly has followed the Interstate Commerce Commission in setting up and using the cost-ascertainment system approved and recommended by the Commission. The actual deficiency is nowhere near $8,260,000. As a matter of fact, even using the post-office cost-ascertainment system which both the Interstate Commerce Commission and the Civil Aeronautics Authority reject, the alleged deficit would be less than $3,000,000—$2,834,063.13, to be exact. This is arrived at by deducting the 1939 revenue from domestic air mail, which was $16,326,358.27, from the 1939 expenditures, which were $19,160,421.40. I should note that of this $19,000,000 of expenditures, $609,990.47 represents payments to air-mail carriers due on 1937 and 1938 accounts.

Further in analyzing this domestic air-mail deficiency alleged by the Bureau of the Budget, Senators must remember that air mail has steadily increased in volume of patronage by the public so that it is not only at its all-time peak this year, but is rapidly reaching the saturation point at the 6-cent rate and may have to be reduced to 5 cents in 1941, in line with modern merchandising methods for opening up new levels of consumers and additional patronage. Evidence of this can be found in the fact that air-mail revenues from postage increased approximately $3,000,000 from 1936 to 1937, another $3,000,000-plus from 1937 to 1938, and only a little more than $1,000,000 from 1938 to 1939. Even with only a million-dollar increase the air mail came within $299,115.63 of breaking even—it took in $16,326,358.27 in postage, and paid out $16,625,473.90 for transportation, including that portion of the air mail which had to be sent by railroad.

Obviously, Mr. President, instead of the estimated air-mail deficiency for domestic mail being any such ridiculous figure as $8,260,000, the most that could be conceded—even on the highly questionable basis of using the post office cost-ascertainment method—would be not more than $3,000,000, which in my opinion is about $500,000 too generous and too high. Therefore, instead of the figure used by the Bureau of the Budget, which is obviously erroneous, we should use $3,000,000. The difference of $5,260,000 must again be deducted from the Bureau of the Budget total of expenditure, now reducing it still further to $62,181,992, instead of the preposterous $108,041,992.

I trust the Senate will bear with me, because we are not yet done, Mr. President, with exploring this quagmire, this "Dismal Swamp," of the Bureau of the Budget accounting for the finances of civil aviation.

One of the devices of befuddled and inexpert accounting is to bury in footnotes all embarrassing and perplexing items for which incapacity and lack of experience can offer no solution on correct bookkeeping and accurate budget analysis.

I now draw the attention of the Senate to such a footnote, in the statement of the Bureau of the Budget which we are now examining.

This footnote leads to the item "Total net expenditures," whose sum is $87,441,992.

The footnote reads:

This includes National Advisory Committee for Aeronautics, and Army, Navy, and Coast Guard.

To my mind, this is the most disgraceful and shocking of all the revelations already disclosed by this amazing statement. Nowhere, in any of the items listed to make up the total of $87,000,000 plus for "Total net expenditures" can we find any clue or hint which offers even a suggestion as to what part of this total represents expenditures this year for the National Advisory Committee, the Army, the Navy, the Coast Guard. What puzzles me is, how did the Bureau of the Budget forget to put in the Marine Corps? As I recall, they fly airplanes too.

Even with all our study, which has already cut the total of estimated real expenditures from $108,041,992 to $62,181,992, we still do not know how much further to cut it down, since the Bureau of the Budget gaily lumps Army, Navy, Coast Guard, and National Advisory Committee into a mere footnote. After all, Mr. President, what are a few millions to the Bureau of the Budget? All we are expected to do is to vote these millions as appropriations and ask no embarrassing questions based on proper bookkeeping and budgeting. Is this, too, in accord with the program of the President?

Mr. President, I am sure I express the sentiments of the majority of the Members of the Senate when I say that the time has come when we must examine into the Bureau of the Budget, if necessary, by a joint congressional committee of investigation. We owe a duty to ourselves, as well as to each citizen of the United States, under our oath of office, to ascertain the facts, and to take such corrective action as we believe to be necessary. We have been affronted by the mere presentation of such a statement as the one offered by the Bureau of the Budget as justification for Reorganization Plan IV.

I wish to read to the Senate, in conclusion, the final of the three paragraphs to which I referred in the beginning of my remarks, the paragraph which follows the utterly erroneous budgetary expense analysis by the Bureau of the Budget which I have just examined with the Senate. I quote:

This vast sum, $108,041,992, definitely negates the thought that in dealing with civil aviation the Federal Government is concerned with a purely private endeavor. On the contrary, air commerce is vitally dependent upon the tremendous financial assistance given by the Federal Government.

To me, that statement is the crowning absurdity of all the budgetary errors and absurdities we have just examined. If the Bureau of the Budget is obviously almost 50 percent wrong in its arithmetic and budgeting, then the sentence I have just read is at least 50 percent wrong, because it is based on the Bureau of the Budget's own palpably incorrect accountancy. As a matter of fact, the whole argument of the Bureau of the Budget, based on its own arithmetic, crashes to the ground because there is nothing to support it.

Fortunately we have made this discovery in time. The Congress of the United States created the Bureau of the Budget—the Congress can still review it and revise it into a dependable agency of information. In the light of the revelations disclosed by the confidential memorandum of the Bureau of the Budget to the President of the United States, published last Saturday morning in the New York press, the time has come for review of the Bureau and, in all human likelihood, a sweeping revision.

Mr. President, I have brought this matter to the attention of the Senate because the Senate should know what absurdities are behind the movement which induced the Executive to send to Congress Executive Order No. IV. I want the Senate to know, in no uncertain terms, that statement after statement, fallacious in nature, has been made to the Chief Executive, which has brought about the unfortunate, unworthy, and much-regretted Executive Order No. IV.

Mr. President, today the country is looking to the Congress of the United States, because the Congress of the United States, after 5 years of study, gave to the country a law upon which it could rely, gave to the aviation industry a law upon which it could depend, and gave to the Nation a stability in aviation activity which put it in the advance guard of the nations of the world. Today we are looking at blasted and blighted countries abroad, and we are looking to a future in which this country will lead the nations of the world if civilization is to prevail. We can best lead the nations of the world in that path if, after having studied so vital a subject, we come forward with a law which has written into it a symmetry which makes so successful the art, the science, and the industry of aviation that all the world stands to look on and see the results.

Sixty-four million dollars of expenditure is all that can be chargeable to us so far as aviation is concerned—$64,000,000 of expenditure to fly 86,000,000 plane-miles and 821,000,000 passenger-miles over the broad expanse of this country. Woud anyone say that the expenditure of $64,000,000 of Federal money—if it be that amount—is such an excessive sum that the agency which brought about this notable result—so notable that even the President himself last December commended the agency for its work—should be discarded? If the law which brought about this notable result has worked symmetrically, harmoniously, and economically, why should it be torn down and destroyed, thus bringing about a condition in which no one within the Civil Aeronautics Authority will know what anything means?

Why should we send civil aviation back to the very agency out of which disaster after disaster came? Why should we send it back to the agency which brought about crash after crash, destruction after destruction? Why should we send it back to the agency which had control of it when every air line in America was working in the red, whereas today, for the first time in history, the air lines of America are on a paying basis?

These are questions which I propound to my colleagues of the Senate ere they cast their votes upon this all-important measure by way of a resolution which I hope will come from the Committee on Reorganization this afternoon.

Mr. KING. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. KING. Is it the Senator's view that the Federal Government should subsidize aviation? If it should subsidize aviation—which, of course, is in competition with the railroads—to be fair, does the Senator think there should be a subsidy for the railroads?

Mr. McCARRAN. In the first place, Mr. President, let me say that the interrogatory of the able Senator from Utah is propounded on a false premise. We have not subsidized aviation. The fact of the matter is that we are making money out of the mail. We are not only making money out of the mail itself, but we are bringing money to the country out of the mail by increasing business and speeding up human activities. By giving guarantees of payment to the air lines for carrying the mail we have done more for business and commerce than we have done by any other activity upon which we have ever embarked. Furthermore, as I tried to point out in my remarks a few moments ago, we are approaching the point where the charge for air mail will be reduced. In all probability we shall have a rate of 5 cents for carrying an ounce of air mail across the country. So the second part of the interrogatory of the able Senator falls, because we are not subsidizing aviation, and I will not concede that we are subsidizing it.

Mr. KING. May I ask the Senator another question?

Mr. McCARRAN. Certainly.

Mr. KING. In the opinion of the Senator, is there greater efficiency under the present organization than there would be under the organization suggested by the reorganization plan, keeping in mind the progress which has been made, the advantages which have been derived, and the lessons which experience has taught? Is the present organization more efficient and more economical than would be the organization suggested by the reorganization plan?

Mr. McCARRAN. Mr. President, if I did not think so I would not be pleading with my colleagues in the Senate. If I did not feel it from the very bottom of my heart, after 6 years of study in which I have devoted almost my entire thought to this subject, I would not be saying what I am saying. If I did not believe that efficiency would be more certainly brought about by the present independent agency than by throwing that agency into chaos and into a political department of the Government, I would not be here contending as I am.

Mr. KING. May I ask one other question of the Senator?

Mr. McCARRAN. Certainly.

Mr. KING. Because I put it in the interrogative form does not mean that I am expressing or attempting to express any opinion. Does not the Senator believe that efficiency, after all, is promoted by having a centralized authority with respect to governmental agencies than by allowing each of the governmental agencies too much authority, too much discretion, and too much power?

Mr. McCARRAN. The suggestion and question of the able Senator from Utah open a wide field. I do not propose at this time, in view of the fact that I am advised that the Senator from Oklahoma desires the floor, to go into the lengthy answer that could be made to the Senator's question, but let me answer it as briefly as I can.

This agency has now been in existence for a little more than a year; it has proven its efficiency, for in that year there has been accomplished in transportation the greatest feat the history of civilization records. I will go back even to oxcart days, and say that history does not record another such instance of the utter absence of fatality to human beings or to property for an equal length of time as that which may be credited to the activities of the Civil Aeronautics Authority. When we have efficiency of that kind, would it not be an economic loss to tear down that efficient instrument, even though, for the mere sake of the argument, it should be admitted that some other instrumentality probably could operate as well. The mere change, the blighting of hope, the destruction of faith and confidence in this new agency, which already has planned for itself another year of activity, could not fail to have a most detrimental effect.

One thought has been uppermost in my mind, above all other thoughts, in considering this matter, and that is I would regret to be at the head of the Department of Commerce if this agency were transferred to that Department and crashes or a series of crashes should ensue. May God have mercy on the man who will be at the head of the Department of Commerce under such circumstances. Yet we are moving headlong into action which may bring about such a condition.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. LUCAS. The Senator has made a very important statement at the conclusion of his last remarks. I should like to know what difference there would be in the handling of aviation in this country under the Secretary of Commerce, in the event this activity should be transferred to that Department, as compared with the manner in which it is being handled at the present time under the Safety Board and the

Board of Control and the executive officer who handles the administrative end of it.

Mr. McCARRAN. I will try to answer the question as briefly as possible. First of all, the Safety Board would go out of existence——

Mr. LUCAS. Now, Mr. President——

Mr. McCARRAN. Let me develop that, if the Senator will pardon me.

Mr. LUCAS. Very well.

Mr. McCARRAN. May I, with apologies, say that I had to do with the creation of the Safety Board and in writing the law?

Mr. LUCAS. Will the Senator yield there?

Mr. McCARRAN. Very well, though I wanted to finish the thought.

Mr. LUCAS. Pardon me. Let the Senator proceed. I want him to finish, and I regret that I interrupted him.

Mr. McCARRAN. The Safety Board is an independent agency within the Civil Aeronautics Authority. The reason for that is that if the Civil Aeronautics Authority had the power to control the Safety Board, then the mistakes that might be made by the Authority itself would be whitewashed by the agency that would undertake investigation. We had such a situation time after time during the former regime. Crashes and break-ups occurred and deaths resulted, but every time an investigation was brought about, somebody did not want to lay the blame on somebody else in the organization, so the whitewash brush was applied.

If the Senator remembers the investigation made by the late Senator Copeland and his able committee, he will recall that the fact was brought out that if the authority then in control, which was the Bureau of Air Commerce in the Department of Commerce, undertook an investigation, there would be no result. So, in order to bring about results from the investigations—for there is no use of an investigation unless some result is derived therefrom—we set up an independent board, of which one member at least should be an experienced pilot. Such a board was created.

The argument—and I am digressing somewhat, but will come back to the Senator's question—the argument has been made that there was friction in the Safety Board. I will express two thoughts on that subject. The very fact that there was not harmony and accord in the Safety Board may be one of its greatest compliments, for when they are too much in harmony there may not be sufficient scrutiny. On the other hand, we find there have been only two members on the Board for the past many months. That being true, I say, from such investigation as I have been able to make, that there was complete harmony between those two men. The result has been the setting up of safety devices, the demand for safety appliances, and the presentation of reasons for accidents. All the accidents which have occurred have been in private flying, not in commercial flying, and they have served to bring to the attention of the Safety Board conditions which have encouraged the Authority to adopt certain regulations and certain devices so that such accidents would not occur again.

Mr. LUCAS. Mr. President, now will the Senator yield again?

Mr. McCARRAN. Yes, gladly. I want to cover everything the Senator desires. If I have failed to do so, and if he will ask me again, I will be glad to endeavor to answer him.

Mr. LUCAS. The Senator has done very well in his attempt, but I should like to know for myself what are the functions of the Safety Board. I have been given to understand that all the Safety Board does is to investigate accidents after they occur; then to make its recommendations to the Civil Aeronautics Authority as to what the Safety Board believes should be done about it, and then the Authority must either take the recommendations or leave them, just as they see fit. Am I correct in my understanding of the matter?

Mr. McCARRAN. No; I am sorry to say the Senator is not altogether correct.

Mr. LUCAS. Will the Senator enlighten me, please?

Mr. McCARRAN. I will endeavor to do so. The purpose of the Safety Board was set out in the law. I have not the time to read it.

Mr. LUCAS. Let the Senator state the situation briefly.

Mr. McCARRAN. The duties of the Safety Board are to examine into any catastrophe or wreck or accident that may happen.

Mr. LUCAS. Is the Senator talking about the three members of the Safety Board?

Mr. McCARRAN. Yes; about the three members of the Safety Board and the agents who are employed by them. Their report is then submitted to the whole Safety Board. Then the Safety Board makes their findings as to the cause of the disaster, whatever it may have been, and in making their findings as to the cause they disclose how the cause may be obviated. That whole report is sent to the Administrator, who, in his turn, sees to it, and must see to it, if he complies with the law, that the appliances which the Safety Board recommends are immediately installed and that the regulations which the Safety Board recommends are immediately promulgated, or that whatever condition it was that gave rise to the accident is remedied, so that such an accident will not occur again. That is the function performed by the Administrator. Then his act, in turn, may be reviewed by the five-man board, which is known as the Authority, headed by Mr. Hinckley.

Mr. LUCAS. In other words, as it is being operated at the present time, the Safety Board, after an accident, makes its recommendations and findings, and they are delivered over to the executive officer?

Mr. McCARRAN. For carrying out.

Mr. LUCAS. For carrying out; but, at the same time, the board of five have a right to veto what the executive officer of the Safety Board may do?

Mr. McCARRAN. No; I cannot go that far with the Senator.

Mr. LUCAS. What is the power, then, of the board of five?

Mr. McCARRAN. The board of five has the power to limit the expenditures by the executive officer.

Mr. LUCAS. Do they not have power to make rules and regulations?

Mr. McCARRAN. They have power to direct the Administrator to carry out the recommendations of the Safety Board.

Mr. LUCAS. Can the Senator enlighten me upon this—and I ask for information, merely because there is nothing so far as any hearings are concerned or any information I have, which gives me a concrete knowledge upon this very important subject. I may ask some strange questions, and, if I do, I wish the Senator to forgive me.

Mr. McCARRAN. I merely wish to say to the Senator, please do not misunderstand me as being captious at all, but the law, in my judgment, is so plain that any doubt the Senator may have in his mind will be immediately dispelled by a reading of it.

Mr. LUCAS. But that is the point which I understand is being constantly debated and discussed between the three different groups which are in the aeronautics set-up at the present time. In other words, it is my understanding that no one of the three groups can agree as to what their duties are in regard to many important matters.

Mr. McCARRAN. If the Senator has received that information, let me say to him that a very close study has not given me any such reaction.

Mr. LUCAS. Can the Senator advise me as to this matter? I have received information—it is merely information, and there may be nothing to it—that the executive officer and the Air Safety Board and the board of five have investigated the same accident and made their own conclusions and findings, and claimed that under the law they had a right to do so.

Mr. McCARRAN. I would not be able to answer as to that, because I do not know. I never heard of it, so I do not know.

Mr. LUCAS. If the Senator can give me any information on that subject, I should like to have it.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. I cannot give the Senator from Illinois any information about that matter, but I rose to suggest that even that would be far preferable to the old system, under which the very men who were responsible for safety and for safety regulations investigated themselves.

Mr. LUCAS. The Senator's conclusions may be correct.

Mr. CLARK of Missouri. For instance, in the case of the Cutting accident, in which the flight was in two sections, the first section was held up as it approached Kansas City, and not permitted to land and not able to land, because the Department, for reasons of its own, had turned off the radio beam for the purpose of broadcasting weather information. It was necessary for the first section to circle the city of Kansas City four separate times and for the pilot to work out his orientation problem four separate times, with the result that it took the first section 22 minutes to land instead of 2 minutes. When the second section, on which Senator Cutting was a passenger, and a man by the name of Bolton was the pilot, approached Kansas City, it was then too late for the pilot to land, and he was directed to go off on the Burlington leg of the beam, which proved to be 11 miles off its course. The beam had swung 11 miles, which resulted in the Cutting accident. In other words, there were two separate charges of negligence, and certain other additional ones, against the Department of Commerce; but the Department of Commerce investigated itself. It investigated its own responsibility for the accident; and in order to divert attention and responsibility from itself, it fined the pilot of the first section, which had landed at Kansas City, $500, and laid the blame for the accident to the second section on the pilot who was dead.

I say that, even if there are now three different agencies conducting investigations, it is a far preferable condition to one in which the Bureau authorities in the Department of Commerce investigated themselves.

Mr. CLARK of Idaho. Mr. President, may I interrupt the Senator?

Mr. CLARK of Missouri. The Senator from Nevada [Mr. McCARRAN] has the floor.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. McCARRAN. I yield.

Mr. LUCAS. I am not debating the question whether or not this plan is preferable to the old system. The only thing I am trying to do is to get some information about this subject, and as to why Reorganization Plan No. IV is up here, and I merely rose to ask the Senator for what I believe to be proper information.

Mr. CLARK of Idaho. Mr. President, if the Senator will yield to me, I should like to comment upon the question.

Mr. LUCAS. I do not have the floor.

Mr. CLARK of Idaho. I want the Senator to finish, but the Senator's specific comment was that he had some information of an instance in which the Authority, the five-man Board, the Administrator, and the Air Safety Board all investigated the same accident, and all disagreed among themselves. Of course, I do not know what accident the Senator could have had in mind, because there have not been any accidents for over a year except minor ones; but the Senator's information—I say this a priori, because I do not know the specific facts upon which the statement is based—very likely is wrong, for the very simple reason that the Civil Aeronautics Authority, the big Board, has no personnel with which to investigate accidents. It has no inspectors. It has no investigators. It determines policies; it determines airline franchises, and all those things.

The Administrator has executive officers who are in the field, but those officers have to do with the maintenance of the safety system of the country—the beacons, the radio ranges, the airways—and certainly if he used those men to investigate an accident, he did so without any authority whatever. It is possible, of course, that some of his men may have been in the vicinity of an accident, and they may have gone to the scene of the accident to satisfy themselves.

The Air Safety Board is the only Board which has employees and investigators who can be used to investigate an accident under any circumstances, unless somebody else just happens to be there; so that I say very likely the information which the Senator received was incorrect. There has been no fatal accident. There have been only two or three little landing accidents, such as the one in which a plane skidded on some ice down here in Illinois, or something of that kind; and if those accidents were investigated by three bodies it would be very, very unusual.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. McCARRAN. I yield to the Senator from Illinois.

Mr. LUCAS. The argument made by the able Senator from Idaho convinces me more and more that there are very few individuals in the United States Senate who know exactly what these different individuals of the three groups are doing insofar as this particular Authority is concerned. It strikes me, as one who wants to vote intelligently upon the proposition now before the Senate, that we are totally lacking in information as to the basic reasons for the proposed transfer from the Civil Aeronautics Authority over to the Secretary of Commerce, and the Senator from Illinois is very desirous of obtaining more information as to the real reasons for the proposed transfer.

Mr. McCARRAN. I will say to the Senator that that is what I have been trying to obtain.

Mr. LUCAS. All right. If there is something within the Air Safety Board and the executive office and the five-man board that is vital to the future welfare or detriment of aviation, it strikes me that the Senate ought to know about it. So far there is no information of any kind or character before the Senate of the United States, outside of statements made by Senators on the floor of the Senate and made by Members of the House upon the floor of the House, as to what this important measure is all about; and, for myself, I must have some information from the individuals in the departments in the form of testimony before some particular committee. I want information directly from the mouths of those who know the problems of this department. I must know more about this matter before I can intelligently cast a vote one way or the other.

That is all the Senator from Illinois is interested in. I want to be right upon this question, because I consider it a most important question from many angles, including the safety of air passengers and the national defense.

Mr. McCARRAN. I think the Senator has overlooked one thing in his statement, in which he says there is no evidence before the Senate or before him on this matter. There is, if the Senator will consider it, nearly 13 months of active work on the part of this agency, which work has been done with 100-percent efficiency.

Mr. LUCAS. I appreciate that statement made by the Senator; and there cannot be any question but that those who are now considering the matter must give it a considerable amount of weight. That is one of the reasons why I say it is difficult for me to understand, under all the circumstances and all the facts that have existed since this Board has been in operation, why the reorganization order is requested at this particular time. If there is something in the background that is more vital to the country than the continued safety of these men, I am one who wants to know about it; and I sincerely hope that in some way, somehow, the individuals who know about the basic and fundamental things now existing in the Civil Aeronautics Board shall divulge the information to a proper committee.

Mr. McCARRAN. Will tell why it should be changed?

Mr. LUCAS. That is correct. I think we are entitled to know that, and I think the Senator will agree with me that we are entitled to know it.

Mr. McCARRAN. I think so. I have tried to find out.

Mr. BARKLEY. Mr. President, will the Senator yield at that point for a question?

Mr. McCARRAN. Yes.

Mr. BARKLEY. Reference has frequently been made to a fact of which we all are proud, and which makes us happy—that there have been no fatal airplane accidents within the past 13 months. Nobody can tell, of course, whether or not

that would have happened under any other circumstances; but, specifically, what has the Air Safety Board done that has prevented such accidents? As I understand, their chief function is to investigate an accident after it happens, and to report the cause, and make recommendations as to how similar accidents may be prevented. Can the Senator tell how many accidents have been investigated by the Board since its creation?

Mr. McCARRAN. I am speaking now from memory. I may be wrong, and, if so, I should want to correct myself. I read a statement that in the neighborhood of 200 accidents had been investigated, as I recall. I may be wrong in regard to the number.

Mr. BARKLEY. Those accidents did not occur on the regular passenger-line airplanes.

Mr. McCARRAN. No.

Mr. BARKLEY. Does the Air Safety Board investigate every accident, even an accident which occurs to some private blimp, or to a little airplane with one engine operated by a citizen simply for his pleasure?

Mr. McCARRAN. The reason for such an investigation is that every blimp and every plane that is flown out of a public field is either a menace to that field or is an agency which must be considered in that field because it flies the same atmosphere with passenger planes.

Mr. BARKLEY. I understand that, and I am not complaining because they do that; I am merely stating as my understanding that it is their duty to investigate all airplane accidents, whether they occur on regular planes which are common carriers, or whether the accident occurs on a plane which I might operate, or the Senator might operate, if either one of us could operate one, which neither of us can. What have they done specifically, after investigating airplane accidents, to prevent accidents? I might further ask, Has the Air Safety Board itself agreed unanimously in its reports as to the causes of accidents which have been investigated, and the remedies which should be adopted to prevent accidents?

Mr. McCARRAN. I am advised that, for a time, when a certain individual was a member of the Board, there was disagreement. I am advised that following his resignation, and its acceptance by the President and his transfer to another place, there has been absolutely no fundamental disagreement.

Mr. BARKLEY. When was that?

Mr. McCARRAN. I have not the time in mind.

Mr. BARKLEY. There is one other matter about which I should like to have the Senator give us some information if he can. The statement has been made that when an accident has occurred the Air Safety Board would send someone, some member of the Board, to make an investigation, that the Administrator also would go in a plane furnished by the Government and make his investigation, that some member of the Board of five would go, and that from three different directions the accident would be investigated, and separate reports would be made and separate recommendations made with respect to it. Can the Senator enlighten us about that?

Mr. McCARRAN. I know of no such procedure, although such a course could be followed, and in my judgment there would be nothing wrong in it.

Mr. BARKLEY. All of which, if it be true, lends substance to the complaint that there has been dissension among the three separate organizations forming the Aeronautic set-up, a board of five, which I thought we were creating with supreme power to make regulations governing aviation activities; the Administrator, who, I understand, took the position that he really was the chief officer of the whole outfit, and therefore the others were advisory to him; and the Air Safety Board, whose functions are limited to the investigation of accidents, and who are without authority to make regulations for the operation of airplanes, that authority being lodged in the board of five.

Mr. McCARRAN. Mr. President, it is largely conjecture on my part, but there may have been a time, there naturally would have been a time, after the set-up was first completed, when men in important places were seeking to determine what their powers and duties were under the law. Any new agency set-up would naturally pass through such a preliminary period. During that time it may have been true—I do not say that it was, because I have nothing to support such a statement—that one, say, for instance, the Administrator, thought that he was the top. It may have been true that someone on the Board thought that he occupied the top place. But those troubles have long since passed out of the picture.

Mr. BARKLEY. As to whether the situation has developed according to the Senator's statement, there still seems to be a question, although I am sure he is sincere in thinking it has.

Mr. McCARRAN. One thing is certain, if I may interrupt the Senator, that through it all, if there were dissensions, as would naturally be the case, the one great vital thing that was sought to be accomplished was accomplished, namely, safety to pilots and the public.

Mr. BARKLEY. I imagined that the efficiency and the training and the alertness of the pilots themselves contributed as much, if not more, to the safety of navigation in the air as anything any board in Washington would do to control the operations of the planes. It may be that the question of the release of a plane from a certain airport when the ceiling is low and clouds are heavy might make a contribution to safety; but, after all, it seems to me that the pilots are entitled to as much credit as is any board for the safe operation of planes in the last year or so.

Mr. McCARRAN. I concede that the pilots of this country are most efficient, but they are here today, Mr. President, very much in evidence, begging to be permitted to continue under the authority which has had control of this industry for a year.

Mr. CLARK of Missouri. Mr. President——

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Does the Senator from Nevada yield to the Senator from Missouri?

Mr. McCARRAN. I yield.

Mr. CLARK of Missouri. I should like to suggest to the Senator from Kentucky that all the skill and all the courage and all the self-abnegation of the pilots, which were as great then as they are now, did not protect their lives and the lives of the passengers when they were under a bureau in the Department of Commerce.

Mr. BARKLEY. Of course, the same statement might be made of automobile operation or railroad operation. All have gone through periods of development. I am not now arguing the merits of the proposal; but I think we make a mistake when we say that the 13 months' operation of passenger planes without an accident is due to the Safety Board, without giving the pilots the credit due them for greater skill and operation, and for greater knowledge of all the factors which enter into the operation of airplanes, credit which it seems to me at least some have been willing to accord them. I accord the greater portion of the credit for this record to the airplane pilots.

Mr. CLARK of Missouri. If the Senator from Nevada will yield further, I certainly would not in any way detract from the great credit due those men who go up in the air day after day with their own lives and the lives of their passengers in their hands, but I put the shoe on the other foot, and I say that before the present set-up was created the lives of a great many people were lost because of bureaucratic failure when this activity was under a bureau of the Department of Commerce, and anyone who will read the record of the testimony before the Copeland committee will come to the same inescapable conclusion.

Mr. BARKLEY. Of course, that leads to the suggestion, that, as I think, we all realize, it is easy to conjecture that something would have happened if something else had happened which did not, and it is always easy to say that something else would not have happened if something else had happened which did not, which is all complicated specula-

tion. We do not know that there would have been an accident in this country if the Air Safety Board had not been created, and if Congress, instead of having a hydra-headed organization, with three heads, all of them debating which was the real head, had simply created the Aeronautic Authority itself, and given it supreme authority, without having to divide the authority between an Administrator and the Air Safety Board. But I do not care to prolong the discussion, because I hope that before the end of the week we can get back to the silver bill, which has not been discussed for 2 days. [Laughter.]

Mr. CLARK of Idaho. Mr. President, if the Senator had gone to an airport to take a plane for Louisville or New York before the Civil Aeronautics Authority and the Air Safety Board and the Administrator were provided for, he would probably have found two or three competing lines, at any of the large airports of the country, flying planes to Louisville or New York at approximately the same time. When the weather was doubtful, there was much competition between the lines, and one line would hold its planes waiting to see whether the other lines were going to fly. To give one very flagrant example of chance-taking, if the other lines canceled their flights, one line would pick up their passengers. The pilot might get through. At that time, although the airlines allowed the pilots to exercise a certain amount of discretion, nevertheless they were supposed to earn their money, and were supposed to fly. Then the Air Safety Board was created, whose duty it was to make investigations and recommendations when there were accidents, and to recommend to the Administrator and the Authority what ought to be done.

As a result of the investigations made by the Air Safety Board into the practices which have been cited, and many others, the Civil Aeronautics Authority issued an order to the air lines that when one line canceled a flight because of bad or uncertain weather every other line operating an airplane from the same airport also had to cancel its flights.

Mr. LEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEE. Has the Senator from Nevada yielded the floor?

Mr. McCARRAN. I have yielded the floor.

Mr. CLARK of Idaho. I have concluded, anyway.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma.

Mr. BARKLEY. Mr. President, I should like to make one observation.

Mr. LEE. I yield.

Mr. BARKLEY. I should like to make an observation regarding what the Senator from Idaho has said about my going to Louisville or New York, as I did numbers of times before the Civil Aeronautics Act was passed. That raises a question whether the Department of Commerce, which has come in for so much criticism—and I am not defending what happened—had the authority to order that either one or both lines should cancel flights, and if it had no such authority, what could they have done about it? I doubt whether they had the authority which we later gave to the Air Safety Board, and if we did not confer such authority upon the Department of Commerce, was it the fault of the Department of Commerce or was it the fault of Congress that we did not give them sufficient authority to do what the Board would naturally do with regard to cancelation of flights?

Mr. CLARK of Idaho. The Senator was arguing that the Air Safety Board had done little to contribute to safety, and I was giving an illustration.

Mr. BARKLEY. No; I was asking as to what they had done.

Mr. CLARK of Idaho. That is one thing they have done.

Mr. BARKLEY. That was something the Department had no authority to do until we created the Air Safety Board.

THE IMPORTANCE OF THE HORSE TO NATIONAL DEFENSE

Mr. CHAVEZ. Mr. President, will the Senator from Oklahoma yield to me to make a short statement?

Mr. LEE. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I plan to take but a few minutes of the time of the Senate to speak on a subject of paramount importance concerning our national defense.

I received a letter recently from a good friend and one of the most outstanding and respected citizens of New Mexico, former Lt. Gov. Hiram A. Dow, of Roswell, N. Mex. The theme of Mr. Dow's letter is the importance of the horse in our national defense. Because of the timeliness of the letter, and out of respect for the argument raised by a practical and successful man, who was born and raised in the horse country and knows what he is talking about, I asked and secured permission from its author that the letter might appear in the permanent records of this body.

I send Mr. Dow's letter to the desk and ask that it be read.

The PRESIDING OFFICER. The clerk will read.

The legislative clerk read as follows:

HERVEY, DOW, HILL & HINKLE,
Roswell, N. Mex., April 22, 1940.

Hon. DENNIS CHAVEZ,
United States Senator, Washington, D. C.

MY DEAR SENATOR: I desire to address you upon a subject which I consider to be of vital interest to western people in particular and to all people in general.

It seems that a constant effort is being made to do away, almost entirely, with the horse cavalry. I would appreciate it if you would take the time to confer with the present Chief of Cavalry, General Herr. It seems to me that the horse cavalry should be maintained at full strength and augmented by the mechanized units. That the mechanized units should be allowed to recruit its own men outside the cavalry and beyond the regular cavalry strength. At present men to man the motor equipment must be assigned from the regular cavalry forces. Should this continue, the horse cavalry will be completely done away with. General Herr is taking a stand against this.

It takes years to train men as horsemen, and recruits suitable for the mechanized units should be plentiful and can be found in machine shops galore. Of course, you and I know that one who has come to understand and love a horse cannot be surpassed as a fighter. We cannot wonder at the clamor for cavalrymen with which to supply men in all the other units and branches of the Army. We could offer no valid objection if our entire Army personnel should be required to first serve a number of years in the Cavalry. Such service would certainly supply necessary stamina. However, that seems beyond anything we could ever hope for. Nevertheless, I trust that you will put forth every effort and use every means at your command to see to it that the horse Cavalry is not reduced in number of men or animals.

Only recently the adjutant general of New Mexico, acting in collaboration with the National Guard Bureau, has transformed the New Mexico Cavalry regiment into an antiaircraft outfit. I think this a most unfortunate move. The reason for this seems to have been that New Mexico forces would have lost their identity in event of mobilization. I think it rather a lame excuse for a change of such momentous import to our State and to the country. (By the way, the National Guard is becoming quite "cocky" in regard to its "standing" in relation to the Army. The guard is getting good, which is fine and as it should be, but I still believe in Congress giving our standing Army a chance to occupy its proper sphere, and Congress should not let it be relegated to the background even by our efficient and necessary National Guard.)

The Western States, in particular, will experience great economic harm if the horse cavalry is not kept up to its allotted strength, and it is most unfortunate that we have so few people of sufficient vision to realize the great value of horse cavalry in a vast open country like our own. This attitude on the part of some might eventually lead to doing away with one of the finest services the country is now receiving from the United States Government—the Army remount breeding plan. This plan has been a great boon to western stockmen and to the country—to agriculture, if you please. It may be that this "eating away of the Cavalry" is partly the result of lobbyists representing the motor industry. Watch out for that. The present Chief of Cavalry, before the subcommittee of the House Appropriations Committee, strongly defended the need for horse cavalry in conjunction with our fighting units. He also made an extended statement as to the need for a larger training area for Cavalry forces—recommended an area in New Mexico and Texas for this very purpose. We have, as you know, the finest Cavalry proving ground in the world. If this Cavalry training area can become an established fact, maybe then we can have in New Mexico a large number of Cavalry units permanent "homed." It will then be easier to augment our National Guard set-up with additional units of Cavalry because of the need of such auxiliary forces to the Regular Army and of the availability of training location.

I feel deeply on this subject and I think it merits your thought and attention, looking to an early correction of a condition that is literally "raising hell" with one of the finest and certainly the most colorful branch of our Army.

You know, Senator, that from the standpoint of what some may call sentiment, there is much that could be said, and, remember,

its love of country, fired by deep-seated sentiment, that furnishes our Army its fighting morale, and that also provides purchasers for Liberty bonds, etc. I do not care to see the horse cavalry even diminished by mechanized units, and I am sure that you feel that way about it. Both you and I are given somewhat to this so-called "sentiment." We all know that the rise of civilization began with the domestication of the horse. The pioneering of the Americas by the Conquistadores, described by the illustrous Lummis as "the largest and longest and most marvelous feat of manhood in all history" was accomplished by means of the horse. Nothing could be more patent than the fact that the gradual covering of the earth with man's dominance has its great debt to acknowledge to the animal that made man's travels possible. Throughout the ages the horse has been side by side with man and if the time shall ever come, as some boastingly declare, when the one shall breed away from the other, the puny relic of a once perfect manhood will not live long enough to trace the record of it on the tablet of time.

Far be it from me to attempt to eulogize the horse, for even Aristotle, who enjoyed the privilege of sitting on the top rail of the "big corral" and watching Alexander the Great "uncock" Bucephalus, in a book of a thousand pages, did not say all that could have been said on the subject. Leonardo da Vinci, perhaps the most accomplished, graceful, gracious, efficient, and versatile personality that the world has ever known, made an attempt in that direction. His biographers tell us that Leonardo attributed much of his bubbling perrenial joy in life to his close association with the horse; that he was a horseback rider from boyhood until his 84th year, and that when death, through accident, claimed him, he went out with a smile and wave of the hand, intimating with broken breath that if there were no horses in Paradise, he did not care to go there.

To me the history and record of the horse is as "dazzlingly splendid and as alluringly lovely as the poems of Omar Khayyam." It was centuries ago that the Persians taught their children only "to ride, to shoot, and to tell the truth." I call your attention specifically to the order in which those three virtues are listed. On the subject of the horse one could, it seems to me, write indefinitely, and only at the end of a lifetime feel and say, as Titian did when he lay dying, "Now I am almost ready to begin."

Never did a triumphant warrior live who was not commemorated along with his equally heroic mount. Think of the task of interesting anybody in the biography of Alexander the Great without "Bucephalus"; Napoleon without "Marengo"; Wellington without "Copenhagen"; Washington without "Nelson"; Taylor without "Old Whitney"; Grant without "Cincinnati"; Lee without "Traveler"; Sheridan without "Rienzi"; Stonewall Jackson without "Old Sorrell," or Custer without "Comanche." (Custer's mount was "Dandy," and "Comanche" belonged to Capt. Myles W. Keogh, but "Comanche's" name became inseparable with that of Custer's, "Comanche" being the sole survivor of the Battle of the Little Big Horn.)

We owe to Caroline Ticknor (The Book of Famous Horses) a debt of gratitude for preserving for us various accounts of one of the most famous cavalry horses of all time—"Two-Bits." This horse, the mount of Capt. Charles A. Curtis, originated in New Mexico, around old Fort Craig, on the Rio Grande. Many exploits of master and horse are recounted in Caroline Ticknor's book. "Two-Bits" ended his famed career by braving the Indians and giving his life to carry the mail in safety from Fort Whipple, Ariz., to Santa Fe, N. Mex.

Not so long ago I had the honor of standing beside you at Fort Myer, Va., while we witnessed a colorful exhibition performance of horse-drawn artillery. This drill went on midst the stirring strains of the most thrilling Army song ever written—While the Caissons Go Rolling Along—and it was grand and inspiring. I am wondering if our patriotic emotions would have risen as they did with the band playing against the noisy rumbling of muttering motors.

I hope, Senator, that I have awakened in you a kindred emotion; but, be that as it may, I conclude by expressing the fonder hope that when we join the vast concourse foregathered across the river we will find there the spirit of the horse roaming the broad meadows and drinking from the sweetwater branches; but if for us there be naught but dreamless sleep, may our bones never fail to rattle in ectasy at the roll of phantom hoofbeats.

My sincere regards.

HIRAM M. DOW.

Mr. CHAVEZ. Mr. President, may I infringe on the time of the Senator from Oklahoma [Mr. LEE] for a brief moment longer?

Mr. LEE. Yes, indeed.

Mr. CHAVEZ. Mr. President, it is particularly fitting at this time when the subject of national defense is giving us so much concern, in view of the alarming state of affairs in Europe, that careful attention be given to every branch of the service. Mr. Dow's letter is an exposition on the importance of our mounted Cavalry.

We are at the moment conducting hearings on the Military Establishment bill. We are getting testimony from ranking officers of the Army as to our needs for national defense. Consequently, no effort should be spared to obtain every possible information to guide us so that we may make no mistakes which might jeopardize our national security.

To us in the West the Cavalry seems all important. We are acutely aware of the immensity of our great Nation. I believe we in that section are more familiar with the geographic and topographic nature of the West. Our vast plains, the rough and forbidding badlands, the rocky defiles and tremendous canyons convince us that mounted Cavalry will ever play an important role in their defense; for to strike at the teeming and rich lands and industrial centers of the central and eastern part of the United States from the west, an invader must first go through the West.

We hope and pray that our plains, arroyos, and high mountains may never know the tread of an invader. God forbid that this should ever take place; but if it should, we know that in conjunction with the new arms of the service—the air force and the mechanized units—the Cavalry would play a heroic and important role in the West.

The lesson taught in the recent civil war in Spain, the topography of which is strikingly similar to that of our own Southwest, where General Yague's cavalry won renown in a war of air-bombing and tank attacks, clearly reveals that the horse is still important in modern warfare.

In the West our own history convinces us of this fact beyond argument. It was first conquered and occupied by the Spaniards. The Spanish conquistador said that next to God he owed his success to his horses.

The American occupation of the West was made by men on horseback. Kearney's march to California with the army of occupation was made by Cavalry. Many of our highest ranking officers received their early training in the western campaigns against the Indians. We are told that nowhere in all the wide earth is there a region more suited for horses than the broad expanses of northern Mexico and the western portion of the United States.

Governor Dow, who wrote the letter, comes from the heart of the horse country. He was born and reared on the Chisholm Trail, which, as we all know, is famed in cowboy and western legend. It is a trail that Billy the Kid, Pat Garrett, and Gen. Lew Wallace rode in yesteryear.

The horse is a part and parcel of our history and tradition. We in the West love and respect the horse, and we hope that its historical and strategic importance will not be overlooked in the haste to adopt more modern and attractive implements of war. We need the horse to defend our own terrain.

I thank the Senator from Oklahoma.

Mr. LEE. The Senator is entirely welcome.

NOMINATIONS OF GRADUATES OF UNITED STATES NAVAL ACADEMY

Mr. WALSH. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. WALSH. The President of the United States has today sent to the Senate the nominations of the midshipmen who will graduate from the Naval Academy the first week in June. These nominations represent appointments as second lieutenants in the case of the young men who go to the Marine Corps and as ensigns in the case of those who go into the line of the Navy.

In this connection, for the sake of saving the expense of printing, and also to expedite action, I submit, as in executive session, three unanimous-consent requests:

First. That the nominations be considered without reference to the committee.

Second. That the nominations be confirmed.

Third. That the President be notified.

The PRESIDING OFFICER (Mr. GURNEY in the chair). Is there objection to the several unanimous-consent requests of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

FEDERAL BUREAU OF INVESTIGATION

Mr. CHANDLER. Mr. President, will the Senator from Oklahoma yield to me for the purpose of suggesting the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Kentucky for the purpose of suggesting the absence of a quorum?

Mr. LEE. I yield for that purpose.

Mr. CHANDLER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Lodge	Sheppard
Ashurst	Donahey	Lucas	Shipstead
Austin	Downey	Lundeen	Slattery
Bailey	Ellender	McCarran	Smathers
Bankhead	Frazier	McKellar	Smith
Barbour	Gerry	McNary	Stewart
Barkley	Gillette	Maloney	Taft
Bilbo	Glass	Mead	Thomas, Idaho
Bone	Guffey	Miller	Thomas, Okla.
Brown	Gurney	Minton	Thomas, Utah
Bulow	Hale	Murray	Townsend
Burke	Harrison	Norris	Tydings
Byrd	Hatch	Nye	Vandenberg
Byrnes	Hayden	O'Mahoney	Van Nuys
Capper	Herring	Overton	Wagner
Caraway	Holman	Pittman	Walsh
Chandler	Hughes	Radcliffe	Wheeler
Chavez	Johnson, Calif.	Reed	White
Clark, Idaho	Johnson, Colo.	Reynolds	Wiley
Clark, Mo.	King	Russell	
Connally	La Follette	Schwartz	
Danaher	Lee	Schwellenbach	

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, a quorum is present.

Mr. LEE. Mr. President, I wish to discuss the duties of the Federal Bureau of Investigation with respect to foreign agents in this country.

At the beginning of the present administration crime was rampant in the United States. The activities of kidnapers and racketeers filled the newspapers. One could scarcely pick up a newspaper without reading of a racketeer's gang terrorizing some community; one could scarcely tune in on the radio without hearing of some new kidnaping. Racketeers, with their gangsters and mob violence, ruled in the large cities like czars.

The President took cognizance of the situation, and Attorney General Cummings prepared seven bills, which the Congress subsequently passed, giving more power to the G-men to eliminate crime in this country. Up until that time the advantage had all been on the side of the gangster. The Federal officer had to take all the chances of life; he had to endanger his own life before he could act. All the laws pertaining to the situation seemed to be drawn to help the gangsters. The laws were not so drawn, of course, but the gangsters were smart; they were shrewd; and they took advantage of the legal situation. So Attorney General Cummings prepared the seven bills and asked Congress to act on them. Congress did so, and gave more power to the Federal officers to run down the racketeers and to stop crime in this country.

The names in some of the headlines of that day will recall to us the stories of crime; but when the G-men swung into full action, under the new power granted them by the acts of Congress, they made the name of the Federal agent and the Federal officer poison to the gangster and the criminal. Pretty Boy Floyd, Baby Face Nelson, Dillinger, Machine Gun Kelly, Bates, Bailey, Bruno Hauptmann are only some of the headliners that the Federal agents destroyed, and when they destroyed one of those gangsters they usually broke the backbone of his ring, until today we have a reasonable degree of protection because of the fearlessness of the Federal officers, and because they have carried out the wishes of the people of this country to eliminate the criminal and the gangster. They had to use different methods and different devices, but, finally, when Congress authorized them to use some of the methods of natural defense which they had a right to have on their side, so they would be, at least, on an equal footing with the gangster and the racketeer, they drove crime to cover in this country. Never in the history of the United States has there been such an unmitigated drive on crime as has occurred during the present administration until today the name of the G-man makes the criminal tremble in his hide-out, and the Federal agent has become poison to the gangster and the racketeer.

Mr. President, I do not approve of third-degree methods, and I say that we must all, of course, guard against the infringement of civil liberties to the *n*th degree; but, at the same time, we must guard the general welfare of our country, and we must not, in our efforts on one side, limit the Federal officer too much in his efforts to perform his duty. He may make mistakes; he is only a human being; there is no doubt he has made mistakes; but there is another phase of the G-man's duty and of the duty of the Federal Bureau of Investigation today, and that is to run down the agents of foreign countries who are in the United States.

A nation and a government have different obligations under different circumstances. For instance, when all the world is at peace we can then relax our vigilance perhaps to a greater degree than when danger is threatening from every side. I know, too, it is true that in times of national distress and national danger sometimes we lose sight of the importance of preserving those personal guarantees of civil liberty. That I know is a danger. I believe it was Daniel Webster, or, at least, one of the great statesmen of America, who warned against that when he pointed out that in times of national crises it is necessary sometimes temporarily to surrender those personal liberties, but he also warned that with the coming of security we should hasten to restore those safeguards. That is good advice to us today; but I wish to point out that while the United States is not at war, about two-thirds of the earth is blazing with war today, and, with the modern inventions, with the modern fast means of transportation, with almost simultaneous news flashes on the radio, the wireless, and the telegraph, we are in a different situation than if we were isolated, as was true many years ago. Therefore, while we are not now at war, there are dangers to which we should certainly be alert and which I think might argue a little bit for forgiveness if our Federal officers, in their diligence to trail down foreign agents, occasionally overstep the bounds of civil liberties. I think it is wholesome that their attention be called to it. I think the words spoken yesterday by the Senator from Nebraska [Mr. NORRIS] will have a wholesome effect in sounding the danger of transgressing beyond the civil-liberties line; but there are other things, good things, along with what has been said, to which attention should be called in support of the Federal Bureau of Investigation, which has been assigned an important task.

Today, with various nations collapsing because they have been undermined by foreign agents, am I an alarmist if I say that vigilance is still the price of liberty? Am I an alarmist if I raise a cautioning hand and say that we should encourage the F. B. I. to smell out and hound down the foreign agents in this country who are doing their best to undermine, honeycomb, and destroy the foundations of our Government? I believe not. I think it is a different situation which we confront today.

I was in Uncle Sam's Army during the war. I realize that the representatives of the F. B. I. perhaps came at an inconvenient hour when they woke, so early in the morning, some of the persons they were to investigate. Perhaps they were disturbed; but while I was in the Army I was aroused that early every morning and was subjected to a number of inconveniences to which I do not have to submit in peacetime, but to which I then submitted perfectly willingly, because a crisis was confronted. A different situation prevailed, and the usual guarantees of personal liberty which exist in peacetimes, when there is no crisis, could not then be enjoyed.

The first night I spent in Camp Cody, N. Mex., I slept on the ground. The Senator from New Mexico [Mr. HATCH] suggests it was good ground. It was. It was soft, sandy ground, and it was warm, because the sun had been shining on it all day. The next morning I reported the fact to the sergeant, and the sergeant looked very serious, and said, "Well, now, that is just too bad. Uncle Sam has been disgraced. You had to sleep on the ground." I caught the spirit of it, and I saw that it was not any disgrace; that we

were at war and the situation was a different one, and I continued to sleep on the ground. On several nights after that I would have been glad to have had that bed on the soft, warm sand of New Mexico.

Then the next morning I was routed out seemingly before I had gone to bed. I know it is a little embarrassing for an investigator to require a fellow to strip off his clothes. The military authorities made me strip mine off that morning; they made me strip mine off several times. They cut my hair short, and made me rub kerosene in it. They made me strip naked and turn my clothes over to them, and they put those clothes in a delouser, and they shot steam through them; and they made me get under a shower bath, and about the time I got soap all over me they turned the water off and made me go on out.

It may have been embarrassing for the man in Detroit who was being investigated to have to put on a pair of pants that did not match the suit of clothes he was wearing. In civilian times, as I said a while ago, those are things we want to guard against; but when the Army authorities took away my civilian pants they gave me a pair of pants that would have fitted the guard outside the Senate Chamber, who, I believe, is about 7 feet tall. I had to put them on, and I had to wear them. I did not feel comfortable. I had on a blouse that matched them, but it was too long. I do not remember whether the clothes shrank or whether I grew, or whether I traded them off; but the incident illustrates the fact that I was then in a different situation and I was willing to accept a temporary suspension of rights I would have had under other circumstances, because of the seriousness of the situation.

During the war we suspended the Constitution itself, not once but many times. The Constitution says that involuntary servitude shall not exist in the United States, and yet in every one of the draft resisters' cases the Supreme Court, when it acted upon the case, held that there was a temporary suspension of the rights guaranteed under the Constitution, but the Nation was at war, and a different set of circumstances prevailed.

The soldier was deprived of his right of free speech in the Army. He was deprived of his right to write freely home. His letters were censored. He was deprived of his liberty. No one questioned that. We are not at war today; but the situation surrounding the United States and in the world is of a serious nature, and I think might cause us to forgive what we might not be willing to forgive under some other circumstances.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. SCHWELLENBACH. Accepting the Senator's argument that in time of war certain changes in conditions are necessary, is it not true that there can be no blending of war and peace conditions?

We had our difficulties after the war, when a number of persons were deprived of their liberties, even though war had ceased, merely because a number of prosecuting officers thought there was a blending of war and peace conditions or a gradual change from one to the other. Can we be going up an incline toward that sort of a position when we are not at war?

I will say frankly that I do not know. I have not been able to come to any conclusion about this argument in regard to the F. B. I. and Mr. Hoover, and I do not want my remarks to indicate that I have; but when the Senator argues that during time of peace, merely because there is war at other places in the world, we should begin destroying civil liberties, and bases his argument on the fact that during wartime it is necessary for military purposes to take extraordinary steps, I think the Senator clearly misunderstands the situation.

Mr. LEE. I wish the Senator would not put words in my mouth. I think perhaps the Senator was not in the Chamber when I laid the predicate for what I have said.

Mr. SCHWELLENBACH. I have been here ever since the Senator from Oklahoma began his remarks.

Mr. LEE. I find myself in complete agreement with the Senator from Washington. I think he has used a fine phrase that helps us. There should not be a blending, that is true; and I even went so far as to say that I did not wish what I said to be taken necessarily in condonement of the record pointed out by the Senator from Nebraska. I do say, however, that we cannot say to our Federal officers, "Retrench, now." They have a difficult task, they are dealing with rough people, and they may make mistakes.

In the testimony which I heard yesterday, so far as I noticed, the only instance of rough handling was when a man was pushed down in a chair and another was pushed away from a telephone. Those may have been slight infractions of a man's civil liberty. I do not know. But the offense was not serious, as I see the matter. The agents were trying to run down some Communists. I do not care to split hairs on this matter. I am sure the Senator will not find me in disagreement with him on that subject, but I am laying the predicate here for some things I desire to say.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Nebraska?

Mr. LEE. I yield.

Mr. NORRIS. The Senator has just stated that nothing severe was done.

Mr. LEE. I said there was nothing severe in the part of the testimony I heard.

Mr. NORRIS. Yes. A man or a woman was pushed away from the telephone. That in and of itself was not very severe. A man was handcuffed. One might say he was not injured, and, after all, the handcuffs were finally taken off. But assuming, as I think we have a right to assume, that a man had a right to call his attorney on the telephone, he would have a right to resist any opposition offered to his talking over the telephone, and when he was pushed away and denied that right, which, after all, I think, is rather an important right in the protection of civil liberty, the reason why there was no trouble was because he submitted to the rule of the officer who prevented him from using the telephone. Does not the Senator think that the credit for avoiding a difficulty in that instance should go to the prisoner, and not to the F. B. I. agent?

Mr. LEE. I would have to agree with the Senator in that respect and I go further and state that I agree with the Senator that a refusal to allow any individual the right of counsel is certainly an infringement of civil liberty, and I do not mean to be put on record as supporting a denial of that right.

Mr. President, I am pointing out something which I think is important. The Senator from Washington says there can be no blending, and I agree with him in that, but I contend that circumstances should make a difference in the degree of our vigilance, and also in the vigor with which our officers press their work, within the limits of the law, certainly so long as we are under civil law. Of course, if we were at war, there would be military law, but the point I am making is that we should not ask at this time for a retrenchment on the part of the F. B. I., but rather there should be an encouragement for them to continue their work in finding the agents of subversive activities, and the agents of foreign governments operating in this country.

Mr. NORRIS. Mr. President, may I interrupt the Senator again?

Mr. LEE. Certainly.

Mr. NORRIS. I do not believe there is any disagreement between the Senator and me.

Mr. LEE. I do not think so.

Mr. NORRIS. The Senator has just used the expression that instead of criticizing we ought to be encouraging the F. B. I. Does the Senator believe that we should encourage them in their denial of the ordinary rights of people who are charged with an offense but not found guilty?

Mr. LEE. No, indeed, and I think I added the phrase "within the civil law." Certainly we should not encourage them to go beyond that and violate civil liberty. There

would be no point in fighting for liberty on one side merely to be surrendering it on the other. I believe that we should encourage the F. B. I. to press with more vigor, within the law, of course, in guarding the rights of citizens. I may say here, too, that our love of liberty, which I hope we will always have, and our love of civil rights, which I hope we will always have, and our reverence for the individual's rights, have been the means through which the agents of foreign countries have operated. They have capitalized on those things. They are capitalizing on them today. They take advantage of us because of those things.

I would not have it different. I merely wish to point out the condition. To have it different would be to argue against that which I believe in most heartily, namely, our civil liberties. But I realize, as I think every student of political science realizes, that when any nation approaches a crisis there must be a temporary surrender of certain liberties in return for increased efficiency on the part of the Government. During the World War it was said that Woodrow Wilson had more power than had the Kaiser of Germany, but immediately when the danger had passed there was a return of all civil liberties; and there must be no invasion of them.

Today in the United States there is a situation which it is difficult for our people to comprehend, for the reason that we have been safe, we might say, for 150 years, and we have the complacent feeling that "it can't happen here."

There are two types of people who are dangerous to a nation. One is the alarmist, who shouts on every occasion, "Wolf, wolf," when there is no wolf; and the other, who is equally dangerous, is the man who would put people to sleep by making fun of anyone who would point to an approaching danger or raise what might be a danger signal.

Delilah was as much an enemy of Samson when she put him to sleep as were the Philistines who pounced upon him when he was asleep. I think it is unpatriotic to say to our people, either by action or word, "Oh, there is nothing to it; there are no foreign agents; there are no Communists; there are no Nazis in this country." I think it would be as bad to take the other side, and become an alarmist to an exaggerated degree, so that the people would become excited beyond any need.

I wish to read two articles which apply here. One is from Santa Barbara, Calif., under an Associated Press headline, dated April 26, as follows:

COMMUNIST TROUBLES ALONG TEXAS-MEXICO BORDER ARE HINTED

SANTA BARBARA, Calif., April 26.—Danger of possible Communist-fostered trouble exists along the Texas-Mexico border and possibly along the California border, Sheriff Chris Fox, of El Paso County, Tex., has warned. Addressing the California State Sheriffs' Association Convention, Fox said a "serious condition" faces the Mexican-border country from Brownsville, Tex., to San Ysidro, Calif.

Fox declared the Mexico Congress group, which he described as a communistic-front organization, has paid organizers who are banding together the Mexican nationals who have resided in the United States for many years.

"I recognize this as a communistic movement of the most vicious kind," said the Texan. "I am uninformed as to whether the movement has extended into California, but I advise you sheriffs to keep your eyes open."

Now I wish to read into the RECORD an article by Leon Pearson, appearing this morning in the Washington Times-Herald under the heading "Unrest Growing in Mexico; Anti-Cardenas Revolt Feared."

On a spring morning like this one, 26 years ago, President Woodrow Wilson was wakened before dawn by William J. Bryan, his Secretary of State. The trouble was not with Europe, but with Mexico. Bryan announced that the German steamship *Ypiranga* was due to arrive in Vera Cruz that morning bearing 200 machine guns and 15,000,000 rounds of ammunition for General Huerta.

Wilson acted at once. He sent orders to Josephus Daniels, Secretary of the Navy, to "take Vera Cruz at once." Daniels carried out the orders at a cost of 200 Mexican lives. The Mexican port came into United States possession, and 2 months later General Obregon, favored by Wilson, made a triumphal entry into Mexico City.

Joining the Obregon forces was a cavalry unit commanded by a young man named Lazaro Cardenas. Daniels and Cardenas are in Mexico today, the one as United States Ambassador, the other as President of the Republic. And, according to reports which Daniels is sending to Washington, the elements of revolution, subversion, and unrest are stirring again, as they were 26 years ago.

For once, a charge by "red" baiter MARTIN DIES has been received without rebuttal at the executive end of the Avenue. DIES declared that Mexico was being overrun with Nazi and Soviet agents fomenting disorder. State Department officials declined to be quoted, but admitted that DIES, this time, was not scaremongering. Their own reports indicated the same thing.

Outside the State Department, and perfectly willing to be quoted, is Frank P. Lyons, former president of the New Hampshire Manufacturers' Association, who has spent the past 5 years in Mexico. Lyons says:

"Things in Mexico now are leading to revolution with agitation carried on by both Communist and Nazi agents. Cardenas will be obliged to declare a national emergency, set aside the July elections, and restore order with an iron hand.

"There will be a demand for us to put troops in Mexico to assist Cardenas in breaking the revolt. It will be a second Spanish civil war, and our interventionists, if we make it, will be used by the Germans and Russians as an alibi to continue their plunder of the neutral countries of Europe."

BOB REYNOLDS shouted in the Senate on Monday that Mexico, in return for good-neighbor favors, "has kicked us in the pants." Representative DEWEY SHORT, of Missouri, denounced Mexico's expropriation policy as "piracy" and recommended "economic force" by way of reprisal.

Representative THOMAS HENNINGS, of Missouri, delivered a speech in the House last week about the "spoliation of American citizens by the Government of Mexico," and urged passage of his bill to stage a congressional investigation of Mexican foreign policy.

If Germany is sending spies, saboteurs, or agents of subversion to Mexico today, it would be only a parallel to their action in the period of 1914 to 1918, when German agents made Mexico a seat of operations, directed first from Washington, then from the German Legation in Mexico City.

It was from Mexico that the major operations of Lothar Witzke were carried on, the only German spy who was condemned to death in the United States during the World War. The story of this agent of many aliases is told in dramatic and authenticated form by Capt. Henry Landau in his book, The Enemy Within.

Crossing frequently the border between Mexico and the United States, Witzke developed a plan to cause disorder in this country. In cooperation with the I. W. W., he planned, to use his own words, "to carry out a resolution calling for an uprising of the Negroes, strikes, the blowing up of mines, industrial plants, railroads, bridges, and telephone and telegraph systems."

In August 1918, Witzke was arrested and brought to the military headquarters at Fort Sam Houston, Tex., to face a military commission. At the end of these deliberations, he was sentenced to be hanged by the neck until dead.

But he was never hanged. President Wilson, May 1920, commuted his sentence to life imprisonment, and in 1923, as part of the general release of war spies, Wiltzke was set free.

Mr. President, on the first anniversary following the armistice that terminated the World War, at Centralia, Wash., a group of American soldiers who had just returned from France were parading for the home folks. They were marching, proud of the glory they had earned, as they had a right to do. As the parade passed the I. W. W. headquarters three shots rang out, and two American soldiers fell in the streets of their home town, shot by certain anarchists or Communists from the I. W. W. headquarters, all a part of the general disturbances referred to in the article from which I have read to bring America under the domination of communism. To finish that particular story and point to what I am saying, what did the ex-service men's organization of that city, the American Legion do? Did they drag those anarchists and murderers out and hang them, as no doubt they deserved? No. They threw a double guard around that building and around the jail when the prisoners were taken to jail, and they said to the mob and crowd that gathered, thirsting for the blood of the murderers, "No; we have fought for law and order; we have fought for trial by jury, and these men, whether they deserve it or not, shall have a fair trial." That represents my sentiment with respect to civil liberties in this country. But I wish to add, that in a time such as this, when nations are being undermined and overthrown from within, we should renew our vigilance and our diligence in supporting the only organization we now have capable of finding out about the Communists and the Nazis in the United States.

During wartime we have a military intelligence division and a navy intelligence division, which have many employees working all the time; but now, while we have these divisions, they are merely skeletons; they do not have any men in the field at all. They meet once a week in cooperation with the F. B. I. Today the F. B. A.—the Federal Bureau of Investigation—and the men they send out to trail

down the foreign agents in this country, is the only organization that stands between us and subversion by agents of foreign governments. I wish to encourage them in their efforts to smell out and hound down such foreign agents in order to make us secure from within as well as from without.

Mr. President, on the 25th day of July 1934 the Government of Austria woke up feeling secure, and the people of Austria went about their business as usual. There had been some little "brown shirt" disturbances, but the people thought nothing of it. The Nazis themselves quieted any uneasiness by saying, "Oh, there is nothing to this; just a bunch of wild-haired Communists," and thus put the people to sleep. One hundred and forty-seven Nazi agents, disguised in different ways, approached and entered the capitol and then barred the doors, and 147 Nazi agents on the inside of the capitol of the nation of Austria overthrew that Government.

At the same time eight Nazis armed with pistols went to the national broadcasting headquarters, took it over, held at bay the police, and, with a gun at his head, forced the announcer to announce to the nation that the Austrian Government, under Dolfuss, had fallen; that Dolfuss has resigned, and Anton Rintelen, who had been Ambassador to Italy, had taken his place as head of the government. In the meantime four or five Nazi agents went into the office of Dolfuss, who was then the head of the Austrian Government, and who was called a strong little man, and shot him. The bullet had gone through his neck and part of his head but did not kill him immediately, so he started running and crying for "help, help." His voice died out in a bubble of blood; he fell in his own capitol, though the capitol was surrounded by his own men. He had a strong army, but his own general was a prisoner with him, and 147 Nazi spies, working on the inside, took control, while the people went about their business and did not know until 5 o'clock that evening that Dolfuss had been killed.

I realize that it is easy for those who would discount reports of today to say, "Oh, somebody has found a bogey man." That is the most destructive and deadly antidote to a man who would flash a signal, because ridicule is deadly; no one likes to be ridiculed; but, in spite of it, some few will flash a signal today.

When we see the things happen and know they happen the prudent man takes cognizance of them. When I see the fig tree put forth her leaves, I know spring has come, and when I see nations fall from within, as a result of a handful of spies, I know it may also happen here.

The Russian Army fighting on the front found that their shells were loaded with paper instead of with lead. The Russian Army then threw down its arms and walked out, undermined from within; and it is reported that when the Communist Party took over Russia they represented less than 10 percent of the people of Russia. Of course, the reason it was easy for the Communists to move in was the unhappy economic condition as a result of the Czarist regime, and so the Communists, with a small underground network of spies, organized and overthrew that Government.

Do you suppose, Mr. President, that the people of Norway, the day before their Government fell, could have been made to realize that the foundations of their Government had been destroyed and that they were in danger? They went to sleep that night peaceful, happy, and ignorant. I am not talking about mythology. I am not talking about the wooden horse of the Trojan days. I am talking about an event in current history which happened less than a month ago, I believe. When they woke up and saw columns of Nazi soldiers marching into their city, can you, Mr. President, imagine their surprise and how helpless they felt? The few soldiers or officers who had not betrayed their country and had no knowledge of its betrayal received messages from superior officers telling them to surrender or to vacate. The sailors on one ship received orders telling them to go ashore and leave their guns on the ship. Can you imagine the helpless feeling that Dolfuss had when he called for his guards and they could not hear him; when he turned to his officers and found he had been betrayed? Can you imagine the feeling the Norwegian people had when they looked to the army and the coast guard to defend them, and the coast-defense cannons they had paid for out of their pockets to defend them were not only not firing against the enemy but were in the hands of the enemy, turned upon their own men, all by a seductive betrayal method of overthrowing the Government?

Hitler has been quoted as saying that he does not follow his generals, because generals want to fight like knights of old and win battles on fields of honor; but he says, "My soldiers will suddenly appear in the streets of their capitals, and no one shall stop them." It happened in Austria. It happened in Norway. Who can say today that it will not happen in Mexico?

What is the most vulnerable point from America's point of view today? Is it the oceans? No. Is our most vulnerable place from the north? I think not. Our most vulnerable position is from the south—the Latin American countries, particularly Mexico. The article which I have just read shows that during the World War the Mexican Government was at least sympathetic with Germany. There were many sympathizers for the Germans in Mexico. Today, according to information I have received, Mexico is overrun with Nazi agents. I talked not long ago to a friend who had just returned from Mexico. He said he saw with his own eyes German officers in command of Mexican troops.

Let me ask, At what point should the Government of the United States concern itself with activities in Mexico? Suppose Nazi and Communist agents who are working hand in glove in the Mexican situation should join one side of a revolution there—and revolutions are not exceptional in Mexico—and then, by virtue of having joined with one side, should find themselves in control of the Mexican Government, as they did in Spain when the Nazis and the Fascists joined hands and overthrew the government then in power. Between 6,000 and 10,000 Communists have been shipped into Mexico. Many of them are following peaceful pursuits as farmers, but many others are very active Communist agents. I do not believe it is an accident that Trotzky is now in Mexico. It does not make sense. Joseph Stalin—whose real name is not Stalin, but he got that name because it is a word that means steel, he is so hard—Joseph Stalin does not exile his political enemies; he liquidates them. I do not believe it is accidental that Trotzky is in Mexico. What should our Government do? Should we proceed, ostrich fashion, and say that there is nothing to fear? I do not think there is anything to be greatly alarmed about, but I certainly think there is enough for us to encourage the F. B. I. to continue its efforts to smell out foreign agents in this country and find out what they are doing, especially since we have no other means of getting information of that kind.

The Dies committee is not a bureau of agents, an intelligence bureau. It is a committee which can only investigate and give publicity to subversive activities in this country. Therefore, the F. B. I. is the only means we have of securing information of the activities of foreign agents in America. I believe the American Government should concern itself with internal activities in Mexico, or any other Latin American country, which affects us. The trouble is in determining at what point we should take action, or what action we should take; but certainly I do not believe we should sit complacently and see the Mexican Government taken into the hands of Nazi and Communist agents to be used as a base right under our nose. We know the Communists and the Nazis are unfriendly to us; and why should we continue appearing not to see what is very obvious?

As was done in the overthrow of Austria by taking over the radio, we already have evidence that the Communists are placing Communist agents in the radio stations, and as radio operators on the merchant marine of the United States.

There are those who say, "Well, the Communist Party is merely another political party"; but is it? I do not believe it is, because a member of the Communist Party is more in the position of a member of some secret order to which he has taken a blood oath that he will surrender his life, if

necessary, for its ideals and purposes. Members of the Republican and Democratic Parties do not have the same relation with their party. In the case of the Democratic and Republican Parties and other political parties, they are simply groups or segments of the American people who share a general political belief; but it is different with the Communist Party. Every member of that party is tagged and cataloged and registered; and their "developed" members, as they call them, are developed in the fine art of sabotage and spying and the seductive methods of undermining a government.

Another difference is that in political parties as we conceive them we propose certain changes in the law; but we propose those changes, when we want them, within the four walls of the Constitution. That is, if we desire a change, we propose that it be done by the constitutional method of submitting it to a vote of the people, if it is a constitutional change, or by having it voted upon in Congress; and such changes as the regular political parties may advocate, they advocate in a peaceful and legal manner. What about the Communist Party? The members of the Communist Party are pledged to establish communism at all costs. We already have evidence that right now they are resorting to perjury, to forgery, and do not hesitate to resort to a number of underhand and illegal methods of furthering their cause. In the establishment of the Communist Party as the controlling party of Russia they went much further, and resorted to murder, assassination, and thought it was justified, and taught that it was justified; in fact, they teach their members that it is justified in order to attain their end. Therefore, in my opinion, they are not to be considered in the same category with a regular political party.

The same thing is true of the Nazi agents. I think the test should be whether an individual's first allegiance is to the flag of this country or to the flag of some other country. I do not believe even a defender of the Communists would stand up and say that a regular member of the Communist Party will give his first allegiance to the Stars and Stripes as against the red flag of Russia. I think that is a test wherein they differ.

I believe the Government should show a firm hand in regard to this matter. I believe the time has come for us to redefine the Monroe Doctrine, and make it apply to the "fifth column." I believe we should announce a new interpretation of the Monroe Doctrine, because the modern method of overthrowing a country is not by a frontal military attack. Some say to themselves, in a feeling of smugness and safety, "Why, we are safe here, with a big ocean on each side." In their imagination they may be thinking of the possibility of a foreign country coming over in a great armada of battleships. That would be the last thing a dictator such as Hitler or Stalin or any dictator nation would think about. Modern methods are different. They do not approach in that way.

If we should really make the Monroe Doctrine apply to the infiltration of Nazi agents in other countries in the Western Hemisphere with the purpose of taking control of the governments of such other countries, I think it would be a proper move at this time and would save us trouble later. A firm policy prevents trouble, while a vacillating, yielding policy invites difficulty. We have seen the result of a yielding policy in Europe in the last year, and in the last few months. We saw England yield to Hitler at Munich. We saw her yield again and again with the hope of throwing him some meat and thereby pacifying his hunger; but he only ate the meat and became stronger by virtue of it, increasing his strength by every new acquisition. A yielding policy means more trouble later, whereas a firm policy, in my opinion, prevents trouble.

I can think of no better example than one which happened when Teddy Roosevelt was President. In 1902 a German flotilla placed a military embargo on the Port of Cabello, Venezuela, under the guise of helping Britain. They said that they would remove it whenever Venezuela apologized to England for an imaginary insult to the English flag. Germany was much more interested than was England.

President Theodore Roosevelt sent this word to the German Ambassador, "Tell your Government to remove its flotilla, and tell it we will submit the dispute to arbitration." The German Ambassador, answering for his country, replied that they would hold the port bottled up until the question was settled, but he made no statement and no answer to the effect that they were willing to submit the question to arbitration. The German Ambassador came to see President Theodore Roosevelt, after a number of days had been set in which the matter was to be settled by arbitration. The Ambassador visited awhile pleasantly, and then rose to leave. Teddy Roosevelt said, "Has your Government given an answer as to the time for arbitrating this difficulty?" The Ambassador replied, "No." Then President Teddy Roosevelt said, "A time limit is unnecessary. We will shorten the time 24 hours, and I have already ordered Admiral Dewey to move the United States Fleet down to those waters on maneuvers." In less than 8 hours the German flotilla was under steam. This shows that a firm policy prevents trouble.

Mr. President, I believe such a policy would prevent trouble in the matter we are now considering. I have attended a few of the hearings before the Dies committee. I have been amazed at the brazen attitude of the Communists in this country. They make no effort to conceal their attitude toward us, their disrespect toward patriotic Americans. They look on us as "fall guys," and say as much. They consider us stupid because of our laws which guarantee civil liberties and protect the individual citizen, and, hiding behind those same laws, they are able to further their program. When they are cornered like rats, the first thing they do is to squeal for their rights, rights which, as to others, they would destroy immediately if they had the opportunity. The first thing they shout is "Constitution." When some of the officers acting for the Dies committee entered one of their headquarters here and took some of their papers, their plea was that that was unconstitutional. When asked if they would support the same Constitution, they were very indefinite in their answers.

Mr. McCARRAN. Mr. President, I hope the able Senator from Oklahoma heard the almost day-long speech delivered on the floor of the Senate yesterday, which, to my way of thinking, illustrates exactly what the Senator is discussing—in other words, a very able Senator advocating every degree of liberality to those who extend no liberality so far as this Government is concerned.

Mr. LEE. I heard portions of that speech, and I thank the Senator from Nevada for his contribution. I cannot take issue with the able Senator from Nebraska in his devotion to civil liberties, but I am caused to wonder how far we should go in protecting those who would overthrow these liberties by the use of the very liberties they would overthrow.

The attitude of the Communists toward the United States Government and its laws is disarming; it is almost defeating. They think we are so stupid in our determination to hold on to our civil liberties that they make fun of us. It is common knowledge that they laugh about how easy it is to extend their program in this country because our laws are so liberal and because we guarantee rights to individuals.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. ASHURST. The Senator is delivering an able, timely, and patriotic address. I understand his amazement at the attitude we adopt in protecting the civil liberties even of those who try to destroy civil liberty. As we go through life we must remember that the only toleration worth anything is that toleration which tolerates the other man's intolerance.

Pursuing, if the Senator will further permit me, the line of thought suggested by his able speech, it would be a calamity if it were not so tragically ironical, that when a man, who is antisocial, who is a gangster, who has spent, we will assume, a large fortune, and much of his time, in trying to destroy the United States Government, is arrested, the first thing he does is to inquire of his lawyer, "Is there not something in the Constitution that will take care of me? Is there not something in the Constitution and laws of this country under which I may escape and be acquitted?"

The gangster will secure attorneys, as he has a right to do, who are astute, wise, and learned in the way of taking care

of the legal rights of the accused, and of this there can be no complaint. In other words, when a man who has spent a fortune and a lifetime trying to subvert our system of government, is arrested, the instrument, the Constitution, which the accused tried to destroy is the very instrument to which he appeals for his deliverance, refuge, and acquittal in his day of trouble. That is one of the ironies of life, and it is also one of the sources of strength of the American Government.

Mr. LEE. I agree with the Senator, and I would not change a jot or tittle of it.

Mr. ASHURST. I know the Senator would not. But we must apply the philosophy of the Stoics. We must in this life, if we are to have civil liberty, give to the gangster, to the antisocial person, all the civil rights and privileges which would be given to the most enlightened, the most opulent, and most respected of our citizens.

So, Mr. President, I do not grow discouraged because on the whole, we are making progress. I see no reason for discouragement, although the note of caution sounded by the able Senator is timely.

I now repeat what I said in an address made a couple of weeks ago. Many years ago—it may have been when the Government was quite young—a great orator in delivering a eulogy upon our form of government said in substance about as follows:

> If all the men who have fallen under American justice, and who have suffered the death penalty for their crimes were resurrected at the foot of the gallows, and were to frame a government for their protection and security, they would formulate and erect the same sort of government as that government under whose justice they fell.

It is not possible to pay a greater tribute to our form of government than to repeat that quotation from that renowned orator.

Mr. LEE. Mr. President, I thank the distinguished Senator from Arizona. I always sit entranced when he speaks and follow his words of wisdom. I would not change one jot or tittle of our guaranty of civil liberties, although we see them used to protect those who are not entitled to their protection. If we change them, we would be as guilty as the man who would overthrow the Government.

Mr. ASHURST. Mr. President, will the Senator further yield?

Mr. LEE. I yield.

Mr. ASHURST. It is well to remember that about half of what the Communist pretends he believes he does not believe at all. If the Communist believed that any movement to abolish private property would be likely to succeed, he would oppose the movement.

The Communists remind me of an incident that occurred when I was about 8 years of age, or 57 years ago, when the Atlantic & Pacific Railroad was built through Flagstaff, Ariz. I had up to that time seen but one orange. It cost my father a dollar. The news reached the town of Flagstaff that a train with a carload of oranges would pass through the town, and secretly and privately I hoped that that car of oranges might be wrecked, and that out of the general wreck and debacle I might get an orange from the car that was wrecked. So it is with the Communist. He hopes that out of the general debacle and wreck of the Government he may secure some private property without giving any equivalent therefor.

Mr. LEE. Mr. President, that is a very good and apt illustration. It may be true that the Communists do not really want what they say they want, but their whole time and energy is devoted to getting it. They may not want what they get when they get it, but then it will be too late. They may not get what they think they are getting. Instead, they may get a dictatorship such as the one in Russia, where a man's life is not worth anything, where the police hold the power of life and death over the citizen, where the firing squad is the order of the day. Of course, that is the thing we are guarding against, and that is the thing the Senator from Nebraska had in mind yesterday, and he wants to guard against our yielding anything which may lead to surrender of our civil liberties and rights. I agree with him in that respect.

Mr. President, we have before us the task of finding the foreign agents who are now in our country. There is no doubt they are here. To what extent we cannot be sure. They want our bomb sights. One of our soldiers was shot in an effort, on the part of certain persons, to obtain military secrets, and the intent was to kill him. That occurred less than a month ago.

We have evidence of espionage and sabotage that has actually occurred. Efforts along those lines will continue to be made. The only Government organization we have that can find and frustrate the efforts of these foreign agents is the F. B. I.; and I say more power to it. It is dealing with shrewd and clever men, who would willingly surrender their lives, as they do, for the ideal they are following. I should like to see Congress back the F. B. I. up in its efforts.

I am now going to tell the Senate what recommendations I would make and which I believe furnish the answer and the solution to the question of the Communist and the Nazi agent.

In the first place—and this is probably the most important—remove the cause that brings on "isms." That cause is poverty, injustice, and maladjustment of economic conditions. In other words, let us strive to bring about a better order. When a man is earning a living for himself and his children, no one can talk communism to him. It is only when he is in distress that communism appeals to him. Communism is like tuberculosis, it strikes only when a victim is in a worn-out condition. Only when men are desperate do they turn to communism or fascism in any numbers or in any degree. So the removal of the cause is the first and most important thing. We are already devoting much energy to it.

Next I would say turn the light on them. When a searchlight is turned on the dark corner the rats that are there will scatter. In most cases about all it is necessary to do with Communists is to expose them. That is what the Dies committee is doing. We should keep the committee as a standing committee to expose such subversive activities. Usually that is all that is necessary. Communists before the Dies committee refused—and I heard them do so time and again—in the most arrogant manner to tell the names of the members of their party. Why should not the Government have the names of members of the party if they claim rights as a political party? Why are not the people entitled to know who are members of their party? It is an undercover organization. They have a groundwork already operating. It is not operating to such an extent that we need to be alarmed about it, but, at least, it is there.

Evidence was brought out that the Communists have in at least eight different colleges in Massachusetts organizations with from 25 to 60 members. They control other organizations that do not have the credit for being Communist—in fact, 90 percent or more of the members are not—but the members that guide the activities of those organizations are Communists. They are called "front" organizations.

Besides turning the light on them, I next recommend that as we write legislation providing employment for people to the best of our ability, we write into the legislation that no Communist, or Nazi, or anyone else whose first allegiance is to some other country may receive money so provided by us in return for his services. Why should the taxpayers of this country who are patriots be asked to pay taxes in order to pay the wages or salary of a Communist whose determined and avowed purpose is to destroy the Government which the taxpayer thinks he is supporting when he pays taxes? I say, let us write into the law an adequate provision. There was such an effort in the so-called "red rider," but it was difficult to administer. It merely required taking an oath. A Communist does not mind taking an oath, telling a lie, forging, or anything else. Therefore it did not affect him, and it was merely offensive to patriotic teachers. I think an appropriate provision can be written into the law.

I read in a newspaper that the N. Y. A. had furnished free 21 clerks and helpers in the New York headquarters office of the American Youth Congress. I am convinced beyond any doubt that the American Youth Congress is Communist domi-

nated, organized for the purpose of furthering communism. I do not believe we should appropriate money and allow any part of it to be used to pay foreign agents to help destroy us and our form of government.

So there are at least three things we can do in a definite way:

First. We can put forth our efforts to bring about a better economic condition and remove the cause of radical "isms."

Second. We can keep turning on the light.

Third. We can prevent public money from going to the agent of any foreign country whose first allegiance is to some other flag.

CIVIL AERONAUTICS AUTHORITY AND AIR SAFETY BOARD

During the delivery of Mr. LEE's speech,

Mr. McCARRAN. Mr. President, will the Senator yield that I may take up a subject foreign to what he is discussing, but one which is very important?

Mr. LEE. Is it in the nature of a bill the Senator desires to introduce, or something he wishes to put into the RECORD?

Mr. McCARRAN. I wish to ask unanimous consent, first of all, to have something inserted in the RECORD.

Mr. LEE. I yield for that purpose.

Mr. McCARRAN. Mr. President, in connection with my remarks of this morning, I ask unanimous consent to have printed in the RECORD an editorial from the New York Herald Tribune on the proposed transfer of the Civil Aeronautics Authority to the Department of Commerce under the caption "The Fate of the C. A. A."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE FATE OF THE C. A. A.

It is apparent that the President's personal assurances that the Civil Aeronautics Authority will retain its complete independence under his new reorganization order has not reassured those gentlemen in the Senate who disapprove of consolidating this independent body under the Department of Commerce. As a matter of fact, not even the statement of the Chairman of the C. A. A., Mr. Robert H. Hinckley, suggests enough assurance on his own part to reassure the doubters. Mr. Hinckley, on emerging from a White House conference, told the press that he looked on the President's plan as "a great step forward." But he added that in his opinion the independence of the C. A. A. was necessary. He went on to explain that under a possible modification of the proposed plan the C. A. A. would be under the Secretary of Commerce, but not subject to his interference. The Department would "keep house" for the C. A. A. but the Secretary would have no authority over the board.

These two propositions seem to be basically contradictory. If the C. A. A. is put under the Department of Commerce and depends on that organization for its funds, and if, in addition, the Department has supervision over the personnel of the C. A. A. and can direct or suppress any of the reports of the Authority, it is obvious that the Authority loses much, if not all, of its independence. The only assurance to the contrary rests on the assertion that the Secretary would not interfere with the Authority's independence.

Just as the original order reflects the New Deal's passion for centralization so this interpretation indicates the preference of these same leaders for reliance on men rather than on laws. On the mere assurance that a Secretary of Commerce would not wish to interfere, they are prepared to deprive an important agency of its independence. All of which prompts the question: Why, if the Department is not to interfere with the independence of the C. A. A., transfer that body from its independent status to the control of the Department of Commerce?

With all due respect to those who favor the President's order, we believe that it is essential that the entire problem be fully discussed, and be discussed as soon as possible. It is one of the bad features of the Reorganization Act that unless Congress disapproves an Executive order affecting reorganization within 60 days of the publication of that order, the change becomes effective. As the order in question was promulgated April 11, Congress has only till June 11 to consider it. At the present moment the President apparently is looking for a face-saving device. Much better have open hearings on his original proposal, with full attention to those who, like the pilots, are the most directly concerned. Mr. Hinckley should be asked to state his views fully in public. So should other members of the Authority and other interested persons. It is not, we insist—President Roosevelt to the contrary notwithstanding—a political issue. Rather is it a question of what would best further the growth and development of civilian aeronautics in this country.

Mr. McCARRAN. Mr. President, I also ask unanimous consent to have inserted in the RECORD, newspaper comment on the proposed transfer of the C. A. A. to the Department of Commerce under the caption "Hinckley and the C. A. A."

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

HINCKLEY AND THE C. A. A.

Transfer of Assistant Secretary of Commerce J. Monroe Johnson to the Interstate Commerce Commission and the announcement from Hyde Park that Chairman Robert H. Hinckley of the Civil Aeronautics Authority may be designated to fill the vacancy appears to be timed as a diversion in the face of opposition to the President's reorganization order which would shift the C. A. A. into the Commerce Department.

When analyzed, these proposed moves actually do nothing to guarantee the independence of the C. A. A.

Congress should reject the reorganization order. Opponents of the reorganization plan are being told that the appointment of Mr. Hinckley to the assistant secretaryship will guarantee that the Civil Aeronautics Authority will continue to function under its present leadership and that, obviously, Mr. Hinckley, knowing as he does the problems and aims of the C. A. A., will do nothing to hinder the Authority in its work.

Such an implied guarantee, of course, is worth little. The office of Assistant Secretary of Commerce is a political office. It is filled by political appointment. There is no guarantee that Mr. Hinckley's successors will carry out any policy favorable to the integrity or independence of the C. A. A.

Mr. Hinckley's appointment, to be sure, might insure some protection for the C. A. A. from Commerce Department interference so long as he is in office. But how long will Mr. Hinckley remain in office? The very suggestion of Mr. Hinckley's appointment seems evidence of the fact that the transfer of the authority to the Commerce Department is fraught with danger to the future well-being of the organization which affects the future of American civil aviation. Why, otherwise, would so much be made of the fact that the appointment of a man like Mr. Hinckley to this office will mean that the C. A. A. will be able to continue after the transfer to operate as at present? Must the C. A. A. have a champion on high in the Commerce Department to guarantee its security? If so, it certainly would appear to be a grave mistake to put it under jurisdiction of the Department. For there is no assurance at all that it will continue to have such a champion.

These maneuverings to dispel the doubts and fears of the sincere critics of the C. A. A. change are, in themselves, cause for even more serious doubts than have been raised thus far. Opponents of the transfer should not relax their vigilance for a moment because of the proposal to put Mr. Hinckley in the office of Assistant Secretary, well-intentioned and able though Mr. Hinckley may be. Reorganization Plan No. IV should be stopped by Congress.

Mr. McCARRAN. Mr. President, I ask to have inserted in the RECORD a letter over the signature of J. B. Hartranft, Jr., executive secretary of the Aircraft Owners and Pilots Association, under date of May 2.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AIRCRAFT OWNERS AND PILOTS ASSOCIATION,
CHICAGO, *May 2, 1940.*

Subject: Aviation.

Hon. PAT MCCARRAN,
Senate Office Building, Washington, D. C.

DEAR SIR: The executive board of the A. O. P. A. has instructed me to write you asking you to vote against the recent Executive order which, if carried out, would result in converting the present independent and powerful Civil Aeronautics Authority into a mere bureau of the Department of Commerce.

Until 2 years ago the forerunner of the present C. A. A. was a bureau in the Department of Commerce. As such it simply was not heavy enough to handle the job. A bureau apparently cannot command the services of the outstandingly successful executives to head it up, whereas an independent authority can command such services. In any event, the result under the old system was a bureau of insufficient power and ability to handle this strapping young aviation giant that is becoming America's fastest growing industry and greatest new military protection.

Since the C. A. A. was created 2 years ago as aviation's governing body it has performed brilliantly, and the growth of aviation has proceeded brilliantly under it. The C. A. A. has become a body of great power and importance. The honor of being head of this C. A. A., and reporting directly to the President, is sufficient that men of outstanding ability could be drafted. Such an outstandingly successful executive as Mr. E. J. Noble was the first man drafted to head it up. Then men of the caliber of Robert Hinckley and his present associates have felt honored in taking command of this important Authority. It cannot be expected that men of this caliber can be persuaded to head up a mere bureau under the Department of Commerce. The caliber of the men running the Authority determines the quality of the job it does.

We feel that it would simply be a case of bad judgment to wreck this outstandingly successful Authority by demoting it to incompetent management and submitting it to departmental regulations which will hamper it.

The C. A. A. has in 2 busy years had many brilliant successes. For instance, over 10,000 new civilian pilots have recently been trained—not quite finished at this writing—at an efficient cost per hour of instructional flight, and this has been done with the amazing safety record of only 1 death to date. The average death rate in each of the past 3 years for all other private pilot training in the United States has been, respectively, 37, 51, and 74 times that death rate. The A. O. P. A. has followed this C. A. A. training program closely, and this record is attributable to but one thing, namely, brilliant management by the able men heading the C. A. A.

If the C. A. A. is demoted, we are told that it will eventually be put under the same body that handles the railroads. This man-with-an-umbrella form of management—unprogressive, sparkless, visionless—has resulted in small progress in railroading in the past generation, too much regulation, and a country full of insolvent and deadened railroads. Let's keep aviation away from such uninspired domination.

Last year's outstanding safety record of the air lines—no deaths—is in no small measure attributable to excellent cooperation and planning by the C. A. A.

The A. O. P. A. (Aircraft Owners & Pilots Association) is the voice of the nonscheduled pilots of the United States. A. O. P. A. is composed entirely of pilots. We have over 5,000 members. All States are represented in this membership.

Nonscheduled pilots fly more miles, more ships, and more passengers annually than do all the United States air lines combined.

The A. O. P. A. will be very appreciative if you will help us in this vital matter. Senator MCCARRAN is, we understand, leading the fight in the Senate against the demotion of the C. A. A.. Also we understand that a measure will be voted on next Tuesday, May 7.

More detailed arguments as to why the C. A. A. should not be disturbed at this time may be found in an editorial in the May 1 issue of American Aviation and in several other magazines. Aviation bodies are unanimous in supporting A. O. P. A.'s viewpoint in this matter.

Very truly yours,

J. B. HARTRANFT, Jr.,
Executive Secretary.

Mr. McCARRAN. Mr. President, I desire to have inserted in the RECORD a resolution adopted by the board of directors of the Chamber of Commerce of Kansas City at a meeting held April 25, 1940.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the President's Reorganization Plans No. III and No. IV would abolish the Air Safety Board, an agency which has had a large part in the establishment of the fine safety record of transport aviation in the last year; and

Whereas the said reorganization plans also would transfer the functions of the Civil Aeronautics Authority to a civil aeronautics board under the direction of the Secretary of Commerce; and

Whereas the aviation committee of the Chamber of Commerce of Kansas City believes the best interests of aviation would be served if the Air Safety Board and the Civil Aeronautics Authority continue to function as independent agencies: Therefore be it

Resolved, That the aviation committee calls upon the board of directors of the chamber of commerce to express the opposition of the business community to any disturbance of the independence of the Civil Aeronautics Authority, or to the abolition of the much-needed Air Safety Board, since this committee feels such a reorganization would retard the development of aviation, would place air regulations under a politically controlled division of the Government, and curtail the efficiency with which this independent agency has functioned.

MAY 3, 1940.

Hon. JAMES J. DAVIS,
United States Senator, Washington, D. C.:

Consider President Roosevelt's reorganization proposal affecting civil aviation dangerous to safety and growth of national air transport service. Fear that reorganization as now planned will not only endanger safety but also seriously impair financial credit of responsible enterprises now approximating $25,000,000 annually. Therefore respectfully urge you disapprove Reorganization Plan No. IV.

PHILADELPHIA BOARD OF TRADE,
GEO. L. MARKLAND, JR.,
President.

Mr. McCARRAN. Mr. President, if the Senator from Oklahoma will yield to me further for a moment, before the able leader on this side leaves the floor, as I know he is about to attend a meeting of a committee which is very important, I desire to state that tomorrow I shall move to discharge the committee having under consideration Executive Order No. 4 and Senate Concurrent Resolution 43.

I wish to say further that if the message regarding this matter comes from the House of Representatives this afternoon, I shall ask that it be held in the Senate so that I may move tomorrow for immediate consideration of the House concurrent resolution. I hope I make myself clear.

Mr. BARKLEY. Mr. President, I appreciate the frankness of the Senator, and I will state to him and to the Senate that the Select Committee on Government Organization, before which the Senate concurrent resolution is pending, is now in session, and I am compelled to leave the floor to attend its meeting. I am not in a position to state what the committee will do. As the Senator knows, the question of whether there are to be brief hearings by the committee in order to get some information which some of the members of the committee desire is one which has been considered. The committee has taken no action on that. I do not know what action will be taken. That probably will be determined in a few minutes.

The question of the interpretation of the rule under which a concurrent resolution comes from either House to the other may also have some bearing upon what step the Senator from Nevada will take. He can, of course, at any time now move that the Select Committee on Government Organization be discharged from further consideration of Senate Concurrent Resolution 43. That cannot be done with respect to the House concurrent resolution. My understanding of the rule is that when the House concurrent resolution comes over it automatically goes to this committee, and that the Senator could not move to discharge the committee from the consideration of that concurrent resolution for 10 days. But I presume it can be held at the desk of the Vice President without any action being taken on it at all until tomorrow.

I would not at this time attempt to pass on how the Chair would rule on a motion to take up that concurrent resolution. It seems to me from an interpretation of the law as it was passed with respect to various reorganizations, that when a concurrent resolution comes from one House to the other it automatically goes to the committee. That may not be the ruling of the Chair, but after examining the law and the rule that is my view about the matter. I do not care to enter upon a discussion of that question at this time. Such a discussion will come up if the Senator makes a motion that the committee be discharged.

Mr. McCARRAN. Mr. President, I should like to make the suggestion, so as to set some minds at ease for today, that I shall not move to discharge the committee today, nor to proceed with the consideration of Senate Concurrent Resolution No. 43 today, but I hope the leader may agree with me that tomorrow at the opening of the session we may proceed with the consideration of the concurrent resolution. If it is necessary for me to move to discharge the committee today, I shall do so, but I do not want to do it in view of certain history with which the Senator is entirely familiar. I think the Senator can have the remainder of the afternoon to consider the matter; but I respectfully give notice now that tomorrow it will be my purpose to move to discharge the committee from further consideration of Senate Concurrent Resolution 43, and in the interim, if we may understand——

Mr. BARKLEY. Mr. President, let me ask the Senator a question. Suppose at the session of the committee this afternoon the committee should decide to have 2-day hearings, say tomorrow and Friday, which would be brief, and which would insure early consideration of the matter—I do not know what the committee would do about that—would the Senator still insist that tomorrow he would move to discharge the committee?

Mr. McCARRAN. I may say in reply that the able Senator knows that the chairman of the Select Committee on Government Organization called me before that committee this morning. I appeared before it, and I was asked whether I would accede to such a request. I stated that it was my purpose to move immediate consideration of the concurrent resolution, and I also stated that 2 days of hearings would probably involve 2 weeks of hearings, because 2 days of hearings would not aid the committee at all. The committee has had from the 11th of last month until the present time in which to hold hearings, save and except for a certain period. I am not unmindful of an arrangement made by the able chairman

of the committee and myself. I stated that I was compelled to be away for a time, and I also stated at that time that on my return I might ask for hearings. Then, as soon as I could see the chairman of the select committee, after his return and after my return, I told him that I wanted no hearings, and that I was ready to proceed. That statement was made to the Senator from South Carolina [Mr. BYRNES], if I recall rightly, on Friday last. If I am wrong in my memory, I should like to be corrected. The time has now arrived when, in my judgment, action should be taken, and nothing can be gained by having hearings, unless they are held for the purposes of delay.

Mr. BARKLEY. Mr. President——

Mr. McCARRAN. I know the able leader does not want delay. I know the Senator from South Carolina does not want delay. I realize that, in keeping with his general policy, he is always prompt, always active, and always wants immediate action, and I want to proceed along with him now. So tomorrow I think it would be well for us to proceed and dispose of this question, and I shall act accordingly.

Mr. BARKLEY. Mr. President, I wish to say that there has been no desire on the part of the Select Committee on Government Organization to delay consideration of the concurrent resolution.

Mr. McCARRAN. I agree with that.

Mr. BARKLEY. The Senator from Nevada had to leave to go to his home, and, as I understand, before he left there was an understanding that the matter would not be taken up in his absence.

Mr. McCARRAN. That is correct.

Mr. BARKLEY. And would not be taken up until he returned.

Mr. McCARRAN. No; the agreement was that it would not be reported back to the Senate in my absence. I think the Senator from South Carolina will agree with that statement.

Mr. BARKLEY. Yes; but, at any rate, the Senator returned to the city a week ago today—last Wednesday—and I believe on Friday he notified the Senator from South Carolina that he did not desire hearings, which he had previously suggested he might wish. And that thereupon——

Mr. McCARRAN. That was done as soon as the Senator from South Carolina returned and I returned.

Mr. BARKLEY. Yes. The Senator from South Carolina had gone to his home State to attend the funeral of a former Member of the House. Immediately upon his return the Senator from South Carolina called a meeting of the committee for today to consider the matter. The matter of having any hearing at all was suggested by members of the committee themselves for the purpose of seeking some information they did not have.

So far as I am personally concerned, I am willing and ready to vote on this proposition at any time, without hearings. But it is not unnatural for Senators to wish information which they may not possess, and I have no way of knowing what the committee may do in its meeting this afternoon.

The Senator from South Carolina is now present, and I will let him speak on the matter for himself. I will say to him that the question was brought up as I was about to leave for the meeting of the committee. The Senator from Nevada rose to advise the Senate and me that tomorrow he would move to discharge the committee from further consideration of Senate Concurrent Resolution 43.

Mr. McCARRAN. Mr. President, I also said that I expected the message from the House to come over at any moment, and unless there was some understanding with respect to the matter I would move immediate consideration of the matter involved in the message from the House. And that is my policy.

Mr. BYRNES. Mr. President, I do not think there would be any difference between the Senator from Nevada and me, because we have had one or two conversations with reference to this matter.

When the President's message came to the Senate, the Senator from Nevada introduced his concurrent resolution and discussed the matter with me, and I told him that the committee would meet within 10 days. We had a very friendly talk about it. The Senator said he might want hearings, but he was not certain of it. He said he was going to leave the city, and that he would not want the committee to meet and act in his absence. I assured him that would not be done.

Mr. McCARRAN. May I correct that statement?

Mr. BYRNES. Yes.

Mr. McCARRAN. I said I did not want the committee to report the concurrent resolution back to the Senate in my absence.

Mr. BYRNES. Yes; the Senator did not want it reported to the Senate in his absence, because, as I understood, he wanted to reserve the question of whether or not he would want hearings.

Mr. McCARRAN. I wanted to be here when the report came in.

Mr. BYRNES. There is no question about that at all. The Senator went away and came back within the time he said he would, which, as I recall, was in 10 days or so. He came back Wednesday of last week. In the meantime I had left for a day and came back on Thursday. The Senator from Nevada discussed the matter with me and stated that he would like to have the committee meet the early part of this week, as I recall his words, and I told him that I would see that it was done, but that I did not want them to name a day because I had some engagements with reference to the Committee on Banking and Currency, and that I would look into it, but that certainly in the early part of the week I would fix a day, and thereafter I fixed this morning as the time for the meeting. There is no difference between us on that point at all.

This morning, when the committee met, three members of the committee stated to me that they believed we should have hearings. I advised the committee of that. I stated to the committee what I have now stated as to my conversations with the Senator from Nevada, and I stated I believed that if the committee had hearings they ought to fix a time limit on them. There was an informal discussion about fixing a time limit; that the hearings should be limited to Thursday and Friday. We then asked the Senator from Nevada to attend the meeting. He thought it unwise to have hearings. He feared that the hearings would be extended, notwithstanding the expressed wish of the committee; that there would be demand made that might carry them on for a longer period, and he felt that he would have to give notice that he would move to discharge the committee.

That is about the status of the matter as I know it to be. The committee was to meet at 2:30. If my statement is not correct in any particular, I should like to have the Senator from Nevada correct me.

Mr. McCARRAN. Mr. President, it is correct, except I think perhaps the Senator has overlooked one point. I do not think that anything that was said in my conference with the Senator before my departure could be construed to prevent him and his committee from going on with hearings. In other words, what I wanted crystallized was that the committee would not report the concurrent resolution to the Senate until I returned.

Mr. BYRNES. Yes.

Mr. McCARRAN. I think we will agree on that.

Mr. BYRNES. I must say that the thought had never occurred to me, and under no circumstances would I have considered going along with hearings in the absence of the author of the resolution, because by common courtesy I think the Senator would be entitled to be present. I should invite the Senator to be present. I never considered doing otherwise. In fact, no proposal was made until yesterday afternoon, when three Senators made the proposal to me; but had they made the proposal in the absence of the Senator I should have advised them that I would not proceed without inviting him, so that he could be present if he so desired.

Mr. McCARRAN. No meeting was held yesterday afternoon?

Mr. BYRNES. No; when I was discussing the meeting today and asking Senators to be certain to attend the meeting, they informally advised me what I have advised the Senator today.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. McNARY. Has the message been received from the House?

The PRESIDING OFFICER. The message has not been received from the House.

Mr. McNARY. The able Senator from Nevada [Mr. McCARRAN] has given notice that tomorrow he intends to move to discharge the committee.

Mr. McCARRAN. That is correct.

Mr. McNARY. I think that is the correct procedure, Mr. President. I have given the matter a little thought. I think the message from the House will remain on the desk, and the procedure will be to discharge the committee from further consideration of the Senate resolution. I believe it is the intention of the Senator to make that motion tomorrow.

Mr. McCARRAN. That is correct; but I had hoped that in the interim we might have an understanding, because it seems to me that with the message coming over from the House there should be some resistance to its going to a committee over my objection, when, as a matter of fact, we can bring the whole thing up on the floor of the Senate and dispose of it.

Mr. McNARY. I have no doubt that the motion to discharge the Senate committee will immediately bring the matter before the Senate for its consideration.

Of course, we are interested in the final disposition of the unfinished business. I realize that the obtrusion of the concurrent resolution will not displace the unfinished business, except temporarily. May I ask the able Senator from Kentucky [Mr. BARKLEY], the majority leader, if it is his intention to proceed tomorrow, Friday, and possibly Saturday, so that we may conclude both these matters?

Mr. BARKLEY. The reorganization resolution is a privileged matter, and would automatically displace the pending business temporarily.

Mr. McNARY. Yes.

Mr. BARKLEY. I had thought we could obtain a vote on the pending bill today. It is now obvious that we cannot. I had hoped that if we should take up the reorganization resolution we might dispose of it tomorrow and Friday and adjourn over until Monday. I had not contemplated a session on Saturday, and had not necessarily desired one on Friday; but we shall have to be governed by the situation. If the pending bill is not finished, and if the motion is made tomorrow to discharge the committee, and the motion is agreed to and the matter comes on the floor, then under the rule there will be 10 hours' debate.

Mr. McNARY. Yes.

Mr. McCARRAN. In that respect, so far as I am concerned, I am entirely content to limit very materially the time for debate.

Mr. BARKLEY. That could be done only by unanimous consent. I suppose it might be possible. At any rate, it seems that we shall be in session at least on Friday.

Mr. McNARY. That is what I wanted to find out.

Mr. President, I assume that there is a possibility of disposing of the resolution if we commence its consideration tomorrow at 12 o'clock and the Senator insists on his motion. If that is done, I hope we may have a session on Friday, because I think at that time we can dispose of the bill now being so ably handled by the Senator from Delaware [Mr. TOWNSEND].

Mr. BARKLEY. If 2 days are required to dispose of the reorganization resolution, we cannot obtain a vote on the silver bill until the resolution is disposed of. I do not think the Senator from Delaware would want to have a session on Saturday merely to dispose of the silver bill.

Mr. McNARY. No; but if we are unable to dispose of the motion made by the Senator from Nevada [Mr. McCARRAN] we should continue in session through Friday in the hope that we may have a vote on the silver bill.

Mr. BARKLEY. Yes; that will be my purpose.

Mr. LEE. Mr. President, may I finish my remarks?

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. A moment ago I stated that it was my understanding of the rule under which we proceed in reorganization matters that whenever either House passes a concurrent resolution, and it goes to the other House, it automatically goes to the appropriate committee of the other House. Is that a proper interpretation of the rule?

The PRESIDING OFFICER. The Parliamentarian calls the attention of the Chair to a provision of the act which is not in accordance with the Senator's statement. The Chair will read the provision:

SEC. 27. If, prior to the passage by one House of a resolution of that House with respect to a reorganization plan, such House receives from the other House a resolution with respect to the same plan, then—

(a) If no resolution of the first House with respect to such plan has been referred to committee, no other resolution with respect to the same plan may be reported or (despite the provisions of section 24 (a)) be made the subject of a motion to discharge.

(b) If a resolution of the first House with respect to such plan has been referred to committee—

(1) the procedure with respect to that or other resolutions of such House with respect to such plan which have been referred to committee shall be the same as if no resolution from the other House with respect to such plan had been received; but

(2) on any vote on final passage of a resolution of the first House with respect to such plan the resolution from the other House with respect to such plan shall be automatically substituted for the resolution of the first House.

Mr. BARKLEY. The House which has considered a proposal which has already passed the other House comes to a final vote on its own resolution. Then automatically the resolution of the other House on the same subject must be substituted and a vote had on it. However, with the resolution of the Senate still in the Select Committee on Government Organization, when the House resolution comes over there will be nothing on the calendar of the Senate with respect to the subject. Then what disposition will be made of the House resolution before the Senate committee reports, and before the matter has been taken up for action in the Senate?

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the resolution from the other House will be held on the Vice President's desk. The Senate will then take action on the Senate resolution up to the time of final passage, when the House resolution will be automatically substituted.

Mr. BARKLEY. We can solve the problem when we reach it.

Mr. BYRNES. Mr. President, if the Senator will yield, I shall read the law.

Mr. LEE. I decline further to yield.

The PRESIDING OFFICER. The Senator from Oklahoma declines further to yield.

After the conclusion of Mr. LEE's speech,

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had agreed to the following concurrent resolution (H. Con. Res. 60), in which it requested the concurrence of the Senate:

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the Reorganization Plan No. IV transmitted to Congress by the President on April 11, 1940.

PROHIBITION OF FOREIGN-SILVER PURCHASES

The Senate resumed the consideration of the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes.

Mr. TOWNSEND. Mr. President, 6 days have elapsed since debate began on Senate bill 785, to end the buying of foreign silver.

There seems to be no further reason for delay in voting on a bill on which long hearings have been held—a bill which was favorably reported from the Banking and Currency Committee by a 14-to-4 vote, and which has the nonpartisan endorsement of the Chairman of the Board of Governors of the Federal Reserve System, himself from a silver State; of all the members of the Federal Advisory Council of the Federal Reserve System; of the National Foreign Trade Council, an outstanding organization of exporters; of businessmen of high standing from all parts of the country; of the Nation's press; of national and local business and mining organizations; and even of mining journals which speak for our mining industry. It seems difficult to understand why such a bill should be controversial.

All the bill attempts to do is to stop the waste of American resources and wealth in purchasing from foreigners something which is of no value to our country, and which indeed has dangerous possibilities in the increase of excess reserves of banks. The enactment of the bill would simply terminate this waste and remove this potential danger. I repeat that it is difficult to understand those who now delay the consideration of such a bill or who oppose it.

It has been proposed to amend the bill so that it would be required that foreign nations spend for American agricultural products the money which we pay them for foreign silver which we do not need.

I am a farmer, and have been and am now anxious to assist in any practical way to advance the disposition and price of farm commodities. I think the farmer himself must be amazed at the ingenuity of the Congress in seizing upon every opportunity to put forward the popular phrase "agricultural interest" in order to enlist support for measures of wide and varied character.

I say that the amendment in question would fail in its declared purpose, because most of the silver which we are buying comes from countries which do not want our farm products; in fact, they send farm products to us. More important, however, is the fundamental objection that wasting agricultural products on foreign silver is no whit more advantageous to this country than wasting manufactured products on foreign silver which we do not need.

Let me quote from an editorial in a leading newspaper in one of our silver States, the home State of the author of the pending amendment, the Reno Evening Gazette of May 2, 1940:

> Nor have the farmers of America anything to gain in the long run from subsidizing alien purchases of American farm products. If these alien peoples want our farm products they will buy them. And even if this foreign silver buying should stimulate, for a time, the purchase of American farm products this country cannot forever keep up this stimulation by the unsound method of taking in exchange a commodity which it does not need and which, eventually, will injure its own silver-producing industry.

Since the Senator from Nevada [Mr. PITTMAN] would limit the purchase of foreign silver to transactions involving the equivalent purchase by the foreign-silver sellers of American agricultural products, he is in effect discriminating against American manufactured goods. He is in effect discriminating against American factory workers in favor of farm workers. He is discriminating against American miners of minerals other than silver in favor of farm workers.

But that is only one part of the discrimination. The effect of the amendment of the Senator from Nevada would be to subsidize British and French manufacturers at the expense of American industry, as I shall now show.

As I understand, the Senator from Nevada argues that Great Britain and France, in order to obtain Mexican silver to send to the United States for the purchase of American farm products, will send their manufactured goods into Mexico or other silver-mining countries for sale. If such foreign manufacturing nations are to sell their goods in increased quantities abroad in order to acquire silver to sell to us, it is as plain as plain can be that those British, French, and other manufactured goods will compete in Mexican and other silver-selling countries with our manufactured goods.

In other words, the Senator from Nevada, through his amendment to Senate bill 785, is asking the Congress of the United States to subsidize foreign manufacturers who are in competition with our own manufacturers.

Senate bill 785 is a simple bill. It merely stops the wasteful purchase of foreign silver. It does not in any way affect the permanent law of July 6, 1939, which provides for the acquisition of all domestic newly mined silver at 71 cents an ounce. Producers of domestic silver obviously regard it as a mistake to oppose the bill. Again I quote from the Reno Evening Gazette:

> The Nation and the silver producers of the West have nothing to gain from the purchases of foreign silver, which would be stopped by the Townsend bill. The price of domestic silver is fixed by act of Congress, and the pending Townsend bill does not propose to change it. Not a single domestic producer would be injured by its enactment. Instead, they would be helped by stopping the accumulation of this vast hoard of foreign silver in this country.

Similarly, the publisher of the Mining Journal, of Phoenix, Ariz., has this to say:

> I am inclined to agree with you in your contentions regarding foreign silver. I never have been able to see the value in that program other than being Santa Claus to the rest of the world.
>
> We of the silver-producing States feel that the foreign silver purchasing program has been harmful to the domestic silver money program, and we would, therefore, be quite willing to see that drawback disposed of.

If we are interested in helping foreign countries, we should do so in some way which is not at the same time detrimental to this country, and in a way which is not obviously such poor business on our part. We should do so in some other way than by purchasing something for which we have no use.

If we wish to contrive further ways to help our farmers, let us do so in some way which is economically sound, and not by a method which any farmer can see is utterly unbusinesslike and unwise. If we wish to help agricultural interests, it would be far better to appropriate the amount which we waste on foreign silver directly for the purchase of surplus farm commodities to be distributed either direct or through the stamp plan to our own people.

When the foreign-silver program was enacted the arguments made for it were quite different from those so strongly being urged nowadays. This is perfectly clear from the material I inserted in the CONGRESSIONAL RECORD of May 2. The Baltimore Sun, in an editorial on May 3, perfectly characterized the present arguments for foreign-silver buying when it said:

> What the case for the silver purchases now boils down to is the bald assertion that Americans ought to supply money to foreigners to buy American goods.

Mr. President, during these debates a question has been raised as to the supposed desirability of silver certificates as compared with Federal Reserve notes. It was objected that the former involve no interest burden on the American people, whereas it was claimed that Federal Reserve notes do involve an interest burden. I wish to read a letter addressed to me on this subject by Hon. Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, on March 10, 1939:

> BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM,
> OFFICE OF THE CHAIRMAN,
> *Washington, March 10, 1939.*
>
> MY DEAR SENATOR: I acknowledge receipt of your personal letter to me of March 3, in which you quote remarks of Congressman WHITE of Idaho, and ask certain questions.
>
> Your first question is whether Federal Reserve notes involve the payment of interest on the part of the public using them and to the benefit of the banking system.
>
> The issuance of Federal Reserve notes as such does not involve interest payment any more than the issuance of any other kind of currency. A person who has a bank deposit can withdraw it in currency and does not have to pay interest; a person who has no deposit and has to borrow must pay interest on his loan, regardless of the kind of currency in which he withdraws the proceeds, or whether he leaves them on deposit and checks against them.
>
> Your second question is whether the issuance of silver certificates reduces the interest burden on the general public.
>
> The issuance of silver certificates in payment for silver purchases by the Treasury in no way diminishes the interest burden on the general public. It is true that if the Treasury paid for silver purchased otherwise than by issuing silver certificates it

would have to increase the public debt by the amount of these payments, but that is not, I believe, what is meant by the question. There has never been a proposal that the Treasury pay for silver out of general revenues or out of borrowed funds. Aside from this, the issuance of silver certificates has no bearing whatsoever on the interest burden.

Your last question is whether the issuance of silver currency increases the interest earning capacity of the banking system.

There is no connection whatsoever between the issuance of silver and the interest-earning capacity of the banking system. The only connection under present conditions is highly indirect and exactly the opposite of that implied in the question. The issuance of silver certificates adds to excess reserves, and this in turn would tend to reduce interest rates were it not for the fact that they are already at the lowest level on record, and for short-term paper are at the vanishing point.

I hope that these explanations will be of help to you.

Sincerely yours,

M. S. ECCLES.

Hon. JOHN G. TOWNSEND, Jr.,
United States Senate, Washington, D. C.

Mr. President, on this main subject, I ask consent that there be printed in the RECORD at this point the testimony of Dr. Benjamin H. Beckhart, of Columbia University, before the House Coinage Committee on March 17, 1939, as taken from pages 210–212 of Extension of Stabilization Fund and Powers, and so forth—Hearing before the Committee on Coinage, Weights, and Measures, House of Representatives, Seventy-sixth Congress, first session, on H. R. 3325.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Without objection, it is so ordered.

The testimony referred to is as follows:

PROFESSOR BECKHART'S STATEMENT ON INTEREST

Dr. BECKHART. From profits incident to devaluation. When the French devalued, first in 1928, they used their gold profits to pay off the debt of the French Government to the Bank of France. That was a conservative use of the profits. Later, when the French devalued again, in 1936 and 1937, the profits were used to build an exchange fund, which became exhausted by reason of the flight of capital from France.

Incidentally, the only country on what may be regarded as a genuine gold standard is Belgium. If Belgium can have free gold convertibility, with her relatively small stock of gold, then this country, with our enormous stocks of gold, should be able to introduce gold coinage and gold convertibility.

May I state by way of summarizing my recommendations that, in my opinion, the President's powers relative to changing the weight of the dollar should be allowed to lapse and the life of the stabilization fund should be ended. The profits of gold devaluation allocated to the fund and not utilized should be employed to build up a 100-percent gold reserve against the greenbacks and the silver certificates. The Thomas amendment and the Silver Purchase Act should be repealed. Gold coinage and gold convertibility in terms of the present dollar should be reintroduced and a free gold market should be reestablished. These proposals would have the desirable effect of ending the central banking activities of the Treasury Department. In my opinion this should be done and those central banking activities should be lodged, where they belong, with the Federal Reserve banks.

In the discussions that have taken place before this committee the proponents of silver purchases have advanced two arguments: (1) that silver certificates are issued free of interest cost to the community and hence are superior to Federal Reserve notes, which allegedly are issued at an interest cost to the community; (2) that silver certificates redeemable in a stated dollar's worth of silver are superior to Federal Reserve notes, which, for domestic purposes, are not being redeemed in gold.

Neither argument, in my opinion, has any substance or validity. As regards the first point, it should be borne in mind that all currency in circulation comes into the channels of business through the Federal Reserve banks. If additional currency is required to meet the Nation's needs, this demand is transmitted to the Federal Reserve banks through a member bank. If a member bank has excess reserves, which is practically universally the case now, it does not have to borrow from its Federal Reserve bank to obtain currency. It would not have to borrow whether it withdrew Federal Reserve notes or silver certificates. On the other hand, if it had no excess reserves, it would have to borrow whether it obtained Federal Reserve notes on silver certificates. The fact that member-bank borrowings now total only $3,000,000 indicates the almost infinitesimal amount of borrowings relative to total currency issues. Insofar, then, as member banks do or do not have to borrow from the Federal Reserve banks to obtain currency needed, silver certificates and Federal Reserve notes and, it might be added, greenbacks, are on a par. Notwithstanding this, Federal Reserve notes are vastly superior as a currency to silver certificates and greenbacks in that they are contractible, whereas the others are not. Federal Reserve notes are elastic, rising and falling with trade and business needs, whereas silver certificates and greenbacks fluctuate in but one direction, always increasing and possessing what has been termed chewing-gum elasticity, rather than rubber-band elasticity.

The second argument is that silver certificates are "secured" by and redeemed in silver, which allegedly makes them a better currency than Federal Reserve notes that are not being redeemed in gold for domestic purposes. The point is that anybody redeeming a silver certificate now would lose heavily. A $5 certificate would be redeemed in silver, the market value of which and the Treasury buying price of which is $1.70. No one would redeem his certificate to obtain silver which has a market price so far below the purchasing power of the certificate itself. In the market one may purchase $5 worth of tin, copper, rubber, and other commodities with his $5 certificate. He may purchase just as much with his Federal Reserve note, inasmuch as all forms of paper money have the full legal tender power and are interchangeable. The only time that the holder of a silver certificate would desire to redeem his certificate in silver is at a time when the market value of silver should rise above the monetary value. If this were to occur, doubtless the redemption would cease.

Mr. TOWNSEND. Mr. President, in these debates we have also heard a good deal concerning the supposed calamitous effects on Mexico if we should stop buying foreign silver. An Associated Press dispatch from Mexico City on March 26, 1940, stated:

A responsible government banking executive asserted yesterday that measures adopted to meet February's "severe currency crisis" had proved so efficacious that for the present the Government felt no concern at the prospect of the United States suspending purchases of Mexican silver. * * *

Asserting that Mexico's internal economy would not be vitally affected by the silver suspension, he declared it was more important that public confidence apparently was behind the peso and that machinery had been created to handle any probable strain that might develop should public fears of the peso's stability reassert themselves.

Mr. President, I ask consent that the full text of the Associated Press dispatch from which I have just read be inserted in the RECORD at this point, and for this purpose I send to the desk a clipping from the Washington Star, Washington, D. C., of March 26, 1940.

The PRESIDING OFFICER. Is there objection?

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of March 26, 1940]

MEXICAN GOVERNMENT READY IF UNITED STATES ENDS SILVER PURCHASES—FINANCES STRENGTHENED BY MEASURES TO MEET CURRENCY CRISIS

MEXICO CITY, March 26.—A responsible Government banking executive asserted yesterday that measures adopted to meet February's "severe currency crisis" had proved so efficacious that for the present the Government felt no concern at the prospect of the United States suspending purchases of Mexican silver.

The executive also disclosed for the first time the extent of the crisis when the peso broke more than 100 points in terms of the dollar—from a value of about 20 cents to less than 17 cents.

The Bank of Mexico, central Government bank, and the Republic's most important private banks formed a loose consortium at that time to stabilize the currency around 6 pesos to $1.

Shortly after the Bank of Mexico suspended dealings in the dollar because of pressure on the peso stemming from reports of unsatisfactory economic conditions in the petroleum industry and probable cessation of United States silver buying, the stability of the financial structure was threatened.

FOURTH OF LIQUID ASSETS

Within 2 weeks, he said, 35,000,000 pesos in bank deposits were withdrawn, presumably to buy dollars.

This was roughly one-fourth of the liquid assets of the Republic's banks, because of total deposits of approximately 350,000,000 pesos only 135,000,000 were in such liquid state they could be used to meet depositors' demands.

Confronted with this situation, the banks got together to bolster the currency. They ended loans for luxury imports, such as automobiles. They ended loans for speculative activity.

Officials announced only a few days ago that 17,000,000 pesos had been withdrawn from circulation, helping to give the peso a scarcity value.

DEPOSITS AT NEW HIGH

The executive said deposits now have reached a new high, the peso is holding firmly in the neighborhood of 5.98 to the dollar, and the relaxation of various controls has disclosed no rush toward the dollar.

He declared it was significant that definite reports from Washington indicating the foreign silver purchase policy was threatened with extinction had failed to shake the peso.

Asserting that Mexico's internal economy would not be vitally affected by the silver suspension, he declared it was more important that public confidence apparently was behind the peso and that machinery had been created to handle any probable strain that might develop should public fears of the peso's stability reassert themselves.

Mr. TOWNSEND. Mr. President, the Banco Nacional de Mexico, S. A., in its March 31, 1940, Bulletin No. 172, discusses the question of American silver purchases in Mexico. This bulletin states that local Mexican miners—

> Consider it best to look for a fundamental and definite solution rather than go on trusting in the good will of one single buyer whose political reasons to buy may some time cease to exist, thus exposing us to a temporary but important collapse in our national economy. Nothing would be better, the miners think, than to make up our minds to let silver recover in the international market the situation naturally provided by the reciprocal intensity of demand and supply. In the meantime, we should of course endeavor to increase the production of other metals, insufficiently exploited for technical reasons which it is possible and imperative to overcome.

Mr. President, I ask leave to have printed in the RECORD as part of my remarks an editorial from the Washington Evening Star of today, Wednesday, May 8, entitled "Foreign Silver."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOREIGN SILVER

Some of the debate in the Senate on the Townsend bill to end Government buying of foreign silver has avoided the basic issue, which is: Shall the United States continue to buy, at inflated prices, huge stocks of foreign silver that can serve no useful purpose to us now or later, in order to provide the purchasers with good American dollars with which to buy our exports? In other words, should this Government continue to subsidize our export trade through the medium of a "silver brick" scheme which is filling the West Point repository with a great hoard of pretty metal of declining value? Those who argue in favor of the buying program picture the drastic effect on our export business of an abrupt termination of the silver acquisitions. But the proponents overlook the facts that the buying has been going on steadily since passage of the Silver Act in 1934, that more than 2,000,000,000 ounces of foreign silver have piled up during that period, that the act directs that the buying must not stop until the silver stocks amount to one-fourth of the monetary value of the silver and gold hoards combined, that this ratio is as far from attainment now, due to gold purchases, as it was in 1934 and that this absurd pyramiding process cannot go on forever. The subsidy might as well end now as later—for the economic effects of cessation are likely to increase in seriousness as the world's silver market declines and Uncle Sam's stimulants are little more than shots in the arm.

It should not be forgotten, moreover, that the principal beneficiary of our silver policy today is Mexico, whose government has just rejected our proposals for an impartial arbitration of the expropriation "grab." Adoption of the Townsend bill might help to bring Mexico to her senses. At any rate, there no longer is any basis for the argument made in previous years that repeal of the foreign silver purchase provision might offend friendly nations. China and Canada would not be affected. The Star hopes that the Senate quickly will pass the Townsend bill and that the House will complete the job of repealing the ill-advised foreign silver purchase clause.

Mr. TOWNSEND. Mr. President, I have prepared a memorandum on the cost of the foreign-silver program and the cost of the legislative branch of the Federal Government.

Based on figures in the bulletin of the Treasury Department for April 1940, page 56, the cost of acquisition by the Treasury of silver other than newly mined domestic silver has been $1,015,500,000. According to the Budget of the United States Government for the fiscal year ending June 30, 1941, page xxi, the cost of running Congress in the next fiscal year is $23,045,700. It follows that the money spent for silver other than newly mined domestic silver would pay the expense of the Congress for more than 44 years.

Last June, when the Senate voted to discontinue buying foreign silver, the Treasury was paying 43 cents an ounce for it. Immediately the market sagged, and the Treasury did not step in to stop the decline until silver was selling on the world markets at 35 cents an ounce. Since that time every ounce of silver purchased by the Treasury or by private consumers of the United States or elsewhere has been acquired at a cost of 8 cents an ounce less than was the case prior to the Senate vote.

With reference only to the acquisitions of foreign silver by the Treasury of the United States since last June, this saving of 8 cents an ounce has amounted to approximately $12,752,000. Since, as I have shown, the cost of running Congress is $23,045,700 a year, what the Treasury alone has saved—$12,752,000—has been enough to pay the expenses of Congress from July 1, 1939, through the middle of January 1940. In citing the expense of running Congress in this memorandum it is assumed that the annual expenses are prorated throughout the year.

With reference only to the acquisitions of the Treasury of the United States since last June, this saving of 8 cents an ounce has amounted to approximately $12,752,000, which would pay the salaries of the delegation from Delaware for 425 years.

FEDERAL BUREAU OF INVESTIGATION

Mr. WILEY. Mr. President, I wish to compliment the distinguished Senator from Oklahoma [Mr. LEE] on his very illuminating address this afternoon. I wish that all Americans could have heard it.

Mr. President, I listened with a great deal of attention to the distinguished senior Senator from Nebraska [Mr. NORRIS] when he recently presented the case against the Federal Bureau of Investigation and Director J. Edgar Hoover. If the case had been presented by a less unimpeachable source, I question whether it would have merited a rebuttal. However, in view of the high standing and known integrity of the distinguished Senator and because of his long years of unselfish service, his comments have, in public opinion, a validity which makes it desirable that they should be further analyzed.

Mr. President, if you were to ask the best minds in the country today what is the greatest issue before this Nation, they would probably say that the greatest single problem which confronts America is the problem of keeping the United States free from those evil forces which have engulfed Europe. It follows that to keep this country safe we must be adequately prepared to repel both foreign and domestic enemies.

We know from a study of current history that other countries thought they were safe, and we know also that their very apathy made it possible for them to be easily undermined.

In today's issue of the Washington Post there is a column written by Dorothy Thompson, who is now in Europe, showing the Nazi infiltration of the Balkans. I believe anyone who will read that column will feel that it describes a political disease that is affecting the world.

I do not believe I am an alarmist, but I am a man who has lived much, and I was educated in the "university of hard knocks," which, for me, included 30 years of practice in the courts of this land and 6 years as a prosecuting attorney. Possibly because of this background, when my country is in jeopardy, like many other Americans, I am not going to be swayed from my responsibility when an agency designed to save her from enemies within is accused of un-American tactics, and the only evidence which is presented to substantiate the accusation is that the officials who made the arrest of alleged violators of law in Detroit in another case were exceedingly rough in handling the situation. In the Detroit case the men were arrested on warrants issued by a Federal court. I may say that in my practice I have personally successfully sued for false imprisonment sheriffs of counties who acted under warrants. Anyone who is abused or injured has a right, if his civil liberties have been invaded or taken from him, to receive redress from the courts.

Mr. President, almost all the discussion of this subject has concerned itself with alleged violation of so-called civil rights. The Senator from Oklahoma this afternoon very fittingly and clearly discussed the subject of American civil rights. With practically all he said, I can agree. The concern of the distinguished Senator from Nebraska for the preservation of civil rights is not unique, nor does such a cause require any particular defense or flag waving. I believe we are all in accord as to the desirability of vigilantly safeguarding those rights and privileges which have been guaranteed to us under our Constitution and our form of government. I realize that the comments of the distinguished senior Senator from Nebraska emanated from a wholly commendable concern with

these rights. I subscribe to a searching examination of every agency of government which might conceivably be guilty of a violation of those rights. We cannot have demagoguery in government any more than we can have demagoguery in attacks on the recognized agencies of government.

It is one thing to accept the impartial findings of the Attorney General "in faith and confidence," and another to discredit those findings as a mere "whitewash." It is one thing to read into the record the statements of defendants and another to read into the record along with those statements the statements of the accused agents. No such record is before the Senate.

Mr. President, apparently one of the principal accusations against the Director of the F. B. I. is his use of publicity. This use needs no defense. It needs no praise. It needs no condemnation. But, Mr. President, it is difficult to determine why it should be subject to such a scathing denunciation when it is no more extensive than are the publicity activities of almost every other agency of Government and not within a thousand miles of the publicity emanating from the White House.

Moreover, there is a very good reason for publicity for the F. B. I. By the very nature of its work it commands interest in boldfaced headlines all over the land. This agency of government is dealing with matters of vital public interest. It is one of the few governmental agencies which has no publicity department, no public-relations director, no machinery for publicity. Its only publicity agent has been the great American newspaper, and I am happy to say that the American newspaper has accomplished for the F. B. I. a very constructive job; aye, more, before I conclude my remarks, I will show that it has done a great work for our country.

It has arrested a great tide of public opinion. It has torn the mantle of sham from the era of glorified gangsterdom, when spectacular gangster funerals compelled the admiration of every boy in the land. It has shifted an unhealthy adulation of the widely ballyhooed gangster to the picture of gangsterdom's nemesis—the G-man. The boys who yesterday were playing at being gangsters today are concerned with the wholesome objective of playing G-men.

Mr. President, let us briefly discuss the question of constitutional rights and their alleged violation. If there have been such violations, it is worthy of speculation that no victim has ever found redress in any court of the land. I wish I could say that to everyone who heard the voice of the distinguished Senator from Nebraska. If these persons have been wronged, the courts of the land are open to them. If they have been arrested without justification, or assaulted or attacked, they have a right to go to the courts. I personally have sued officials of States and sheriffs for violations of rights, even though in one instance they had a warrant, as the officers had in this case. If there have been such violations of constitutional rights, it is interesting to note that the chief law officer of the United States is on record as saying that the F. B. I. has not violated any of our traditional American civil liberties. The Civil Liberties Section of the United States Department of Justice says they have not been violated. The United States district attorney in Detroit says they have not been violated. These are men who have intimate knowledge of both sides of the case.

I know that on the other side we have a number of affidavits presented here, but there seems to be nothing but affidavits. No steps have been taken by the affiants before a court to attempt to obtain redress for violation of their rights.

Mr. President, in an effort to keep the record straight, let us analyze just what the F. B. I. procedure is. Let us consider briefly its legal status, its power to serve warrants and subpenas, its powers to make seizures under warrant for violation of United States laws, and its power to make arrests without a warrant for felonies which are cognizable under the laws of the United States. Let us briefly consider the cases concerned with arrest and search; the cases indicating the constitutional rights of a defendant.

Mr. President, at this time I ask to have incorporated in the RECORD the information to which I have referred.

The PRESIDING OFFICER (Mr. MILLER in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

F. B. I. PROCEDURE

The Federal Bureau of Investigation is an investigative agency and functions under the Attorney General in the United States Department of Justice. It is charged with the responsibility of the detection and apprehension of violators of Federal crimes and such other matters as are assigned to it by law. The F. B. I. does not initiate criminal procedures. It investigates the facts which are presented to the United States attorneys who in turn must pass upon the desirability of initiating prosecutive action. Copies of investigative reports of special agents are sent not only to the United States attorneys in the various Federal judicial districts but are sent to the appropriate Assistant Attorneys General in the United States Department of Justice. In matters of unusual importance involving public expediency and matters of grave public importance, I am advised that before investigative inquiry is inaugurated the facts are presented to the Attorney General of the United States, or one of his assistants, for advice as to whether the investigation will be inaugurated.

The Congress of the United States in an act approved on June 18, 1934 (sec. 300A, title 5, U. S. C.), gave the officials of the Federal Bureau of Investigation the power to serve warrants and subpenas issued under the authority of the United States to make seizures under warrant for violations of the laws of the United States, to make arrests without warrant for felonies which have been committed and which are cognizable under the laws of the United States. This statutory enactment has been regarded as giving the Federal Bureau of Investigation emergency powers to exercise in the public interests when it is necessary to apprehend fugitives or when individuals are being sought under Federal indictments whose arrest is necessitated by the time element. The arrests which special agents of the F. B. I. make are made only after the appropriate prosecuting official has passed upon the facts and then only after a warrant of arrest has been issued except in such instances as when the time element will not permit the issuance of a warrant and the arrest is made in order to prevent the wanted person's fleeing.

It has long been the established law of the land that in making a lawful arrest a search of the person arrested and a search of the place where the arrest is made in order to find and seize things connected with the crime as its fruits or as the means by which it was committed, as well as weapons and other things to effect an escape from custody does not in any way violate the constitutional rights of the accused (*Agnello* v. *United States*, 269 U. S. 20; *Marron* v. *United States*, 275 U. S. 192). The constitutional rights of no defendant is violated when, after a warning, he refuses to admit officers to serve lawful warrants of arrest. This is the established law since the early days of common law and has been continuously and still remains the rule, that provides that a law-enforcement officer who has been given a warrant of arrest to serve may break the door or window of a house in which such individuals live in order to consummate the arrest if the officer first makes a request for admittance, identifying himself and the object of his arrest. Thus, it would not appear that special agents have in any way violated the constitutional rights of any defendants in any case when they served a warrant issued by the Federal district court and, after identifying themselves, found it necessary to gain entry to the home of the individuals wanted by forcing an entrance.

The constitutional rights of a defendant to the right of counsel is provided by the sixth amendment of the Constitution in these words: "And to have the assistance of counsel for his defense." Surely the constitutional rights of a defendant are not violated when he is permitted to confer with counsel prior to arraignment and prior to his actual trial. Special agents of the F. B. I., once a person accused of having committed a crime is arraigned, have no further contact with the accused, since he is remanded to the custody of the United States marshal. Neither do special agents of the F. B. I. have anything to do with the matter of setting bail, since this is purely a judicial function.

As Attorney General Jackson said in his letter which was recently made public and published in the CONGRESSIONAL RECORD for May 7, 1940, "wide discretion must be left to officers in the field. They must act in the face of opposition and perhaps danger, and without opportunity for calm deliberation." That special agents of the F. B. I. have acted properly in protecting the constitutional rights of defendants is attested by the fact that during the past 12 years in over 52,000 convictions resulting in cases investigated by the F. B. I. there has not been a single reversal in a court of appeals based upon the ground of cruel and inhuman treatment to the defendants or so-called third-degree tactics. These facts speak louder than words as to the character of the men of the F. B. I., all of whom must be either graduate lawyers or accountants. Coupled with this was the resolution adopted by the United States Attorneys' Conference which recently assembled in Washington, wherein the prosecuting officials of the Department of Justice specifically lauded the F. B. I. for the protection of the civil rights of individuals.

Once taken into custody, the accused in cases investigated by the F. B. I. are given a physical examination. There could be no greater safeguard against third degree than this one practice, since the special agents must know that they are responsible and must later

answer in court for any injury afforded the accused while in their custody.

In the Detroit cases the Attorney General in his report states: "Because of departmental instructions for a speedy trial, the district attorney felt that the possibility of fugitives should be strictly guarded against. This seemed especially desirable since a grand-jury witness who claimed to know the defendants well has stated that in his opinion the defendants, if made aware of the indictment in advance of their arrest, some of them would go to Mexico, where he said a number of former members of the Loyalists were then resident." The Attorney General's report then found that there was no fault to be found in connection with the arrest of the defendants in that case at 5 a. m. in the morning. The real test should be, Did the special agents act within the law, and were the constitutional rights of the defendants protected? The answer seems to be clear. They were warned of their constitutional rights. They did not have to talk unless they wanted to. They were afforded the safeguard of a physical examination, and they were given the opportunity of conferring with counsel prior to the arraignment.

The handcuffing of accused following arrest is a matter that must rest with the sound discretion of the arresting officers. If there is any doubt whatsoever as to the safety of either the accused or the arresting officers, then that doubt must be resolved in favor of exercising the precautionary measure of handcuffing persons, since the officers are charged with the responsibility of delivering them before the appropriate courts for arraignment.

Mr. WILEY. Mr. President, I now desire to call the attention of the Senate to an editorial appearing in the Washington Post of May 7, 1940, entitled "The F. B. I. Absolved." I ask that it be incorporated in my remarks in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial is as follows:

[From the Washington Post of May 7, 1940]

THE F. B. I. ABSOLVED

The preservation of our civil liberties depends not only upon impartial enforcement of the laws but also upon law-abiding conduct on the part of enforcement agencies. Hence Attorney General Jackson very properly decided to investigate Senator NORRIS' charges that F. B. I. agents had mistreated persons arrested in Detroit for encouraging enlistment in the Spanish Loyalist Army.

It is reassuring to learn from the head of the civil liberties unit of the Department of Justice, who conducted the probe, that the agents in Detroit "acted within their instructions and exercised their discretion in good faith."

The cry of "third degree" methods is raised so often that the public is inclined to become skeptical or indifferent to such charges. In this instance skepticism was well-founded. But it is a wise precaution to make an occasional independent inquiry into the methods employed in the handling of prisoners. The mere knowledge that such investigations may be ordered has a salutary restraining effect upon the agents of the law.

In the present case the investigator has certain criticisms to make about the handling of large groups of prisoners by deputy marshals. His comments are no reflection upon the conduct of these officers but merely upon the customary practice of handcuffing and chaining prisoners together.

It would not be at all surprising if, in their zeal for apprehending criminals who are a deadly menace to society, some agents of the F. B. I. should occasionally forget the rights which suspects enjoy under our form of government. Attorney General Jackson's confidence that our traditional civil liberties are not in the least endangered by the F. B. I. will do much to dispel doubts on that score and prevent the bringing of baseless charges of third-degree methods.

Mr. WILEY. Mr. President, there has been much idle talk of an Ogpu. No one wants to see the creation of anything remotely resembling such an organization. It seems fair to observe, however, that an Ogpu or an American Gestapo is unlikely while we can maintain a free and independent government responsible only to the people. It seems as though we are setting up a straw bogey man when we fear such an immediate possibility. It seems unlikely that an F. B. I. of 920 agents could constitute such a threat to American freedom; and if it should for one moment appear that such a thing were possible, the Senate and House of Representatives could refuse to vote any money to keep this organization alive, and thus it would go out of existence.

Attorney General Robert H. Jackson himself on March 30, 1940, said:

During the last fiscal year the investigations by the Federal Bureau of Investigation touched the activities of approximately 60,000 individuals. This means that the Federal Bureau of Investigation had under scrutiny during a year approximately four ten-thousandths of 1 percent of the total population of the United States. Considerably over 99.99 percent were not touched by any investigative activities of the Bureau. They were affected only by being protected from those engaged in or suspected of serious Federal crime.

Mr. President, ours is still a government of checks and balances. The Federal Bureau of Investigation still has to report each year to the Attorney General. The Federal Bureau of Investigation still has to present its budget each year to the Bureau of the Budget. The Federal Bureau of Investigation still has to have its work reviewed each year by the President, by the House Appropriations Committee, by the House itself, by the Senate Appropriations Committee, and by the Senate itself. There appears to be a great sufficiency of checks on this arm of the Government.

Mr. President, if we are to be so concerned with questionable violations of civil liberties, it might be well for us to direct our attention to possible violations of civil liberties in other Government bureaus.

There is no need for further discussion of the F. B. I. Their record is the best answer to any such smoke screen of baseless allegations and abuse; and I do not include in this category the remarks of the Senator from Nebraska [Mr. NORRIS.]

I think, as the Senator from Oklahoma [Mr. LEE] said today, his bringing this matter out into the open is a good thing. It calls the attention of the people of the country, first, to the fact that we have this organization and that it is doing a great work. Secondly, it calls the attention of the people to the fact, to which the people should have their attention directed, that this country is being infiltrated by a "fifth column" and that the only agency we have to meet those subversive influences, those termites, is the F. B. I.

It should be sufficient for us to know that the F. B. I. is a stanch protector of civil rights. It was the F. B. I. that stamped out the racketeer; that made it possible for our youngsters, our babies, to walk the streets and go to school without being kidnaped. It was the F. B. I. that joined with the police forces of the Nation and made a coordinated working unit to protect and make possible our enjoyment of our civil rights. It should be sufficient for us to know that the F. B. I. stands as a bulwark against a tidal wave of foreign "isms" beating away at our traditional American concepts.

THREE HUNDREDTH ANNIVERSARY OF ESTABLISHMENT OF GREENWICH, CONN.

Mr. MALONEY. Mr. President, I ask unanimous consent for the consideration at this time of House bill 7806, Calendar No. 1559.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut?

Mr. McNARY. Mr. President, what is the bill? Let it be read by title.

The PRESIDING OFFICER. The clerk will state the title of the bill for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7806) to authorize the striking of an appropriate medal in commemoration of the three hundredth anniversary of the establishment of Greenwich, Conn., as a town.

Mr. McNARY. I have no objection.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in commemoration of the three hundredth anniversary of the establishment of Greenwich, Conn., as a town, and the granting of a charter for such establishment, there shall be struck at a mint of the United States to be designated by the Director of the Mint 50,000 commemorative medals of a special appropriate single design, size, weight, and composition to be fixed by the Director of the Mint with the approval of the Secretary of the Treasury.

SEC. 2. Such commemorative medals shall be delivered to the duly authorized officers of Greenwich Tercentenary Committee upon payment to the Director of the Mint of an amount to be fixed by the Director of the Mint, not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

SEC. 3. Whoever shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or shall aid in falsely making, forging, or counterfeiting any medal issued under the provisions of this act, or whoever shall sell or bring into the United States or any place subject to the jurisdiction thereof from any foreign place, or have in his possession any such false, forged, or counterfeited medal, shall be fined not more than $1,000 or imprisoned not more than 2 years, or both.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MILLER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. HUGHES, from the Committee on the Judiciary, reported favorably the nomination of Bernard Fitch to be United States marshal for the district of Connecticut.

Mr. PITTMAN, from the Committee on the Judiciary, reported favorably the following nominations:

Wayne Bezona, of Washington, to be United States marshal for the eastern district of Washington; and

Artis J. Chitty, of Washington, to be United States marshal for the western district of Washington.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the same committee, reported adversely the nomination of Edna Koehler to be postmaster at Fredericksburg, Pa.

CONVENTION WITH FRANCE—DOUBLE TAXATION

Mr. HARRISON, from the Committee on Foreign Relations, reported favorably without amendment Executive A (76th Cong., 3d sess.), a convention between the United States of America and France, signed at Paris on July 25, 1939, for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of income and other taxes, and also a protocol appended thereto, signed on the same day, which is made an integral part thereof, and he submitted a report (Ex. Rept. No. 7) thereon.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the first nomination on the calendar.

INTERSTATE COMMERCE COMMISSION

The legislative clerk read the nomination of John Monroe Johnson to be Interstate Commerce Commissioner.

Mr. McCARRAN. I ask that this nomination go over until Monday next.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

The legislative clerk read the nomination of Edward H. Davidson to be assistant chief inspector of locomotive boilers.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WHEELER. Mr. President, as Mr. Davidson's nomination was originally sent to the Senate he was named as assistant chief inspector. I introduced a measure, which has since become law, changing the title of this position from "assistant chief inspector" to "assistant director of locomotive inspection." The duties of the position are in no way affected by the legislation approved by the President on April 22, 1930.

FEDERAL TRADE COMMISSION

The legislative clerk read the nomination of W. A. Ayres to be Federal Trade Commissioner.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL POWER COMMISSION

The legislative clerk read the nomination of Clyde L. Seavey to be a member of the Federal Power Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

WORK PROJECTS ADMINISTRATION

The legislative clerk read the nomination of Carl W. Smith to be administrator for Washington.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed. That concludes the Calendar.

REMOVAL OF RESTRICTION ON USE OF LAID-UP VESSELS

Mr. BARKLEY. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to.

Mr. SCHWELLENBACH. Mr. President, there is on the calendar Senate Joint Resolution 246, Order of Business 1608, which was introduced by the senior Senator from California [Mr. JOHNSON]. There is likewise on the calendar an identical measure, which came over from the House day before yesterday, House Joint Resolution 519, Calendar No. 1632. I ask unanimous consent for the present consideration of the House joint resolution.

There being no objection, the joint resolution (H. J. Res. 519) to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 510 (g) of the Merchant Marine Act, 1936, as amended (restricting the use of vessels in the laid-up fleet of the Maritime Commission), is hereby suspended until the proclamation issued by the President on November 4, 1939, under section 1 (a) of the Neutrality Act of 1939 is revoked.

SEC. 2. At any time prior to revocation of the proclamation issued by the President on November 4, 1939, under section 1 (a) of the Neutrality Act of 1939, all vessels transferred to the Maritime Commission by the Merchant Marine Act, 1936, or otherwise acquired by the Commission (other than vessels constructed under the Merchant Marine Act, 1936) may, notwithstanding any provision of law contrary hereto or inconsistent herewith, be sold or chartered by the Commission, upon competitive bids and after due advertisement, upon such terms and conditions (including with respect to charters the charter period) and subject to such restrictions (including restrictions affecting the use or disposition of the vessel by the purchaser or charterer), as the Commission may deem necessary or desirable for the protection of the public interest.

The PRESIDING OFFICER. Without objection, Senate Joint Resolution 246 will be indefinitely postponed.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 26 minutes p. m.) the Senate took a recess until tomorrow, Thursday, May 9, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 8 (legislative day of April 24), 1940

PROMOTIONS IN THE NAVY

The following-named commanders to be captains in the Navy, to rank from the date stated opposite their names:

Lyell St. L. Pamperin, September 23, 1939.

Wells E. Goodhue, September 23, 1939.

Robert A. Hall, December 8, 1939.

The following-named lieutenant commanders to be commanders in the Navy, to rank from the 1st day of August 1939:

William N. Updegraff
Homer F. McGee
Charles Allen
Grayson B. Carter
Samuel B. Ogden
Frank E. Vensel, Jr.
Harry F. Newton

The following-named lieutenant commanders to be commanders in the Navy, to rank from the 1st day of September 1939:

Karl Schmidt
Joseph W. McColl, Jr.
Floyd J. Nuber
Jackson R. Tate.
Lewis R. McDowell

The following-named lieutenant commanders to be commanders in the Navy, to rank from the 23d day of September 1939:

Calvin M. Bolster
William H. Galbraith
Alexander J. Couble
Warner W. Angerer
Harold C. Fitz
Royal W. Abbott
Richard R. Hartung

The following-named lieutenant commanders to be commanders in the Navy, to rank from the 8th day of December 1939:

Jennings B. Dow
John E. Gingrich

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the date stated opposite their names:

Charles S. Weeks, September 23, 1939.
Willis H. Pickton, January 29, 1940.
Douglas E. Smith, April 1, 1940.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, to rank from the date stated opposite their names:

Paul H. Grouleff, September 1, 1939.
Richard V. Gregory, October 1, 1939.

The following-named paymasters to be pay inspectors in the Navy, with the rank of commander, to rank from the 1st day of July 1939:

Daniel M. Miller
William C. Colbert
Leon I. Smith
James E. Hunt
Charles H. Gillilan
James M. McComb
Hunter J. Norton
Everett W. Brown

The following-named ensigns to be assistant paymasters in the Navy, with the rank of ensign, to rank from the 2d day of June 1938:

Henry L. Beardsley
John Burkhardt, Jr.
Strong Boozer
Irwin T. Brooks
Harry J. P. Foley, Jr.
William J. Salmon
Sheldon C. St. John
Newell F. Varney
John C. Burrill
Wilton G. Bourland
Andrew W. Prout, Jr.
Edward J. Bryant
William P. Watts
Eugene R. Blandin

Boatswain Troy Brashear to be a chief boatswain in the Navy, to rank with but after ensign, from the 25th day of October 1939.

Machinist Lynn W. Childs to be a chief machinist in the Navy, to rank with but after ensign, from the 2d day of January 1940.

Pharmacist Albert M. Gulledge to be a chief pharmacist in the Navy, to rank with but after ensign, from the 1st day of March 1940.

Lt. Porter Lewis to be a lieutenant in the Navy from the 1st day of July 1939, to correct the date of rank as previously nominated and confirmed.

Lt. Selden C. Small to be a lieutenant in the Navy, from the 1st day of August 1939, to correct the date of rank as previously nominated and confirmed.

Capt. Ferdinand L. Reichmuth to be a rear admiral in the Navy, to rank from the 1st day of May 1940.

Commander Otto M. Forster to be a captain in the Navy, to rank from the 1st day of January 1940.

Lt. Comdr. Cato D. Glover, Jr., to be a commander in the Navy, to rank from the 8th day of December 1939.

Paymaster William R. Calvert to be a pay inspector in the Navy, with rank of commander, to rank from the 1st day of July 1939.

The following-named midshipmen to be ensigns in the Navy, to rank from the 6th day of June 1940:

Melvin Abrahams
Carl W. Adams
Arthur F. Alexander
Robert T. Allsopp
Ralph O. Anderson, Jr.
Roy G. Anderson
Vaughn "J" Andres
William S. Antle, Jr.
Daniel S. Appleton
Daniel E. Arnold
William D. Baker
Cary A. Baldwin
Maurice L. Baldwin
Eugene E. Ball, Jr.
Donald F. Banker
John P. Barron
Wilbur G. Barton
Leonard F. Bassett
Bud K. Beaver
William H. Beck, Jr.
Charles J. Beers
William E. Benbow
Horace E. Bent
Anthony C. Benjes, Jr.
Eldo W. Bergman
Allen A. Bergner
Arthur H. Berndtson
Harold W. Biesemeier
Robert G. Bill
John L. Bishop
Clarence F. Blair
George L. Block
John T. Blodgett
Ira K. Blough, Jr.
William R. Boehm
Robert R. Boettcher
Robert A. Bogardus
John H. Bowell
John H. Boyum
William W. Braley
William McK. Braybrook
David T. Breault
Donald R. Bried
Roman L. Brooks
Jack B. Brown
Richard E. Brown
Donald E. Bruce
William C. Bryan
Kent R. Bulfinch
Clifford W. Bundy
Alois J. Burda, Jr.
William W. Burgan
Julian T. Burke, Jr.
Louis E. Burke, Jr.
William W. Bush, Jr.
William M. Butler
Mat M. Cain, Jr.
David C. Caldwell
John H. Caldwell
Richard B. Campbell
James B. Cannon
Conrad H. Carlson
Harold G. Carlson
William M. Carpenter
William J. Caspari
Charles H. Champion
John D. Chase
Earle B. Childs
John H. Clagett
Albert H. Clancy, Jr.
Douglas A. Clark
William A. Clark
Robert E. Clements
Edward B. Cloues
Alvin P. Cluster
Christian H. Cochran
James C. Cochran
Richard L. Cochrane
Allen P. Cook, Jr.
James J. Coyle
William C. Croft
Robert S. Dail
Marshall E. Darby, Jr.
Irving J. Davenport
Henry D. Davison
Edward E. DeGarmo
Joseph Demetree
Ralph P. Desmond, Jr.
Charles E. Deterding, Jr.
Orval C. Dickes
Ernest W. Dobie, Jr.
Robert L. Dodane
Edwin "I" Donley
Robert R. Dupzyk
Blaine E. Eader
Thomas B. Earle
Philip F. Eckert
Alfred C. Edwards
James G. Egan
Arthur J. Ela
James S. Elkins, Jr.
George T. Elliott
Stanley E. Ellison
Felix L. Englander
Henry J. Ereckson, Jr.
Arthur G. Esch
Norman K. Faerber
James S. Farrior
Edward R. Fickenscher, Jr.
Harry F. Fischer, Jr.
Neil H. Fisher
William E. Fly
Samuel A. Forter
Benjamin T. Frana
Norbert Frankenberger
Edward J. Fruechtl
William H. Game
Ned Garrett
Ralph I. Gerber
Calvert B. Gill
Edmond S. Gillette, Jr.
Everett M. Glenn
Philip T. Glennon
Alexander S. Goodfellow, Jr.
Harold T. Goranson
Fred J. Gorczyk
Henry F. Graham
Louis P. Gray 3d
Oscar E. Gray, Jr.
Frank J. Graziano
John E. Greenbacker
William F. Greene
William L. Guice, Jr.
Thomas C. Gurley
Burton F. Haker
Benjamin C. Hall
Cary H. Hall
John M. Hamill

Virgil I. Hancock, Jr.
Michael J. Hanley, Jr.
Hugh A. Hanna
John C. Hanna
Burton R. Hanson
John I. Hardy
Robert E. Harris
George M. Hawes
Edward F. Hayes
Vincent P. Healey
Guy E. Hearn, Jr.
Richard J. Heath
Theodore Hechler, Jr.
James G. Hedrick
Jacob V. Heimark
Eugene A. Hemley
Richie N. Henderson
John W. Henry
Thaddeus A. Herrick, Jr.
Frank M. Hertel
Herman A. Hill
Raymond E. Hill
Alexander J. Hiller, Jr.
Jack J. Hinman 3d
Joseph P. Hittorff, Jr.
William M. Hodges
William P. Hodnett, Jr.
Jack A. Holmes
Louis E. Holtzman
William H. House
John P. Howatt
John D. Howell
Robert E. Huddleston
William J. Hughes, Jr.
Raymond A. Hundevadt
Albert H. Hunker
Lucian J. Hunt, Jr.
John J. Jackson, Jr.
Frederick P. Jacobs, Jr.
Milton L. Jarrett, Jr.
Robert E. Jeffery
Clary L. John
Ralph K. John, Jr.
Royal K. Joslin
Donald M. Kable
Robert L. Kalen
Franz N. Kanaga
Robert K. Kaufman
William J. Keating
Lyle H. Keator
Harlin M. Keister
John J. Keough
David L. G. King
Eugene T. Kirk
Robert D. Kirkpatrick, Jr.
George W. Kittredge
Herman H. Klare, Jr.
Fraser S. Knight
Raymond J. Koshliek
George H. Kronmiller
John E. Lacouture
William F. Laffey
William E. Lamb
Eugene D. Lamiman
Richard B. Laning
Conley C. Laster, Jr.
William Lattimore
David H. Lewis
William A. J. Lewis
Lester B. Libbey, Jr.
Miles A. Libbey
Nathan R. Lincoln, Jr.
Ashley J. Little
Bruce K. Lloyd, Jr.
Lawrence S. Lockett
James C. Lockwood
Frank S. Lomax
Richard W. Long
James C. Longino, Jr.
Scott Lothrop
Warren P. Lowerre
Stephen H. MacGregor, Jr.
David F. MacInnes
William H. Mack
James W. MacMurray
Fred F. Mallory
Edwin Malloy, Jr.
Arthur L. Maltby, Jr.
David A. Marks
Richard K. Mason, Jr.
Victor G. Matusek
Charles P. Mason, Jr.
Louis H. Mayo
Paul E. McArthur
Jerry W. McCarthy
Richard H. McElligott
Farrell B. McFarland
Terry T. McGillicuddy
Thomas P. McGrath
Robert W. McIntosh
William R. McKinney
Earl W. McLaughlin
John J. McMullen
James F. McRoberts
Howard D. Merrill
Russell O. Merrill
William R. Meyer
Frederick H. Michaelis
John C. Micheel
John M. Miller
Robert N. Miller
James S. Milliken
George W. Montgomery, Jr.
John W. M. Montgomery
Russell F. Moon
William B. Morton
Richard C. Mueller
Edward Muhlenfeld
Martin J. Mulderrig, Jr.
Raymond J. Murray
John B. Mutty
Donald N. Neddo
John B. Nelson
Richard J. Nesbitt
Alva F. Nethken
Robert A. Newcomb
Albert W. Newhall, Jr.
Archibald T. Nicholson, Jr.
Richard M. Niles
Jay A. Noble, Jr.
Edward F. O'Brien, Jr.
Charles H. Obrist, Jr.
Rue O'Neill, Jr.
Lynn S. Orser
Manley C. Osborne
Merlin Paddock
Richard W. Parker
Roger V. Parlett, Jr.
Paul M. Paul
Robert H. Pauli
Louis A. Perras, Jr.
Thomas R. Perry, Jr.
Irvin G. Peters
Ernest R. Peterson
James F. Phelan
Denny P. Phillips
John E. Plummer
James T. Preston
Reginald J. Proseus
David Purdon, Jr.
Robert D. Quinn
Rex E. Rader
Cyrus S. Radford, Jr.
John C. Rait
Lyle B. Ramsey
Carlton F. Rees
John F. Refo
Arthur W. Rhodes
Lonnie H. Roark
William B. Robb
Everett E. Roberts, Jr.
John H. Rockwell, Jr.
Thomas M. Roddy
Edward A. Rodgers
Edgar N. Rogers
William D. Roseborough, Jr.
Willard A. Sampson
Carl A. Sander, Jr.
Louis N. Saunders, Jr.
Charles Sawers
Herman L. Schafer, Jr.
Donald S. Scheu
Alan H. Schirmer
Raymond J. Schneider
Warren A. Schoen
Victor L. Schrager
Anthony R. Schubert
William J. Scott 3d
John D. Seal
Harvey B. Seim
Coleman Sellers 4th
Herschel V. Sellers, Jr.
Richard W. Shafer
Walter L. Shaffer
Gene W. Sheker
Sidney A. Sherwin, Jr.
Kenneth G. Simmons
Charles A. Skinner
Edward C. Sledge
Roy C. Smallwood, Jr.
Charles W. Smalzel
Carthel H. Smith, Jr.
Charles D. Smith 2d
Harvey J. Smith, Jr.
Haywood C. Smith
James C. Smith, Jr.
Orville S. Smith
Roger F. Smith
Howard L. Smolin
Joseph C. Snyder
William W. South
John P. Spears
Karl H. Stefan
Julius F. Steuckert
Robert C. Stimson
John T. Straker
Abbot P. Street
Warren P. Strong, Jr.
Louie W. Strum, Jr.
John W. Sullivan
Stewart W. Swacker
Lee St. C. Swepston, Jr.
Robert S. Tackaberry
Thomas H. Taylor
George K. Tayoun, Jr.
Vernon E. Teig
Irvin A. R. Thompson
Paul V. Thompson
William L. Thorpe, Jr.
Eugene B. Tilton
Joseph R. Treanor
William W. Trice
Herman J. Trum 3d
Wallace A. Utley
Markeson Varland
Arthur McK. Varnum
Henry L. Vaughan
Demetrius J. Vellis
Hugh B. Vickery
William C. Vickrey, Jr.
Harvey O. Vogel
Stanley E. Wagenhals
Arthur H. Wagner
Warren Walker, Jr.
William A. Walker 3d
Joseph A. Wallace 3d
Charles S. Walline
Robert A. Weatherup
Joseph Weber
Edwin G. Weed
Carl A. Weeden
Alonzo H. Wellman, Jr.
Tom H. Wells
William E. Westhoff
John A. Whitacre
Harry C. White, Jr.
Robert H. White
Ulmont I. Whitehead, Jr.
John P. Wier, Jr.
John W. Williams
David S. Wilson
Harold E. Williamson
Leigh C. Winters
Ward W. Witter
Charles M. Wood, Jr.
Emmett W. Wood
Hugh Wood, Jr.
Robert R. Wooding
Jesse D. Worley
John H. Wright
Robert J. Wuest
Eric R. Young

MARINE CORPS

The following-named midshipmen to be second lieutenants in the Marine Corps from the 6th day of June 1940:

John W. Antonelli
John P. Brody
Otis V. Calhoun, Jr.
Leon E. Chabot
Talbott F. Collins
Eugene A. Dueber, Jr.
John B. Edgar, Jr.
Horace H. Figuers
Lawrence F. Fox
Alfred B. Hebeisen
George W. Herring
Frederick J. Karch
Edwin C. Kimball
Louis N. King
Jack F. McCollum
Edward VanH. Mendenhall, Jr.
Harvey M. Miller
Louis G. Monville
John H. Partridge
Joseph S. Skoczylas
James H. Tatsch
Paul S. Treitel
Erwin F. Wann, Jr.
Gerald G. Williams
David C. Wolfe

Lt. Col. Raphael Griffin to be a colonel in the Marine Corps from the 14th day of August 1939.

Lt. Col. David L. S. Brewster to be a colonel in the Marine Corps from the 1st day of October 1939.

The following-named captains to be majors in the Marine Corps from the 14th day of August 1939:

Herbert P. Becker

William C. Purple

Charles L. Fike

Capt. Harold D. Harris to be a major in the Marine Corps from the 1st day of April 1940.

First Lt. John W. Sapp, Jr., to be a captain in the Marine Corps from the 14th day of August 1939.

First Lt. Floyd B. Parks to be a captain in the Marine Corps from the 14th day of August 1939.

POSTMASTERS

ALABAMA

William B. Taylor to be postmaster at Mobile, Ala., in place of W. B. Taylor. Incumbent's commission expires May 13, 1940.

ARKANSAS

Roy M. Craig to be postmaster at Newark, Ark., in place of B. C. Pascoe, resigned.

CALIFORNIA

Henry Mendes to be postmaster at Standard, Calif. Office became Presidential July 1, 1938.

COLORADO

Richard D. Saunders to be postmaster at Alamosa, Colo., in place of R. D. Saunders. Incumbent's commission expires May 19, 1940.

William D. Joyce to be postmaster at Antonito, Colo., in place of W. D. Joyce. Incumbent's commission expires May 19, 1940.

Mildred P. Wion to be postmaster at Granada, Colo., in place of M. P. Wion. Incumbent's commission expires May 13, 1940.

FLORIDA

George E. Merrick to be postmaster at Miami, Fla., in place of W. C. Hill. Incumbent's commission expired March 27, 1939.

GEORGIA

Ruth Parrish to be postmaster at Brooklet, Ga., in place of A. M. Warnock. Incumbent's commission expired March 15, 1938.

Joseph C. Nelson to be postmaster at Cartersville, Ga., in place of R. W. Knight, resigned.

Leon DeLos Miller to be postmaster at Emory University, Ga., in place of L. D. Miller. Incumbent's commission expires May 19, 1940.

Benjamin E. Harrison to be postmaster at Milledgeville, Ga., in place of H. T. Cline. Incumbent's commission expired January 16, 1933.

IDAHO

Clarence M. Friend to be postmaster at Elk River, Idaho, in place of C. M. Friend. Incumbent's commission expires May 13, 1940.

Gilbert G. Smith to be postmaster at Filer, Idaho, in place of G. G. Smith. Incumbent's commission expires May 13, 1940.

Clyde H. Daugherty to be postmaster at Kendrick, Idaho, in place of C. H. Daugherty. Incumbent's commission expires May 20, 1940.

Ida J. Peck to be postmaster at Lava Hot Springs, Idaho, in place of I. J. Peck. Incumbent's commission expires May 20, 1940.

Benjamin Y. Edwards to be postmaster at McCammon, Idaho, in place of B. Y. Edwards. Incumbent's commission expires May 20, 1940.

Jesse J. Walling to be postmaster at Nampa, Idaho, in place of J. J. Walling. Incumbent's commission expires May 20, 1940.

Michael A. Stronk to be postmaster at Twin Falls, Idaho, in place of M. A. Stronk. Incumbent's commission expires May 20, 1940.

ILLINOIS

Herman H. Kattenbraker to be postmaster at Coulterville, Ill., in place of H. H. Kattenbraker. Incumbent's commission expires May 19, 1940.

George J. Fruin to be postmaster at Dixon, Ill., in place of G. J. Fruin. Incumbent's commission expires May 19, 1940.

Oscar Ped Bonner to be postmaster at Fairfield, Ill., in place of O. P. Bonner. Incumbent's commission expires May 20, 1940.

Tracy Earl Horrie to be postmaster at Gardner, Ill., in place of T. E. Horrie. Incumbent's commission expires May 20, 1940.

Paul L. Wells to be postmaster at Grayville, Ill., in place of P. L. Wells. Incumbent's commission expires May 19, 1940.

IOWA

Arthur Joseph Claeys to be postmaster at Akron, Iowa, in place of A. J. Claeys. Incumbent's commission expires May 19, 1940.

Harold T. Hutchison to be postmaster at Arlington, Iowa, in place of Floyd Finney, deceased.

Mina N. Umbehaun to be postmaster at Arnolds Park, Iowa, in place of M. N. Umbehaun. Incumbent's commission expires May 19, 1940.

Francis J. Spain to be postmaster at Kingsley, Iowa, in place of F. J. Spain. Incumbent's commission expires May 19, 1940.

Wayne A. Staton to be postmaster at Marathon, Iowa, in place of W. A. Staton. Incumbent's commission expires May 13, 1940.

Irene G. Gatton to be postmaster at Oakdale, Iowa, in place of I. G. Gatton. Incumbent's commission expires May 13, 1940.

Harry H. Ballhorn to be postmaster at Wheatland, Iowa, in place of William Hoker, resigned.

KANSAS

Harriet M. McCauley to be postmaster at Burlingame, Kans., in place of H. M. McCauley. Incumbent's commission expires May 13, 1940.

Jack Comes to be postmaster at Burrton, Kans., in place of Jack Comes. Incumbent's commission expires May 13, 1940.

Ellis C. Logsdon to be postmaster at Grenola, Kans., in place of E. C. Logsdon. Incumbent's commission expires May 13, 1940.

Ralph L. Russell to be postmaster at Hutchinson, Kans., in place of R. L. Russell. Incumbent's commission expired July 18, 1939.

Vernon K. Campbell to be postmaster at Merriam, Kans., in place of V. K. Campbell. Incumbent's commission expires May 19, 1940.

Charles E. Canny to be postmaster at Mound Valley, Kans., in place of C. E. Canny. Incumbent's commission expires May 19, 1940.

Daniel P. McCormick to be postmaster at Scammon, Kans., in place of D. P. McCormick. Incumbent's commission expires May 13, 1940.

Kenneth L. Lavender to be postmaster at Valley Center, Kans., in place of K. L. Lavender. Incumbent's commission expires May 13, 1940.

KENTUCKY

Effie Lee Bailey to be postmaster at New Castle, Ky., in place of E. L. Bailey. Incumbent's commission expired January 31, 1940.

LOUISIANA

Joseph J. Ferguson to be postmaster at New Orelans, La., in place of J. J. Ferguson. Incumbent's commission expired April 1, 1940.

Howard J. Durand to be postmaster at St. Martinville, La., in place of H. J. Durand. Incumbent's commission expires May 19, 1940.

MAINE

Mary W. Greenlief to be postmaster at Monmouth, Maine, in place of M. W. Greenlief. Incumbent's commission expired January 17, 1939.

Orrin J. Bishop to be postmaster at Presque Isle, Maine, in place of O. J. Bishop. Incumbent's commission expired January 23, 1940.

MASSACHUSETTS

Paul H. Sheehan to be postmaster at Northboro, Mass., in place of T. L. White, removed.

Jeremiah T. Shanahan to be postmaster at Turners Falls, Mass., in place of P. J. McCarthy, deceased.

MICHIGAN

Nelson Joseph Coash to be postmaster at Romulus, Mich., in place of N. J. Coash. Incumbent's commission expires May 18, 1940.

Rex R. Royal to be postmaster at Shelby, Mich., in place of C. W. Tallant, deceased.

MINNESOTA

Stella M. Rasmussen to be postmaster at Brookpark, Minn., in place of S. M. Rasmussen. Incumbent's commission expired August 26, 1939.

Thomas S. Ryan to be postmaster at Hastings, Minn., in place of E. J. King, removed.

Roland W. Adkins to be postmaster at Kimball, Minn., in place of D. B. Brower. Incumbent's commission expired March 27, 1939.

Emil Ahola to be postmaster at Virginia, Minn., in place of E. J. Larsen. Incumbent's commission expired August 26, 1939.

MISSOURI

Homer Reid Cowan to be postmaster at Maitland, Mo., in place of H. R. Cowan. Incumbent's commission expires May 20, 1940.

Anthony F. Westhoff to be postmaster at Marthasville, Mo., in place of A. F. Westhoff. Incumbent's commission expires May 20, 1940.

Elizabeth K. Black to be postmaster at Mount City, Mo., in place of E. K. Black. Incumbent's commission expires May 20, 1940.

NEW JERSEY

John L. A. Gorman to be postmaster at Dumont, N. J., in place of J. L. A. Gorman. Incumbent's commission expired March 19, 1940.

Blanche F. Erricson to be postmaster at Villas, N. J. Office became Presidential July 1, 1939.

NEW YORK

William Moses to be postmaster at Berlin, N. Y., in place of L. H. Armstrong, removed.

Frank J. Quayle, Jr., to be postmaster at Brooklyn, N. Y., in place of F. J. Sinnott, resigned.

Harold O. Denegar to be postmaster at Germantown, N. Y., in place of H. O. Denegar. Incumbent's commission expired May 13, 1939.

Frank A. McEvoy to be postmaster at Mount McGregor, N. Y., in place of W. H. Ordway. Incumbent's commission expired March 23, 1939.

NORTH CAROLINA

John L. Cassell to be postmaster at Draper, N. C., in place of J. L. Cassell. Incumbent's commission expires May 19, 1940.

Thomas Carlyle Pate to be postmaster at Gibson, N. C., in place of T. C. Pate. Incumbent's commission expires May 19, 1940.

John Harmon Linville to be postmaster at Kernersville, N. C., in place of J. H. Linville. Incumbent's commission expires May 19, 1940.

James H. Ledbetter to be postmaster at Mount Gilead, N. C., in place of J. H. Ledbetter. Incumbent's commission expired April 1, 1940.

Albert Lee Herring to be postmaster at Snow Hill, N. C., in place of A. L. Herring. Incumbent's commission expires May 19, 1940.

Spurgeon K. Yelton to be postmaster at Spindale, N. C., in place of S. K. Yelton. Incumbent's commission expired April 1, 1940.

Walter Marsh Cavin to be postmaster at Stanley, N. C., in place of W. M. Cavin. Incumbent's commission expires May 19, 1940.

NORTH DAKOTA

Robert E. Milligan to be postmaster at Hannah, N. Dak., in place of R. E. Milligan. Incumbent's commission expires May 20, 1940.

OHIO

Clifton L. D. Hartsel to be postmaster at Ashland, Ohio, in place of C. L. D. Hartsel. Incumbent's commission expires May 20, 1940.

Robert C. Young to be postmaster at Bucyrus, Ohio, in place of R. C. Young. Incumbent's commission expires May 20, 1940.

Herman J. Kightlinger to be postmaster at Caledonia, Ohio, in place of H. J. Kightlinger. Incumbent's commission expires May 20, 1940.

Earl L. Heck to be postmaster at Englewood Ohio. Office became Presidential July 1, 1939.

William V. Goshorn to be postmaster at Galion, Ohio, in place of W. V. Goshorn. Incumbent's commission expires May 20, 1940.

Clare Trent to be postmaster at Leesburg, Ohio, in place of Burch Trent, deceased.

Clyde L. Weiser to be postmaster at Orrville, Ohio, in place of C. L. Weiser. Incumbent's commission expires May 13, 1940.

Emmett Lewis to be postmaster at Osborn, Ohio, in place of W. T. Naragon, deceased.

Harry C. Stratton to be postmaster at Piney Fork, Ohio, in place of H. C. Stratton. Incumbent's commission expires May 20, 1940.

Orion W. Kerschner to be postmaster at Trotwood, Ohio, in place of O. W. Kerschner. Incumbent's commission expires May 13, 1940.

George W. Kinzey to be postmaster at Wayne, Ohio, in place of G. W. Kinzey. Incumbent's commission expires May 13, 1940.

OKLAHOMA

William R. Marlin to be postmaster at Pawnee, Okla., in place of W. R. Marlin. Incumbent's commission expired April 21, 1940.

OREGON

James W. Drinkard to be postmaster at Halsey, Oreg., in place of J. W. Drinkard. Incumbent's commission expired January 18, 1939.

PENNSYLVANIA

Jennie Moran to be postmaster at Braddock, Pa., in place of Jennie Moran. Incumbent's commission expires May 13, 1940.

Frances M. Dougherty to be postmaster at Haverford, Pa., in place of F. M. Dougherty. Incumbent's commission expired March 6, 1940.

James P. Dennehy to be postmaster at Lock Haven, Pa., in place of J. P. Dennehy. Incumbent's commission expired January 28, 1940.

Marion S. Schoch to be postmaster at Selinsgrove, Pa., in place of M. S. Schoch. Incumbent's commission expired August 2, 1939.

Ella R. Williams to be postmaster at Vandergrift, Pa., in place of E. R. Williams. Incumbent's commission expired January 28, 1940.

Harold G. Seyler to be postmaster at Weiser Park, Pa., in place of H. G. Seyler. Incumbent's commission expired January 28, 1940.

Leonard Harry Zeilinger to be postmaster at Youngwood, Pa., in place of K. J. Gaffney, resigned.

PUERTO RICO

Cristina G. Sandoval to be postmaster at Hato Rey, P. R., in place of C. G. Sandoval. Incumbent's commission expired April 1, 1940.

Juan V. Hernandez to be postmaster at San Sebastian, P. R., in place of J. V. Hernandez. Incumbent's commission expired April 24, 1940.

RHODE ISLAND

Daniel J. Dennis to be postmaster at Tiverton, R. I., in place of D. J. Dennis. Incumbent's commission expired March 28, 1940.

SOUTH CAROLINA

Fred L. Timmerman to be postmaster at Graniteville, S. C., in place of F. L. Timmerman. Incumbent's commission expired March 13, 1940.

Houston Manning to be postmaster at Latta, S. C., in place of Houston Manning. Incumbent's commission expired August 27, 1939.

SOUTH DAKOTA

Clyde E. Cunningham to be postmaster at Estelline, S. Dak., in place of W. H. Stein. Incumbent's commission expired July 27, 1939.

Ralph V. Millstead to be postmaster at Philip, S. Dak., in place of R. V. Millstead. Incumbent's commission expired August 13, 1939.

TENNESSEE

Myrtis F. Ramer to be postmaster at Bethel Springs, Tenn., in place of M. F. Ramer. Incumbent's commission expired March 10, 1940.

James B. Goodwin to be postmaster at Trezevant, Tenn., in place of J. B. Goodwin. Incumbent's commission expired January 31, 1938.

TEXAS

Oran L. Ferrell to be postmaster at Bullard, Tex., in place of O. L. Ferrell. Incumbent's commission expires May 19, 1940.

Emmett U. Reagan to be postmaster at Dilley, Tex., in place of E. U. Reagan. Incumbent's commission expires May 19, 1940.

Robert B. Truett to be postmaster at Frankin, Tex., in place of R. B. Truett. Incumbent's commission expired April 24, 1940.

Kirby J. Preston to be postmaster at Gladewater, Tex., in place of K. J. Preston. Incumbent's commission expired April 24, 1940.

Elvis E. Wallis to be postmaster at Iowa Park, Tex., in place of E. E. Wallis. Incumbent's commission expires May 19, 1940.

Alvin L. Allen to be postmaster at La Feria, Tex., in place of A. L. Allen. Incumbent's commission expires May 19, 1940.

Owen C. Taylor to be postmaster at Lemesa, Tex., in place of O. C. Taylor. Incumbent's commission expires May 19, 1940.

Harry W. Moynihan to be postmaster at Miles, Tex., in place of H. W. Moynihan. Incumbent's commission expires May 19, 1940.

Richard Pfeuffer to be postmaster at New Braunfels, Tex., in place of Richard Pfeuffer. Incumbent's commission expires May 19, 1940.

Arvel O. Pickens to be postmaster at Phillips, Tex., in place of A. O. Pickens. Incumbent's commission expired April 29, 1940.

Doris I. Rogers to be postmaster at Saint Jo, Tex., in place of D. I. Rogers. Incumbent's commission expires May 19, 1940.

Floyd C. Platt to be postmaster at San Juan, Tex., in place of F. C. Platt. Incumbent's commission expires May 19, 1940.

William J. Davis to be postmaster at Silsbee, Tex., in place of W. J. Davis. Incumbent's commission expires May 23, 1940.

Anna Lee Pearce to be postmaster at Sterling City, Tex., in place of O. D. Worthy, resigned.

Clifton Davenport to be postmaster at Weslaco, Tex., in place of Clifton Davenport. Incumbent's commission expires May 19, 1940.

Nora B. Starnes to be postmaster at Winona, Tex., in place of N. B. Starnes. Incumbent's commission expired April 24, 1940.

VIRGINIA

Frances Glassell Beale to be postmaster at Bowling Green, Va., in place of F. G. Beale. Incumbent's commission expires May 19, 1940.

Anthony G. Simmons to be postmaster at Fincastle, Va., in place of A. G. Simmons. Incumbent's commission expired January 20, 1940.

John Dabney Simpson to be postmaster at Middleburg, Va., in place of Arthur Gartrell, removed.

William T. Roberts to be postmaster at Nassawadox, Va., in place of W. T. Roberts. Incumbent's commission expires May 13, 1940.

Thomas N. Carruthers to be postmaster at Purcellville, Va., in place of T. N. Carruthers. Incumbent's commission expired April 24, 1940.

Levi E. Stephenson to be postmaster at Wakefield, Va., in place of L. E. Stephenson. Incumbent's commission expires May 13, 1940.

WASHINGTON

Joseph L. Milner to be postmaster at Almira, Wash., in place of J. L. Milner. Incumbent's commission expired January 31, 1940.

Frank Bryan Collins to be postmaster at Camas, Wash., in place of F. B. Collins. Incumbent's commission expires May 13, 1940.

William G. Meneice to be postmaster at Carson, Wash., in place of W. G. Meneice. Incumbent's commission expires May 13, 1940.

Edna Smith to be postmaster at La Center, Wash., in place of Edna Smith. Incumbent's commission expires May 13, 1940.

Quentin D. Mitchell to be postmaster at Long Beach, Wash., in place of Q. D. Mitchell. Incumbent's commission expires May 13, 1940.

Andrew H. Byram to be postmaster at Millwood, Wash., in place of A. H. Byram. Incumbent's commission expired March 13, 1940.

Milton E. Waste to be postmaster at Morton, Wash., in place of M. E. Waste. Incumbent's commission expires May 13, 1940.

Arthur R. Schooler to be postmaster at Tieton, Wash., in place of A. R. Schooler. Incumbent's commission expired April 30, 1940.

WISCONSIN

Stephen D. Balliet to be postmaster at Appleton, Wis., in place of E. D. Balliet. Incumbent's commission expires May 19, 1940.

Walter A. Frome to be postmaster at Black Earth, Wis., in place of W. A. Frome. Incumbent's commission expired August 26, 1939.

William F. Dahmen to be postmaster at Cross Plains, Wis., in place of W. F. Dahmen. Incumbent's commission expired July 30, 1939.

Paul W. Cornish to be postmaster at Fort Atkinson, Wis., in place of P. W. Cornish. Incumbent's commission expires May 19, 1940.

Aloys H. Vos to be postmaster at Kansasville, Wis., in place of A. H. Vos. Incumbent's commission expired April 28, 1940.

Raymond Novotny to be postmaster at Oshkosh, Wis., in place of Raymond Novotny. Incumbent's commission expired April 28, 1940.

John T. Helsing to be postmaster at Port Wing, Wis., in place of J. T. Helsing. Incumbent's commission expired August 26, 1939.

Kathryn C. Meisner to be postmaster at Wittenberg, Wis., in place of K. C. Meisner. Incumbent's commission expired March 12, 1940.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 8 (legislative day of April 24), 1940

INTERSTATE COMMERCE COMMISSION

Edward H. Davidson to be assistant chief inspector of locomotive boilers in the Interstate Commerce Commission.

FEDERAL TRADE COMMISSION

W. A. Ayres to be a Federal Trade Commissioner.

FEDERAL POWER COMMISSION

Clyde L. Seavey to be a member of the Federal Power Commission.

WORK PROJECTS ADMINISTRATION

Carl W. Smith to be work-projects administrator for Washington.

POSTMASTERS

ILLINOIS

L. Janet Merkle, Brocton.
Helmer D. Carlson, Fox Lake.
Elma L. South, Hammond.
Loy Bagby, Olmsted.
John H. Cox, Onarga.
Henry H. Strahan, Roxana.

MONTANA

Leslie L. Like, Drummond.
Albert Hole, Wheeler.

NEBRASKA

Carl S. Carrell, Bassett.
Mary H. Vrchlavsky, Fort Crook.

PROMOTIONS IN THE NAVY

NOTE.—For a list of appointments in the Navy and in the Marine Corps which were confirmed today, see midshipmen to be ensigns in the Navy and second lieutenants in the Marine Corps, under the caption "Nominations" in the proceedings of today.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 8, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord God, come Thou to our waiting hearts and minds. Forgive us everything which is unworthy of the holy name which we have taken upon our lips. As high and patriotic tasks are set before us help us to fulfill them in accordance with the very best traditions of our Republic. Do Thou direct the Congress in the solution of its problems and questions, and may it eagerly seek the best and the wisest. Dispel all earth-born clouds, and be gracious unto the whole family of our citizens. Come to us in the light of Him who fulfills our hopes, dreams, and aspirations. Almighty God, truly Thou hast written Thy hand upon the pages of this radiant world. May we be still and feel its unspoken silences; keep us alive to the unutterable wonders of the springtime of promise; alive to walk its kindly, brotherly ways; alive to know that the essence of life is divine and that we are to be alive more and more forever. In the blessed name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the amendments of the House to the amendments of the Senate Nos. 28 and 29 to the bill (H. R. 8319) entitled "An act making appropriations for the Departments of State, Commerce, and Justice, and for the judiciary, for the fiscal year ending June 30, 1941, and for other purposes."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3828. An act to amend section 107 of the Judicial Code, as amended, to eliminate the requirement that suitable accommodations for holding the court at Winchester, Tenn., be provided by the local authorities.

POINT OF ORDER

Mr. WOLCOTT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Will the gentleman withhold the point of order until the Chair can recognize gentlemen for personal requests? The Chair will entertain only personal requests.

EXTENSION OF REMARKS

Mr. CULLEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting therein a speech delivered by Postmaster General Farley before the Sales Executives Club.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WARREN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a telegram addressed to me.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement by Col. Sidney D. Waldon, of Detroit, Mich., chairman of the highway and legislative committee of the American Automobile Association. This statement is rather long, but it is on a subject on which the people are entitled to have information.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. O'BRIEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article and a speech delivered by the very capable head of the F. B. I., J. Edgar Hoover.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a few letters on the Wheeler-Lea bill.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. SPRINGER asked and was given permission to extend his own remarks in the RECORD.

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein a resolution from the employees of the world's largest railroad shops in support of the Wheeler-Lea railroad bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the effect of Reorganization Plan No. IV on the Soil Conservation Service.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein two tables with reference to water transportation in 1937 and 1938, and a letter from the Mississippi Valley Association.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. The Chair cannot recognize the gentleman for that purpose. The point of order has been made that a quorum is not present, and the Chair announced that he would entertain only personal requests.

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from Mr. E. M. Reece, chairman of the First National Farm Loan Association of Los Angeles, in support of the Jones-Wheeler bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include therein two telegrams from pilots from Billings, Mont.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. SABATH. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. SABATH. The Speaker stated that a point of order had been made and is now pending. I have just come from a meeting of the Rules Committee, and I did not know who had made the point of order. However, I notice we are still proceeding to grant unanimous-consent requests to extend remarks.

The SPEAKER. The Chair announced, probably before the gentleman from Illinois came on the floor, that the Chair would only recognize gentlemen for the purpose of extending their remarks in the RECORD at this juncture.

Mr. FERGUSON asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a speech made by myself on April 26.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CALL OF THE HOUSE

The SPEAKER. The gentleman from Michigan makes a point of order there is no quorum present. The Chair will count. [After counting.] One hundred and eighty-eight Members are present, not a quorum.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 97]

Chapman	Hendricks	Merritt	Shannon
Claypool	Hook	Mills, La.	Starnes, Ala.
Crowe	Jacobsen	Mitchell	Steagall
Darrow	Jarman	Myers	Sweeney
Dunn	Jenkins, Ohio	Norton	Taylor
Durham	Johnson, Ind.	Osmers	Thomason
Folger	Kirwan	Peterson, Fla.	Wadsworth
Gilchrist	Landis	Reece, Tenn.	Ward
Grant, Ind.	McGranery	Risk	Weaver
Green	Maas	Rogers, Okla.	Welch
Gwynne	Martin, Ill.	Schulte	Whelchel
Harness	Mason	Shafer, Mich.	

The SPEAKER. On this roll call 383 Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

REORGANIZATION PLAN NO. IV

Mr. LEA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LEA. Are we to understand that a vote in the affirmative or for the resolution is to disapprove the transfer proposed by the reorganization plan?

The SPEAKER. The Chair thinks the best answer to that inquiry is to read the resolution:

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the Reorganization Plan No. IV transmitted to Congress by the President on April 11, 1940.

Mr. LEA. Mr. Speaker, I demand the yeas and nays on the resolution.

The SPEAKER. The Clerk will first report the resolution.

The Clerk read as follows:

House Concurrent Resolution 60

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the Reorganization Plan No. IV transmitted to Congress by the President on April 11, 1940.

The SPEAKER. The question is on agreeing to the resolution.

The gentleman from California [Mr. LEA] demands the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 232, nays 153, answered "present" 2, not voting 43, as follows:

[Roll No. 98]

YEAS—232

Alexander	Edmiston	Kilburn	Rich
Allen, Ill.	Elliott	Kilday	Robinson, Utah
Allen, La.	Elston	Kinzer	Robsion, Ky.
Allen, Pa.	Engel	Kleberg	Rockefeller
Andersen, H. Carl	Englebright	Knutson	Rodgers, Pa.
Anderson, Calif.	Evans	Kocialkowski	Rogers, Mass.
Anderson, Mo.	Faddis	Kunkel	Routzohn
Andresen, A. H.	Fenton	Lambertson	Rutherford
Andrews	Fernandez	Lanham	Ryan
Angell	Fish	Lea	Sandager
Arends	Flaherty	LeCompte	Sasscer
Austin	Ford, Leland M.	Lemke	Satterfield
Ball	Ford, Miss.	Lewis, Colo.	Schafer, Wis.
Barton, N. Y.	Gamble	Lewis, Ohio	Schiffler
Bates, Mass.	Gartner	Luce	Schwert
Bell	Gavagan	Ludlow	Scrugham
Bender	Gearhart	McArdle	Seccombe
Blackney	Gehrmann	McDowell	Secrest
Bolles	Gerlach	McGehee	Seger
Bolton	Gifford	McGregor	Sheppard
Boren	Gillie	McLaughlin	Short
Bradley, Mich.	Goodwin	McLean	Simpson
Brewster	Graham	McLeod	Smith, Ohio
Brown, Ohio	Griffith	Magnuson	Smith, Va.
Buck	Gross	Maloney	Smith, Wash.
Bulwinkle	Guyer, Kans.	Marshall	Snyder
Burdick	Gwynne	Martin, Iowa	South
Byrns, Tenn.	Hall, Edwin A.	Martin, Mass.	Sparkman
Caldwell	Hall, Leonard W.	May	Springer
Cannon, Fla.	Halleck	Michener	Stearns, N. H.
Carlson	Hancock	Miller	Stefan
Carter	Harter, N. Y.	Mills, La.	Sumner, Ill.
Case, S. Dak.	Hartley	Monkiewicz	Sweet
Chapman	Hawks	Moser	Taber
Chiperfield	Hess	Mott	Talle
Church	Hinshaw	Mouton	Thill
Clason	Hoffman	Mundt	Thomas, N. J.
Clevenger	Holmes	Murdock, Utah	Thorkelson
Cluett	Hook	Murray	Tibbott
Coffee, Nebr.	Hope	Nichols	Tinkham
Coffee, Wash.	Horton	O'Brien	Tolan
Cole, Md.	Houston	O'Connor	Treadway
Cole, N. Y.	Hull	O'Day	Van Zandt
Collins	Hunter	Oliver	Vorys, Ohio
Corbett	Jarrett	Osmers	Vreeland
Costello	Jeffries	Patrick	West
Crawford	Jenks, N. H.	Patton	Wheat
Crosser	Jennings	Pittenger	White, Ohio
Crowther	Jensen	Plumley	Wigglesworth
Curtis	Johns	Poage	Williams, Del.
Dempsey	Johnson, Ill.	Polk	Winter
Dirksen	Jones, Ohio	Powers	Wolcott
Ditter	Jonkman	Ramspeck	Wolfenden, Pa.
Dondero	Kean	Randolph	Wolverton, N. J.
Douglas	Keefe	Reece, Tenn.	Wood
Drewry	Kelly	Reed, Ill.	Woodruff, Mich.
Dworshak	Kennedy, Md.	Reed, N. Y.	Woodrum, Va.
Eaton	Kennedy, Michael	Rees, Kans.	Youngdahl

NAYS—153

Arnold	Brown, Ga.	Cochran	Delaney
Barden, N. C.	Bryson	Colmer	DeRouen
Barnes	Buckler, Minn.	Connery	Dickstein
Barry	Burch	Cooley	Dies
Bates, Ky.	Burgin	Cooper	Dingell
Beam	Byrne, N. Y.	Courtney	Disney
Beckworth	Byron	Cox	Doughton
Bland	Camp	Cravens	Doxey
Bloom	Cannon, Mo.	Creal	Eberharter
Boland	Cartwright	Cullen	Edelstein
Boykin	Casey, Mass.	Cummings	Ellis
Bradley, Pa.	Celler	D'Alesandro	Fay
Brooks	Clark	Darden, Va.	Ferguson

Fitzpatrick	Johnson, Okla.	Mills, Ark.	Sheridan
Flannagan	Johnson, W. Va.	Monroney	Smith, Conn.
Flannery	Jones, Tex.	Murdock, Ariz.	Smith, Ill.
Ford, Thomas F.	Kee	Myers	Somers, N. Y.
Fulmer	Kefauver	Nelson	Spence
Garrett	Keller	Norrell	Sullivan
Gathings	Kennedy, Martin	O'Leary	Sumners, Tex.
Geyer, Calif.	Keogh	O'Neal	Sutphin
Gibbs	Kerr	O'Toole	Tarver
Gore	Kitchens	Pace	Tenerowicz
Gossett	Kramer	Parsons	Terry
Grant, Ala.	Larrabee	Patman	Thomas, Tex.
Gregory	Leavy	Pearson	Thomason
Hare	Lesinski	Peterson, Ga.	Vincent, Ky.
Harrington	Lynch	Pfeifer	Vinson, Ga.
Hart	McAndrews	Pierce	Voorhis, Calif.
Harter, Ohio	McCormack	Rabaut	Wallgren
Havenner	McKeough	Rankin	Walter
Healey	McMillan, Clara	Rayburn	Warren
Hennings	McMillan, John L.	Richards	White, Idaho
Hill	Maciejewski	Robertson	Whittington
Hobbs	Mahon	Romjue	Williams, Mo.
Izac	Mansfield	Sabath	Zimmerman
Jacobsen	Marcantonio	Schaefer, Ill.	
Johnson, Luther A.	Martin, Ill.	Schuetz	
Johnson, Lyndon	Massingale	Shanley	

ANSWERED "PRESENT"—2

Culkin Duncan

NOT VOTING—43

Boehne	Grant, Ind.	Mason	Smith, W. Va.
Buckley, N. Y.	Green	Merritt	Starnes, Ala.
Claypool	Harness	Mitchell	Steagall
Crowe	Hendricks	Norton	Sweeney
Darrow	Jarman	Peterson, Fla.	Taylor
Davis	Jenkins, Ohio	Risk	Wadsworth
Dunn	Johnson, Ind.	Rogers, Okla.	Ward
Durham	Kirwan	Sacks	Weaver
Folger	Landis	Schulte	Welch
Fries	McGranery	Shafer, Mich.	Whelchel
Gilchrist	Maas	Shannon	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Wadsworth (for) with Mr. Buckley of New York (against).
Mr. Jenkins of Ohio (for) with Mr. Duncan (against).
Mr. Maas (for) with Mr. Dunn (against).
Mr. Ward (for) with Mr. Merritt (against).
Mr. Gilchrist (for) with Mr. Davis (against).
Mr. Darrow (for) with Mr. Culkin (against).

General pairs:

Mr. Starnes of Alabama with Mr. Grant of Indiana.
Mr. Weaver with Mr. Mason.
Mr. Folger with Mr. Risk.
Mr. Steagall with Mr. Harness.
Mr. Boehne with Mr. Welch.
Mr. Romjue with Mr. Landis.
Mr. Sweeney with Mr. Johnson of Indiana.
Mr. Smith of West Virginia with Mr. Shafer of Michigan.
Mr. Kirwan with Mr. Taylor.
Mr. Green with Mr. Shannon.
Mr. McGranery with Mr. Claypool.
Mrs. Norton with Mr. Crowe.
Mr. Sacks with Mr. Peterson of Florida.
Mr. Durham with Mr. Schulte.
Mr. Whelchel with Mr. Fries.

Mr. CULKIN. Mr. Speaker, I have a pair with the gentleman from Pennsylvania, Mr. DARROW. If present, he would have voted "yea." I voted "nay" and change my vote of "nay" and answer "present."

Mr. DUNCAN. Mr. Speaker, I have a pair with the gentleman from Ohio, Mr. JENKINS. If he were present he would vote "yea." I withdraw my vote of "nay" and answer "present."

Mr. HUNTER changed his vote from "no" to "aye."

Mr. JACOBSEN changed his vote from "aye" to "no."

Mr. HARRINGTON changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

On motion of Mr. MARTIN of Massachusetts, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

AGRICULTURAL APPROPRIATION BILL, 1941—CONFERENCE REPORT

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report upon the bill H. R. 8202, making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Missouri calls up the conference report upon the agricultural appropriation bill, 1941, and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8202) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 34, 46, 48, 49, 51, 54, 63, 64, 69, 71, 82, 93, and 106.

That the House recede from its disagreement to the amendments of the Senate numbered 22, 23, 24, 25, 26, 31, 36, 52, 62, 70, 74, 75, 86, 88, 89, 91, 97, 98, 109, 112, and 113, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,637,435"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,987,435"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$67,500"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$6,862,500"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$7,107,235"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$90,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$240,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$790,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$667,756"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$6,173,870"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$6,318,870"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$732,342"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$325,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$245,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,300,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$133,500"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$224,533"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$5,171,455"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree

to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,655,147"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$11,500,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$632,500"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment, insert "$22,550"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$304,469"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$905,325"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$424,600"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$167,960"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$212,500"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$379,500"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$162,500"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$775,000"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$863,900"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$433,000"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$1,125,000"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$10,000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$6,057,126"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,531,578"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$575,000"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$207,840"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$2,328,080"; and the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$2,750,744"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$18,965,750"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$21,090,750"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: ", or any soil terracing services,"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: ", or any soil terracing services,"; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment, as follows: In lieu of the matter stricken out by said amendment insert the following: "That no part of this appropriation shall be used to pay the salary of any person who received as many as three steps of administrative within-grade promotion, or the equivalent thereof, in all positions occupied by such person during the fiscal year 1939, at a rate of pay in excess of the salary resulting from the first two steps of such promotion or its equivalent; but this proviso shall not preclude the payment of the minimum salary of the grade to any person transferred, under standard regulations, to such grade: *Provided further,*"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 6, 8, 12, 13, 17, 19, 20, 21, 37, 39, 40, 41, 42, 43, 44, 45, 60, 61, 65, 66, 85, 90, 95, 96, 99, 100, 101, 102, 103, 104, 105, 107, 110, and 111.

CLARENCE CANNON,
M. C. TARVER,
W. P. LAMBERTSON,
Managers on the part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
M. E. TYDINGS,
J. H. BANKHEAD,
E. D. SMITH,
GERALD P. NYE,
CHAS. L. MCNARY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8202) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Correction of totals, etc.

The following amendments relate to the correction of totals, allocations, corrections of text, etc.: Amendments Nos. 2, 4, 5, 8, 10, 11, 12, 13, 15, 16, 20, 21, 23, 24, 32, 33, 39, 42, 43, 48, 53, 54, 65, 66, 68, 77, 78, 80, 83, 87, 93, 101, 104, and 111.

Office of Information

On amendment No. 1, printing and binding: Appropriates $1,637,435, instead of $1,590,000 as proposed by the House and $1,684,870 as proposed by the Senate, of which not more than $90,000 shall be for printing and binding for the Rural Electrication Administration.

Office of Experiment Stations

On amendment No. 3, Hawaii: Appropriates $67,500, instead of $65,000 as provided by the House and $70,000 as proposed by the Senate.

Extension Service

On amendment No. 7, Puerto Rico: Appropriates $90,000, instead of $75,000 as proposed by the House and $128,000 as proposed by the Senate.

On amendment No. 9, extension information: Appropriates $240,000, instead of $225,000 as proposed by the House and $250,000 as proposed by the Senate.

Weather Bureau

On amendment No. 14: Retains the Senate increases of $29,000 for four maps and forecasts daily for additional areas, and of $17,000 to establish a station at Swan Island, West Indies; and eliminates the Senate increases of $20,000 for additional radiosonde stations, and of $50,000 for additional commercial airway meteorological service.

Bureau of Animal Industry

On amendment No. 18, eradicating cattle ticks: Appropriates $325,000, instead of $300,000, as proposed by the House, and $340,000, as proposed by the Senate.

Bureau of Dairy Industry

On amendment No. 22, dairy investigations: Retains the Senate increase of $10,000 for studies of dairy-herd-improvement records.

Bureau of Plant Industry

On amendment No. 25, cotton and other fiber crops and diseases: Appropriates $403,345, as proposed by the Senate, instead of $400,000, as proposed by the House.

On amendment No. 26, fertilizer investigations: Appropriates $240,000 as proposed by the Senate, instead of $225,000, as proposed by the House. The increase of $15,000 above the House figure is for the expense of relocating the fertilizer investigations laboratories and moving them to Beltsville, Md.

On amendment No. 27, forest pathology: Appropriates $245,000, instead of $200,000 as proposed by the House, and $255,000 as proposed by the Senate, the increase of $45,000 above the House figure to be distributed to the items, and in the amounts, indicated herein, in addition to the amounts set up for such items by the Department under the House figure, namely: to little leaf disease of short leaf pines, $15,000; to blister rust investigations, $5,625; to Dutch elm disease investigations, $16,875; and to forest chestnut disease investigations, $7,500.

On amendment No. 28, fruit and vegetable crops and diseases: Appropriates $1,300,000, instead of $1,250,000, as proposed by the House, and $1,350,000, as proposed by the Senate. Of the increase of $50,000 above the House figure, $10,000 is for additional seed-breeding work in connection with peanuts.

On amendment No. 29, irrigation agriculture: Appropriates $133,500, instead of $125,000, as proposed by the House, and $152,674, as proposed by the Senate. The increase of $8,500 above the House figure is for the United States Umatilla Field Station at Hermiston, Oreg. The Senate increases for the United States Yuma Field Station at Bard, Calif., the Scotts Bluff Field Station at Mitchell, Nebr., and for irrigation studies in Maryland are eliminated.

On amendment No. 30, plant exploration and introduction: Appropriates $224,533, instead of $200,000 as proposed by the House and $246,749 as proposed by the Senate. The reduction of $23,149 under the 1940 appropriation is to be applied to work on rubber and to the several other types of work carried on under this appropriation in proportion to their respective 1940 allotments.

On amendment No. 31, sugar-plant investigations: Appropriates $315,000, as proposed by the Senate, instead of $300,000, as proposed by the House.

Forest Service

On amendment No. 34, relating to the limit of cost of $7,500 for any building purchased, erected, or improved: Retains the House provision that such limit shall apply to the total cost of such building, instead of the Senate provision that such limit shall be as to the expenditure out of Forest Service appropriations for such building.

On amendment No. 35, national forest protection and management: Appropriates $11,500,000, instead of $10,000,000, as proposed by the House, and $12,005,785, as proposed by the Senate.

On amendment No. 36, White Mountain National Forest: Retains the Senate provision reappropriating and making available, for the same purposes as originally appropriated, for the fiscal year 1941 the unexpended balance of the appropriation of $500,000 (the unexpended balance estimated at not to exceed $40,000) for hurricane clean-up work, carried in the First Deficiency Appropriation Act, 1939, and made available by that act until June 30, 1940.

On amendment No. 38, forest products: Appropriates $632,500, instead of $600,000, as proposed by the House, and $665,000, as proposed by the Senate.

Bureau of Agricultural Chemistry and Engineering

On amendment No. 46, agricultural chemical investigations: Strikes out the Senate increase of $13,200 for additional laboratory equipment and expansion of the investigational program at the Winter Haven (Fla.) station.

On amendment No. 47, industrial utilization of farm products and by-products: Appropriates $22,550 for work at the Ames (Iowa) laboratory, instead of $45,100, as proposed by the Senate.

The Budget estimate for this appropriation is $191,200.

The House committee and the House eliminated the item entirely on the ground that the activity is a proper one for the four regional research laboratories. The Senate restored $45,100 for the work at Ames, Iowa, which the Department represented the four laboratories will not be properly equipped to take over entirely until the fiscal year 1942.

In this connection, the conferees took note of a statement in the House report concerning the four regional laboratories and agreed to its inclusion here. The statement is as follows:

"At the hearings the Department representatives were challenged to achieve results within 10 years which will consume sufficient surpluses and be of sufficient commercial advantage to justify the expenditures under this head and if not to discontinue the laboratories. This challenge was accepted both by the Bureau chief in charge of the work and by Dr. Jardine, Director of Research for the Department."

On amendments Nos. 49 and 50, agricultural investigations: Eliminates the increase of $30,000 inserted by the Senate for investigations of dust explosions and farm fires, and retains the Senate increase of $10,000 for the construction of a garage and workshop at the Farm Tillage Machinery Laboratory, Auburn, Ala.

On amendment No. 51, agricultural engineering investigations: Eliminates language inserted by the Senate earmarking $10,000 of this appropriation for the construction of a garage and workshop at the Farm Tillage Machinery Laboratory, Auburn, Ala. The earmarking language being carried in the immediately preceding paragraph of this statement its inclusion in the bill is not considered essential, and it has therefore been eliminated.

On amendment No. 52, naval-stores investigations: Retains the Senate increase of $4,000 for painting at Naval Stores Station, Olustee, Fla.

Bureau of Entomology and Plant Quarantine

On amendment No. 55, fruit insects: Provides $11,916, instead of $14,000, as proposed by the Senate, for nut-insect investigations, the amount provided to be expended at the field laboratories at Albany, Ga.

On amendment No. 56, Mexican fruitfly control: Appropriates $167,960, instead of $160,460, as proposed by the House, and $175,460, as proposed by the Senate.

On amendment No. 57, forest insects: Appropriates $212,500, instead of $200,000, as proposed by the House, and $225,000, as proposed by the Senate.

On amendment No. 58, cereal and forage insects: Appropriates $379,500, instead of $367,000, as proposed by the House, and $392,000, as proposed by the Senate.

On amendment No. 59, barberry eradication: Appropriates $162,500, instead of $150,000, as proposed by the House, and $175,000, as proposed by the Senate.

On amendment No. 62, insects affecting man and animals: Appropriates $181,500, as proposed by the Senate, instead of $150,000, as proposed by the House.

On amendment No. 63, control investigations: Makes mandatory, as proposed by the House, instead of permissive, as proposed by the Senate, the expenditure of not less than $10,000 for methyl bromide investigations.

On amendment No. 64, insecticide and fungicide investigations: Appropriates $125,000, as proposed by the House, instead of $134,984, as proposed by the Senate.

Bureau of Agricultural Economics

On amendment No. 67, economic investigations: Appropriates $775,000, instead of $750,000, as proposed by the House, and $800,000, as proposed by the Senate.

Agricultural Marketing Service

On amendment No. 69, marketing farm products: Appropriates $400,000, as proposed by the House, instead of $425,000, as proposed by the Senate.

On amendment No. 70, crop and livestock estimates: Appropriates $725,000, as proposed by the Senate, instead of $700,000, as proposed by the House.

On amendment No. 71, market inspection of farm products: Appropriates $459,000, as proposed by the House, instead of $475,000, as proposed by the Senate.

On amendment No. 72, Tobacco Inspection and Tobacco Stocks and Standards Acts: Appropriates $433,000, instead of $425,000, as proposed by the House, and $442,187, as proposed by the Senate.

On amendments Nos. 73 and 74, market news service: Retains the Senate increase of $25,000 to take care of a 50-percent increase in telegraph rates, and eliminates the remaining Senate increase of $30,000; retains the Senate language earmarking $5,000 of the appropriation for market news service at New Orleans, La.

On amendment No. 75, Perishable Agricultural Commodities and Produce Agency Acts: Appropriates $152,000, as proposed by the Senate, instead of $140,000, as proposed by the House.

On amendment No. 76, Standard Container Acts: Appropriates $10,000, instead of $20,000, as proposed by the Senate.

Enforcement of the Commodity Exchange Act

On amendment No. 79: Appropriates $575,000, instead of $500,000, as proposed by the House, and $623,380, as proposed by the Senate.

Food and Drug Administration

On amendment No. 81, enforcement of the Federal Food, Drug, and Cosmetic Act: Retains $7,500 of the Senate increase of $15,000 for an additional amount for inspection of vitamin products.

On amendment No. 82, enforcement of the Tea Importation Act: Eliminates the appropriation of $30,094 inserted by the Senate for the enforcement of this act.

Soil Conservation Service

On amendment No. 84, soil- and moisture-conservation and land-use operations, demonstrations, and information: Retains $1,000,000 of the Senate increase of $1,700,000 for additional cooperation with soil-conservation districts established under State laws.

On amendment No. 86, emergency erosion control, Everglades region, Florida, relating to the provision requiring matching by the State of Florida: Retains the language inserted by the Senate permitting such matching to be made by a political subdivision of such State.

Conservation and use of agricultural land resources

On amendments Nos. 88 and 89, soil-conservation and domestic-allotment payments: Appropriates $438,560,000, as proposed by the Senate, instead of $498,560,000, as proposed by the House, and reappropriates as proposed by the Senate, not to exceed $60,000,000 of the unobligated balances of the appropriations made for this purpose by the regular act for 1940 and by the First Deficiency Appropriation Act, 1940.

On amendment No. 91, soil-conservation and domestic-allotment payments: Eliminates the provision inserted by the House and stricken out by the Senate making immediately available such amounts of this appropriation as may be necessary to reimburse the 1940 appropriation for obligations on account of grants of aid, advances for the 1940 crop-insurance program, and county-association expenses for the 1940 agricultural conservation program. The provision is eliminated from this bill for the reason the matters referred to have been provided for in the First Deficiency Appropriation Act, fiscal year 1940.

On amendments Nos. 92 and 94, relating to grants of aid in lieu of cash for compliances under the agricultural conservation program: Authorizes advances for the cost of "any soil-terracing services," instead of "any soil-conserving services," as proposed by the Senate.

The Sugar Act of 1937

On amendments Nos. 97 and 98: Appropriates $46,675,000 plus an unexpended balance of $1,300,000 of a former appropriation, making in all $47,975,000, as proposed by the Senate, instead of $47,500,000, as proposed by the House.

Cooperative farm forestry

On amendment No. 106: Appropriates $400,000, as proposed by the House, instead of $477,898, as proposed by the Senate. The reduction of $77,898 is to be prorated to the three subprojects covered by the appropriation on the basis of the respective Budget estimates therefor.

Rural Electrification Administration

On amendment No. 108, relating to administrative promotions: Restores the language inserted by the House and stricken out by the Senate, amended to read as follows (the amending language being in italic type): "*Provided*, That no part of this appropriation shall be used to pay the salary of any person who received as many as three steps of administrative within-grade promotion, *or the equivalent thereof*, in all positions occupied by such person during the fiscal year 1939, at a rate of pay in excess of the salary resulting from the first two steps of such promotion *or its equivalent;* but this proviso shall not preclude the payment of the minimum salary of the grade to any person transferred, under standard regulations, to such grade."

It is the purpose of the modification to protect the promotions of those employees in nonclassified positions whose salary increases were justifiable because of transfer to positions of higher responsibility, but to maintain the provisions of the House language in the case of those promotions of the nonclassified personnel which were not occasioned by such change in duty as would have justified a reallocation, under Classification Act standards, if the position had been classified. The present authority of the Secretary of Agriculture will enable him to effectuate this purpose through appropriate administrative action.

On amendment No. 109, loans: Strikes out, as proposed by the Senate, the language inserted by the House making a direct appropriation of $40,000,000 for rural-electrification loans. The managers have brought back in disagreement (amendment No. 110) the language of the Senate authorizing the Reconstruction Finance Corporation to advance $40,000,000 in loans to the R. E. A. for this purpose.

On amendment No. 112, Beltsville Research Center: Retains the Senate increase of $1,620 for the employment of a nurse.

Farm Credit Administration

On amendment No. 113: Retains the Senate increase of $20,000.

The committee of conference have not agreed with respect to the following Senate amendments:

On amendment No. 6, Extension Service: An appropriation of $203,000, inserted by the Senate, to carry out the act of April 24, 1939, "An act to provide for the further development of cooperative agricultural extension work."

On amendment No. 17, animal husbandry: A Senate increase of $10,000 above the amount of $15,000 provided by the House, for cooperative studies of beef-cattle production in the Southeastern States.

On amendment No. 19, eradicating cattle ticks: The Senate has inserted language making not to exceed $5,000 of this appropriation available for the purchase of beef with which to supply the Seminole Indians of the Big Cypress Swamp area, Hendry County, Fla., during the time that deer infested with cattle ticks are being removed from said area and until such area is restocked with deer.

On amendment No. 37, range investigations: A Senate increase of $25,935, of which $10,000 is in addition to $15,000 provided by the House for cooperative studies in connection with the project for beef-cattle production in the Southeastern States. The animal husbandry phases of these studies are covered by amendment No. 17, above. The remaining $15,935 of the Senate increase is for restoration of the Budget cut under this appropriation.

On amendment No. 40, New England hurricane damage, relating to the requirement for State matching: The Senate has inserted the words, "heretofore or hereafter," so that funds contributed at any time for this work may be taken into account in determining whether a State has complied with the matching requirement.

On amendment No. 41, acquisition of lands for national forests: Eliminates the Senate increase of $1,000,000 above the $1,000,000 provided by the House.

On amendments Nos. 44 and 45, forest roads and trails: The Senate has provided $10,000,000, instead of $7,500,000, as proposed by the House.

On amendment No. 60, pink bollworm and Thurberia weevil control: The Senate has provided an appropriation of $909,608, instead of $526,800 as proposed by the House.

On amendment No. 61, white-fringed beetle control: Appropriates $600,000 for the control and prevention of spread of white-fringed beetle.

On amendments Nos. 85 and 107, relating to the purchase of nursery stock by the Soil Conservation Service and under the appropriation for cooperative farm forestry: Continues available for expenditure for not more than 3 fiscal years any portions of these appropriations allocated for the production or procurement of nursery stock. This provision is to enable the Department to enter into contracts with nurseries for the purchase of such nursery stock as the Department believes can be obtained in this manner at a lower cost than where grown by the Department in its own nurseries.

On amendment No. 90, relating to administrative expenses in Washington and in the field under the appropriation of $438,560,000 for domestic allotment payments: Authorizes, for such expenses, 1 percent and 2 percent, respectively, of the amount originally estimated for this appropriation, namely, $498,560,000, instead of the amount remaining as the result of the transfer of $60,000,000 of such estimate to the 1940 appropriation.

On amendment No. 95, relating to the same item as amendment No. 90, above: Provides for interchangeability, between the District of Columbia, the regional offices, and the several States, of the limitations set up in the law for administrative expenses in the categories named.

On amendment No. 96, relating to domestic allotment payments: Validates such payments for operations in 1938 and 1939 by tenants and sharecroppers on cropland owned by the United States Government.

On amendment No. 99, parity payments: The Senate has appropriated $212,000,000.

On amendment No. 100, disposal of surplus commodities: The Senate has appropriated $85,000,000. This appropriation covers the food-stamp operations as well as other means of surplus disposal.

On amendments Nos. 101, 102, and 103, farm tenancy: Provides an appropriation of $2,500,000 for administrative expenses and authorizes the Reconstruction Finance Corporation to lend $50,000,000 to the Secretary of Agriculture for farm-tenant loans.

On amendment No. 105, water facilities, arid and semiarid areas: The Senate has appropriated $500,000.

On amendment No. 110, R. E. A. loans: The Senate provision authorizes and directs the Reconstruction Finance Corporation to lend $40,000,000 for this purpose and increases by $40,000,000 the total amount of notes, bonds, debentures, and other such obligations which the Corporation is authorized to have outstanding at any one time.

CLARENCE CANNON,
M. C. TARVER,
W. P. LAMBERTSON,
Managers on the part of the House.

The SPEAKER. The gentleman from Missouri is recognized for 1 hour.

Mr. CANNON of Missouri. Mr. Speaker, the managers on the part of the House present the conference report on the agricultural appropriation bill. It has been somewhat delayed, but even at that, we submit it far in advance of the date on which the agricultural appropriation conference report usually has been submitted to the House for the last several years. It is one of the largest general appropriation bills; one of the most controversial, and is perhaps of wider application; affects directly a larger number of people, and is of more interest to the country generally than any other of the general appropriation bills.

It is the only available vehicle for direct farm relief; the only bill through which we can carry into effect any pledges which may have been made by any party for agricultural equality and for any measure of maintenance of parity prices on farm products. For that reason it was somewhat of a surprise when the Budget estimates were received to note that in the long program of retrenchment supposed to affect equally all branches of the Government and to curtail uniformly expenditures in all general appropriation bills the farm bill was singled out for especial attention, and that the Budget Bureau had elected to cut out of the farm bill 40 percent of all of the retrenchments which it proposed to make in its economy program for the fiscal year.

Now, we appreciate the necessity for retrenchment. No one can close his eyes to the fact that with the close of this Congress we will have reached the statutory debt limit, if in fact, we have not already passed it. The committee to which this bill has been entrusted realize, along with the rest of the House, that we have already reached a position where we have before us three alternatives, if you may be said to have three alternatives more than two alternatives. We must do one of three things. We must raise the debt limit or we must increase taxes or we must retrench expenditures. There is no other course open.

In the face of this situation, we yield as gracefully as we may to the inevitable and endeavored to cooperate by a choice of what we consider the lesser of the three evils—a retrenchment of expenditure and a smaller bill. In doing so we have endeavored to include provisions which would contribute to price maintenance and if reductions must be made to apply them judiciously where they would interfere least with the efficient operation of the department and any possible benefits to the farm and the farmer.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield for a question?

Mr. CANNON of Missouri. Yes, I yield to the gentleman.

Mr. AUGUST H. ANDRESEN. I would like to have the gentleman's opinion on the agricultural price situation as it exists today in this respect: Corn and wheat are both above 75 percent of parity. Benefit payments that have been made in the past are contemplated on paying up to 75 percent of parity. The cotton price is below 75 percent of parity. Just how will this money be divided that is provided in the conference report and upon which we will have to vote if it is approved? Will corn and wheat get anything, or will it all go to cotton?

Mr. CANNON of Missouri. If the gentleman will withhold his question until we reach that particular Senate amendment, we will have opportunity to discuss it more fully.

When the bill was messaged over to the Senate, amendments were added providing for expenditures in excess of the bill for the current year. Although the bill for 1940 was the largest ever passed for the purpose, the total obligations added by the Senate totaled $30,000,000 over those carried by this year's bill.

In agreeing to Senate amendments we favored those which were calculated to affect most directly the price of farm products and to that extent the standard of living on the farm. There is generally a great misconception of conditions on the farm and the rural standard of living.

Whenever farm needs are mentioned or a request is made that some of the legislative favors so freely granted to labor and industry be extended to include agriculture we are invariably met with the statement: "Oh, out there in the country you are at least insured of one thing: You always have plenty to eat." You may be surprised to know that there is more undernourishment, more malnutrition on the American farm than in the American city. In the draft of 1917, when we brought in the young men from every community to examine them for Army service, it was a matter of surprise to learn that undernourishment, malnutrition, and underweight was far more prevalent among the young men from the rural districts than from the urban areas.

Dr. Alexander, of the Department of Agriculture, said, in a report on 100 typical rural families, that they found in the 100 families more than 1,300 definite health handicaps due to malnutrition. There were in those 100 families 175 cases of rickets and a large number of suspected tuberculosis and pellagra cases, all of them nutritional diseases, brought on by lack of proper diet.

Another report of the Department condemned the practice of farm families in the sale of the butter produced on the farm and the use of substitutes, and called attention to the fact that because of the practice, the eyesight of farm children was deficient, due to the lack of certain vitamins. It is a condition prevalent in the country, even in the dairy districts. An investigation of the average farm table will show that due to the fact that the income is so small, and the necessity of finding money for taxes and interest is so imperative, all food that is salable is sent to market.

To a large extent on many farms, the food which is not marketable is served on the farm table.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield at that point?

Mr. CANNON of Missouri. I yield to the gentleman.

Mr. AUGUST H. ANDRESEN. The gentleman has referred to the dairy sections. Our men out in the dairy sections may look anemic, but that is because of their work. They start to work at 5 o'clock in the morning and work until midnight in order to make enough money under these low prices to pay their taxes, interest, and other debts; but they do get good nourishment. It is the hard work that makes them look anemic.

Mr. CANNON of Missouri. I fully agree with the gentleman that it takes long hours and hard work on any farm, especially a dairy farm, and a greater technical training than is required in most any trade, but I am rather inclined to think that if he will investigate he will find his section is no exception to the rule. Along the line the gentleman has indicated, an investigation by the Department shows that farm women average 5 to 7 pounds lighter than nonfarm women.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Nebraska.

Mr. STEFAN. I want to confirm what the gentleman has said about many farmers bringing their butter into town and selling it in order to secure money. In many cases they buy substitutes. What the gentleman says about that is absolutely true.

I am tremendously interested in learning where the gentleman secured his authority for the statement that the substitutes consumed by these farmers resulted in some ill health. Will the gentleman give me that information? Because I have been told by those who are promoting the sale of substitutes that the substitutes are just as good in all categories as the real butter that is produced on the farm. Will the gentleman give us that information?

Mr. CANNON of Missouri. It was taken from a report issued by the Department of Agriculture, which I shall be glad to hand to the gentleman when I have access to my papers.

Mr. STEFAN. I thank the gentleman.

Mr. CANNON of Missouri. One of the vitamins in butter is vitamin A, a rare vitamin, lack of which affects the eyesight. The report states in this connection that our own experience is corroborated by the experience of farmers in Denmark, which is a butter-producing country and in which the custom prevails on many farms of selling the butter and using substitutes on the farm table. Because the children do not have access to vitamin A found in butter the eyesight of the Danish children is materially affected.

Mr. STEFAN. And that vital substance in butter cannot be found in these substitutes they are feeding the people today.

Mr. CANNON of Missouri. No; this particular vitamin, vitamin A, is not found in the usual butter substitutes.

My labor friends have a splendid program, a program of a floor under wages and a ceiling over hours, and, among many other important planks in their platform, one against child labor. We should take a leaf out of their book. In no industry in the country is child labor so prevalent as on the farm. In a report from the Department of Agriculture is the following statement. I quote:

> Child labor in agriculture is not of a beneficial kind. Many children work from 8 to 12 hours a day, and that, as a result, do not do well in school, and are from two to three grades behind the normal grade for their age.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield.

Mr. CRAWFORD. The other day when the wage-hour bill was under discussion the gentleman from Massachusetts made an observation and quoted one of our high church officials. I interrogated the gentleman from Massachusetts on that because I wanted some additional information relative to the statement made by the church official. He narrowed the observation made by the church official to wages earned by, we will say, industrial workers.

But the gentleman from Missouri is now developing the thought that was in my mind, namely, that we have given practically no consideration whatsoever in the past several years to the wages of the man and woman and their children who work on the farm. Their income is so low that they feel it absolutely necessary for the children to work as the gentleman is now describing. I disagree with their having to work that way, such long hours, to the point of exhausting their bodies; and I congratulate the gentleman from Missouri on developing this particular thought, which should have been developed in the wage-hour discussion the other day.

Mr. CANNON of Missouri. The gentleman from Michigan touches on one of the great needs in our national economy—the need of legislation to solve farm problems already solved for other industries.

Of course, the major farm problem is a price problem. Give the farmer a wage for his labor and a price for his product and he will pay his taxes and interest and buy his own

farm. If you will solve the price problem you have solved the tenancy problem, the credit problem, and every other agricultural problem.

In the period following the war, when we had adequate farm prices, tenancy decreased, but in the period of the depression tenancy increased at a heavier rate than in any decade in our economic history. If you give the farmer a fair price for his products we will solve the problem of tenancy, and that is the only way we shall be able to do it.

Mr. JONES of Texas. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield.

Mr. JONES of Texas. I would like to have the gentleman's authority for the statement that farm tenancy decreases during times of high prices but increases during times of low prices. It has been my experience that it is rather the other way around, because speculative land values were up so that people began to buy land in quantity when prices were high. I favor high prices, but I think we must be careful to see that those benefits go at least in fair measure to the small landowner rather than all to the large landowner.

Mr. CANNON of Missouri. Answering the gentleman from Texas, the statistics show that more tenants made enough money to buy farms in 1919 than ever before, and more farm owners lost their farms during the depression of 1930–33 than ever before in our history.

You can pick the best farmer in the United States, give him the best farm in the United States, and if you do not give him cost of production it is only a question of time before he will lose the farm. Only one thing will keep men who own land on their farms, and that is fair prices.

Mr. JONES of Texas. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Texas.

Mr. JONES of Texas. I thoroughly agree with the gentleman so far as the desirability of the price structure is concerned, and that that is the way to keep them there; but when you purchase land on a long-time basis, the better time for a man to purchase a farm is in a period of low land prices rather than to purchase during a period of high speculative land prices and have to pay when there will be several high-and-low-price periods. I think the gentleman will find, if he will investigate the statistics, that when prices are high, and that is one of the unfortunate things about it, men begin to buy large tracts of land. We have a good many suit-case farmers developed in those periods. That is why I think it is desirable to have family-sized purchases on a basis that is limited to that type of farmer. The tenant home purchase is on that basis.

Mr. CANNON of Missouri. The only way to interpret the gentleman's remarks is, there are times when the farmer ought not to have high prices.

Mr. JONES of Texas. I did not say that at all. I say if you have high prices alone, you tend to develop ownership in too few people's hands. You have to have the two programs hooked together. I thoroughly believe in a high-price structure.

Mr. CANNON of Missouri. No one will say we should not pay labor fair wages because it will give men money to buy homes, and the price of homes will go up. Anyone who says that we ought not pay fair prices for farm goods, because if we do the land prices might go up, is not much interested in agriculture.

Mr. JONES of Texas. I hope the gentleman will not put words in my mouth. I did not say any such thing. I said high prices are desirable, but the gentleman will find, if he will investigate the farm tenancy situation in this and other countries, that frequently land speculation develops alongside high prices. You have to attend to both at the same time.

Mr. CANNON of Missouri. If speculation in homes develops in the cities in which wage earners are receiving wages sufficient to enable them to buy their own homes, that is no reason why wages should be lowered.

Mr. JONES of Texas. I agree with the gentleman.

Mr. CANNON of Missouri. And if a decent wage and a fair price for farm products enable farmers to buy farms and increase the price of land, that is no reason why farm prices should be lowered below 75 percent of parity.

Mr. RANKIN. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. May I say to the gentleman from Missouri that a cotton farmer gets 1 cent an hour for every cent a pound he gets for his lint cotton. When cotton is 10 cents a pound he is getting 10 cents an hour for his work, yet you fixed industrial wages at a minimum of 25 cents or 30 cents an hour. Cotton farmers are in competition with all other farmers.

You people in the Corn Belt, you people in the Wheat Belt and in the Cattle Belt just remember that if you continue to hold the cotton farmers at this disparity they are going to take your farming away from you; so unless we do something to wipe out this vast disparity between industrial prices and agricultural wages or income that we have not done yet, why, you are going to have poverty on the farm, and that is going to bring catastrophe to the country.

Mr. STEFAN. Will the gentleman yield?

Mr. CANNON of Missouri. For a question.

Mr. STEFAN. I merely want to observe, in answer to the gentleman from Mississippi, if the cotton farmer is getting only 1 cent an hour, what does the hog-slopping farmer in Nebraska receive when he gets only 4 cents a pound for his hogs?

Mr. RANKIN. He is getting the slop in comparison with the prices he pays for industrial commodities.

Mr. CANNON of Missouri. The farmer has cooperated with labor. They have a common cause. Labor is in the market for farm products and the farmer is in the market for labor products. We heartily approve every law that has been passed by this Congress for labor. Personally, I have voted for every major piece of labor legislation that has been passed. I have supported every proposition to provide relief for the city, and we believe that labor is ready to return the favor and provide a living wage for farm labor and a fair price for farm products.

It is to be regretted that with hogs selling at a nickle and cotton at a dime, while labor and industry are above parity, the Committee on Agriculture has not seen fit to bring out at any time during this Congress any kind of a bill which would do for farm prices what Congress has already done for union wage scales and industrial price schedules. No committee in the history of the House has had such an opportunity, no committee has been charged with such an obligation, and no committee in the history of the House has failed so lamentably in that duty and in that obligation. Instead of responding to the recommendations of the President and the Secretary of Agriculture and Members of the Congress, and the pleas of every farm organization in America to at least give us the opportunity to consider some constructive measure for fair farm prices, it has consumed the session in trivialities.

According to the newspapers, there was a meeting recently of 31 Members of the House, called to meet in the rooms of the Committee on Agriculture, and which entered into an agreement to support every Senate amendment to this bill.

They abandoned the position of the House, they disregarded the instructions given by the House to the House conferees. These 31 Members agreed among themselves to vote for the Senate and against the House on every amendment. Let us see what the effect of that would be. If we should agree to every Senate amendment, the bill would be $30,000,000—$28,000,000 higher than the bill for the current year. To strike a balance between the bill for 1940 and the pending bill for 1941, add $60,000,000 already appropriated for soil conservation.

Add the $40,000,000 for rural electrification and the $50,000,000 for farm tenancy which this bill authorizes to be borrowed from R. F. C. and you have a bill for $1,072,911,213,

which is $30,000,000 more than the $1,042,115,315 for the current year:

1940 appropriation		$1,042,115,315
Passed Senate	$922,911,213	
Soil conservation deficit	60,000,000	
Rural Electrification Administration	40,000,000	
Farm tenancy	50,000,000	
		1,072,911,213

At the time of national stringency, when we are above the statutory debt limit, they are flouting the earnest plea of the President and the well-considered program of the Committee on Appropriations as adopted by the House, and all considerations, national and economic, to vote for the largest appropriation bill of its kind ever passed by any legislative body of any nation in any period of the world's history.

It serves to call attention to the fact that there are Members of this House, members of the Committee on Appropriations, who to my certain knowledge have never voted against any appropriation. No prudent businessman would adopt a policy like that, even if we had a vast surplus on hand, and certainly not at a time when there is as serious a necessity for retrenchment as today.

Mr. Speaker, this country will never be destroyed by armed invasion; this country will never be menaced by any power from without. The danger to this country comes from the inside. It comes from Members of Congress who are willing to vote for anything which they think will curry favor at home, and they do it heedlessly, regardless of the merits of the proposition. They will vote for any appropriation on any subject offered to them. Such persons are not real friends of the farmer. They are bringing the farm question into disrepute. They are giving arms to those who oppose farm appropriations, who can say, "Why, here, these men who represent farm districts come in here and vote for every crackpot proposition that can be offered."

I hope the Members of this House will have the courage to be honest with themselves and honest with their constituents. The House managers ask you to vote for those Senate amendments which have real merit and to vote against those which lack merit. This amendment not only lacks merit but it violates the formula adopted after years of study and experiment. It amounts to an imposition on the rest of the States of the Union. We trust you will follow the recommendation of the committee and vote it down. [Applause.]

Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Speaker, I want to congratulate my chairman—and I mean it most sincerely—on the magnificent fight he made in the conference to maintain the House attitude on the 100 increases that we finally compromised on the Agriculture appropriation bill. The Senate had increased the House bill in 113 items. They transferred one item, but they did not reduce a single one. After nearly 3 weeks we finally agreed on 100 items. I do not think any man ever led a finer fight than the chairman of this subcommittee, the gentleman from Missouri [Mr. CANNON]. We did the very best that seemed possible under the circumstances, and, at that, we yielded two-thirds on the items to which we agreed in order to get a conference report at all.

This is what I want to say generally and primarily. It is against the rules to talk about another body in particular, but this other body has a precedent, which they do not deny, that if individual Members of that body want something in an appropriation bill, the courtesy of the Senate through the last 100 years lets them put it in. That is what we are up against. The conferees, being Members of the Senate, and all having the same general propensity, fight for their colleagues in the conference. The very best we were able to do was to yield two-thirds on 100 items in order to get a report.

I cannot overemphasize the fine manner in which my chairman fought for what we got in the report. I hope the Members on the Republican side will stand by us and the attitude of the House on all these items. There is only one exception that I made to my chairman, only one amendment on which we will disagree. I cannot understand his apparent inconsistency by not going straight down the line, but he has been marvelous on the 112 while he weakens on one.

This is what we are up against with the other body. The other body has appropriated more money each year in 58 continuous years than has the House. There has not been any deviation from this record. The fact has been worked out by a research student that for 58 continuous years the Senate has increased the House appropriations. I have a resolution pending before the House, although I have not been able to get the Committee on Rules to give me a rule on it, by which we take the Senate out of appropriations.

We do not have to change the Constitution to do this. There is good authority for the fact that the House of Representatives alone can do all the appropriating, if we can once get the Senate to agree to let us do it forever. Since they are occupied mainly with other things, perhaps we can get them to do it. I believe a rule should be given for the consideration of this resolution, just to show what we are up against and what we have to contend with in another body on appropriations, at a time when we are to the debt limit of this country—a most serious situation.

I am not going to say anything more now. I will say something on these amendments. We did a fine service against odds, and I doubt if any committee ever did a finer service. There was not one man on the other side over there who was for economy. I am telling you secrets. They were all against us; it did not make any difference whether they were Republicans or Democrats. Over there they are all spenders. Over here it is different, I believe, and I hope that my colleagues on this side, whom I solely had the honor to represent at this conference, will vote for this conference report, and then stay with us on the 14 other amendments. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. MAHON].

FARM PARITY PAYMENTS

Mr. MAHON. Mr. Speaker, this conference report on the agricultural appropriation bill is a matter in which many of us are vitally interested. I want to urge the passage of the $212,000,000 item for farm parity payments.

Recently we have debated at length in the House the problem of fair wages for industrial labor. All American citizens are entitled to an opportunity to earn a fair share of the Nation's income. I believe in good wages for labor. I would not destroy the laboring man. I believe in doing everything possible to improve the condition of the laboring man. There are not many people in my area in Texas who are engaged in industrial labor, but, as a matter of principle, I will never knowingly cast my vote in opposition to the just demands of the laboring man in the factory, on the farm, or elsewhere.

Numerous Representatives in Congress in recent days have spoken with great feeling about their convictions that every laboring man ought to receive a decent wage. I join in that feeling. I believe that those who represent industrial districts should join with those of us who represent agricultural districts in doing everything within the power of Congress to enable those who labor and produce on the farms to secure a fair wage for their labor and a fair price for their commodities. There are plenty of farmers in this Nation who not only do not receive a wage of 30 or 35 cents an hour for a 40-hour week but who do not receive as much as the equivalent of 10 cents per hour in farm income for a 60-hour week. I cannot believe that the informed people in industry, whether employer or employee, will actually oppose a fair and decent income for the farmer.

Mr. CASEY of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Massachusetts.

Mr. CASEY of Massachusetts. I want to say to the gentleman that I know of no one here who represents a so-called labor block who does not agree with the gentleman, and all we ask is for agriculture to bring us in a program

that will help the farmer to get away from that 10-cents-an-hour wage and those low substandards and we will vote with the gentleman on such a program.

Mr. MAHON. I thank the gentleman for his contribution, and in fairness I must say that the Members from the city who have no direct interest in agriculture, have stood by agriculture upon innumerable occasions; of course, this is an agricultural appropriation bill and we cannot legislate now. We can avail ourselves, however, of this opportunity to endeavor to substantially assist the farmers of the Nation.

FARMERS' DISPROPORTIONATE SHARE OF NATIONAL INCOME

We must agree that the farmer is not getting a fair American return on his labor. He is not getting his fair share of the national income. While the farmer constitutes about 25 percent of the population of the Nation, he only secures about 11 percent of the Nation's income. As long as that unhappy situation exists, there will be no complete and adequate cure for the problem of farm tenancy and for the problem of the farmer generally. It is to the end that we may make up that disparity to some extent by this emergency method of parity payments that we propose to appropriate in this bill $212,000,000. I wish there were a better proposal pending, but we can only act on the law as it exists today, this being merely an appropriation bill.

I know that there are those in our country who are getting tired of the plea for the farmer. They have not thought the proposition through. They seem to think that the farmer is separate and apart from our national economy. In those conclusions they are in great error. We cannot survive half slave and half free today any more than we could in 1860. You cannot have a healthy and wholesome condition in our national life when about 32,000,000 of our people are discriminated against in their contest for a fair share of the Nation's income.

No, you cannot do without the farmer. You cannot brush the farmer aside in these days of industrialism with a nonchalant sweep of the hand. He is not a parasite on society. Destroy the farmer and the fruit of his labor and there will be no bread to eat, no milk to drink, no bacon and eggs, no meat, no clothes to wear, of cotton or wool—no shoes, no linens for the beds, no cotton for the mattresses upon which 130,000,000 Americans sleep.

This is not just a problem for the farmer to fight out—it is a problem for the whole Nation. Whether they know it or not, the people in the cities will eventually lose if the farmer continues to lose. All candidates for the Presidential office at this time, so far as I know, are advocating that the farmer shall have a fair share of the Nation's income. The Republican platform and the Democratic platform, in previous years, have approved the idea of a better program for agriculture.

OFFSET TO THE TARIFF NECESSARY

Almost for two centuries the farmer has been fighting an uphill battle. If industry had received no subsidy in the way of a tariff, then agriculture would not be so far behind in the race. But in the race between industry and agriculture, the burdens of industry have been lifted, and additional burdens and shackles have been added to agriculture. Agriculture has not had a chance to win. The cards have been stacked for these many decades against the farmer in his effort to get a fair share of the Nation's income. I quote the following from a statement which was made some time ago by the gentleman from Texas the Honorable MARVIN JONES, the distinguished chairman of the House Committee on Agriculture:

For all purposes agriculture should have an appropriation of at least $900,000,000 per year, but not as a subsidy.

The value of manufactured commodities in the United States in the year 1937 was $60,000,000,000. More than 80 percent of these items are protected by the tariff. The average rate of the tariff, reduced to an ad valorem basis, is approximately 36 percent, according to the Tariff Commission. If this tariff is 33⅓ percent effective, it means increased industrial prices of nearly $6,000,000,000; in other words, a subsidy to business of the major portion of that amount in the terms of the law.

Agricultural commodities, when produced in surplus quantities, receive no benefit from the tariff. Cotton farmers, for instance, are in this class. At the same time they assume the burden of increased prices on the articles they must buy.

So long as we have a tariff the surplus-producing farmer is entitled to an offset by way of restitution and not as a subsidy. Even Alexander Hamilton, patron saint of the tariff, recognized this fact in his Report of Manufacturers in 1791. Thomas Jefferson wrote the principle of equality into the Declaration of Independence before we had a Constitution.

I am not arguing the merits of the tariff; I am simply stating that so long as we have one the surplus-producing farmers should have some provision for placing them on an equality under the law.

I cannot see how the Republicans in the House of Representatives can now vote against parity payments for the farmer and go out in the election campaigns this fall and advocate parity for the farmer as an offset for the tariff. Such hypocrisy should be unthinkable. I urge all Members of the House, whether Democrat or Republican, to vote the $212,000,000 for parity payments to agriculture.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, today we are to decide whether or not this House will agree to the insertion into the agricultural appropriation bill the sum of $212,000,000 placed in that bill by the Senate. If you Members will recall, last February 2 my suggestion to have the House include this amount at that time was refused.

Some Members contend that the South will obtain the bulk of this $212,000,000 because corn and wheat have reached the wonderful heights of about three-quarters parity, or, in other words, still short of a "square deal" for the farmer that produces wheat and corn by one-quarter. This one-quarter surely contains whatever profit would accrue to those farmers, but, the Congress having decided 5 years ago only on the basis of three-quarters parity, and only to five basic crops, we cannot at this time kick over the entire principle of parity payments on that premise or mistake.

To properly give the farmer of America parity for that portion of his products consumed in America would entail an appropriation of close to $2,000,000,000. To give every farmer a "square deal" and not the ridiculous three-quarters of parity the present act seeks to give, we would have to appropriate here today the same amount as has been appropriated for national defense this year.

Personally, I hope that this appropriation for parity, or three-quarters parity, I should say, for only 5 of the 50 important crops the farmer produces, will be agreed to by this House. Whether the bulk of this goes to cotton, I care not, because next year it might be corn or wheat that will obtain the lion's share. May I suggest to you gentlemen from the dairy States that we might well give this to cotton rather than to see the South go still further into competition with our main agricultural production—dairying.

Surely, the picture today of agriculture is not so encouraging that parity payments should be discarded. Each of the past 7 years we as farmers have been short-changed to the extent of $2,000,000,000 per year compared with the average of the 7 years prior to 1933, and even including the disastrous year of 1932. About $14,000,000,000 "gone with the wind," a sum that would have cleared up the farm indebtedness of the United States. Do you wonder that we demand and have a right to demand any reasonable sum from this Congress? Do you realize that this $212,000,000 together with the $500,000,000 for soil conservation still leaves a balance on the red side of the farmer's ledger for the 1 year of $1,300,000,000?

Mr. Speaker, as long as this administration persists in giving away our great American markets to foreigners, and as long as this same administration continues to sell the farmer down the river so that big business and munitions makers may sell their products abroad, just so long will I personally continue to plead with this House to appropriate money for parity payments. Nor am I under such conditions apologizing in the least for voting for this $212,000,000. Money paid to the farmers of our country to recompense them for producing food for you people from the industrial East at a loss is a just appropriation.

In conclusion, I want to appeal to all of you here today to vote for this amendment even though it will not give parity,

nor yet one-half parity to the fundamental, basic industry of America—agriculture. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield the remainder of the time to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, this session of Congress will conclude my eighth year in Congress, and probably one of the most inspiring and sanguinary experiences one can have is to go back and ascertain, and evaluate the problems that were on the doorstep of the Nation when we came here in special session in 1933; then to estimate the total amount that was expended for a solution of those problems; then to evaluate the problems in 1940 and see how far we have come in the direction of a solution. Altogether it is not a very heartening solution, I would say. Here we are discussing the same farm problems that reposed on the threshold of the country in very aggravated degree in 1933, in 1932, in 1931, and in 1930, and we have addressed to that many plans, and many experimental proposals, and the problems are still here, and seemingly do baffle solution. I experience a sense of frustration and despair when I think about them. I join with everybody in the administration for that matter in the hope of finding a solution; yet it has not been found. Day after day there is advanced from the Well of this House some new proposal as a solution for the farm problem, but it is falling on rather sterile soil, because I believe Congress has gotten to a point where it does not take kindly to all the new proposals that have been made. The other day I went back and summarized in my mind all the acts that have been placed on the books in the last 7 or 8 years, and then in turn I reflected on the problems that still perturb us, and made up my mind that while I have not begrudged the money that has been expended, nor the attempts which have been made in the field of agriculture, in the field of business, in the field of labor, in the field of industry, and in the field of social science, in the hope of bringing the country out of its desperation and despair, yet I am not going to lend my vote to any other proposal that in my judgment is unsound and that will embark this country on a great and futile enterprise at the end of which is either a chimerical rainbow or a national dead-end. There is such a proposal in the bill as written by the Senate, and I refer particularly to the question of farm tenancy. I wish I could see eye to eye with some of you gentlemen. I recognize the objective that you have in mind, but in the light of bitter experience that we have had, in the light of the tragic result that has been dished up in this same field of enterprise annually, as addressed to urban communities, I for one am not disposed to go along with that proposal.

Mr. SOUTH. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. Let me go on. You will remember we made no provision for farm tenancy in the House bill. When it went to the Senate, instead of making a direct appropriation they hit upon a back-door or a side-door approach to the Federal Treasury. It is bad enough, and it inspires enough trepidation in the minds and hearts of informed persons on the fiscal subject of this Government that we should lay our hands on money going through the front door of the Federal Treasury for this kind of a program, but it is infinitely worse to take a rather stealthy and furtive approach through the back door, and, by means of increase in the contingent obligations of the Government, to save up the headache for the future. What do our brethren at the other end of the Capitol do? They say, "Oh, we must take care of this tenancy program. Now we can kill two birds with one stone. First, if we do not make a direct appropriation we hold down the total in the bill." And it is a grand and glorious objective, if it was not tied up with that which I regard as a species of fiscal hypocrisy. So the Senate does this. They say, "We will get the money from the Reconstruction Finance Corporation, we will have the R. F. C. loan to the Farm Security Administration the sum of $50,000,000, and then we will make it possible within the terms of the amendment to raise the outstanding aggregate amount of notes and debentures that the R. F. C. may have outstanding." Now, you see the net result of it. In other words, we hold down the appropriation, and say it is a swell job that we have held down the direct appropriations by twenty-five or fifty million dollars, and we will borrow from the R. F. C. with which to make farm-tenancy loans, and then they become contingent obligations of the Government, and one day they must be paid. When you stop to consider that this program is amortized on a basis of 40 years at 3 percent, there is not a man or woman in this chamber who can begin to estimate or appraise the value of farm lands in any section of this country 40 years from now. There is not a soul in this chamber who can indicate what the land values will be 20 years from now. There is not a soul in this Chamber who other than by guesswork can tell what land values will be 10 years from now.

But here the Senate proposes to continue the farm-tenancy program on a 40-year, 3-percent basis, and in a little while we will be in the identic position of the Home Owners' Loan Corporation. Oh, with what spiritual exaltation and with what great exhilaration we addressed ourselves to that debate. I remember the speeches in the Well of this House back in 1933 and 1934. "The value would be there." "We will take more than $3,000,000,000 and make over a million loans to a million home owners. We will save their homes. We will put to shame those glassy-eyed bankers and building and loan sharks." Oh, yes. All approached in the finest of spirit and with the best of purposes in mind. The record is what? Not bankers taking those homes. The Home Owners' Loan has reached in and taken 160,000 of the homes of the people of this country. We sold 80,000. Uncle Sam, the greatest real-estate broker that the world has ever seen since the days of Midas and Croesus and King Solomon. Will it be different on farm tenancy when we make thousands—aye, hundreds of thousands of loans—and then the land values recede, even as the waves receded from King Canute a long time ago. What then? Oh, Uncle Sam will have to reach in. He will have to take back. He will have to protect his loans. He will have to put other tenants on that land. He will be brokering farms in larger degree than he is at the present time. I venture the prophecy, much as I dread making it, that perhaps we will duplicate in the farm domain the experience, the tragic experience, that we now go through in the field of urban financing.

It is not the answer. It is not the answer. What is the answer? It is obvious. Jobs for everybody, because, if a man is working and has enough money with which to meet the installments on the principal of a mortgage he has no trouble. Farm prices? Yes. If there are adequate farm prices we will be able to break the frost line of farm tenancy. But why embark into this field now? Tenancy is increasing by leaps and bounds. I know it because it is there in the record, according to Mr. Alexander, Administrator of the Farm Security Administration. He said it would take $200,000,000 a year to make any kind of a dent in that program. But, meantime, why these loans, when farm prices are still below that level that will pay off the interest and the serial installments upon the principal sum of the mortgage that may have been imposed?

The other day I talked with Mr. Hudson down in the Agricultural Adjustment Administration. Wheat is 79 percent of parity, 21 percent below the parity price. Corn is 71 percent of parity. Cotton is 63 percent of parity. Rice is 61 percent of parity, and tobacco approximately 75 percent of parity. If they cannot make a go, if millions of farmers are saying, "We are on a relief basis because prices are too low," why should we project ourselves further into this kind of program, only to give a man assurance that if he gets a Government loan to purchase a farm he will go broke anyway? I submit to you, is that the kind of a thing we ought to do? I cannot for the life of me see it. I do not believe it is good for agriculture. I do not believe it is good for the basic welfare of the United States of America. If this is a proper approach and it can be shown to me, I will go along freely and wholeheartedly with that kind of a program.

Mr. FERGUSON. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman.

Mr. FERGUSON. The gentleman always has a great fund of information and a very fine use of the English language. I would like to have him address himself to the experience of the Farm Tenancy Act since it has been created. So far he has not mentioned the experience of the Farm Tenancy Act in its operation thus far.

Mr. DIRKSEN. O my dear friend from Oklahoma, it is the identic experience that we had with the Home Owners' Loan Corporation. The first balance sheet, the second balance sheet, the third annual balance sheet—why, they came here and with a degree of pride and fine spirit said, "Oh, look at the grand job we have done." And they did. But remember this: The money is to be tied up for a long time. So now we are beginning to get the bad news. You show me that we will not duplicate that experience in the field of farm-tenancy loans, and I would be happy to support such a program.

Mr. FERGUSON. The gentleman admits there has been no bad news yet?

Mr. DIRKSEN. Some of them are delinquent already.

Mr. FERGUSON. Very few.

Mr. DIRKSEN. But I will take those same books and do the same kind of a job and make it look very rosy indeed, when as a matter of fact it is not so rosy.

Mr. FERGUSON. The gentleman has not dwelt on those figures.

Mr. DIRKSEN. I shall.

[Here the gavel fell.]

The SPEAKER pro tempore. All time has expired.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. HOBBS). The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 114 and noes 2.

So the conference report was agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Page 15, amendment No. 6: "Extension work, act of April 24, 1939: To enable the Secretary of Agriculture to carry into effect the provisions of the act entitled 'An act to provide for the further development of cooperative agricultural extension work,' approved April 24, 1939 (53 Stat. 589), $203,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House insist on its disagreement to the amendment of the Senate No. 6.

Mr. LEAVY. Mr. Speaker, a preferential motion.

Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The SPEAKER pro tempore. The gentleman from Missouri moves that the House insist upon its disagreement to the amendment of the Senate No. 6. The gentleman from Washington makes a preferential motion that the House recede and concur in the Senate amendment.

The gentleman from Missouri is recognized for 1 hour.

Mr. CANNON of Missouri. Mr. Speaker, I yield 20 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM of Virginia. Mr. Speaker, I voted for the conference report just adopted, as apparently did everyone else in the Chamber. I shall vote for the Senate amendment covering the food-stamp operations, to which, I understand, an amendment will be offered reducing the amount to $72,000,000, which was the Budget estimate. I shall vote for that. I shall not vote for the parity amendment nor the farm-tenancy amendment. I may or may not have something to say about that when the time comes. At the present time, at the risk of boring the House, again I want to take up my usual subject of the distressed condition of the Public Treasury. I am afraid many of my colleagues are getting very tired of hearing of that. Unfortunately, we are not apparently paying a great deal of attention to it. I feel something like the villain in the old melodrama of years ago. You remember how in the last act, when he had been frustrated in every attempt to kidnap the heroine and the hero was there gloating over him, having given him a couple of socks in the eye and a punch on the nose, the villain stroked his waxed mustache and said, "Well, I go; but I shall return." So, gentlemen, some of these days somewhere, some Congress, some administration is going to bring the finances of this country into balance. We may wave aside the question now, but it will be back again.

I was very much interested in what my distinguished colleague the gentleman from Illinois said about the farm situation. He pointed out that when he came here in 1933 and from that time on we had been experimenting with the farm proposition but had not solved it. I came here 10 years before that, in 1923. The first thing I remember then was that we were "relieving" the farmers. We have continued that relief program until we have relieved him of about everything that he has. [Laughter.]

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. TABER. And we have pretty nearly relieved the farmer of all he had.

Mr. WOODRUM of Virginia. That is what I said. The farm problem is not a new one; it is not something we can run right through with. It is a problem that has been here since I have been here, more than 18 years. I expect it was here before that. We have been wrestling with it; we shall continue to wrestle with it until we solve it. We have spent a lot of money for farm relief, for unemployment relief, for business revival. Some of it has been spent wisely; a lot of it has been spent unwisely. Looking back on it, as hindsight, it is easier for us now to see that part of it which was unwisely spent.

There is one experiment that I would like now to see us try, and that experiment is to get our Federal finances back into balance and let Nature do a little work on the subject. [Applause.] I have been wondering lately if there is something radically wrong with me mentally or if it is wrong with somebody else. Somebody is seeing something. I am wondering if it is I. It reminds me of a story I heard of a fellow who rushed into a doctor's office early one morning and said, "Doctor, please come with me immediately to the hotel. My friend is in a terrible condition, and he needs medical attention immediately."

The doctor said, "Well, now, wait a minute; don't get excited; what is the matter with this fellow?"

"Well," he said, "he is in awful shape. He has lost his mind."

The doctor said, "That's bad. Just what has happened to him?"

"Well," he said, "we were out last night and we imbibed a little too generously perhaps, and he is out of his mind, entirely crazy. He is having delirium tremens; he has lost his mind."

The doctor said, "That's too bad. What are the symptoms; is he seeing snakes and pink elephants?"

The man said to the doctor, "No; that's the hell of it, he can't see the things." [Laughter.]

Now, who is seeing these pink elephants around here? Am I seeing them, or maybe they are here. Maybe I exaggerate this matter. But I would like, however, to ask you seriously for a moment, and I am asking you again because I have heretofore reminded you of this, to go back with me to the early days of 1933 when we received a statement in this body on the subject of what deficit financing and an unbalanced Budget would do for the country. This is the President of the United States talking. With the utmost seriousness the President said in 1933:

I point out to the Congress the profound effect upon our national economy.

And he was speaking of a deficit, of an accumulated deficit of $9,000,000,000 when the national debt was $22,000,000,000.

It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economy of all of our people. It has added to the ranks of the unemployed. Our Government's house is not in order, and for many reasons. No effective action has been taken to restore it to order. Upon the unimpaired

credit of the United States rests the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it.

Listen to this:

Too often in recent history liberal governments have been wrecked on the rocks of loose fiscal policy. We must avoid this danger.

[Applause.]

Mr. Speaker, in order that the RECORD may be kept clear, it should further be stated that following the above message, the Congress following the leadership of the President of the United States, tried to do something about it. We passed an economy bill, too drastic in many respects, ill-considered, and too hastily considered, although I was one of the three conspirators. But we made the effort to do something about it. One of my fellow conspirators has been promoted to the Federal bench. My minority fellow conspirator has retired to the respectable life of a private citizen. I am still here carrying the flag that the President put into my hands that day. Oh, some will say that conditions have changed. Yes, they have changed; but the changed conditions have made the truth that the President laid down at that time more profound and more fundamental because today we are above the national debt limit, with a national debt of $45,000,000,000.

How do we stand today? What is the accounting as the situation stands today? The President presented a Budget in January calling for reduced public expenditures which would have held our expenditures within the national debt limit and which would have reduced our deficit from $4,000,000,000 this current fiscal year to $2,000,000,000 in the next fiscal year. The House of Representatives set about to do something. The program outlined by the President called for living within the Budget estimate as to appropriations and for the raising of $460,000,000 in additional taxes. We did not raise the taxes and we will not raise the taxes, but Congress has cut the appropriation bills and has reduced them. The gentleman from Missouri and his colleagues on the committee did a magnificent job when they brought the agricultural bill here. The agricultural bill, as it passed the House, was a fair bill for agriculture. It had magnificent benefits in it for agriculture, $500,000,000 for soil-conservation payments and various other splendid benefits for agriculture. As it stands today it is $212,000,000 above the Budget estimate.

Of the 14 bills which have passed the Congress, as they stand today 11 of them are substantially under the Budget estimate, 3 are over, and the agricultural bill as it stands today is $201,986,000 above the Budget. The Labor and Federal Security bill is approximately $60,000,000 above the Budget estimate. The War Department civil functions bill is approximately $1,700,000 above the Budget estimate.

What is the national standing today? Under the President's budget as he sent it here in January, had we lived up to it we would have adjourned this session of Congress $61,000,000 under the debt limit. But how do we stand now? We did not pass the $460,000,000 tax bill. The net result of all appropriation bills is $49,000,000 under the Budget. Add that to the $61,000,000 under the debt limit that we would have had if we had carried out the President's program, gives us $110,000,000 under the national-debt limit. But having failed to pass the $460,000,000 tax bill, we have to deduct that, which leaves us $350,000,000 above the debt limit. There has been an increase in revenues, we are told, of about $200,000 000. So we stand today, right now, not counting relief which is to come afterward, $150,000,000 above the debt limit. The Congress has set up a fiscal program, a program of obligations on the Federal Treasury for the next fiscal year that there will be no money there to meet, and under the law we cannot borrow the money to meet these obligations. Some will say that the Congress will meet again in January. The next Congress, it may be you and I, it may be somebody else, will pass a tax bill or raise the debt limit, it is true, but, of course, we know that somebody is going to have to pay the bill. It is just like sitting down at the desk, writing a check and mailing it out and saying, "I am overdrawn today, but in the good graces of Providence, maybe before the check gets to Indianapolis and back I will get hold of some money to make a deposit and the check will be good when it gets here." That is the kind of financing we are doing.

When this Congress adjourns, having set up a fiscal program of expenditures for the next fiscal year beyond the national debt limit, and having refused either to raise the debt limit or to provide taxes—I hate to say this—I believe it will have established a record for fiscal irresponsibility that has never been established since the founding of our Government. Those are plain words, not pleasant to speak and very unpleasant to hear.

That is not all of the story. Along comes the relief program. In the January Budget there was provided a billion dollars for the fiscal year to take care of it. The Congress is going to be asked to make that billion dollars available in 8 months, which means a relief program of a billion and a half dollars for the next fiscal year. So add another half billion dollars above the debt limit. Then we are told we are going to get additional estimates for the Navy and perhaps for the Army. So, conservatively speaking, we are about to set up a fiscal program that will run from a half billion to a billion dollars over the national-debt limit.

Mr. Speaker, it is hard for me to reconcile such a fiscal policy as that. I do not believe it is fair to the House of Representatives; I do not believe it is fair to the Congress and to the Nation to set up such a policy. I believe it is our duty here and now in this Congress before we adjourn to provide the funds to pay the bills we incur for the American people during the next fiscal year. [Applause.]

What about these large benefits that we are going to provide for unemployment and for the farmers when we have no money there to pay them? How are we going to answer our farmer constituents and our unemployed constituents when we go back home and say, "We voted you parity payments. We voted you a billion and a half dollars for relief." Maybe this man will have read the RECORD or the newspapers. He may say, "Yes, Congressman; but did you see to it that there will be money there to pay the bill when I come to present my little ticket to get it?" You may say, "Do not worry about that. The next Congress will fix that." The same fellow may say, "Now, Congressman, that is a right important thing for you to overlook."

Of course, I did hear of a fellow once who threw a plugged quarter in a collection plate as it passed him in the church. It made a lot of noise as it dropped in the plate, but it did not do much good when they got back in the study to count it. I submit to you that it does little good to agriculture or to the unemployed for us to vote large gratuities or large benefits here today if we are not willing to provide the funds to pay the bill. [Applause.] If these things are right, if these expenditures can be justified, then we ought to be willing to put our hands into somebody's pocket and get the money to pay the bill; that is the acid test but we are not willing to do that. Our constituents would not stand for it.

There is a way it can be done. There is a way out yet. If we will hold this agricultural bill to the Budget estimates, if we will defeat parity when it comes up, and hold the agricultural bill to the Budget estimates, and if we will hold the relief program to a billion dollars for the next fiscal year, then with the increased tax collections we will adjourn the Congress under the national debt limit. I should like to submit that for your consideration and for your thinking as we come to do voting in the remaining days of this session of Congress. [Applause.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Washington [Mr. LEAVY].

Mr. LEAVY. Mr. Speaker, I am going to address myself briefly to the matter that is immediately before us. The gentleman who preceded me made a splendid argument, an argument that could be made not alone on the agricultural appropriation bill but on the Army bill or on the Navy bill; it could be made on any appropriation measure we have. The generalities of it few of us can dispute.

As a member of the Agricultural Subcommittee on Appropriations, being one of eight Members of this House who spent 6 weeks writing the original bill, we worked all through the month of December in the writing of this bill, and I feel that I ought to know at least a little of what the facts are. Only three of the eight of us know what took place in the conference between the House and the Senate. We were not conferees, so we have to guess as to what arguments were advanced. Perhaps sound arguments were advanced for these increases and possibly they were not sound, but I am not in a position, and neither are four other members of this subcommittee, to dispute anything that may have been said between the House and Senate conferees, seven Senators on one side and three House Members on the other.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. LEAVY. I yield to the gentleman from Oklahoma, who also is a member of the Appropriations Committee.

Mr. JOHNSON of Oklahoma. I am interested in the gentleman's statement that after he had worked 6 or 7 weeks on the bill he was not one of the conferees. Is it not true that of the 13 subcommittees of the House Appropriations Committee, this is the only subcommittee that does not permit all its members to be appointed as conferees?

Mr. LEAVY. I believe that is true.

Now, I have only 5 minutes given me to discuss an important item—an item that vitally affects 21 States in this Union. Let me adopt the position taken by the gentleman from Virginia [Mr. WOODRUM] and approve only budgeted items, and if we do this, here is an item that is budgeted, so no charge can be made that we are exceeding a budget. This item came before our committee in the Budget and was there lost by but a slight margin. The Senate wrote it back in the bill, and rightly so, and this is what it is:

We have had Farm Extension Service in the 3,000 and more counties in the United States for years. It is not a partisan matter at all. By reason of a change in allocation made in 1936, even though we spent a million dollars a year more for Extension Service work, there are 21 States in this Union that are going to be compelled to reduce their Extension Service and reduce the number of farm agents and assistants, of whose cost the States and the counties pay 50 percent.

This is not a selfish proposition on my part.

Mr. CANNON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. LEAVY. If the gentleman will yield me 5 additional minutes, I will yield. I feel that I should have had 10 minutes to discuss this matter.

Mr. CANNON of Missouri. I can yield the gentleman an additional minute.

Mr. LEAVY. Very well.

Mr. CANNON of Missouri. The gentleman says that the States will lose. I hardly believe the gentleman has the official figures before him. Instead of losing funds, these States gain $89,000, and will receive $292,000 more than their share if this amendment should be adopted—and at the expense of the other States.

I shall be pleased to submit the figures for the RECORD.

Mr. LEAVY. As I said, I had no opportunity to hear the discussion in conference.

Mr. CANNON of Missouri. It is not a question of the discussion in the conference, it is merely a question of the actual amounts of the appropriations to which the gentleman refers. The figures speak for themselves.

Mr. LEAVY. I refuse to yield any further, with the limited time allotted me.

I know what the facts are. The facts are that the State of Colorado loses 6 agents, the State of Florida loses 4 agents, the State of Idaho loses 4 agents, the State of Maine loses 1, Maryland loses 2, Massachusetts 1, Montana 9, Nebraska 2, Nevada 2, New Jersey 5, New Hampshire 2, New Mexico 3, North Dakota 3, Oregon 7, South Dakota 11, Utah 4, Wyoming 9. You will notice that my State is not included in this list.

Mr. CANNON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. LEAVY. I cannot yield unless the gentleman will yield me additional time.

Mr. CANNON of Missouri. I am glad to yield the gentleman an additional minute, Mr. Speaker.

The positions to which the gentleman refers is out of the gratuity that has been given them in the last Congress or two. They were not provided for in the original appropriation of 1935 to which he refers. As a matter of fact, as compared with the actual amount appropriated in 1935 when the act was adopted, those States have gained $89,000. And if the gentleman's amendment is agreed to they will receive $292,000 more than their share—and of course there is no place from which the increase can come except from the allotments to the other States of the Union. I shall be glad to submit the figures.

Mr. LEAVY. May I say to the gentleman from Missouri that he is uniformly fair in these matters, but in this instance I cannot follow the argument of the gentleman. I know that last year we made this shortage up by an appropriation. It was stricken from the House bill on a point of order and was then written in by the Senate. Following that a bill introduced by our colleague the gentleman from South Dakota [Mr. CASE] was passed authorizing this particular appropriation. I know that if my motion is voted down and we do not adopt the item the Senate has written in here we are going to deprive 21 States of a service they have had for years, and the State of Washington is not one of those States. This does not take any persons out of the service in the State I represent, but it is clearly one of those cases where the worth and merit entitle this appropriation to support.

Mr. MURDOCK of Utah. Mr. Speaker, will the gentleman yield?

Mr. LEAVY. I yield to the gentleman from Utah.

Mr. MURDOCK of Utah. How much do the other 27 States gain—is it not $529,302?

Mr. LEAVY. That is right.

Mr. MURDOCK of Utah. The other States gain, while these 21 States lose $203,000.

Mr. LEAVY. Twenty-seven States make a gain for the next fiscal year of $529,302.26. We do not object to that; but the 21 States should not be asked to cut a service that the farmers absolutely want.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. LEAVY. I yield to the gentleman.

Mr. MUNDT. We have just heard a very impassioned speech on economy, and a very good one. Does not the gentleman feel it is good economy in this instance to restore this item so the farmers may have the benefit of the expert advice and guidance of these county agents?

Mr. LEAVY. I certainly do; and it is not a matter of restoration, it is a matter simply of maintaining that which we have had for quite a number of years.

Mr. MUNDT. Precisely; and it is economy rather than extravagance to help our farmers to become self-supporting.

Mr. LEAVY. Certainly.

Mr. LUTHER A. JOHNSON. And this has the approval of the Budget Bureau?

Mr. LEAVY. Yes; this is a budgeted item. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, there are one or two points, I think, which possibly should be made clear. I appreciate the generosity of the gentleman from Washington in suggesting that I was the author of the bill under which this appropriation was made. I cannot claim that distinction. The authorization for this appropriation comes from a bill which I think was introduced in the other body by the Senator who is the brother of our Speaker. A similar bill was introduced in the House by the chairman of the Committee on Agriculture, I believe, but in any event, the authorization bill was passed last year to provide for this $203,000 and the appropriation was made last year, as has been related here.

New, let us get clear just what this appropriation is for. I have found some confusion about that. Some people have

thought that this is county-agent work that had something particular to do with the Triple A or soil conservation or parity payments or something of that sort. That is not the case. This appropriation is to maintain in these 21 States that have already been mentioned by the gentleman from Washington, the work of the regular county farm agent, the man in the county to whom the farmers go for consultation on epidemics among the horses or epidemics among the cattle, or advice as to seeds and as to proper crops to grow—the regular, old-line, old-fashioned county agent. Many of you will talk to 4–H Clubs of boys and girls this summer and praise their work. You better vote for it here. That is what this money is for. It is not some sudden, new-fangled agency at all. It is the regular, old-line, county-agent work, along with the Home Extension Service, the 4–H Club work for the boys and girls, the preparation of exhibits for State and county fairs.

The 21 States already mentioned are in a predicament, because the basis of apportionment for the extension-service law was changed from what it used to be. That change in the basis of apportioning county-extension funds did result in increasing to the States, other than these 21 States, a total of $529,000, giving them an increase in their work of this type. The amendment proposed takes nothing from them, it simply provides for the States who lost an amount equal to what they lost.

This appropriation does come up here with a budget estimate. We are not violating any of the principles enunciated by the gentleman from Virginia, in approving this item. This is a budgeted item. It came before us in the budget in the House. For some reason the subcommittee did not see fit to include it, but the Senate did. So it comes before us as a budget item. It is a very small amount for any 1 State, but without it 21 States will have to eliminate some of their county agents and some of their home extension work. It simply restores to these 21 States a total of $203,000. This would be less than $10,000 a State if it were distributed equally. Some of the States get a little more than some of the others, but it is important to all of them. The problem of which county agents to eliminate, of what work, the regular, old-line, county agent work, will be a severe one for those States if this budget item is not approved. Consequently, I hope you vote for the preferential motion offered by the gentleman from Washington to recede and concur.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. JENSEN. Is it not a fact that the farmers are becoming more and more dependent on the advice of the county agents and that they are giving them the kind of cooperation and the kind of experienced advice that the farmers need today, because farming has become very scientific in its ramifications, and more so than ever before?

Mr. CASE of South Dakota. That is true. I think this money multiplies in its benefits.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. LUTHER A. JOHNSON. I am impressed by the gentleman's statement that the amount is only $203,000 and all the States are benefited by it. I think the money is badly needed and I hope the views expressed by the gentleman prevail and that the motion to recede and concur is adopted.

Mr. CASE of South Dakota. I thank the gentleman from Texas.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. HOPE. My State is not affected in the least by this proposal, but I simply want to say to the gentleman that I know at the time the Committee on Agriculture revised the basic law under which payments are now being made, that there was no intention of cutting down any State, and after going into the entire situation the Committee on Agriculture passed the amendment to which the gentleman referred a while ago, with the thought in mind of making it possible that no State would lose any funds that it had previously received.

Mr. CASE of South Dakota. Yes; I am sure the Committee on Agriculture went into the matter carefully when it authorized this appropriation to correct the situation.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, the gentleman from Virginia [Mr. WOODRUM] is always interesting when he unsheathes his shining sword in the interest of economy, but there is a difference in the times when the gentleman undertakes to present his arguments to the House. On the passage of the Labor-Federal Security Agency bill, which included appropriations for the Civilian Conservation Corps, the gentleman made a beautiful and what doubtless would have been an effective speech, had it been made before the House voted on the item, but on that occasion he deferred his argument to the House until after the House had already approved the $50,000,000 increase. It may be interesting to note in that connection that the gentleman in the Committee on Appropriations was himself interested in bringing about the $50,000,000 increase to be deducted from W. P. A. funds. But he does not delay his attack when it is a matter of interest to the agriculture of the country. When it is a question of economizing at the expense of the American farmer, the gentleman never even waits until the item he attacks is under consideration, but he comes out when the House is engaged in the consideration of another item, and makes an appeal for economy and for the House to measure up to its responsibilities in connection with the financial program of the Government.

I feel just as much interested in economy as the gentleman from Virginia. I think there is probably no Member of this House who has voted against more appropriations in the aggregate amount during the last 8 years than I have done, but what I object to is undertaking to take all of our economy out of the hide of the American farmer, which is what you propose to do if you undertake to defeat all of these amendments which are being insisted on by the Senate. You may adopt every amendment which is here in dispute, and still the agricultural appropriation bill for 1941 will be over $100,000,000 below the agricultural bill for 1940.

Mr. SOUTH. Mr. Speaker, will the gentleman yield?

Mr. TARVER. Yes.

Mr. SOUTH. And would not the aggregate be far below the appropriations of last year?

Mr. TARVER. I have just stated that the amount would be something over $100,000,000 below the appropriations for the present fiscal year, which I assume is what the gentleman means by mentioning the appropriation made last year.

With reference to this particular item of $203,000, I did not think it ought to be put in the bill. I did not think the Congress ought to have passed a law which would provide for any other basis of distribution of these extension funds except that provided in the Bankhead-Jones Act, but we are faced here with a situation where the Senate, which is a body coordinate with us in the handling of legislation and entitled to equal consideration, is firmly fixed on the making of this appropriation, which was made last year, in order that these 21 States may not sustain any loss in the distribution of these extension funds. I do not agree with the gentleman from Kansas that the Senators are irresponsible, that they are endeavoring to loot the Treasury of the United States, that they have no idea of their responsibility as representatives of their States in the Senate of the United States, which I understood was substantially the argument that he advanced.

The gentlemen who served on the conference committee on this bill representing the Senate side were gentlemen in whose integrity and in whose ability I have the highest confidence, and they adopted no arbitrary position. They yielded on scores and scores of amendments. They are simply insisting on some recognition of their position with regard to some of

these matters that are in dispute. So far as I am concerned, after we have argued these matters over with them for a month—and some of these items involve only $10,000, mere chicken feed when you take into consideration the total amount of this bill—after having gone through with a somewhat grueling procedure, having ironed out most of the differences existing between the House and the Senate, I am prepared against my own viewpoint in some cases as to what ought to be done, to give some consideration to their viewpoint, and, in order to effect an agreement on this bill between the two Houses I think we must give some consideration to the views of the Senate; and for that reason I intend to vote with the gentleman from Washington to recede and concur in this amendment of $203,000 affecting the interests of 21 States.

I do not desire to get into any controversy with any of the members of the conference committee. It has already been pointed out that the entire eight members of the House subcommittee did not serve on the conference. Only three of us served on the conference. Something has been said with reference to some conference of Members of the House concerning these amendments. I conferred with them. I made no agreement, but I gave those gentlemen the benefit of such information as I had with regard to these items which are in dispute, and I have no apology to offer. Very often, in the course of the House-Senate conference, the chairman of our House conferees would state that he would not act upon some matter until the next meeting, because he had to go off and confer with his people. Who his people may have been I do not know, but after this conference report was sent to the House with these amendments in dispute, I did not have any objection to conferring with my people. My people are the Members of this House who represent the interests of agricultural districts in this country, with whom I am cooperating on this bill to the best of my ability. I want this bill to be a bill which will do all that we can do in the interest of agriculture. When we come to the point where we are willing to economize—and I hope that time will come at no distant date—when we must cut down radically in the expenses of the Government, I hope that we will cut down all along the line.

I am willing to go with the gentleman from Virginia, Mr. WOODRUM, or Mister Anybody else, just as far as most men would go in an effort to do that and to bring about a balancing of the Budget, but I am not willing to undertake to effect some minor economies at the expense of the agricultural population of this country and then contend to our people that we are trying to do something in the interest of balancing the Budget and not going above the debt limit.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I will be glad to yield.

Mr. MAY. I grew up on a farm and am always in sympathy with the farmer, but I am concerned about the statement made by the gentleman from Virginia [Mr. WOODRUM] to the effect that we are going to be beyond the debt limit several million dollars at the end of this session. The gentleman from Georgia is a prominent member of the Appropriations Committee and knows about these things. If that is correct and we have to refuse payment when the time comes, what is going to be the effect of it?

Mr. TARVER. I get the gentleman's point. I think the gentleman from Virginia is undertaking a prophecy concerning what may be done by the Congress during the remainder of this session. Certainly this parity-payment item about which he talks so much does not materially involve the debt limit, so far as the next fiscal year is concerned. Why? Because you understand we make the appropriation this year and the money in the main is not to be expended until the fiscal year of 1942. So there is no justification whatever for the insistence here made that the parity payment of $212,000,000 involves going above the debt limit. The debt limit is not exceeded when you make appropriations. The debt limit is exceeded when you borrow to spend the money, and whenever the Treasury of the United States has paid out all the money that it can without borrowing beyond the $45,000,000,000 debt limit it will cease to pay out money, without regard to what appropriations may have been made by the Congress, and until the money appropriated is due to be paid out the question of exceeding the debt limit is not involved. So parity payments in this bill will not materially affect the debt limit during the next fiscal year.

Mr. Speaker, I have undertaken to present as frankly as I could my views in a general way. The discussion on this amendment has been largely a general discussion of all the issues which are now pending, rather than on the amendment itself.

Mr. FULMER. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I am glad to yield to the gentleman.

Mr. FULMER. It might be possible for the gentleman to answer the gentleman from Kentucky [Mr. MAY] that if we would just delay building two or three of these big ships we might be able to take care of agriculture and take up the shipbuilding just a little later.

Mr. TARVER. I am sorry I am unable to agree with my colleague from South Carolina that that argument is sound. I believe it is incumbent upon this Congress to provide for the adequate defense of the American people. I do not think it is of any logical consequence for a Member to say that you ought to stop building a battleship that will cost $100,000,000 in order to spend $100,000,000 somewhere else. We have to spend whatever money is necessary for the construction of battleships for the adequate military defense of this country, especially in times like these; but at the same time I do not believe you are justified in only effectively raising the question of economy when you get to a bill which affects the interests of the agricultural people of this country. You have spent $800,000,000—or you have obligated the credit of the United States to that amount—to relieve slum conditions in the cities. You have a bill pending which proposes to double that amount. Why not do something for the American farmer? Why cut his bill more than $300,000,000 below what his bill was for the present fiscal year? You have not made such economies in any other bill. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 4 minutes to the gentleman from Colorado [Mr. CUMMINGS].

Mr. CUMMINGS. Mr. Speaker, I want to speak especially about this item of $203,000. I cannot understand why when any legislation that pertains to agriculture comes up, people immediately get anxious about saving the Nation and not spending. The truth is that this money was approved by the Bureau of the Budget. The truth is that if this appropriation is not made we will lose 75 county agents and 16 county workers, or a total of 91 people, who are interested in bettering agricultural conditions in the United States. We are entitled to it. It is not an increase. Some of these States that are represented by gentlemen who are harping so much about economy have a great increase. My State is interested to the extent of $15,000. Twenty-one States are interested to the extent of this $203,000. You are not going to save the Nation by taking $203,000 away from people who are entitled to it. You are not going to save this country by cutting $203,000 off the educational forces of this country. If it is necessary to appropriate more money to pay this national debt and take care of financial affairs I am perfectly willing to do it. If you think it is advisable to increase the income tax on the lower brackets—that is where I belong—I am perfectly willing to do that, but I am strenuously opposed at this time to taking this $203,000 from 21 States while the other States of the Union get a material increase.

Mr. HORTON. Mr. Speaker, will the gentleman yield?

Mr. CUMMINGS. I yield.

Mr. HORTON. Does the gentleman know that Wyoming is in the same fix that Colorado is, that we lost 17 percent of our total fund for extension work? Under this bill unless we get the additional appropriation we get only $46,000 to carry on our work. We are harder hit than any other State in the Union.

Mr. CUMMINGS. I know it. That is why I looked at the gentleman. I thought maybe he would ask me a question.

Mr. Speaker, I yield back the balance of my time.

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Speaker, I just wanted to answer my colleagues, the gentleman from Washington and the gentleman from Georgia, who complained about the conference committee, one a member of it and one a member of the subcommittee.

All that the conference committee is doing is to maintain the attitude of the subcommittee, of the whole committee, and of the House after the House had had time to discuss it. That is the attitude of the conference committee. We are maintaining the attitude of the eight Members who passed on it, of the whole Committee on Appropriations, which passed on it, and of the House, which passed on it. There is not much remaining to explain. We are maintaining the attitude of the House; that is all.

Mr. CANNON of Missouri. Mr. Speaker, I yield such time as he may desire to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Speaker, anything which cripples the wealth-producing abilities of the American farmer is gross extravagance and not economy. Simply to vote against a service under the guise of economy without analyzing the value of the service may be just as foolhardy and injudicious as trying to practice economy by abolishing the fire department of a city or trying to pay homage to economy by jeopardizing millions of dollars of property by chopping off a few thousand dollars required for police protection. Gentlemen, this Congress must practice wise and effective economy, but we must at the same time retain our sense of discrimination as to when to vote for appropriations and when to vote against them. It is quite possible that some votes in disapproval of appropriations may be more reckless and extravagant than votes in favor of them.

As I indicated by my observations a few minutes ago, when the gentleman from Washington, Congressman LEAVY, yielded to me, the money necessary to continue county-agent services in America is an investment in thrift and not a manifestation of extravagance. When farmers are helped to become self-sustaining through cooperation of these county agents, we are preventing future demands for Government appropriations to enable the farming industry to survive.

You have heard the gentleman from Washington, Congressman LEAVY, and the gentleman from Georgia, Congressman TARVER, point out the value of this extension service, and my colleague from South Dakota [Mr. CASE] has emphasized the fact that we are not asking for an increased appropriation but merely for the ratification of a Budget item essential if 21 of our sovereign States are not to be discriminated against in the matter of this extension service. I want to take this time to point out to you that the appropriation of this $203,000 now may well be the means of saving the Government much larger appropriations at a later date.

To those of you not familiar with the farming region I want to point out that the work of county agents and home-demonstration agents is highly varied and mighty helpful. Through the assistance of those agents farmers are aided in keeping abreast of the most modern methods of weed control, they are given data on the prevention and care of stock diseases, they are provided with the most up-to-date information on insect control, and in countless other ways these agents are of service to our farmers in meeting the innumerable problems confronting the modern farmer.

You have all heard the ancient adage, "A stitch in time saves nine." So, too, good friends, such a "stitch" as this small appropriation to continue the work of these county agents may well save the "nine stitches" which might otherwise have to be provided by this Government in appropriations for eradication of noxious weeds, for curtailing stock diseases, and in annual appropriations to meet the menace of insect plagues. Helping the farmer to help himself is sound Government economy, and this appropriation is precisely for that purpose.

Mr. Speaker, I wish I had more time to elaborate on this item, as well as to speak on several of the other amendments which are in disagreement in this conference report. But time is limited and there are many who want to speak. The gentleman from Missouri [Mr. CANNON] was good enough to grant me this opportunity to speak, and since it is doubtful whether I shall have access to the floor again during discussion of these amendments I want once again to call your attention to the fact that the farm problem remains America's No. 1 economic problem and that prosperity for the rest of the country awaits the restoration of prosperity for the farmer. Only as the producer of new wealth in this country is fairly and fully paid will labor and industry, business, manufacturing, and banking again enjoy economic prosperity.

In conclusion I would like to call your attention again to my remarks in the Appendix of the RECORD, starting on page 2488, on the subject of fair treatment for American farmers. I hope you will read these remarks before voting on the parity amendment, and I especially recommend its consideration to those of you representing the city districts of this country. Let us all remember that aiding the farmer serves all America and is not just a gesture to one segment of our society. Give our domestic farmers a fair price for a full crop and a parity price for raw materials consumed domestically and the wave of prosperity starting from the Farm Belt will roll up to bring employment, profit, and happiness to the entire country.

Mr. Speaker, and colleagues, I hope the Senate amendment to provide this $203,000 needed for our extension service is supported by this House. [Applause.]

Mr. CANNON of Missouri. Mr. Speaker, I yield to the gentleman from Michigan [Mr. HOFFMAN], 3 minutes.

Mr. HOFFMAN. I ask the House this question: Are we appropriating money to aid the farmer or to aid some of those who want to finance their political fortunes by taking a part of this money and using it for that purpose?

I would like you to get the farmer's view on that. Let me read you a few letters from a farmer who is a member of one of the A. A. A. township committees.

Mr. CUMMINGS. Mr. Speaker, will the gentleman let me answer the question he asked?

Mr. HOFFMAN. The gentleman can answer it in the RECORD tomorrow.

This letter was written to me on April 4 by a resident of the county in which I have lived for 40 years:

APRIL 4, 1940.

DEAR MR. HOFFMAN: I am one of the A. A. A. committeemen of ——— township.

About March 1 a meeting was called of all the committeemen of the county, at a cost of over $300, which comes out of the farmers' soil checks, to boost a dinner to celebrate the anniversary of the A. A. A.

I am glad to say that the committeemen refused to act.

These meetings were called all over the country.

To that I replied, asking him as to where he got the information that it would cost $300 for the county dinner, and whether he had any idea how that expense was met. To that letter he replied as follows:

APRIL 18, 1940.

DEAR MR. HOFFMAN: In reply to your letter of April 15.

A meeting of the community committeemen was called, or 72 of them, at $4.50 a day each, to push the dinner.

There were tickets printed with form to fill in with purchaser's name and address. Then a church or society could put on the dinner; then all the tickets sold were to be turned in, so that whoever was behind the affair would have the names and addresses of all those attending.

The pay to the committee members is charged to administration of the farm program, so comes out of the farmers' soil checks.

We were to get someone else to push the dinners so that our hands wouldn't show.

Note the last sentence of this letter:

We were to get someone else to push the dinners so that our hands wouldn't show.

If the program is a worthy one, if committeemen paid out of Federal funds were to push it, why the secrecy? The natural course would be for anyone who had any part in a pro-

gram which was worthy, to be proud of his participation therein.

On April 29 the farmer wrote me again, as follows:

APRIL 29, 1940.

Mr. CLARE E. HOFFMAN,
Washington, D. C.:

In reply to your letter of April 22, a meeting was called at Allegan, and we were not notified what it was for. When we were wanted in Allegan, Mr. ———, the chairman of the township committee, was notified and he notified me, and if he knew what was wanted he always said he did not know what they wanted us for, and when the meeting was called to order we were told about the dinner plans and asked to cooperate in boosting it. I said in a former letter that there were 72 committeemen there. I assumed that they were all there as there are 72 committeemen in the county, and nearly all of us want the $4.50 per. I was at the meeting and was paid $4.50. And now for the speech Wallace made at St. Paul. I was asked to go but did not. I suppose all of the committeemen were asked and I learned this morning that 45 of the Allegan committee wet. We were offered 2 days' pay, of $9 each, for that.

I don't think that Mr. ———, our county chairman, was guilty on the dinner proposition, as I heard that Mr. Art Nour, a district man, complained to him about Allegan's expense in checking the farms, that Mr. ——— retorted that Mr. Nour called a political meeting at a cost of over $300.

I believe I am justified in the belief that all of the committee received pay for attending the meeting to discuss the dinner.

Very truly yours.

Then I wrote again, inquiring as to the meeting to hear Wallace. The reply to that letter is as follows:

MAY 5, 1940.

CLARE E. HOFFMAN,
Washington, D. C.:

In reply to your letter of May 1, 1940.

The 45 committeemen went to St. Paul to hear Wallace, and the $9 each that they were paid comes out of the farmers' checks, as that $405 is added to the administration expense, so takes a larger percentage of the participating farmers' checks.

I do not know Art Nour's address, and do not like to ask, as I would like to continue on this job.

I believe Mr. Nour called the meeting at the direction of the State committee. If I can learn Mr. Nour's address, will let you know.

Very truly yours.

The May 2, 1940, issue of the Decatur Republican, Van Buren County, Mich., contains these statements:

TWENTY THOUSAND FARMERS AT MEETING IN ST. PAUL

On Friday, April 26, farmers who are committeemen working on the soils-conservation program in Michigan left by special train to attend a meeting held in St. Paul, Minn., for the north-central region of the Agricultural Adjustment Act.

The train, starting from Lansing and running over the Grand Trunk Railroad, carried over 700 committeemen to this meeting.

Transfer service was furnished by the railroad at Chicago, and the trip was completed over the Chicago, Milwaukee & St. Paul.

Eighteen States were represented at this meeting, and it was announced that over 20,000 farmers were in attendance, the largest all-farmer group ever assembled in the United States.

Mr. Arthur B. Nower, former county chairman of the Van Buren County A. C. A. and now working on the State board as supervisor over 6 counties, was credited with an attendance of 188 farmer committeemen from his district. Allegan County was first in attendance with 45, and Van Buren second with 36 attending.

The principal speaker was Secretary of Agriculture, Hon. Henry Wallace, of Washington, D. C., and his speech dealt with the topics of farm mortgages and farm credit as well as the Triple A farm program. It met with the approval of the vast assembly, if you consider the applause given. This speech went out over the N. B. C. network and was probably heard by several million people.

Short speeches were given by three dirt farmers, one from Michigan, one from Ohio, and one from Kansas, and dealt with farm mortgages as they affected them personally and other farmers in their neighborhoods. These talks were very interesting.

Those who attended from Michigan assembled at Lansing, Battle Creek, and Cassopolis to board the train, and some farmers drove a distance of 140 miles by automobile to reach these starting points. Special police service was furnished by the railroad to watch automobiles parked on railroad grounds until the return of the train.

I have a letter from Secretary Wallace, in which he advises me, among other things, that—

No compensation was paid to county agents, county committeemen, nor any persons connected with the agricultural program for assisting in arranging for the meetings commemorating this anniversary.

He also states that at the meeting, which was called early in March, the committeemen talked on 403's. Form NCR 403 is officially titled "Farm Plan for Participation in the 1940 Program." He states that at this meeting the committeemen took up the minutes of the meeting, parity payments, everything that a farm reporter could take up.

He also reports that Clarence Swanebeck, of the Michigan State A. A. A. office, supplied the following information:

At this meeting they had a farmer, Walter Whiteman, Fennville, route 2, Republican by politics, and chairman of the dinner committee, appear at 10 a. m. Mr. Whiteman left at 10:25. Took about 25 minutes of the time telling about what he was planning to do about the dinners in that county.

His representative then stated:

They went on with the regular work the rest of the day. These men went out and worked on 403's.

Secretary Wallace also stated that the committeemen were elected by their neighbors to administer the program locally.

They work only part time and their pay comes from the farmer payments allotted to their respective counties.

What the Secretary did not tell me and what I am disposed to learn, if possible, is why committeemen should be paid to attend a meeting called, as they were advised at least, to promote dinners? And why should they be offered $4.50 a day to go to St. Paul to hear Secretary Wallace speak?

The money which is appropriated by this Congress to aid the farmers, the majority of the Members of Congress, I am quite sure, expected would be paid to the farmers for soil conservation or for other things outlined in the program. Yet here we have, under the administration of the Secretary of Agriculture, payments being made for the promotion of dinners, to induce men to go to a distant city to hear the Secretary speak, and the expenses or per diem of the few paid out of the total fund, thus lessening the payments that can be made to all other farmers.

I am asking the Secretary of Agriculture how much of the money which was appropriated by Congress was expended to induce an attendance at his St. Paul meeting and his reply will be awaited with interest.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, we have gone rather far afield from the matter that is pending before the House at the present time. There is on the desk a preferential motion to concur in the Senate action; namely, to restore $203,000 to this bill which makes provision for the county agents in 21 States. I am opposed to the preferential motion, and I hope it will be voted down. It reminds me of a whimsical tailor friend of mine who used to hit everyone over the back with a ruler and say, "Everything according to rule." Now, then, this matter is being allocated according to rule; $18,000,000 for extension work under the Smith-Lever Act, under the Capper-Ketcham Act, and under the Jones-Bankhead Act. We used to allocate $20,000 to each State and Territory, and then the balance was allocated on the basis of rural population. They finally changed the formula and instead of allocating on the basis of rural population, which includes the small towns, it is allocated on the basis of farm population, which excludes those towns and, as a result, you have a change because of the application of this formula. If the Congress every year is going to provide a gratuity and torpedo its own enactments, irrespective of the existence of a general authorization which gives the Secretary of Agriculture the power to allocate within his own discretion $300,000, we might just as well throw the whole thing into the Potomac River. The formula is there. The allocation has been made according to the formula, and if it falls with greater impact on one State than on another, the fact of the matter is it is nothing more than an articulation of the interest and of the desire which was promulgated by the Congress itself.

That is the whole story, and because of that it occurs to me that we ought to vote down the preferential motion now pending on the desk.

Mr. HOPE. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Kansas.

Mr. HOPE. Is it not true that Congress, recognizing the inequities of the formula which took away from some States the amount which they had been receiving, passed legislation which now authorizes this appropriation?

Mr. DIRKSEN. If Congress had that specific thing in mind they would have mandated the Secretary of Agriculture to do that specific thing. Instead of that they just passed a general open-ended authorization act giving him the discretion to do that.

Mr. HORTON. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Wyoming.

Mr. HORTON. In the changing of the method I wonder if the Congress knows that Wyoming has a lot of little villages, the same as they do in France, particularly in the western part of the State, where the Mormons live. They live in the villages and go out 10 or 15 miles every morning to their farms and ranches and carry on their farming operations. They are just as much ranchers and just as much farmers as if they live on the farm. By this act you are beating my State out of 17 percent of the Extension Service that they have had, and I may say we are only getting $46,000 for this work.

Mr. DIRKSEN. Maybe they had too many in the first place.

Mr. HORTON. No; they did not have enough.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, one of the unhappiest features of service on a House committee is the necessity of opposing propositions in which our colleagues are interested. It would be so much easier for us to go along and agree amiably to everything our colleagues wish. We would like to have their friendship, and if we could follow our preferences we would put into this bill every item which our colleagues requested. And when we got through the bill would take every cent in the National Treasury, and more.

But we have to draw the line somewhere, and reluctantly we draw it at the point of merit. After admitting everything we dare, and stretching the point as far as possible on much of that, there are always some requests to which we cannot agree if we are to maintain any semblance of consistency, for Members never get through asking. The pending amendment is an example. Those who are asking for this appropriation are asking for something that is not justly due them under the law. When we changed the law to provide for allotment to States on a basis of farm population—which includes only those living on farms and actually engaged in farming; to rural population, including towns and cities and including persons who could not by the widest stretch of the imagination be classified as farmers—the change was universally approved. Everybody agreed that if this was to assist farmers no one but farmers should be counted in making the allocation. We are sorry these States do not have more farmers. That is not our fault. And when they ask this $203,000 they are asking a gratuity at the expense of the other States. They are asking, in effect, to be put on W. P. A., and the rest of the States pay the bill.

But the situation is even more flagrant than that. They have all along acknowledged that it was a gratuity, but they have contended that it was in lieu of funds they lost when the Jones-Bankhead Act was passed. There is no ground for any such contention. They did not lose by the change. Instead the 21 States gained $89,000.

In 1935, when this act was passed to provide appropriations in lieu of unauthorized funds which all the States had received under the supplementary Smith-Lever Act, additional cooperative and A. A. A. allotments, it was arranged to reduce the unauthorized funds at the rate of 25 percent each of the 4 years during which the Bankhead-Jones Act was adding to the funds at the rate of $1,000,000 annually. But through delay in getting the agreement in operation, the States received both the 25 percent and the $1,000,000 the first year when they should have had only the Bankhead-Jones allotment. In other words, for that 1 year of transition they got a windfall of the 25 percent of the old funds. Now they insist on taking that year as a basis when the actual basis is 1935. This overlapping of appropriations is shown in the following table:

Total amounts received before and after the Bankhead-Jones Act went into effect

	1935	1936	1941
Smith-Lever (permanent):			
Flat ($10,000 each)	$210,000	$210,000	$210,000
Rural population	676,760	676,760	676,760
Capper-Ketcham:			
Flat ($20,000 each)	420,000	420,000	420,000
Rural population	85,855	85,855	85,855
Smith-Lever supplemental: Rural population	271,297	271,297	----------
Additional cooperative (discretionary)	299,200	404,550	----------
Agricultural Adjustment Administration allotments (discretionary)	1,189,357	----------	----------
Bankhead-Jones:			
Flat ($20,000 each)	----------	420,000	420,000
Farm population	----------	1,235,520	1,522,291
Total	----------	1,655,520	1,942,291
Farmer's cooperative demonstration	89,500	62,195	----------
Total	3,235,969	3,780,177	3,328,906

Fifty-thousand-dollar flat sum distribution to each State: Of all extension funds there is distributed to each State and Territory an equal sum of $50,000, the balance being distributed to some formula.

Total flat sum distribution to all States and Territories	$2,500,000
Total flat sum distribution to the 21 States	1,050,000
If the $2,500,000 were distributed on rural population basis, the 21 States would receive but	420,575
Difference, representing advantage already enjoyed by the 21 States over the others	629,425

The following table shows the variation under each item as between the year 1935 before the Bankhead-Jones law became effective and the year 1941 for which this, the pending bill, makes provision:

Extension funds allotted to the 21 States from all funds, 1935 and 1941 (does not include $203,000 in Senate amendment No. 6)

	1935	1941	1941 compared with 1935 (+ or −)
Smith-Lever, permanent	$886,760	$886,760	----------
Capper-Ketcham	505,855	505,855	----------
Capper-Ketcham supplemental	271,297	----------	−$271,297
Additional cooperative ($1,000,000 discretionary fund)	302,200	----------	−302,200
Farmers' cooperative demonstration	89,500	----------	−89,500
Agricultural Adjustment Administration allotments	1,189,357	----------	−1,189,357
Bankhead-Jones Act	----------	1,942,291	+1,942,291
Total	3,244,969	3,334,906	+89,937

It will be observed from this table that the 21 States, instead of losing $203,000, as has been contended, actually gain $89,937. If we now agree to this amendment, they will receive a total additional sum of $292,000 above the quota allotted to the other States.

Now permit me to take up another matter. The statement was made during debate that if all Senate amendments were agreed to, the bill would still be under the amount appropriated for the current year. That statement fails to take into consideration three items which must be included in a comparison of the 2 years. First, the $60,000,000 appropriated to cover the deficit in soil-conservation payments which the Senate by agreement with the House subtracted from the 357 and 369 bills. Second, the appropriation of $40,000,000 for rural electrification, which was provided for by direct appropriation last year and which is this year provided for by a mandatory authorization to borrow from the Reconstruction Finance Corporation. As that adds by $40,000,000 to the national debt, it must be included in the comparison. Third, in the same way, the Senate amendments shift an appropriation of $50,000,000 for farm tenancy to the R. F. C., and that must be counted in making the comparison. These three items total $150,000,000, which when added to the

$922,911,213 carried in the bill as it passed the Senate, would bring the total up to $1,072,911,213, which would be not only $165,000,000 above the Budget estimate, but is more than $30,000,000 higher than the bill for 1940 and the highest agricultural appropriation bill ever passed by any nation in any period of history. I heartily approve most of the appropriations in the bill, but we should be reasonable enough and prudent enough when we are exceeding the debt limit to refrain from such unwarranted and unjust raids upon the Treasury as this $203,000,000 bonus to States which are not entitled to it. I trust the House will vote down this motion. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the preferential motion of the gentleman from Washington [Mr. LEAVY] to recede and concur in the Senate amendment.

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 81, noes 66.

Mr. CANNON of Missouri. Mr. Speaker, I make the point of order that a quorum is not present, and I object to the vote on the ground that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 200, nays 174, answered "present" 1, not voting 55, as follows:

[Roll No. 99]

YEAS—200

Alexander	D'Alesandro	Johnson, Luther A.	Pace
Allen, La.	Dempsey	Johnson, Lyndon	Parsons
Andersen, H. Carl	DeRouen	Johnson, Okla.	Patman
Andresen, A. H.	Dickstein	Jones, Tex.	Patrick
Angell	Dies	Keller	Patton
Arnold	Disney	Kerr	Peterson, Ga.
Austin	Doughton	Kilday	Pierce
Ball	Doxey	Kitchens	Poage
Barden, N. C.	Duncan	Kleberg	Powers
Barnes	Dworshak	Knutson	Ramspeck
Bates, Ky.	Eaton	Kramer	Rankin
Beam	Eberharter	Lanham	Richards
Beckworth	Elliott	Lea	Robinson, Utah
Bell	Ellis	Leavy	Sasscer
Bolles	Ferguson	Lemke	Schaefer, Ill.
Boren	Fitzpatrick	Lewis, Colo.	Schuetz
Boykin	Flannagan	McAndrews	Scrugham
Bradley, Pa.	Flannery	McCormack	Seger
Brewster	Ford, Miss.	McGehee	Shanley
Brooks	Ford, Thomas F.	McGranery	Sheppard
Brown, Ga.	Fulmer	McKeough	Sheridan
Bryson	Garrett	McLaughlin	Smith, Conn.
Buck	Gathings	McMillan, Clara	Somers, N. Y.
Buckler, Minn.	Gehrmann	McMillan, John L.	South
Burdick	Geyer, Calif.	Maciejewski	Sparkman
Byrne, N. Y.	Gibbs	Magnuson	Stearns, N. H.
Byron	Gillie	Mahon	Stefan
Caldwell	Goodwin	Maloney	Sumners, Tex.
Camp	Gossett	Mansfield	Sutphin
Cannon, Fla.	Grant, Ala.	Marcantonio	Sweet
Carlson	Gregory	Martin, Iowa	Talle
Cartwright	Griffith	Massingale	Tarver
Case, S. Dak.	Guyer, Kans.	Miller	Tenerowicz
Casey, Mass.	Hall, Leonard W.	Mills, Ark.	Terry
Celler	Hare	Mills, La.	Thomas, N. J.
Clark	Harrington	Monkiewicz	Thomas, Tex.
Clason	Hartley	Monroney	Thomason
Coffee, Nebr.	Havenner	Mott	Thorkelson
Coffee, Wash.	Healey	Mouton	Tolan
Cole, Md.	Hill	Mundt	Vinson, Ga.
Collins	Hobbs	Murdock, Ariz.	Voorhis, Calif.
Colmer	Hope	Murdock, Utah	Wallgren
Connery	Horton	Murray	Walter
Cooley	Hull	Nelson	Warren
Cox	Hunter	Nichols	West
Cravens	Izac	Norrell	White, Idaho
Creal	Jarman	O'Connor	Whittington
Cullen	Jeffries	O'Day	Winter
Cummings	Jenks, N. H.	Oliver	Wolverton, N. J.
Curtis	Jensen	Osmers	Wood

NAYS—174

Allen, Ill.	Bender	Cannon, Mo.	Cole, N. Y.
Allen, Pa.	Blackney	Carter	Cooper
Anderson, Calif.	Bland	Chapman	Corbett
Anderson, Mo.	Bloom	Chiperfield	Costello
Andrews	Boland	Church	Courtney
Arends	Bolton	Clevenger	Crawford
Barton, N. Y	Brown, Ohio	Cluett	Crosser
Bates, Mass.	Byrns, Tenn.	Cochran	Crowther
Culkin	Hawks	McDowell	Satterfield
Darden, Va.	Hennings	McGregor	Schafer, Wis.
Delaney	Hess	McLean	Schiffler
Dingell	Hinshaw	McLeod	Schwert
Dirksen	Hoffman	Marshall	Seccombe
Dondero	Holmes	Martin, Mass.	Secrest
Drewry	Hook	May	Short
Edelstein	Houston	Michener	Simpson
Edmiston	Jacobsen	Moser	Smith, Ill.
Elston	Jarrett	Myers	Smith, Ohio
Engel	Jennings	O'Brien	Smith, Va.
Englebright	Johns	O'Leary	Snyder
Evans	Johnson, Ill.	O'Neal	Spence
Faddis	Johnson, W. Va.	O'Toole	Springer
Fay	Jones, Ohio	Pearson	Sullivan
Fenton	Jonkman	Pfeifer	Sumner, Ill.
Fernandez	Kean	Pittenger	Taber
Fish	Kee	Plumley	Thill
Flaherty	Keefe	Polk	Tibbott
Ford, Leland M.	Kefauver	Rabaut	Treadway
Gamble	Kelly	Rayburn	Van Zandt
Gartner	Kennedy, Martin	Reece, Tenn.	Vincent, Ky.
Gavagan	Kennedy, Md.	Reed, Ill.	Vorys, Ohio
Gearhart	Kennedy, Michael	Reed, N. Y.	Vreeland
Gerlach	Keogh	Rees, Kans.	Wheat
Gifford	Kilburn	Rich	White, Ohio
Gore	Kinzer	Risk	Wigglesworth
Graham	Kocialkowski	Robertson	Williams, Del.
Gross	Kunkel	Rockefeller	Williams, Mo.
Gwynne	Lambertson	Rodgers, Pa.	Wolcott
Hall, Edwin A.	Larrabee	Rogers, Mass.	Wolfenden, Pa.
Halleck	LeCompte	Romjue	Woodruff, Mich.
Hancock	Lesinski	Routzohn	Woodrum, Va.
Hart	Lewis, Ohio	Rutherford	Youngdahl
Harter, N. Y.	Ludlow	Ryan	
Harter, Ohio	McArdle	Sandager	

ANSWERED "PRESENT"—1

Luce

NOT VOTING—55

Barry	Durham	Martin, Ill.	Smith, Wash.
Boehne	Folger	Mason	Smith, W. Va
Bradley, Mich.	Fries	Merritt	Starnes, Ala.
Buckley, N. Y.	Gilchrist	Mitchell	Steagall
Bulwinkle	Grant, Ind.	Norton	Sweeney
Burch	Green	Peterson, Fla.	Taylor
Burgin	Harness	Randolph	Tinkham
Claypool	Hendricks	Robsion, Ky.	Wadsworth
Crowe	Jenkins, Ohio	Rogers, Okla.	Ward
Darrow	Johnson, Ind.	Sabath	Weaver
Davis	Kirwan	Sacks	Welch
Ditter	Landis	Schulte	Whelchel
Douglas	Lynch	Shafer, Mich.	Zimmerman
Dunn	Maas	Shannon	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Steagall (for) with Mr. Luce (against).

General pairs:

Mr. Burch with Mr. Wadsworth.
Mr. Randolph with Mr. Jenkins of Ohio.
Mr. Starnes of Alabama with Mr. Maas.
Mr. Weaver with Mr. Gilchrist.
Mr. Fries with Mr. Douglas.
Mr. Claypool with Mr. Grant of Indiana.
Mr. Bulwinkle with Mr. Ditter.
Mr. Durham with Mr. Tinkham.
Mr. Sweeney with Mr. Robsion of Kentucky.
Mr. Martin of Illinois with Mr. Darrow.
Mr. Boehne with Mr. Harness.
Mr. Burgin with Mr. Johnson of Indiana.
Mr. Folger with Mr. Mason.
Mr. Kirwan with Mr. Landis.
Mr. Ward with Mr. Shafer of Michigan.
Mr. Peterson of Florida with Mr. Welch.
Mrs. Norton with Mr. Bradley of Michigan.
Mr. Barry with Mr. Crowe.
Mr. Hendricks with Mr. Schulte.
Mr. Zimmerman with Mr. Sabath.
Mr. Lynch with Mr. Smith of Washington.
Mr. Whelchel with Mr. Green.
Mr. Davis with Mr. Buckley of New York.
Mr. Merritt with Mr. Sacks.
Mr. Taylor with Mr. Smith of West Virginia.
Mr. Shannon with Mr. Dunn.

Mr. EBERHARTER and Mr. JEFFRIES changed their votes from "nay" to "yea."

Mr. REES of Kansas changed his vote from "yea" to "nay."

Mr. LUCE. Mr. Speaker, I am paired with the gentleman from Alabama, Mr. STEAGALL. I voted "nay." I withdraw that vote and vote "present."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER pro tempore (Mr. MCLAUGHLIN). The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 8: On page 16, line 15, strike out "$13,578,918" and insert "$13,834,918."

Mr. CANNON of Missouri. Mr. Speaker, I move to recede and concur in the Senate amendment with an amendment, which I send to the desk.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House recede from its disagreement to the amendment of the Senate No. 8 and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert "$13,796,918."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 12: On page 17, line 19, strike out "$14,353,918" and insert "$14,634,918."

Mr. CANNON of Missouri. Mr. Speaker, I move to recede and concur in the Senate amendment with an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House recede from its disagreement to the amendment of the Senate No. 12 and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$14,586,918."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 13: On page 18, line 13, strike out "$26,236,451" and insert "$26,617,321."

Mr. CANNON of Missouri. Mr. Speaker, I move to recede and concur in the Senate amendment with an amendment, which I send to the desk.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House recede from its disagreement to the amendment of the Senate No. 13 and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment, insert "$26,519,386."

The motion was agreed to.

The SPEAKER pro tempore (Mr. HOBBS). The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 17: On page 22, line 17, strike out "$814,380" and insert "$824,380."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

Mr. COX. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. Cox moves that the House recede and concur in Senate amendment No. 17.

Mr. CANNON of Missouri. Mr. Speaker, I yield 15 minutes to the gentleman from Oklahoma [Mr. MASSINGALE].

Mr. MASSINGALE. Mr. Speaker, I desire to discuss the amendment with regard to parity payments. I understand an amendment will be offered to provide for full parity payments on the articles carried in the original bill instead of an offer or a promise to pay 75 percent parity on those crops. I stand for that kind of an amendment.

What I shall have to say may not interest all of you, but it ought to be interesting to you. I hope I shall be able to give you my reasons why it should be interesting to you. We had just as well wake up to the fact that the farmer of America is in a precarious condition, worse, perhaps, than he has ever been in under the Crop Control Act under which we are trying to operate at this time. It is no wonder that this condition prevails. I have said it on the floor here before, and I want to repeat it now.

The reason the farmer is in the condition you find him today is because we are operating under a fallacious theory of farm law, and this condition is not to be unexpected.

In 1932 the Republican Party had as its platform program crop-control legislation. The Democrats at that time advocated cost of production for farm products. Of course, the Democrats won the election, and we proceeded to steal your platform, and we have tried to operate it with a kind of pseudo-Democratic Secretary of Agriculture. [Laughter and applause.] Now, what have we got? We have a welter of confusion that the farmer cannot understand and nobody else, in this Congress or elsewhere.

Mr. HOUSTON. Mr. Speaker, will the gentleman yield?

Mr. MASSINGALE. I yield to the gentleman.

Mr. HOUSTON. Did we not steal the Secretary, too?

Mr. MASSINGALE. Yes; we took him. [Laughter.]

Mr. Speaker, I have advocated since I have been a Member of this Congress the principle of cost of production for those farm products grown in the United States and consumed in the United States; that is, the percentage of them necessary for consumption and use in the United States of America. This has not received the consideration of the House of Representatives, and I think that is the whole cause—of course, I would think that—of the dilemma confronting the American farmer.

Mr. Speaker, if the farm situation were not so desperate as to be tragic, it would be amusing to watch the proceedings in the House of Representatives when it comes to consider almost any kind of legislation. During the week that we wasted on the wage and hour bill, nearly every man that got up here to make a talk prefaced his statement with the remark that his talk was in the interest of the American farmer by raising somebody's wages in a factory shed. I have no objection to raising the wages of labor. I think labor is entitled to a good, living wage, but the farmer is certainly entitled to something, and you have not given it to him. You have been feeding him soporifics for the 6 years I have been in Congress.

Of course, there has been much good come to the farmer of the United States in the way of benefit payments, but that is not substantial legislation. That is not security for the American farmer. If you are going to do anything for him at all, let us be honest and frank about it, and this Congress owes it to the farmer to see the Committee on Agriculture and beg that committee or force that committee to bring out for consideration the cost-of-production bill which will give to the farmer parity payments on that portion of his crop produced and consumed in the United States.

If we had the cost-of-production bill we would not need this kind of plaster stuff. If we had that kind of legislation we would not have to bother about wages for workers. There would be work for the workers in America if the farmer was given the purchasing power with which to buy the products of the country, and the consumers could get money enough from their wages to pay for them.

Mr. PATRICK. Mr. Speaker, will the gentleman yield?

Mr. MASSINGALE. I yield to the gentleman.

Mr. PATRICK. I want to know whether, under the Hatch law, if we made parity payments, that would bring all the farmers under the Hatch Act.

Mr. MASSINGALE. I will refer you to the gentleman from Texas, the Honorable HATTON SUMNERS. [Laughter.]

Mr. PATRICK. That is a good reference.

Mr. MASSINGALE. Now, here is the practical attitude that this Congress is in. We promised, and solemnly promised, to pay the farmers of America at least parity prices for their products grown and consumed in this country, and now you are dodging it; and the gentleman from Virginia [Mr. WOODRUM] wants to dodge it on the ground that we ought to balance the Budget. Well, I do not care a continental about balancing the Budget before we first meet our obligations. We have got obligations to the farmers of this country. We have not met them.

Now, Mr. Speaker, let us get out of the position in which we find ourselves now. Let us first discharge our duty to the farming classes in the United States of America, and then we can talk about balancing the Budget if we want to, but do not take it out of the farmer. I do not believe in much of this stuff about balancing the Budget. I do not think very

many men in this House really want to balance the Budget. I think they would prefer to stay and follow after this archaic money system that we have, balancing the Budget or not. It does not make any difference to them. Now, here is the exact attitude we are in——

Mr. BREWSTER. Mr. Speaker, will the gentleman yield?

Mr. MASSINGALE. Will the gentleman pardon me just a moment and let me proceed just a little further?

Here is the attitude we are in. We have about six and a half million farmers in the country. These farmers are depending on the Congress of the United States to carry out its promise to pay them parity.

They relied upon it when they planted their crops. You have not done it. Why have not you done it? This body is not a body of men that wants to repudiate a debt or avoid any kind of an obligation. You want to do your duty to the American farmer. I know you want to do it, but you are sidestepping it. It reminds me of a story I read, when I was a boy, of Sergeant Prentiss, a Maine boy, who moved down into the State of Mississippi when he was a lad. He moved down there and became a famous man as a lawyer and as an orator. He states in the book of his life that one time up there in Maine when he was going to school one of the boys acted up. The teacher could not find out who the bad actor was. So he just called in the whole schoolroom, and flogged every one of them. He did not know who was guilty. Prentiss went back to his desk, and he wrote these lines:

God to Abraham once said that for the sake of the righteous ten
he would save two cities full of men,
But you contrariwise have done by flogging a dozen to punish one.

It is difficult to tell what the attitude of the House of Representatives is toward farm legislation. I cannot believe that it is the desire of this House to punish six and one-half million farmers of the United States because of any feeling that we may have in regard to the administration of the farm law or because it takes a huge sum of money to operate that law. We made the law. We wrote into the law the agreement to pay the farmers parity for their farm products if they would comply with the law. They have complied. We have not paid. To say now that we cannot pay because we have not balanced the Budget does not square accounts between Congress and the American farmer. Certainly the House of Representatives is not taking the position that it does not want to pay what they agreed to pay the farmers of the country, because they do not like the administration. We must not forget that this would be quite a blow to the already impoverished farmers of the Union, and we ought to go very slowly before we would even entertain the thought of not keeping our contract with them.

I think the proper thing to do, for every Member of this House who has not signed discharge petition No. 5, is to go and do it without delay and bring from the Agriculture Committee to the floor of the House, H. R. 2371, the bill providing for the payment to farmers of parity prices on all agricultural products included within the terms of the bill. If we should pass such a bill, there would be no necessity in the future for the appropriation of any money out of the Treasury of the United States for making parity payments. These payments are taken care of in a different manner in the bill itself.

In addition to that, the bill would obviate the necessity of hordes of employees standing guard over and around the farms of the United States to see whether or not a farmer is making compliance with the terms of the Agriculture Adjustment Act. I think one reason that has held Congress back from the enactment of a law similar to H. R. 2371 or S. 570, is that it would mean the dismissal of approximately 110,000 employees of the Department of Agriculture. It would cost a little money, but not much comparatively, to set up and into motion the machinery necessary to operate this proposed bill. The Secretary of Agriculture issues each month what is the parity price of each article mentioned in the bill, and there are forty-odd commodities covered by the bill. Then the only additional help the Secretary would need is to appoint persons who are authorized to buy the products of the farm from the farmer and to look out for the sale and exportation of the surplus or exportable percentages. This would not be difficult. The procedure would not be complicated. The farmer could understand it. It would practically double the crop income of every farmer in the United States, especially of the small-farm operator. According to Secretary Wallace himself, it would increase the national income of the farmer to approximately $15,000,000,000 a year, or about twice what he gets now. It would bring the entire national income to approximately a hundred billion dollars a year. It would increase payments into the national Treasury from increased incomes not only of farmers, but of practically every kind of industrial and mercantile business in the United States.

If we really want to balance the Budget there is no better way to do it than to double the national income of the country. It will then be quite an easy task, according to the economists, to balance the Budget because the revenues will multiply so rapidly when everybody is at work and drawing pay for it, and every farmer is getting such a price for his produce that he can live on it and pay his debts. When this condition arises the Budget balancing will be almost automatic. Let us show the farmers that we are going to try to redeem one promise that we made. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Oklahoma has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. Cox.]

Mr. COX. Mr. Speaker, I dislike ever to take a position contrary to that taken by my devoted friend, the gentleman from Missouri [Mr. CANNON], but I hope my friends will feel friendly to the amendment which is proposed. Only $10,000 is involved. For the particular activity for which the money is provided, the House made an appropriation of $15,000, but when the bill went to the Senate that body added $10,000. It is that $10,000 that is now in question. This small appropriation was set up for the purpose of carrying on an activity in that area on the coast that extends from Virginia around to Texas, including all of the Southwestern States. In this territory there are large tracts of fertile forest lands from which the timber has been removed, and the only use to which it can be put is largely the grazing of cattle. The appropriation is for the development of a grass or in the interest of improving the cattle within this area. The $15,000 was written into the bill on the part of the House committee largely at the instance of the gentleman from North Carolina [Mr. WARREN]. North Carolina is not an important cattle State. However, they have a great deal of this cut-over land, and there is a prospect of the development of a considerable cattle industry in that State, and in all of the other States affected. This is a matter of great importance to the people living in this area, and I trust that my friends may find it possible to support the amendment, which will mean the setting up of a fund to carry on this important work. The sum in amount is insignificant. It is to be spread over the entire area, although for the first year the $10,000 will be expended within my State, because we happen to have an experimental station which is undertaking to carry on this type of work. It is not in my district, but is in the districts of my colleagues Mr. PETERSON and Mr. GIBBS, who are somewhat southeast of me, where most of the work will be done. The gentleman from North Carolina [Mr. WARREN], originated this proposal and is probably in a better position than any other to give you a picture which will correctly represent the situation as it exists. I yield to the gentleman from North Carolina.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Speaker, I will endeavor to make a correct statement of this matter and call the especial attention of the gentleman from Missouri [Mr. CANNON] and the gentleman from Georgia [Mr. TARVER] to this statement.

Before coming to the Appropriations Committee, for 2 years prior to that I asked the Department to look into the

advisability of an investigation of beef cattle and related livestock problems in the cut-over areas of the Southeastern States extending from Virginia to Texas. The Secretary of Agriculture made a very strong recommendation to the Bureau of the Budget for $50,000 for that purpose, to be spent jointly by the Bureau of Animal Industry and the Forest Service, the purpose being for the Forest Service to try to develop a grass in that area which they have so successfully developed in the Western States.

The purpose of the investigation was not to ever hope to raise cattle for commercial purposes. The lands on which the investigation would be made are cut-over lands, not suitable for the raising of tobacco or of cotton. The purpose was to really feed the people, many of whom are in a deplorable condition in that particular area.

The Appropriations Committee very kindly gave $30,000 for this purpose and it was my understanding that the $30,000 would be spent in North Carolina at one of the experiment stations, and North Carolina also agreed to supplement that amount out of its own funds. So of course really most of what I asked for was passed by both bodies, but when the item went to the Senate, the Senate insisted upon an additional $20,000 to bring it up to the amount originally requested by the Secretary of Agriculture. That amount is found in amendment 17 which is now before us and in amendment 37, which will come up soon, and if agreed to this additional amount will be spent in Georgia, in the district of Mr. Cox.

I regret that the gentleman from Missouri [Mr. CANNON] did not see fit to move to concur in this very small item so that the State of Georgia, which is similarly situated, may have the benefit of this study and investigation, and for that reason I hope that the motion of the gentleman from Georgia [Mr. Cox] will be adopted, because it will so vitally affect his State, as well as the States in that section.

I think that is a fair statement of the situation from its beginning until now.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, gentlemen will find, if they have an opportunity to examine the hearings on page 1299 and the following pages of the House hearings, a full discussion of this subject matter by authorities from the two agencies affected, the Bureau of Animal Industry and the Forest Service.

You will note that they whole-heartedly approve the proposed expenditure of $25,000 under the jurisdiction of each of these organizations, for the purpose of carrying on this investigation, and express the opinion that such investigation will be of great benefit to the millions of people living on the cut-over forest lands in the Southeast.

I may say here that the purpose of this investigation is not to develop a cattle industry in competition with the cattle-raising areas of the country, but as indicated by the gentleman from North Carolina [Mr. WARREN] to do something to enable the millions of people on the cut-over forest lands to make provision for their own needs for beef. In the event they are unable to do so, they will not be customers of the beef-raising sections of the country at all. They will simply go without sufficient beef.

It is an appropriation which in my judgment is amply justified. I doubt if this investigation could be conducted for the $15,000 under the jurisdiction of this Bureau, which was provided in the House bill and $15,000 under the jurisdiction of the Forest Service which has already been provided. These items are not in dispute. If it takes $25,000, and they say it will, under each Bureau to make the proper investigation, certainly it seems to me it would be good business to spend it rather than to spend an inadequate amount and have an incomplete and unsatisfactory investigation.

As to the place of the expenditure, I am not concerned. My information differs from that of the gentleman from North Carolina [Mr. WARREN] with reference to where the expenditure is to be made, but I am not solely interested in that. I am interested in the question of whether or not something can be done at this very reasonable cost to aid the several million people whose interests are vitally involved.

So I sincerely hope that the House may see fit to recede and concur in the Senate amendment, which adds the small amount of $10,000.

Mr. FERGUSON. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I will be glad to yield.

Mr. FERGUSON. I will say that I read the report of the Bureau of Animal Industry of the results obtained in North Carolina by adding certain cheap fertilizer to these cut-over areas, and they are very encouraged at the increase which the cattle achieved on this grass that had been so treated in this experiment. I think it is a very worthy and worth-while investigation.

Mr. TARVER. I thank the gentleman for his contribution.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Speaker, this small item of $10,000 is an item of vast importance to a great area. I will not go into the details of its purpose, because they have already been discussed by the gentleman from Georgia and the gentleman from North Carolina. Suffice it to say that personally I have had some experience in the matter of what can be accomplished in the development of range grasses as well as in the use of certain minerals in areas where the mineral deficiency in the soil fails to produce grass which gives proper sustenance to livestock.

We all know that from the standpoint of production of original wealth somehow or other we have got to get it out of the ground. The moneys that are being appropriated here today are the reflected pyramided earnings from the original wealth which is produced from the soil by tilling it, produced from the soil by converting the surface production of untilled areas into wealth; and the only machinery known to man that can accomplish that purpose is livestock. We mine wealth from Mother Earth in the form of minerals and other things but thereafter men working in different lines of business and handling it, through their industrial achievement, develop the rest.

The pending amendment strikes at fortifying the very fountain, the source, from which the moneys appropriated in this and other bills come; and the small amount of $10,000 here utilized in the great southeastern area of the States referred to by these gentlemen will be utilized in an area which, with proper study, may well be developed to produce more wealth than heretofore has been produced elsewhere.

Today mineral deficiency defeats the purpose of the average individual, and in the area where I became acquainted with what could be done—and I am going to close with this statement, too—on those ranges where originally it required from 30 to 40 acres to support a cow brute, by the introduction of proper grass 2½ acres has been made sufficient to support one cow. On a ranch that I once managed, and where I started the work, and we paid for it, we got experts from the Department of Agriculture to work with us for the benefit of utilizing that range as a laboratory. There is already available a bulletin showing the work done in southwest Texas on the matter of mineral deficiencies, which were referred to by my friend the gentleman from Oklahoma [Mr. FERGUSON].

I assure the membership of this House that this $10,000 involved in this amendment may well be worth $10,000 multiplied many hundreds of thousands of times. This amendment should be agreed to. The $10,000 added to the $15,000 should be allowed. [Applause.]

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The gentleman yields back 1 minute.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY. Mr. Speaker, parity is supposed to be equality. I am opposed to this amendment for the following reasons:

No. 1. This appropriation goes to only a few crops, at the most five, and probably the bulk of it to one crop, cotton. These crops represent only a little over one-third of the national farm income.

This is not parity or equality in any fair sense of the word. Cotton has had 45 percent of this money and it represents only one-tenth of the national farm income. Look it up and you will also find that one State has already had over one-eighth of the money appropriated, and that five States of the Union have had practically 40 percent of this money. Such appropriations are not parity, equality, justice, nor common sense.

No. 2. In addition to the fact that this money has been distributed to only a few of the crops, we also find that this money has also been distributed to the wrong people and not the real agricultural people of our country.

Big checks have gone to big corporation farmers, insurance companies, hobby farmers, banks, bankers, and land speculators. The more agricultural subsidies from the Treasury that go to the above groups the more "Okies" go down the road and will continue to go down the road. If such subsidies are to be appropriated, they should go to the real farm people of this country that live on, operate, and own their family-sized farms.

This is a good time to cut appropriations. We can cut them from a small pressure group and withhold these funds that are being distributed in large amounts to people and groups that have no justification in asking for subsidies that have really been appropriated for the rural people of our country.

We cannot expect to continue these cross-purpose schemes. We must include all of agriculture. Why continue to hire two men to cut wood to put kindling on the fire, and then hire three more to carry water to put the fire out? Let us have parity for all farmers and quit giving to the few at the expense of the many.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. WHITE of Idaho. Is the gentleman opposed to this amendment to provide money for reseeding of cut-over land?

Mr. MURRAY. No; to parity payments.

Mr. Speaker, I yield back the balance of my time.

Mr. CANNON of Missouri. Mr. Speaker, I yield 10 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Speaker, we have heard numerous Members this afternoon point out that the farm program has been a failure. This, however, is not the opinion of the farmers of this Nation. An overwhelming majority of the farmers of this Nation favor the existing farm program, and certainly they are not going to be tricked into giving up the farm program they have that has worked, for any hazy promise of something better in the future.

Everyone here favors soil conservation. This farm bill that has been so attacked today and on previous occasions instituted soil conservation in this Nation at a time when the resources of the Nation were being depleted at a very rapid rate. When you vote for this bill you vote for soil conservation.

There have been speeches made for parity. Every Member representing a farm district has plead his heart out for parity, and today the committee brings in a bill providing the funds to actually pay parity. The provisions of the present bill are not very far removed from the propositions that have been advocated in this House. Section 203 of the present bill provides:

> If and when appropriations are made therefor, the Secretary is authorized and directed to make payments to producers of corn, wheat, cotton, rice, and tobacco on their normal production of such commodities in amount which * * * will provide a return to such producers which is as nearly equal to parity prices as the funds so made available will permit.

Today if we reach the parity amendment we are going to demonstrate to the farmers that we are not constantly receding but we are approaching the goal that we set up to reach in the original farm bill, which is parity. When the committee which is bringing in this bill offers an amendment to provide for the payment of 100 percent of parity on the products included in the farm bill, we are making steady progress to solve the farm problem. As a member of the Committee on Agriculture I am not ashamed to defend the present farm program for the farmers of this Nation. It is their program and they are going to continue to advocate it.

Members have opposed the farm-tenancy provision here today. The gentleman from Illinois talked for 12 minutes, but he never mentioned farm tenancy. He spoke in opposition without once mentioning farm tenancy. He continued to point out the Home Owners' Loan Corporation, an organization created to take over existing mortgages on town property, and said that failures suffered by the H. O. L. C. would be the final result of the farm-tenancy program. No wonder he would not give us the figures on how farm tenancy so far has functioned. They are the best recommendation for the $50,000,000 appropriation that has been provided by the Senate. The truth of the matter is that in connection with 8,355 loans, averaging $5,000 per loan, 99.9 percent have made their payments. This program has been in operation for 3 years. Eight thousand three hundred and fifty-five loans have been made and over 99 percent of them have made their payments when due.

When 300,000 farm tenants have applied for ownership, how can this House, in fairness and in justice, say that we should drop a program that has functioned for 3 years 99 percent perfect, because mortgages have not been paid on town property? We all admit that farm values are low. What better time to buy a farm to operate than at a time when the purchaser actually gets his money's worth in the purchase of a farm? The farm committees have functioned well in buying the farms and in choosing the men to intrust with the loan. I heard the argument that because some 300,000 people applied for loans and only 13,000 at the end of this year will have loans, we ought therefore to kill the program because of those who were disappointed in their applications. I took the time and trouble to write to every disappointed applicant in my district, and I asked him the question, Would you like to see the whole program stopped because you were disappointed?

I wish I had time to read to the House of Representatives the answers those men sent in. They said, "No. We want to have the opportunity to work toward the goal of actually owning and operating our own farms." They pointed out the various reasons. Letter after letter would say: "I have livestock; I have machinery; but if I rent a farm I must put it into a cash crop. I cannot keep my livestock; I cannot keep my poultry; I cannot even keep an adequate number of milk cows because the landlord demands that the land be put into a cash crop so that I may pay a bigger cash-crop rent; but if I had the privilege of buying this farm"—and they are not talking about something that is hazy to them; they know of a particular farm that can be bought and one which is worth the money—"if I could buy this farm or that farm," and they always mention the location of it, "I could pay for it under the Bankhead-Jones Act at no more expense than I am now paying in actual rent for the place I am on." That is true, because he would be able to diversify his farming operations and pay back that money.

If we are going to stop farm tenancy, we cannot wait for all these panaceas, and none of them has yet been presented to the Committee on Agriculture that would take the place of the present farm program. We cannot wait until some dim, distant time to stop this trend of concentration of land into nonresident ownerships.

Mr. Speaker, I hope this House will vote to retain the farm-tenancy provision. The future of farming is in the hands of the family-sized farm. The House has a chance today to vote for parity prices and farmer-owned farms. I hope to God we do not let the farmer down.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Speaker, most of the speeches that have been made on this amendment have been on other things than the one immediately before us, which is a matter involving $10,000 for a beef investigation or an experimentation in connection with beef feeding in the Southeast, in one or two States at the most. The House reluctantly provided $15,000 for this new venture. They went over to the Senate and got $10,000 more. The House did a pretty good job in allowing $15,000. It was by a close vote in the committee, but they went over to the Senate and got $10,000 more, which is never hard to do.

I think the House ought to sustain the committee even on this small item. This is just as reasonable as if I or some Member from Nebraska or the Dakotas asked for $10,000, $15,000, or $25,000 to try to cultivate a new kind of cotton that might grow up in the Northwest. It would be just as reasonable. The South has its particular functions that it is cut out for and it is doing a job down there. It has general appropriations for all these things, including extension work and so forth, but down there where cotton grows and tobacco business is prosperous they want to learn how to feed cattle better in competition with the rest of the country where cattle are being fed now, generally at a loss.

I do not think it is any more justifiable than to hand Kansas and Nebraska and the Dakotas a $25,000 appropriation to develop a new kind of cotton that will grow up there. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, this committee is the servant of the House. Under your instructions we carried this bill to the Senate. We did what we could to sustain the position of the House, to defend the bill as you directed us to defend it. We had to compromise. We went more than two-thirds of the way. We brought back here only a remnant, only a fragment of the items in disagreement. We do not believe they are justified. We submit it to you for your action.

This is a small item. It is outside the Budget. There is no Budget estimate for it. It is an expansion at a time when we should be retrenching. The bill before you is the only bill which has been passed up to this time in excess of a Budget estimate. Every other supply bill has passed under the Budget. If you want to increase this bill in the face of the conditions which confront us, you have the opportunity. As we bring in the bill, it would not be necessary to exceed the debt limit. If you add everything the Senate requests, you will have voted a bill that will exceed any bill of this kind ever passed in the annals of the American Congress. I trust that you will disagree to the amendment. [Applause.]

The SPEAKER pro tempore (Mr. McCORMACK). The question is on agreeing to the motion of the gentleman from Georgia [Mr. Cox] that the House recede and concur in amendment No. 17.

The question was taken; and on a division (demanded by Mr. Cox) there were—ayes 69, noes 68.

Mr. CANNON of Missouri. Mr. Speaker, I make the point of order that a quorum is not present, and object to the vote on the ground that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and twenty-three Members are present, a quorum.

Mr. CANNON of Missouri. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 179, nays 182, answered "present" 1, not voting 68, as follows:

[Roll No. 100]

YEAS—179

Allen, La.	Beckworth	Brooks	Byron
Anderson, Mo.	Bell	Brown, Ga.	Caldwell
Arnold	Bland	Bryson	Camp
Barden, N. C.	Bloom	Buckler, Minn.	Cannon, Fla.
Barnes	Boland	Bulwinkle	Cartwright
Barry	Boren	Burdick	Casey, Mass.
Bates, Ky.	Boykin	Byrne, N. Y.	Celler
Beam	Bradley, Pa.	Byrns, Tenn.	Chapman
Clark	Garrett	Kitchens	Patton
Cochran	Gathings	Kleberg	Pearson
Coffee, Nebr.	Gavagan	Kramer	Peterson, Ga.
Coffee, Wash.	Gearhart	Lanham	Poage
Collins	Geyer, Calif.	Lea	Rabaut
Colmer	Gibbs	Lemke	Ramspeck
Connery	Gore	Lesinski	Rankin
Cooley	Gossett	McAndrews	Robertson
Cooper	Grant, Ala.	McArdle	Robinson, Utah
Courtney	Gregory	McCormack	Sasscer
Cox	Griffith	McGehee	Satterfield
Cravens	Harrington	McKeough	Schaefer, Ill.
Creal	Hart	McLaughlin	Schuetz
Cullen	Havenner	McMillan, Clara	Shanley
Cummings	Healey	McMillan, John L.	Sheridan
Darden, Va.	Hennings	Magnuson	Smith, Ill.
Delaney	Hinshaw	Maloney	Smith, Va.
Dempsey	Hobbs	Mansfield	Somers, N. Y.
DeRouen	Hook	Marcantonio	South
Dickstein	Hope	Massingale	Sparkman
Dies	Hunter	May	Sullivan
Dingell	Izac	Mills, Ark.	Tarver
Disney	Jacobsen	Mills, La.	Tenerowicz
Doughton	Jarman	Monroney	Terry
Doxey	Johnson, Luther A.	Mouton	Thomas, Tex.
Duncan	Johnson, Lyndon	Murdock, Ariz.	Thomason
Edelstein	Johnson, Okla.	Murdock, Utah	Tolan
Ellis	Jones, Tex.	Myers	Vinson, Ga.
Evans	Jonkman	Nichols	Voorhis, Calif.
Fay	Kee	Norrell	Wallgren
Ferguson	Kefauver	O'Connor	Walter
Fernandez	Keller	O'Day	Warren
Fitzpatrick	Kelly	O'Toole	West
Flannagan	Kennedy, Michael	Pace	White, Idaho
Flannery	Keogh	Parsons	Whittington
Ford, Miss.	Kerr	Patman	Woodruff, Mich.
Ford, Thomas F.	Kilday	Patrick	

NAYS—182

Alexander	Engel	Kocialkowski	Routzohn
Allen, Ill.	Faddis	Kunkel	Rutherford
Allen, Pa.	Fenton	Lambertson	Ryan
Andersen, H. Carl	Fish	Larrabee	Sandager
Anderson, Calif.	Flaherty	Leavy	Schafer, Wis.
Andresen, A. H.	Fulmer	LeCompte	Schiffler
Andrews	Gamble	Lewis, Colo.	Schwert
Angell	Gartner	Lewis, Ohio	Scrugham
Arends	Gehrmann	Ludlow	Seccombe
Austin	Gerlach	McDowell	Seger
Ball	Gillie	McGranery	Sheppard
Bates, Mass.	Goodwin	McGregor	Short
Bender	Graham	McLean	Simpson
Blackney	Gross	McLeod	Smith, Conn.
Bolles	Guyer, Kans.	Maciejewski	Smith, Ohio
Bolton	Gwynne	Mahon	Snyder
Bradley, Mich.	Hall, Edwin A.	Marshall	Spence
Brewster	Hall, Leonard W.	Martin, Iowa	Springer
Brown, Ohio	Halleck	Martin, Mass.	Stearns, N. H.
Cannon, Mo.	Hancock	Michener	Stefan
Carlson	Hare	Miller	Sumner, Ill.
Carter	Harter, N. Y.	Monkiewicz	Sutphin
Case, S. Dak.	Harter, Ohio	Moser	Sweet
Chiperfield	Hawks	Mott	Taber
Church	Hess	Mundt	Talle
Clason	Hoffman	Murray	Thill
Clevenger	Holmes	Nelson	Thorkelson
Cole, Md.	Horton	O'Brien	Tibbott
Cole, N. Y.	Houston	O'Leary	Treadway
Corbett	Hull	Oliver	Van Zandt
Costello	Jarrett	O'Neal	Vincent, Ky.
Crawford	Jeffries	Pfeifer	Vorys, Ohio
Crosser	Jenkins, Ohio	Pierce	Vreeland
Crowther	Jenks, N. H.	Pittenger	Wheat
Culkin	Jensen	Polk	Wigglesworth
Curtis	Johns	Rayburn	Williams, Del.
Dirksen	Johnson, Ill.	Reece, Tenn.	Williams, Mo.
Dondero	Johnson, W. Va.	Reed, Ill.	Winter
Douglas	Jones, Ohio	Reed, N. Y.	Wolcott
Drewry	Kean	Rees, Kans.	Wolfenden, Pa.
Dworshak	Keefe	Richards	Wolverton, N. J.
Eaton	Kennedy, Martin	Risk	Woodrum, Va.
Eberharter	Kennedy, Md.	Robsion, Ky.	Youngdahl
Edmiston	Kilburn	Rockefeller	Zimmerman
Elliott	Kinzer	Rodgers, Pa.	
Elston	Knutson	Rogers, Mass.	

ANSWERED "PRESENT"—1

Luce

NOT VOTING—68

Barton, N. Y.	Dunn	Hill	Peterson, Fla.
Boehne	Durham	Jennings	Plumley
Buck	Englebright	Johnson, Ind.	Powers
Buckley, N. Y.	Folger	Kirwan	Randolph
Burch	Ford, Leland M.	Landis	Rich
Burgin	Fries	Lynch	Rogers, Okla.
Claypool	Gifford	Maas	Romjue
Cluett	Gilchrist	Martin, Ill.	Sabath
Crowe	Grant, Ind.	Mason	Sacks
D'Alesandro	Green	Merritt	Schulte
Darrow	Harness	Mitchell	Secrest
Davis	Hartley	Norton	Shafer, Mich.
Ditter	Hendricks	Osmers	Shannon

Smith, Wash.	Sumners, Tex.	Tinkham	Welch
Smith, W. Va.	Sweeney	Wadsworth	Whelchel
Starnes, Ala.	Taylor	Ward	White, Ohio
Steagall	Thomas, N. J.	Weaver	Wood

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Steagall (for) with Mr. Luce (against).

Until further notice:

Mr. Burch with Mr. Wadsworth.
Mr. Randolph with Mr. Ditter.
Mr. Starnes of Alabama with Mr. Maas.
Mr. Weaver with Mr. Gilchrist.
Mr. Fries with Mr. Thomas of New Jersey.
Mr. Claypool with Mr. Grant of Indiana.
Mr. Durham with Mr. Tinkham.
Mr. Sweeney with Mr. Rich.
Mr. Martin of Illinois with Mr. Darrow.
Mr. Boehne with Mr. Harness.
Mr. Burgin with Mr. Johnson of Indiana.
Mr. Folger with Mr. Mason.
Mr. Kirwan with Mr. Landis.
Mr. Ward with Mr. Shafer of Michigan.
Mr. Peterson of Florida with Mr. Welch.
Mrs. Norton with Mr. Crowe.
Mr. Hendricks with Mr. Schulte.
Mr. Sumners of Texas with Mr. White of Ohio.
Mr. Buck with Mr. Powers.
Mr. Davis with Mr. Jennings.
Mr. Hill with Mr. Englebright.
Mr. Wood with Mr. Hartley.
Mr. Green with Mr. Gifford.
Mr. Whelchel with Mr. Leland M. Ford.
Mr. Romjue with Mr. Barton of New York.
Mr. Secrest with Mr. Osmers.
Mr. Lynch with Mr. Plumley.
Mr. Smith of Washington with Mr. Cluett.
Mr. Taylor with Mr. Buckley of New York.
Mr. Smith of West Virginia with Mr. Sabath.
Mr. Shannon with Mr. Sacks.
Mr. Merritt with Mr. Dunn.

Mr. LUCE. Mr. Speaker, on this matter I am paired with the gentleman from Alabama [Mr. STEAGALL]. If he were here he would vote "yea." I voted "nay." I withdraw my vote and ask to be recorded as being present.

Mr. GOODWIN changed his vote from "yea" to "nay."

Mr. LESINSKI, Mr. ROBINSON of Utah, Mr. HOOK, and Mr. MURDOCK of Utah changed their votes from "nay" to "yea."

Mr. RICH. Mr. Speaker——

The SPEAKER pro tempore (Mr. MCCORMACK). Does the gentleman from Pennsylvania qualify?

Mr. RICH. I do not, Mr. Speaker.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question now recurs on the motion of the gentleman from Missouri that the House insist upon its disagreement to the Senate amendment.

The motion was agreed to.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to put in some tables and figures indicating the cost of distribution under the A. A. A.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that when the House adjourns tonight it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. MCLEOD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Civil Aeronautics Authority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CROWTHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short article by John T. Flynn, in today's Washington News.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOFFMAN asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered by the Work Projects administrator in my district.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an address delivered by J. Edgar Hoover in New York City on May 3.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ORDER OF BUSINESS

Mr. CANNON of Missouri. Mr. Speaker, it is the intention of the managers on the part of the House to take up the agricultural appropriation tomorrow at the conclusion of the consideration of the conference report upon the transportation bill, and it is our expectation that that bill will be concluded between 2 and 3 o'clock.

THE TRANSPORTATION BILL

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, and read a statement of D. B. Robinson, president of Brotherhood of Locomotive Firemen and Enginemen.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARRINGTON. Mr. Speaker, the statement to which I refer is as follows:

STATEMENT OF D. B. ROBERTSON, PRESIDENT, BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN

I have just read a letter sent to members of the conference committee on S. 2009, by Judge R. V. Fletcher, general counsel for the Association of American Railroads.

The judge endeavors to convey the impression, first, that in an article in the monthly magazine of our brotherhood I endorsed the conference report; and, second, that the chiefs of the four transportation brotherhoods, the Switchmen's Union of North America, and the Order of Railroad Telegraphers, didn't know what they were doing when they asked Members of the House to recommit the conference report on S. 2009 with instructions to reinsert the consolidation section with proper safeguards for railroad employees.

Permit me to assure you that I have never, either directly or indirectly, endorsed the conference report in its present form; and may I also assure you that the railroad labor executives who favor recommital know exactly what they are doing. They are endeavoring to protect the vital interests of hundreds of thousands of railroad workers, and they believe that can best be done by recommitting the conference report with the instructions they have suggested.

Judge Fletcher says he has assurances that if the conference report is recommitted, S. 2009 will be permitted to die. That's an extraordinary statement and to my mind is a grave reflection on the members of the conference committee who, of course, would be the first to proclaim themselves the servants of the House and Senate and, therefore, willing to carry out in good faith any instructions given them. Furthermore, there is nothing unusual about referring a conference report back to a committee. It has been done scores of times, as those who are familiar with parliamentary procedure well know. In practically every instance, the conference committee has brought the legislation back to House and Senate and it has been passed. Why should Judge Fletcher predict any different result in this instance? The truth is, the learned judge is bluffing. He fears to discuss our amendment on its merits, because he knows he has a bad case. So he endeavors to frighten Members of the House.

May I add, that as president of the Brotherhood of Locomotive Firemen and Enginemen, I am not accustomed to having my views interpreted to Members of Congress by the chief counsel of the Association of American Railroads. In this instance, on behalf of my own brotherhood, and cooperating with the chief executives of the other organizations who agree with the stand I have taken, I have endeavored, temperately and accurately, to state why we believe the conference report should be recommitted. I am sure no Member of the House has found it difficult to understand our statement, and therefore it was not necessary for the chief counsel for the carriers to volunteer an interpretation.

May I call your attention to one other fact: Advices reaching my office, and coming from all sections of this country, indicate

that the railroads are endeavoring to coerce employees into sending letters, telegrams, and petitions to Members of the House sustaining the position taken by the carriers. You will recall, of course, that testimony before congressional committees has revealed that the railroads maintain an organization which might very properly be described as a superlobby, which extends into every State and practically every city of importance. This organization is being used to drive these railroad employees into opposing their own best interests, just as Judge Fletcher is endeavoring to mislead the members of the conference committee concerning the attitude of the chief executives who favor recommitting the conference report.

ELECTION TO COMMITTEES

Mr. DOUGHTON. Mr. Speaker, I offer the following resolution which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 488

Resolved, That the following-named Members be and they are hereby elected members of the standing committee of the House of Representatives, to wit:

Flood Control: ALFRED J. ELLIOTT, of California.

Mines and Mining: JENNINGS RANDOLPH, of West Virginia.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks, and to include a eulogy of the late Reverend Floyd Seaman, by his wife.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. EDMISTON. Mr. Speaker, I ask unanimous consent to extend my remarks, and include an address made by Hon. Louis Johnson, Assistant Secretary of War, to the State Junior Chamber of Commerce of Clarksburg, W. Va.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DOXEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix, and to include certain tables relating to various benefits in the conference report which we have been considering this afternoon.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GRIFFITH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include a statement made by J. H. Morrison before the Committee on Ways and Means on H. R. 1.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MAHON. Mr. Speaker, I ask unanimous consent to extend the remarks I made in the House this afternoon. Also, to extend my remarks in the Appendix in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter from the citizens of Los Angeles, and a clipping from the Washington Merry-Go-Round.

The SPEAKER pro tempore. Is there objection?

There was no objection.

TRANSPORTATION BILL

Mr. KELLER. Mr. Speaker, I ask unanimous consent to make a suggestion.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KELLER. Mr. Speaker, I suggest to the Members of this body that the statement made a moment ago that the Board of Railroad Brotherhoods did not know what they were doing is a mistake. They do know what they are doing. They want the bill recommitted for the purpose of improvements according to their desires and their rights.

EXTENSION OF REMARKS

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Montreal Gazette.

The SPEAKER pro tempore (Mr. MCCORMACK). Without objection, it is so ordered.

There was no objection.

THE WHEELER-LEA BILL

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix of the RECORD.]

SPECIAL ORDER

The SPEAKER pro tempore. Under special order of the House, the gentleman from New York [Mr. DICKSTEIN] is entitled to recognition for 20 minutes.

Mr. DICKSTEIN. Mr. Speaker, owing to the lateness of the hour, I ask unanimous consent that I may have that same 20 minutes on next Tuesday, after the disposition of the business of the day.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under special order of the House, the gentleman from Minnesota [Mr. ALEXANDER] is entitled to recognition for 30 minutes.

THE WHEELER-LEA BILL—NORTHWEST HAS DISCRIMINATORY FREIGHT RATES

Mr. ALEXANDER. Mr. Speaker, it is constantly asserted that it costs more for the northwest farmer to get his grain carried from his neighborhood railroad station to Duluth, the head of the Great Lakes, and still 4,544 miles from his market at Liverpool, than it does his Argentinian competitor to get it carried all the way from Buenos Aires to Liverpool, 7,178 miles. This statement has been frequently made in the Marine Journal and other sources which I shall quote today, and before the outbreak of war in Europe the accuracy of that statement was never questioned. Recently, however, I received a letter from Mr. R. V. Fletcher, vice president and general counsel of the Association of American Railroads, and as a result have asked a check-up on the statistics therein contained. Mr. Fletcher's letter to me follows:

ASSOCIATION OF AMERICAN RAILROADS,
Washington, D. C., March 4, 1940.

The Honorable JOHN G. ALEXANDER,
House of Representatives, Washington, D. C.

DEAR SIR: As shown by the CONGRESSIONAL RECORD of February 28, you addressed the Congress on that day, dealing, among other things, with railroad freight rates in comparison with ocean freight rates on commodities of a similar character. I hope you will acquit me of any impertinence in addressing this letter to you, calling attention to certain inaccuracies in your statement with respect to the freight-rate situation.

You state that the freight rate on grain for 400 miles in the northwestern section of the country amounts to 16 cents a bushel. Our check, however, indicates that the rate from Pembina, N. Dak., to Minneapolis, a distance of 402 miles, and to Duluth, a distance of 409 miles, is 12.6 cents. The rate from Devils Lake to Minneapolis, a distance of 418 miles, seems to be 12.6 cents. The rate from Pierre, S. Dak., to Minneapolis, a distance of 417 miles, is 13.2 cents. Possibly some cases might be found where special conditions would require a rate as high as 16 cents, but our tariff men advise that the current going rate into Minneapolis for the 400-mile distance is substantially less than 16 cents.

It should be remembered, too, that this basis of rates was fixed by the Interstate Commerce Commission as a result of its decision in docket 17000, part 7 (205 I. C. C. 503), a decision rendered October 22, 1934. This proceeding resulted from the Hoch-Smith resolution, which required the Interstate Commerce Commission to study the rate structure and remove discriminations. The resolution also made it obligatory upon the Commission to make the lowest possible lawful rates on agricultural products.

Prior to this decision of the Commission, the rate on wheat for the distance mentioned was somewhat less than the rate fixed by the Commission as a result of the investigation. In some cases the rate was as low as 10.5 cents. It would seem to be clear therefore that the basis of rates now in effect on wheat in this territory is as low as can be lawfully maintained.

Coming now to so much of your address as deals with ocean rates, it is stated that one can now ship grain from Buenos Aires to Liverpool, a distance of 7,200 miles, for 13.5 cents a bushel, or about $5 per ton. Such rates may have been at one time in effect, but our inquiry at the Department of Commerce indicates that the rate from the Argentine to European ports is $20 a ton, four times

as much as the rate you quote. There is also information to the effect that, in some cases, the rates from the River Plate to European ports amounts to $32 per ton.

You mention also the fact that the rate from Australia to Liverpool, a distance of some 15,000 miles, is about the same as the amount paid by farmers in the Northwest to ship by rail 400 miles. Our inquiry, however, indicates that this ocean rate is now about $25 per ton in neutral vessels and $13.75 in British vessels. A rate of 16 cents per bushel amounts to about $5.35 a ton. It is possible, of course, that these ocean rates have been affected by war conditions. It may be worth remembering, however, that when you compare rail rates with ocean rates you must bear in mind the violent fluctuations of these ocean rates, due to shortage of shipping facilities incident to a war of the present character.

With respect to so much of your address as deals with rates on coal, it is true that the all-rail rate on coal from the inner crescent, so-called, to Minneapolis is about $5.55 a ton, which is approximately the same as the rate you mention. However, Minneapolis can secure coal from the Pittsburgh group by rail and water for $3.93 per ton applicable to fine coal and $4.54½ per ton applicable to lump coal. The rates from southern Illinois, a very good coal field, to Minneapolis, are $3.90 on lump and $3.71 on fine. Coal can be obtained from the Springfield group of mines in Illinois for 30 cents less than the above. The rates from Peoria and northern Illinois fields are uniformly 35 cents less a ton than from southern Illinois.

I am not writing this letter in any critical spirit. I realize the desire of all Members of Congress to be accurate in matters of this sort. Representing, however, the railroads of the country, I did not think I should neglect the opportunity to give you correct information with respect to the rate situation.

Very truly yours,

R. V. FLETCHER,

Vice President and General Counsel, Association of American Railroads.

Now, as Al Smith would say, let us look at the record, first calling attention to the obvious fact that only pre-war prices are of any value. Unless the world expects to stay at war from now on, and to have the oceans infested with submarines bent on torpedoing every neutral, as well as enemy ship, prices that have been quoted since last summer for freight on the ocean have no value whatsoever, unless it be to show how expensive war can be to the whole world and how foolish we humans are to allow it. A very good source of information for ocean freight rates is Broomhall's Commercial Trade Year Book, from which we glean the following figures averaging for 6 years 13⅛ cents per bushel for:

	1933	1934	1935	1936	1937	1938
Buenos Aires to Liverpool, per ton:	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
January	16 9	16 0	14 9	17 0	31 9	25 0
July	16 0	15 6	15 9	17 6	32 0	25 0
Freight rate, in cents, per bushel	10½	10¼	10	11¼	20½	16
	Average of the above is 13⅛ cents					
Sydney, Australia, to Liverpool, per ton:	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
January	28 0	24 0	24 9	27 6	43 9	39 0
July	23 6	24 6	25 0	27 9	46 3	33 0
Freight rate, in cents, per bushel	16.66	15.75	16.0	17.66	28.75	23.0
	Average of the above is 19.66 cents					

The 1938 figures are based on weekly reports of Chamber of Shipping. We thus see that over a period of years the cost of moving grain by sea from Buenos Aires to channel ports will not vary much from 13½ cents per bushel, as asserted in my remarks of February 28, above referred to, and the distance is 7,200 miles between the two ports. Before war came to disrupt shipping on the high seas there was a yearly hejira of a fleet of superannuated sailing vessels leaving the ports of Australia for Europe. Taking into account the vagaries of wind, the distance covered via Cape Horn might be 15,000 miles. These ancient steel and iron square-riggers would average a cargo of 3,000 tons of grain, and the freight rate was usually close to $6 per ton. On the basis of a 60-pound bushel and a 2,240-pound ton, this is not far from 16 cents per bushel. This does not differ greatly from what is paid the steamers and motorships who sail a much shorter route.

When we consider railroad grain rates in this country we find some remarkable discrepancies. Suppose we take the various farm shipping points of Dakota just west of Minnesota. Here are the rates and the mileages of haul between a dozen shipping points and Duluth, the head of the Great Lakes:

Shipping point	Distance of haul	Rate per bushel
	Miles	*Cents*
Aberdeen	445	14.4
Astoria	400	13.2
Blunt	568	16.5
Lemmon	642	19.8
Mitchell	480	15.0
Mobridge	544	16.8
Murdo McKenzie	715	20.7
Pierre	598	16.8
Rapid City	765	21.6
Sioux Falls	480	13.5
Wessington Springs	562	15.3
Yankton	424	15.3

A scrutiny of the foregoing list shows that only grain shipped from Astoria is deposited at Duluth for as low a freight charge as grain shipped from Buenos Aires to Liverpool. In other words, the Dakota farmer's grain has cost as much or more to be delivered to water at the head of Lake Superior, where it is still 4,544 miles from Liverpool by the shortest possible route, as it costs, normally, the Argentinian farmer to get his grain hauled 7,200 miles, all the way from Buenos Aires or River Plate ports to that same Liverpool. So no matter what is done to the St. Lawrence River, and I hope something is done soon, even if it were dug as deep and wide as the Amazon, or the grain were carried for nothing, the United States farmer would still suffer under a handicap of several cents per bushel. The prohibitory freight charge is the freight charge by the railroads for carrying the grain to Duluth from the various shipping points enumerated. And what is true of these Dakota shipping points is just as true of other shipping points in other parts of our section of the country. No wonder the farmer is broke.

COMPARE WITH CANADA

Now the Canadian farmer does not suffer under any such heavy handicap since the Canadian Pacific Railroad charges about one-half the rates of the United States Northern Pacific in most instances. Suppose we take two examples from Senator WHEELER'S own state, Montana, and contrast their grain rates with the freight rates for grain on the Canadian Pacific Railroad for a similar distance of haul. Turner, Mont., is 884 miles from Duluth via the Great Northern Railroad and the grain-freight charge for the haul is $8.72 per 2,000-pound ton, or about 26 cents per bushel. From Billings, Mont., to Duluth is 900 miles by the Northern Pacific Railroad Co., and the grain-freight rate is $8.82 per ton, which is about 26½ cents per bushel. The ton-mile rate in both cases is close to 9.8 mills per ton-mile.

Saskatoon, Saskatchewan, is 904 miles from Port Arthur via the Canadian Pacific Railroad, and the grain-freight charge is but $4.40 per ton, which is about 13 cents per bushel, or closely 4.85 mills per ton-mile.

Is it any wonder that in the 9 years which elapsed between 1924 and 1933 the Canadian farmers exported 2,462,000,000 bushels of wheat? How serious freight overcharges actually are may be gathered from the simple statement that had all that wheat gone via Saskatoon to Port Arthur, the saving for the poor farmer over what he would have been obliged to pay if the railroad had been run by the United States Northern Pacific Railroad Co. would have been over $320,000,000. That is what a saving of 13 cents per bushel would mean for one such item of export alone. Naturally the question arises, Why cannot the Northern Pacific haul grain as cheaply as the Canadian Pacific Railroad? Strange to say, Senator WHEELER does not seem to be interested in finding an answer to that problem. Nevertheless it seems to me it is the one problem whose solution is vital to the United States farmer. To stay in the export business he must be free from excess-freight-charge handicaps. It would help a whole lot if the United States railroads would haul grain out West at the same rate they haul it between Buffalo and New York. The distance from Buffalo to New York is 436 miles, and the rail

rate has been normally about 5 cents per bushel, which translates for 33⅓ bushels to the ton of 2,000 pounds into but 3.82 mills per ton-mile; even less than the Canadian rate. Oh, Interstate Commerce Commission, where art thou? Looking the other way? Consistency, where art thou?

Just contrast the rate per ton-mile that the I. C. C. has permitted the United States railroads to charge for grain shipped from those 12 shipping points previously enumerated with the rate which the 3 important railroads that cross New York State from Buffalo to New York City are willing to accept, and ponder over the wisdom of turning over waterway rates to such discriminating and all-wise overlords. I cited the grain rates from 12 different shipping points to Duluth. The average distance of haul is 552 miles for the 12 and the average freight charge for the 12 is 16.575 cents per bushel. On the basis of the 2,000-pound ton and 33⅓ bushels to the ton, these figures translate into 9.91 mills per ton-mile as the average for all grain shipments from these 12 Dakota shipping points. In other words—though, according to statistics here, a lot of our Northwest farmers are on relief—the I. C. C. permits the United States railroads to charge them 2.6 times as much per ton-mile to haul their grain as the New York Central, the Erie, the Lehigh Valley, the Delaware, Lackawanna & Western are content to charge when the grain reaches Buffalo. And I have already shown you what a serious matter that excess charge of several cents per bushel means in the export grain trade. It means its death.

Year after year the cry goes up, "Something must be done for the farmer," and the only solution so far reached seems to be to pauperize him by the gift of a dole or a subsidy in some form or other. We shut our eyes and suffer the I. C. C. to permit exorbitant freight rates on the railroads that haul his produce and then make it up to him with presents of hundreds of millions of dollars by various subterfuges. Such a method of procedure is not wise; it is not statesmanship; it is just plain stupid. God help the Nation if tomorrow in this House the waterways freight rates are put under the jurisdiction of the I. C. C. and all other freight rates are to be patterned after the railroad freight rates which these distinguished gentlemen have suffered to be inflicted on our western farmers. Justice, where art thou?

There is a solution to the problem of the western farmer, and it involves the full development and scientific utilization of our great arterial rivers—the Mississippi and the Missouri—without restrictions. The savings that will thus be effected and will permit a profitable export trade in grain will also save the domestic consumer millions. Recent research claims to have established that in the average dollar's cost of merchandise there is but 41 cents' cost of production, while 59 cents is eaten up by unscientific distribution. Be that as it may, European nations utilize their waterways to the limit and reserve their railways for fast freight. Grain is carried on our Great Lakes 1,000 miles for 2 cents per bushel. Grain can be carried down the Mississippi and Missouri at the same rate, but only with the finest and most up-to-date equipment for loading, transporting, and unloading, and with freedom from the paralyzing hand of bureaucracy. [Applause.]

Mr. Speaker, supplementing my remarks above, I ask permission to insert at this point in the RECORD the following letters and telegrams from various individuals and groups, which I have recently received, expressing opposition to the Wheeler-Lea transportation bill.

STILLWATER, MINN., *May 8, 1940.*

Hon. JOHN G. ALEXANDER,
Washington, D. C.

DEAR MR. ALEXANDER: In interest of the general public and river transportation, please vote against the Wheeler-Lea bill, S. 2009, as it now stands rewritten.

Frank E. Aiple, Frank J. R. Aiple, Elizabeth Aiple, Herman Piper, Elmer Malon, Howard Cassett, Gertrude Cassett, Ella Kennedy.

MINNEAPOLIS, MINN., *May 3, 1940.*

Representative JOHN G. ALEXANDER,
House Office Building, Washington, D. C.:

Hope you will do what you can to either defeat Wheeler-Lea bill or eliminate its water-transportation section.

G. V. THOMSON.

FUGINA & DRESSER,
WINONA, MINN., *May 6, 1940.*

Hon. JOHN G. ALEXANDER,
House of Representatives, Office Building.

DEAR MR. ALEXANDER: Upper Mississippi River steamboat owners, officers, employees, and the users of the waterways are very much opposed to the Wheeler-Lea bill, S. 2009, and they sincerely hope you can see your way clear to help kill this bill.

As a master and pilot during the busy rafting days I could foresee a great future for the upper Mississippi, if a deep channel were provided. I, therefore, took an active part in the promotion of the 9-foot channel project. Since it is proving such a great success it would be a crime to strangle it now with this unfair and unnecessary legislation.

Respectfully yours,

F. J. FUGINA,
Winona, Minn.

MAY 6, 1940.

Copy of a letter sent to
Congressman AUGUST H. ANDRESEN,
House Office Building, Washington, D. C.

DEAR MR. ANDRESEN: The undersigned wish to call your attention to the farmers' interest in the matter of the transportation bill known as the Lee-Wheeler bill. We are critical of any proposal that sets out to regulate transportation of inland waterways so that rates will conform to present railroad freight rates. According to our understanding of the conference report on this bill this is precisely what the Lee-Wheeler bill now prescribes for a cure for transportation ailments.

One of the undersigned, C. C. Campbell, who is employed by a group of farmers as manager of the Cooperative Oil Association of Goodhue County has been active together with employees of other cooperative associations in gathering facts on the proposition of utilizing waterway transportation in the interests of the producer and the consumer in our area. On the matter of grain transportation by barge, markets were found for oats, rye, and feed barley. In the south and east that should bring a realization to the producer of 5 to 10 cents more per bushel than the present Red Wing Market affords. Markets were found for other agriculture commodities such as alfalfa which appears to have interesting possibilities for the producers of this area. In view of the fact that it is generally admitted that agriculture is basic in Minnesota and that agriculture has been obtaining less and less of the consumer's dollar, but freight and transportation has been taking more and more, we believe no Minnesotan can be for this bill and also be for Minnesota.

To prove our point we submit the following table published by the Bureau of Agriculture Economics:

TABLE 1.—*Comparing indexes of farm prices and freight rates for select farm commodities*

[1913=100 [1]]

Year	Wheat			Beef cattle			Hogs			Cotton [2]
	Farm prices	Railroad rates	Ratio prices to rates	Farm prices	Railroad rates	Ratio prices to rates	Farm prices	Railroad rates	Ratio prices to rates	
1914	123	101	122	106	100	106	100	100	100	--------
1918	258	128	202	160	129	124	212	132	161	--------
1920	230	164	140	143	170	84	173	172	101	--------
1928	126	148	85	155	157	99	114	160	71	--------
1938	[3] 70	[4] 145	48	111	[4] 171	65	104	[4] 164	63	--------

[1] Calendar year for prices of beef cattle; hogs; year beginning July 1, for wheat prices; year beginning Aug. 1 for cotton prices. Freight rates on July-June basis.
[2] Not pertaining to this section.
[3] Preliminary.
[4] Indicates basis on rates in effect through Jan. 10, 1939, only.
Source: Bureau of Agricultural Economics.

Our interest in this matter has caused us to check back on the history and origin of this bill, and it appears all pro-railroad and not pro-shipper or pro-consumer.

We hope we can count on you as our Representative to assist us in our efforts to defeat this bill.

Very truly yours.

L. C. Schafer, Goodhue, Minn.; R. D. Schwarton, Goodhue, Minn.; L. Hugo, Red Wing, Minn.; J. L. Fitchur, Red Wing, Minn.; Otto W. Kolshorn, Red Wing, route 3; Cletus Hallquist, route 4, Red Wing; Cecil Berg, route 4, Red Wing; Oscar Hallquist, route 4, Red Wing, Minn.; C. C. Campbell, Red Wing; A. F. Safee, Red Wing, Minn.; Burton Safee, Red Wing, Minn.

WASHINGTON, D. C., *May 7, 1940.*

Hon. JOHN G. ALEXANDER,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN ALEXANDER: The undersigned, representing agricultural organizations throughout the United States, on May 2, 1940, addressed to the President of the United States, and delivered at the White House, the following protest against enactment of the Wheeler-Lea omnibus transportation bill. At the same time they

presented for the consideration of the President a bound copy of resolutions adopted by 25 national and regional agricultural groups protesting against the enactment of the Wheeler-Lea omnibus transportation bill, and the principle of restrictive control embodied in the legislation.

Among the resolutions delivered were the following: American Farm Bureau Federation; American National Live Stock Association; National Grange; National Farmers Union; National Cooperative Elevator Association; National League of Wholesale Fresh Fruit and Vegetable Distributors; National Wool Growers Association; Texas Sheep and Goat Raisers Association; United States Live Stock Association; Vermont State Grange; Nebraska Farm Bureau Federation; Indiana Farm Bureau, Inc.; Kansas Farm Bureau; Kansas Farmers Union; Louisiana State Wide Conference, Baton Rouge, La.; Mississippi Farm Bureau Federation; Missouri Farm Bureau Federation.

Respectfully yours,

Frederick Brenckman, National Grange; J. Elmer Brock, president, American National Live Stock Association; Irvin B. King, master, Washington State Grange; J. B. Wilson, secretary, Wyoming Wool Growers Association, executive committee, National Wool Growers Association; Oscar Heline, president, Farmer Grain Dealers Association of Iowa, Marcus, Iowa; T. M. Hoskins, manager, Lone Tree Farmers Exchange, Lone Tree, Iowa; Frank Rutherford, secretary, National Cooperative Elevator Association, Omaha, Nebr.; Earl Peterson, Midland Cooperative Wholesale, Minneapolis, Minn.; Herschel D. Newsom, master, Indiana State Grange.

WASHINGTON, D. C., *May 2, 1940.*

HON. FRANKLIN D. ROOSEVELT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: We are opposed to the adoption of the conference report on the Wheeler-Lea transportation bill for the following reasons:

1. It ignores the public interest and lays the basis for a transportation monopoly.

2. It will increase the cost of distributing agricultural products, which cost the farmer has to bear, thereby reducing his income.

3. It will increase the cost of things that the farmer has to buy, thereby further reducing his income.

4. The destructive effects of this legislation upon agriculture will retard the economic recovery of the Nation, and this in turn cannot fail to adversely affect the railroads themselves, who are the advocates of this bill.

5. Those who drafted this legislation appear to have lost sight of the fundamental purpose for which Government regulation was established; namely, to protect the public interest. Instead of adhering to this sound principle, under the bill regulation would be employed to stifle competition and to bring water and motor rates up to the level of rail rates, regardless of the cost of rendering the service.

The cost of transportation is the heaviest service charge that the farmer has to pay. Approximately 20 percent of all the freight revenues accruing to the railroads are derived from carrying agricultural products to market. In 1929 the farmer's freight bill amounted to $1,000,000,000. In 1937, when the farmer's income was greatly reduced, the figure was $638,000,000. These items do not include the freight charges paid on commodities purchased by the farmer, which he must likewise pay.

Last year the farmer received only 39 cents out of every dollar paid by the consumer for food. At the depth of the depression the farmer's share of the consumer's dollar dropped to 33 cents. While transportation and distribution must be regarded as legitimate and indispensable functions in the affairs of civilization, the fact remains that when those who merely transport and distribute the products of our farms receive vastly more than the share that goes to the producer, it amounts to the same thing as the perpetration of an economic crime. Instead of ameliorating the conditions that have so long handicapped agriculture in matters relating to transporation, the pending bill would most certainly aggravate the situation.

We are sensible of the fact that railroads are a necessity, and we want every properly managed railroad to be solvent and prospercus but we must not lose sight of the fact that agriculture is also a necessity, even more fundamental to the well-being and the very existence of man than the railroads or any other agency of transportation can possibly be. Common sense should teach those who are charged with the management of our railroads that they cannot expect to benefit by reducing to bankruptcy the fundamental industry upon which their prosperity rests.

There is justification for condemning the report of the conference committee on the transportation bill by virtue of the fact that the Miller-Wadsworth amendment which passed both House and Senate was entirely eliminated from the bill. The gist of this amendment was to the effect that no form of transportation could be compelled to charge higher rates than would be compensatory. The full wording of the amendment was as follows:

"In order that the public at large may enjoy the benefit and economy afforded by each type of transportation, the Commission shall permit each type of carrier or carriers to reduce rates so long as such rates maintain a compensatory return to the carrier or carriers after taking into consideration overhead and all other elements entering into the cost to the carrier or carriers for the service rendered: *Provided*, That nothing in this paragraph shall be construed so as to affect the long-and-short-haul provision of section 4."

It is manifest that with the Miller-Wadsworth amendment stricken out, the declaration of policy contained in section 1 constitutes nothing but empty words because nothing contained in the bill gives the public any assurance that it will receive the benefit of transportation at the lowest possible cost. In our opinion the Miller-Wadsworth amendment was so fair and reasonable that it would be nothing short of tragic to pass the bill without this provision.

Those who are engaged in agricultural pursuits find an additional reason for dissatisfaction in the report of conference committee because an amendment adopted by the House which provided for reduced rates on farm products for export, comparable to the lower rates granted to industry in this connection, was eliminated.

We maintain that there are only two legitimate grounds upon which the Government could justify itself in attempting to regulate transportation on our inland waterways and in the coastwise trade. One of these grounds would be in the interest of public safety, and the other to protect the public against monopolistic practices. So far as safety is concerned, the Department of Commerce already looks after that; and when it comes to protecting the public against monopoly, the truth is that no monopoly whatsoever exists among the carriers on our inland waterways, nor in the coastwise trade. The rivers, the lakes, and the seas are open to all.

So far from breaking up any monopoly among the water carriers, which in reality is nonexistent, the pending legislation takes a long step toward creating a monopoly.

The carriers now operating would be permitted to continue, subject to rules and regulations laid down by the Interstate Commerce Commission; but before it would be possible to establish a new service, it would be necessary to secure from the Commission a certificate of public convenience and necessity. If this bill should be enacted it is very doubtful if there would be any new water carriers, because the legislation is so worded as to virtually instruct the Interstate Commerce Commission to deny any person a certificate of convenience and necessity if the Commission comes to the conclusion that the present transportation facilities are adequate to take care of existing commerce. The fate that befell many of the common and contract carriers under the grandfather clause of the Motor Carrier Act of 1935 furnishes an example of what may happen to many of our water carriers if the present bill is passed.

As the Secretary of War, the Secretary of Agriculture, and the Chairman of the Maritime Commission well said in a joint letter addressed to Senator JOSIAH W. BAILEY, on February 16, 1940, in opposition to this legislation:

"Certificates of public convenience and necessity should not be used to create a monopoly in the branch of transportation industry where monopoly is presently nonexistent and where the public interest requires that competition, although it should be regulated to prevent abuses, should not be limited or discouraged. The great advantage of water transportation to shippers is the flexibility and variety of service it can offer. Certificates of public convenience and permits would destroy this advantage and stifle competition. The same effect of stifling competition is discernible in the provisions of the bills, that except with the permission of the Interstate Commerce Commission, no carrier can operate both as a common carrier and as a contract carrier."

We think the writers of the joint letter already mentioned are on the right track when they said:

"All the provisions of the bills seem designed to free the railroads from restraints and obligations, while imposing restrictions on their water competitors and making it more expensive for the public to move freight. Under these provisions inland-water carriers can easily be regulated out of existence without the recapture of enough tonnage to affect railroad earnings appreciably."

We also endorse the further statement of the writers of the joint letter when they declare:

"Farmers and other shippers should not be required to pay rates based on transportation costs of properties improvidently built, wastefully operated, or partially obsolete. The advocacy of thorough regulation of the minimum rates of motor and water carriers by a centralized agency appears to represent an attempt to use Government power to bring competing transportation agencies into a cartel, and in this manner to share traffic and adjust rates in such a way as to earn a return upon all transportation capital of these agencies. The present high rail-rate level would be protected from the impact of vigorous competition. Undoubtedly such a policy would also result in more rigid rates in times of depression, since the motor carrier and the boat line would no longer play their role as an effective competitive force in bringing down rail rates on commodities susceptible to rail or truck, and rail or water movement."

We are impressed by the fact that the general public has had no opportunity whatever to become acquainted with the conference report on the transportation bill; the Members of Congress as a whole have not had time to familiarize themselves with its details; there is no public demand for this legislation; it is filled with numerous objectionable features and ambiguities, and for the good of all we are strongly of the opinion that it should be defeated.

Respectfully submitted.

J. Elmer Brock, president, American National Livestock Association; Frederick Brenckman, National Grange; J. B. Wilson, secretary, Wyoming Wool Growers Association, National Wool Growers Association; Irvin B. King, master, Washington State Grange; T. M. Hoskins, manager,

Lone Tree Farmers Exchange, Lone Tree, Iowa; Oscar Heline, president, Farmer Grain Dealers' Association of Iowa, Marcus, Iowa; Frank Rutherford, secretary, National Cooperative Elevator Association, Omaha, Nebr.; Earl Peterson, Midland Cooperative Wholesale, Minneapolis, Minn.

MARINE JOURNAL,
New York, May 4, 1940.

Hon. JOHN G. ALEXANDER,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN: For over a year I have been painstakingly investigating and comparing the ton-mile freight rates on our railroads to determine whether the present personnel of the I. C. C. has been guilty of discrimination between different parts of the country.

The results of my investigations show conclusively that these gentlemen are utterly unfit to be entrusted with regulating the freight rates of our waterways.

Normally freight rates by water are no more than 60 percent of the competing railroad charge for the selfsame haul.

The result of that reduction in freight rates has been a greatly expanded commerce and a substantial increase in the returns to producers and consumers.

Should the power be given to the I. C. C. to prevent the waterways carriers from reducing their freight rates below the freight rates quoted by the railroads, this entire waterways commerce will unquestionably shrivel up and producers and consumers will be asked to foot the bill.

It will be economic suicide for the waterways carrier to try to do business at the same freight rates as competing railroads charge, since his speed of delivery is much slower.

Therefore, defeat the Wheeler-Lea bill.

Very truly yours,

JOHN L. BOGERT,
Associate Editor, Marine Journal.

In addition to the above, I have received many messages from organizations such as the Minneapolis Junior Chamber of Commerce, members and officials of the Civic and Commerce Association, various civic clubs, and groups interested in the welfare of our State and the northwest area, and all of whom have voiced opposition to S. 2009 in no uncertain terms.

However, from the railroad-labor organizations of the Big Five Brotherhoods I have received unmistakable evidence of their clear vision in this matter, and submit herewith only a portion of the wires and letters received, in which there is expressed the most forceful opposition to the enactment of the conference report:

MINNEAPOLIS, MINN., *May 4, 1940.*

Hon. JOHN G. ALEXANDER,
House Office Building, Washington, D. C.:

Understand House of Representatives will consider omnibus transportation bill (S. 2009) Thursday, May 9, and that motion will be made to recommit bill to joint conference committee for further consideration. This bill reported to Congress Friday, April 26, with consolidation section and Harrington amendment entirely eliminated. S. 2009 does not change present law respecting railroad consolidations and does not provide adequate protection for employees in event of consolidation. Respectfully request you vote to recommit bill and demand insertion of good, strict provision for protection of labor, such as Harrington amendment, in order safeguard employees threatened loss of jobs by consolidations.

G. T. LINDSTEN,
State Legislative Representative, Brotherhood of Railroad Trainmen.

ST. PAUL, MINN., *May 6, 1940.*

Hon. JOHN G. ALEXANDER,
House of Representatives, Washington, D. C.:

The undersigned general chairmen, Railway Transportation Brotherhoods, State of Minnesota, urge you to recommit the measure generally referred to as the omnibus transportation bill, with instructions to reinsert the consolidation provisions with full protection for labor. Will appreciate your support of movement to recommit.

A. F. KUMMER,
Brotherhood Locomotive Engineers.
M. H. BARNEY,
Order Railway Conductors.
R. E. LANDIS,
Order Railway Conductors.
MONT SHINN,
Order Railway Conductors.

DULUTH, MINN., *May 6, 1940.*

Hon. JOHN G. ALEXANDER,
House Office Building, Washington, D. C.

HONORABLE SIR: Motion will be made to recommit conference report on S. 2009 when presented on the floor of the House on May 9, 1940. It is the desire of all railroad workers in Minnesota that you vote to recommit for the purpose of reinserting section 8, which protects the public in increased fixed charges of funded debt and protects the employment of employees in mergers and consolidations. This is very, very important to railroad workers. Thanks.

P. F. DEMORE,
Chairman, Brotherhood of Locomotive Firemen and Enginemen, Minnesota State Legislative Board.

DULUTH, MINN., *May 7, 1940.*

JOHN G. ALEXANDER,
Congressman, House Office Building:

Order of Railway Conductors from the State of Minnesota urge you recommit the omnibus transportation bill, S. 2009, with instructions that the consolidation provision with full provision for labor be reinserted. We also request you use your efforts with other Congressmen in support of the motion to recommit.

F. H. WILSON,
Chairmain, Order of Railway Conductors, Legislative Committee for Minnesota.

CHICAGO, ILL.

Hon. JOHN G. ALEXANDER,
Member of Congress, House of Representatives:

Approximately 1,000 general chairmen representing employees in the transportation service of the railroads of the United States now in session at Chicago are deeply concerned in railroad bill, S. 2009, and they have authorized us to urge you to support the motion to recommit the conference report on this bill, which will be considered by the House on Thursday, May 9, and provide protections against unemployment resulting from consolidations, etc. We appeal to your sense of justice and fairness to save railway employees from the menace of further unemployment.

A. JOHNSTON,
Grand Chief Engineer, Brotherhood of Locomotive Engineers.
D. B. ROBERTSON,
President, Brotherhood of Locomotive Firemen and Enginemen.
J. A. PHILLIPS,
President, Order of Railway Conductors.
A. F. WHITNEY,
President, Brotherhood of Railroad Trainmen.
T. C. CASHEN,
President, Switchmen's Union of North America.
V. O. GARDNER,
President, Order of Railroad Telegraphers.

BROTHERHOOD OF RAILROAD TRAINMEN,
GENERAL GRIEVANCE COMMITTEE,
Minneapolis, Minn., April 22, 1940.

Hon. JOHN G. ALEXANDER,
Member of Congress from Minnesota,
Houes Office Building, Washington, D. C.

DEAR CONGRESSMAN: A few days ago I received in the mail a copy of your remarks which appeared in the Appendix of the CONGRESSIONAL RECORD, page 1769, concerning the proposed Transportation Act of 1929, Senate bill No. 2009.

Your action in bringing to the attention of the Members of the House of Representatives the necessity for retaining the Harrington amendment in this bill is most commendable, not only from the viewpoint of organized railroad labor but from the viewpoint of business and professional men, farmers, and laborers in every class and craft. Any legislation adopted by Congress that would result in the elimination of a quarter of a million jobs is a serious matter and one that does not deserve the support of any fair-minded or honest representative of the people. Such legislation will not solve the financial problems of the railroads, but, instead, would automatically increase the financial difficulties of all forms of industry and would be especially harmful to the small-business man and merchant who has already been driven back to the last trench by corporate wealth which operates the chain stores and mail-order houses.

If the Members of Congress will just stop and think seriously before voting on this legislation I feel confident that Senate bill No. 2009 will not be adopted unless the Harrington amendment is included.

Very truly yours,

W. M. DOLAN,
General Chairman, Brotherhood of Railroad Trainmen.

BROTHERHOOD OF RAILROAD TRAINMEN,
MERRIAM PARK LODGE, No. 708,
May 5, 1940.

Hon. JOHN G. ALEXANDER,
Member of Congress from Minnesota,
House Office Building, Washington, D. C.

DEAR SIR: I understand the House of Representatives will consider omnibus transportation bill S. 2009 Thursday, May 9, and that motion will be made to recommit bill to joint conference committee for further consideration. This bill was reported to Congress Friday April 26, with consolidation section Harrington amendment entirely eliminated. S. 2009 does not change present law respecting railroad consolidations and does not provide adequate protection for employees in event of consolidations.

I respectfully request you to vote to recommit bill and demand an insertion of a good strict provision for protection of labor such as the Harrington amendment in order to safeguard employees threatened loss of jobs by consolidations.

F. M. WHITTAKER,
Legislative Representative, Merriam Park Lodge No. 708, St. Paul, Minn.

BROTHERHOOD OF RAILROAD TRAINMEN,
MINNESOTA STATE LEGISLATIVE BOARD,
Minneapolis, Minn., April 6, 1940.

Hon. JOHN G. ALEXANDER,
Member of Congress from Minnesota,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN ALEXANDER: It is my understanding that the House of Representatives will consider the omnibus transportation bill S. 2009 on Thursday, May 9, and that a motion will be made to recommit the bill to the Joint Conference Committee for further consideration. This bill was reported to Congress Friday, April 26, with the consolidation section and the Harrington amendment entirely eliminated. S. 2009 does not change the present law respecting railroad consolidations and does not provide adequate protection for railroad employees in event of consolidations.

In speaking for myself and the members of the Brotherhood of Railroad Trainmen, I respectfully request you vote to recommit bill and demand insertion of a good strict provision for protection of labor, such as the Harrington amendment, in order to safeguard employees threatened loss of jobs by consolidations.

Respectfully yours,

P. L. CONWAY,
Legislative Representative, Lodge No. 464, Minneapolis, Minn.

[Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors, Brotherhood of Railroad Trainmen, Switchmen's Union of North America, representing employees engaged in railroad transportation service]

WASHINGTON, D. C., *May 1, 1940.*

Hon. JOHN G. ALEXANDER,
House of Representatives, Washington, D. C.

HONORABLE SIR: The undersigned chief executives of the Brotherhood of Locomotive Engineers, the Brotherhood of Locomotive Firemen and Enginemen, the Order of Railway Conductors, the Brotherhood of Railroad Trainmen, and the Switchmen's Union of North America, which organizations represent all of the railroad workers actually engaged in operating railroad transportation facilities, are disappointed to learn that the conference committee which considered S. 2009, has stricken out of the bill the consolidation section as amended by the House. This section provided protection to railway employees against unemployment. It prohibited the legalizing of consolidations or mergers which would increase fixed charges on funded debt unless the Commission should find it to be positively in the public interest to do so. This was a most important protection to the public and indirectly very helpful to railroad employees. The section contained also other provisions very helpful to the public and railway employees. In brief, there have been taken out of the bill the only provisions which were of direct benefit to the men actually engaged in operating railroad transportation equipment and facilities. Railway workers are, therefore, much concerned.

The five transportation labor organizations very earnestly urge your support of a motion to recommit the conference report, which motion, among other things, will contain a provision instructing the conferees to reinsert the consolidation section of S. 2009, as reported by the House committee, with an amendment to protect railway labor against unemployment, copy of which amendment is hereto attached.

During the last few years the number of railroad employees has been reduced by one-half, and naturally, therefore, railway workers are greatly alarmed by the menace of a still greater increase in unemployment. There is no doubt of the overwhelming sentiment in Congress for adequate labor protection in this bill.

The following is quoted from the statement by the Honorable ROBERT CROSSER, of Ohio, member of the conference committee which considered S. 2009, 2511 of the Appendix of the CONGRESSIONAL RECORD:

"I do, however, express disappointment at the elimination of section 8, relating to consolidation, etc., which I felt was helpful to the general public interest and to the welfare of employees."

Expressing the sincere hope that you will support the motion to recommit the conference report, we are,

Very respectfully yours,

A. JOHNSTON,
Grand Chief Engineer, Brotherhood of Locomotive Engineers.

D. B. ROBERTSON,
President, Brotherhood of Locomotive Firemen and Enginemen.

J. A. PHILLIPS,
President, Order of Railway Conductors of America.

A. F. WHITNEY,
President, Brotherhood of Railroad Trainmen.

T. C. CASHEN,
President, Switchmen's Union of North America.

GRAND LODGE, BROTHERHOOD OF RAILROAD TRAINMEN,
Cleveland, Ohio, May 6, 1940.

The Honorable CLARENCE F. LEA,
Member of Congress, Washington, D. C.

MY DEAR CONGRESSMAN LEA: I take pleasure in replying to your courteous inquiry by letter of May 2.

As you have previously been informed, the source of our opposition to the Wheeler-Lea transportation bill, S. 2009, was the fact that, as you have many times stated, the consolidation section of that bill proposed to facilitate railroad consolidations. The House conferees correctly stated in their report, which report was signed by yourself, at page 61:

"Employees had a fear of unemployment, and to some extent communities feared the loss of transportation due to the possible consolidations under present circumstances, where a revival of the transportation industry might show that such consolidations were unwarranted."

We have felt all along, as have 275 Members of Congress who signed a petition on behalf of adequate labor protection, that this Congress should deal courageously with this justified fear of unemployment and deflation of communities. As stated in the joint letter to Congress from the five transportation brotherhoods, the joint conferees struck from the proposed bill the consolidation section as amended by the House, which was the only provision in the entire bill that proposed direct benefits to railroad labor. To be sure, when this provision was stricken from the bill, the provisions designed to facilitate consolidations also were stricken, and accordingly, as I advised you in my telegram of April 29, that removed the source of our opposition to S. 2009. But also, as I advised you in that telegram, "we shall continue our earnest effort to obtain legal protection for labor in consolidation and abandonment situations." We naturally urge recommitment of the conference report as affording the only present opportunity of achieving legal protection to the railroad workers we represent, the workers most seriously affected by railroad consolidations.

In your address, as reported in the Appendix of the CONGRESSIONAL RECORD, page 2685, you suppose that our efforts along these lines would be confined to the separate bill which Congressman HARRINGTON, of Iowa, introduced after the joint conferees failed to provide for adequate labor protection. Do I understand that your committee will give this bill speedy consideration and do all possible to obtain action on it at this session of Congress? I am sure you understand that, unless the committee of which you are chairman would give wholehearted cooperation and support, it would be difficult, if not impossible, to obtain action at this session of Congress; hence, we have no practical alternative but to seek recommitment, with the hope that the conferees will respond to this great demand for adequate labor protection against the desire of railroad bankers to economize at the expense of railroad workers.

In your letter of May 2 you suggest that in favoring recommitment we have made ourselves "a party with a group fighting to destroy the bill." The only possible interpretation that can be placed upon that conclusion is that you are convinced, in advance, that the conferees will not carry out the wishes of the House of Representatives and write into their report the adequate labor protective provisions so clearly favored by an overwhelming majority of the Members of the House. In such a contingency it would be the conferees, rather than we who favor recommitment, that would "destroy the bill." We have no intentions or aspirations to destroy the bill; we ask only that the voice of democracy be harkened to and the wishes of the majority be reponded to. If that is done, S. 2009 will yet become law this session of Congress.

Your address, as reported in the daily CONGRESSIONAL RECORD of May 3, suggests that your conception of the labor protective provision is entirely erroneous. You state that such a legal provision would have the effect of imposing "on the employer the duty of indefinite if not a lifetime support of employees for whom he no longer has a job." As a practical matter you must know that is not so. Average railroad consolidations eliminate from 20 percent to 25 percent of the employees. With the labor protective provision, those employees youngest in point of service would be spared that fate, and the eliminations would come from the other end of the seniority list, as deaths, resignations, and retirements occurred. Such attrition from deaths, resignations, and retirements, for all railroad employees, now averages upwards of 5 percent per year; but for train-service employees, who are most severely affected by consolidations, the attrition rate is between 2.5 percent and 3.5 percent. Thus, on the whole, employee eliminations from consolidations would be gradually and humanely absorbed within a short period of time, especially with an increase in railroad business, which is claimed if S. 2009 is enacted into law. The only way in which you could be correct in your reference to "lifetime support" is to assume that the lifetime of railroad workers will be short, indeed. Although we railroad employees feel somewhat hardier than that, it may be true that if you force tens of thousands of us into the bread lines you will so shorten our span of life.

I must again remind you that railroad financial interests have expressed the hope that they could save $500,000,000 annually from consolidations if they succeed in obtaining enactment of S. 2009 without the labor protective feature. Eighty percent, or $400,000,000 of that sum would come from payrolls. The so-called Washington Jobs Agreement, executed 4 years before this ambitious banker program was revealed, constitutes only what the railroad financial interests would agree to—it is not a standard of equity or social desirability.

You erroneously refer to the proposed labor-protective provision as a "dismissal wage" proposition. The dismissal wage is only another attempt to achieve national prosperity by providing meager compensation for nonproduction. Before concluding that such an arrangement is equitable, ask yourself if you would be willing to forego pursuit of your life's calling for a mere 60 percent of your present salary for a few months. Railroad employees want honest pay for honest work; that is what the labor-protective proposal offers. A dismissal-wage proposition proposes to buy up, at bankrupt prices, the jobs of needy workers. I regard the Washington dismissal-wage agreement of 1936 now as I did when it was executed, on which occasion I said:

"I want to emphasize that, so far as the Brotherhood of Railroad Trainmen is concerned, the agreement with the carriers relative to consolidation and coordination can in no sense be interpreted to mean that the way is clear for railroad consolidation and coordination. This brotherhood will continue to fight as vigorously as it always has such efforts to economize at the expense of humanity. * * * We have now entered into an agreement with the carriers, designed not to improve the standards of living or working conditions of railroad workers but to share with them a small portion of the booty that would come to the coupon clippers if Wall Street's demand for 'economy' at the expense of humanity is carried out."

I am sure that when you ponder these considerations in the light of the fact that unemployment and business deflation constitute the Nation's No. 1 economic problem, you will understand why we are anxious that S. 2009 be recommitted, so that you and your colleagues among the House conferees may yet be given an opportunity to recommend a bill that will be of great benefit to the country.

I hope I have made our position entirely clear to you, but if questions still arise in your mind please submit them to me. In order that my position may be clearly understood by all Members of Congress, I am mailing to each of them a copy of your letter of inquiry, together with a copy of this reply.

With best wishes, I am,

Sincerely yours,

A. F. WHITNEY, *President.*

In addition to the above I have received requests from thousands of truck drivers and trucking companies expressing disapproval, and submit one of these herewith as representative of the others:

IRREGULAR COMMON CARRIER ASSOCIATION OF AMERICA,
Washington, D. C., May 8, 1940.

Hon. JOHN G. ALEXANDER,
Washington, D. C.

MY DEAR CONGRESSMAN: The purpose of this communication is to respectfully urge that you support the motion to return S. 2009 to conference for further consideration.

As passed by the House, the bill contained certain safeguards for the protection of the shipper and the small low-cost carrier. These included the Miller-Wadsworth amendment, which was adopted by both Houses of Congress; and the provision in section 21 (a) of the House bill protecting the rights of the irregular common carriers under the "grandfather" clause of the Motor Carrier Act. In addition to eliminating these safeguards, the conferees have recommended shifting the burden of proof to the carrier proposing to reduce a rate, instead of requiring that protestants establish that it is improper. The imposition of this burden upon the carrier is particularly startling in view of the statement of the chairman in the daily CONGRESSIONAL RECORD for May 3, as follows:

"Generally speaking, lower rates where not involving any unfair or destructive effect should be encouraged, instead of handicapped."

It is our considered judgment that this legislation as now drafted will work considerable injury and hardship upon the smaller carriers and upon shippers who utilize and need their services. We therefore strongly urge that you vote for and actively support the move to return this bill to conference.

Respectfully yours,

IRREGULAR COMMON CARRIER
ASSOCIATION OF AMERICA,
By JOHN C. MILLER, *President.*

Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD in opposition to the bill S. 2009, in which remarks I wish to insert various telegrams and letters from farm organizations and individuals in Minnesota against the bill; also from various railroad labor organizations against the bill, including practically all the railroad labor organization members in the State of Minnesota.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under special order heretofore granted, the gentleman from Oregon [Mr. ANGELL] is recognized for 15 minutes.

A COMMERCIAL, ECONOMIC, SOCIAL, AND DEFENSE ANALYSIS OF STRATEGIC AND CRITICAL MINERAL PROBLEM

Mr. ANGELL. Mr. Speaker, the importation of strategic and critical minerals is a national problem of sizable proportions. Aside from the interest in, and the necessity for providing for the common defense, this mineral situation has pretentious economic, commercial, and social aspects. This mineral importation represents an average annual value of about 86 percent of the total metal production in the United States. It also represents an employment displacement equal in number to our total direct metal mining wage earners.

Raw mineral ores—metallic and nonmetallic—and synthetic agricultural products constitute the base on which modern industrial activity rests. What we now see in Scandanavia is a struggle for the control of iron ore, which is perhaps the principal industrial metallic material.

Congress is appropriating large sums for military and naval expansion. How effective will these appropriations be unless we remove the bottlenecks created by a deficiency of strategic and critical materials? To make these defense appropriations more effective, we must definitely solve this material problem. Aside from being our principal defense problem, it is one of our outstanding commercial, economic, and social questions. Nationally we need to know where we stand.

I have long thought of coupling Bonneville with the latent resources of the Northwest. This is the motivating reason for my research in this field. My study confirms this early judgment, but at the same time impresses me with the seriousness of the national problem.

HISTORY OF THE PROBLEM

Mr. Speaker, this is no new problem. We first knew of it from our unfortunate and demorialized industrial experience in World War No. 1. We then became suddenly aware of our lack of essential materials. In a quick attempt to cure the situation we hastily conceived and executed a wasteful and extravagant program. Submarines and military appropriation of transports cut off the essential material sources at a time when our War and Navy Departments were speeding up the industrial machine. In 1917 we had no advance plan when the emergency struck our essential industries. Only the shortness of our active war participation saved us from industrial chaos.

In the Defense Act of 1920, Congress placed upon The Assistant Secretary of War the responsibility of providing a plan for industrial mobilization and the procurement of necessary materials. As a result of this charge progress has been made, but this planning has brought to the front our supply-base weakness.

About 1922 the War Department sought the suggestions of a joint committee from the two National Mining Societies. In 1924 this joint committee recommended:

First. The purchase, importation, and storage of stock piles of these strategic and critical materials.

Second. The discouragement of artificial domestic stimuli such as tariffs and subsidies.

These two suggestions were not made the base for any legislation nor was the manganese stock pile suggestion, incorporated in the 1927 annual report of the Secretary of War, formally presented to Congress. Wartime strategic mines, with the collapse of high prices, were forced to shut down. A demand for tariff protection followed, which resulted in a mild inclusion in the Tariff Act of 1922. These duties were increased in the act of 1930. Duty on two of these materials has been reduced by reciprocal-trade agreements, namely, manganese and a special grade of mica.

In 1931 the War Department again requested a mineral report from a group of outstanding mining engineers. This group reported the same conclusions as the 1924 group, with the addition of a recommendation for concrete research by the proper Government agencies, to the end that fully demonstrated methods—for exploiting submarginal domestic deposits—may be in hand on the eve of a war emergency. In 1934 the President's Mineral Planning Committee made the same recommendations.

In 1938 the Director of the United States Bureau of Mines urged the mining industry to support the recommendations of these committees with the additional suggestion that $500,000 be appropriated annually for investigation and study of means to use our domestic reserves as a permanent solution of the problem.

In June 1939 Congress passed the Thomas Act, authorizing $100,000,000 a year for a 4-year purchasing program of strategic minerals for stock piles. In addition this bill authorized $500,000 annually for 4 years for investigation of domestic resources of these minerals with the view of stimulating domestic production.

This legislation is a step in the right direction. However, it would seem that we need to go still further. Safeguarding stock piles for a long period is not practical. Nationally we need to be independent. This requires that we know what we really have, how to use submarginal deposits, and how to develop substitute processes and materials. In short, there is a large field for research based on a real inventory of assets.

PRINCIPAL INDUSTRIAL MATERIALS

Finch and Farness in their Analysis of the Strategic Mineral Problem list the following principal industrial materials:

Metals: Aluminum, antimony, chromite, copper, iron, lead, manganese, mercury, nickel, tin, tungsten, zinc.

Nonmetals: Asbestos, barite, China clay, coal, fluorspar, graphite, gypsum, magnesite, mica, nitrates, petroleum, phosphates, potash, pyrites, sulfur, talc.

PRODUCTION ABILITY

As an index covering the production ability of the principal nations of the world, I am presenting table 1.

TABLE 1.—*Production ability of principal countries to supply primary industrial metals*

[Number of metallic and nonmetallic ores available and controlled, or not available for domestic consumption out of 12 primary metals and 16 primary nonmetallic ores. This table indicates number of ores but is not an index of quantity or quality]

Country	Number of metallic ores		Number of nonmetallic ores	
	Available	Not available	Available	Not available
United States	5	7	7	9
United Kingdom	10	2	13	3
France	4	8	6	10
Germany	0	12	6	10
Italy	5	7	8	8
Japan	2	10	7	9
Belgium	1	9	0	16

(Data derived from chart, p. 2, of Analysis of Strategic Mineral Problem of United States, by Finch and Furness, U. S. Bureau of Mines.)

This table only covers supply self-sufficiency of materials. It is a material number index only, and furnishes no measure of quantity or quality available in each country. However, it does show that we do not have the material independence of the United Kingdom. In number of available materials we rank next to Britain. This table also points out, impressively, the plight of Germany, Japan, and Belgium. A full understanding of this table will explain existing world-wide conditions.

STRATEGIC MATERIALS

Mr. Speaker, strategic materials are defined as those essential materials on which supply reliance must be placed on foreign sources. Critical materials can also be defined as those defense materials presenting some difficult procurement problems but of a less serious nature than the case of strategic materials. The critical-materials problem requires research and legislation to control conservation and distribution. The Munitions Board's listing of strategic and critical minerals is as follows:

Strategic minerals in order of priority: Manganese, chromium, tin, tungsten, nickel, quartz crystals, aluminum, antimony, iodine, mica, mercury.

Alphabetic list critical minerals: Abrasive, arsenic, asbestos, cadmium, copper, cryolite, fluorspar, graphite, helium, iron and steel, lead, magnesium, molybdenum, petroleum, phosphate, platinum, potash, refractories, sulfur and pyrites, titanium, uranium, vanadium, zinc, zirconium.

IMPORTATIONS

Mr. Speaker, in tables 2 and 3 is presented data on the importation of strategic and critical metals. This data was independently worked out from material in Roush's Strategic Mineral Supplies, and the Mineral Yearbooks of the United States Bureau of Mines. Importations fluctuate from year to year because of the business cycle, and also because of importations for industrial stocks. I have, therefore, tabulated the fluctuations both in the good and lean years, and have struck off a mean value, which is the basis of these tables. I have added magnesium to the list prepared by the experts in this field. Magnesium is the metal of the future. It is lighter than aluminum and much stronger, and, in addition, will furnish a limited substitute for tin products. There are extensive deposits of this basic ore in the Northwest. This metal can help solve our deficiency problem. Germany is developing magnesium for airplane construction from much lower grades of ore than are found in the Northwest.

TABLE 2.—*Strategic metals*

Metal	Unit of measurement	Long-time average apparent consumption	Long-time average apparent domestic production	Equivalent imported consumption	Average price per unit	Value of average imports
Bauxite ore (aluminum)	Metric ton	540,000	320,000	220,000	$6.50	[1] $1,430,000
Antimony	Metric ton	12,360	2,050	10,310	[2] .11	2,500,000
Chromium	Metric ton	188,300	7,800	181,500	24.00	[3] 7,200,000
Iodine	Pound	1,249,000	274,000	1,075,000	1.00	[4] 1,075,000
Manganese	Metric ton	561,400	41,400	520,000	16.70	[5] 8,700,000
Magnesium	Short ton			14,000	300.00	[6] 4,200,000
Mercury	Pound	2,038,000	1,071,000	960,000	[7] 91.00	[8] 1,150,000
Mica	Short ton			5,260		[9] 921,000
Nickel	Short ton	22,500	300	22,200	700.00	15,540,000
Tin	Long ton	63,500	([10])	63,500	[2] .45	63,800,000
Platinum	Troy ounce	229,000	46,000	183,000	28.50	5,220,000
Tungsten	Short ton	3,225	1,225	2,000	1,075.00	2,150,000
Total						113,886,000

[1] 14-year average, since time that domestic ore production was curtailed.
[2] Per pound.
[3] Chromium consumption has materially increased in last few years. The figures presented represent modern use, since advent of stainless steel.
[4] Last 6-year average, since the start of American production.
[5] Taken from value of imports, rather than unit price as manganese content of ore varies widely.
[6] Estimated on basis of modern development.
[7] Per flask.
[8] Based on commercial flasks of 76 pounds.
[9] Based on total difference of imports and exports. There are so many different grades of mica imported that a single price will not be representative of all mica importations.
[10] Practically none.

NOTE.—Consumption, imports, and prices fluctuate from year to year. These tabular quantities do not represent any specific year, but are a composite average of boom and depression years derived from graphs platted from data given in the mineral yearbooks and Rusch's Strategic Minerals in order to set a composite average-apparent long-time average, and to eliminate fluctuations resulting from stocking imports.

TABLE 3.—*Critical minerals—Value of imports*

Minerals:	
Abrasives	$5,768,500
Arsenic	723,400
Asbestos	8,315,400
Cadmium	1,080,000
Copper	[1] 24,000,000
Cryolite	1,134,000
Fluorspar	390,000
Graphite	560,000
Lead	656,000
Molybdenum	59,000
Phosphate	2,585,000
Potash	16,850,000
Titanium, uranium, vanadium	811,000
Zinc and zirconium	800,000
Total	63,723,300

[1] Estimated on basis of 480,000,000 pounds, at 5 cents per pound.

It will be noted that the annual mean importations of strategic and critical minerals total $177,600,000. When this total is compared with the total annual value of the products of metal mines in the United States the significance of this problem is apparent. The 1935 value of products of all metal-mining industries in the United States is given by the United States Department of Commerce as $206,000,864.

MINING EMPLOYMENT

Mr. Speaker, there is a direct relationship between the value of mining products and the number of employed wage earners. To show this relationship I have compiled Table 4 from data in the Department of Commerce's 1939 Edition of Industrial Market Data Handbook of the United States.

TABLE 4.—*Relationship, value of products, and number of wage earners; metal mining*

State	Value of product	Expenditures for materials and supplies	Number of wage earners
California	$30,550,658	$7,422,051	12,021
Colorado	12,988,490	5,113,780	5,574
Idaho	14,137,081	2,934,283	3,754
Montana	25,481,248	9,067,192	6,959
Nevada	12,120,855	3,492,498	3,663
Oregon	1,776,157	660,543	1,321
Utah	20,728,634	4,584,636	4,523
	117,783,123	33,274,983	37,811

Composite averages:	
Number mine wage earners per million value of products	321
Expenditures materials and supplies per million of product	$283,000
Employment of materials and supplies per million of products	46
Total wage earners in mining and fabrication of mining supplies per million-dollar value of mining product	367

Calculated from statistical data in U. S. Department of Commerce's Industrial Market Data Handbook, 1939 edition.

Based on the given relationship between value of products and employment, the direct wage earners displaced by the importation of strategic and critical minerals is as follows:

Direct wages earners in mines	57,200
Wage earners represented by materials used in mines	8,200
Total displaced direct wage earners	64,400

This direct displacement is 25 percent higher than the total industrial employment in the State of Oregon. The industries of Oregon, on the average, give employment to 52,200 wage earners and produce an annual pay roll of $53,070,000 and products valued at $265,437,000. This comparison points out the large possibilities inherent in the development of the latent resources of the Northwest.

INDIRECT PAY ROLL

For every person gainfully employed in mining or industry, there is, conservatively, at least two to three persons gainfully employed in agriculture, construction, finance, trade transportation, and some seven other lines of major employment activities. Direct employment in mine or factory induces employment in other lines. To show this relationship, I am presenting table 5.

TABLE 5.—*Distribution of United States employment*

	Equivalent full-time employment	Percent of total
Agriculture	9,925,000	24.0
Construction	719,000	1.7
Finance and government	3,128,000	7.5
Manufacturing	[1]8,512,000	20.6
Mining (all mining)	[2]745,000	1.8
Railroads	[3]1,014,000	2.4
Trade	6,572,000	15.9
Services	6,562,000	15.9
Utilities:		
Electric	[4]245,000	.6
Electric railway, telephone and telegraph	[4]580,000	1.4
Other	1,379,000	3.3
Miscellaneous	2,030,000	4.9
Total	41,411,000	100.0

[1] This figure is slightly higher than that reported by the U. S. Department of Commerce in Industrial Market Data Handbook for 1935. This difference is due to including in the figure presented herewith average part-time employment.
[2] This figure checks substantially with U. S. Department of Commerce figures for 1935.
[3] From 1935 report Interstate Commerce Commission.
[4] Estimated from data presented in Moody's Manual of Public Utilities.

This table presents the best guide as to the part played by each section of the over-all employment sources in the national economy.
Based on chart IV, Structure American Economy, June 1939, National Resources Committee, p. 63.

Ratio of employment in different sections per industrial employee

Agriculture	1.16
Railroad	.12
Trade	.77
Services, personal	.77
Sum of principal other employment sources	2.82
Ratio of industrial employment to all other employment souces	4.86

The modern key which can unlock the door leading to the storehouse of latent resources is electrometallurgical, electrochemical, and electrothermal processes. Cheap hydroelectric power is the Northwest's greatest resource. If wisely used, it will become a national, as well as a great local asset. Electric processes can make the opening of mines possible. Opening mines will furnish materials for basic industrial development. Basic industries which use large amounts of power induce secondary industries which are large users of manpower but smaller users of mechanical power. In addition to latent minerals the Northwest has vast forestry and agricultural resources. The same energy methods can be applied to forestry and agricultural wastes and products.

The lack of metallurgical coke has kept iron and steel industries from locating in the Northwest. Recently developed processes point out the way to manufacture synthetic coke from wood wastes. Any mining and industrial development requires collateral transportation, finance, construction, trade, and utility services, with attendant indirect employment. The starting point in this development lies in tying together the energy sources and the latent products of the ground. We need to open mines and establish basic industries, and use waste forest and agricultural products.

NITROGEN

Mr. Speaker, during the last World War nitrogen and its compounds was No. 1 on the list of strategic materials. Four years ago this element was transferred from the strategic list to the critical list. Last year it was removed from the critical list because of progress made in synthetic production from the air.

The nitrogen situation furnished an illuminating example in what can be accomplished by research and investigation, and points out a definite avenue of approach in our present situation. The largest uses of nitrogen are for explosives and fertilizer. Practically the entire supply of the world's mineral nitrogen was concentrated in Chili, under monopolistic control. Foreign ownership early realized the importance of control both of production and trade routes. German capital then owned one-third of these nitrogen ores.

Space does not permit repeating the history of the political and commercial struggle over this Chilean ore. The 1914 British-German naval battle off the Falkland Islands resulted from the tussle to control the nitrate trade routes. The removal of German shipping from the high seas and the German blockade was of important military advantage to the Allies, but led to the development of synthetic processes and the overthrow of Chilean supremacy in the nitrogen industry. These facts together with the long-distance transportation and requirements of large tonnage space for the world's requirements, placed the synthetic nitrogen industry on its feet. The large concentration of this natural mineral ore is a place far removed from the consumption centers, and the world's dependence on a single remote source, induced the chemical industry to get to work on processes and substitutes.

There is very little new under the sun. All we have to do to progress is to observe, work, and experiment. From the beginning of time nature has taken nitrogen from the air. Thunderstorms and lightning have fixed nitrogen in the form of nitrogen oxide, which reaches the soil dissolved in rain. It has been estimated that each year lightning fixes 100,000,000 tons of atmospheric nitrogen, which Roush stated is 50 times the amount annually produced by man. Eighty percent of nature's fixation is lost at sea, and a large part of the remaining 20 percent falls on unproductive land. Only 2 to 9 pounds per acre annually reach tilled land, depending on the frequency of thunderstorms. When man's ingenuity went to work and imitated nature, or developed byproduct processes, or produced artificial lightning under a control system of occurrence, the air and coal mines were opened for nitrogen production. This development has been rapid and has progressed to such a point that 75 percent of the world's nitrogen requirements are now supplied from synthetic sources. The air's supply of nitrogen is unlimited.

Besides production from natural sources, there have been developed two principal synthetic sources, namely, byproducts from coke and atmospheric nitrogen. The development of byproduct coke ovens started in the depression of 1893, and by 1914 domestic byproduct nitrogen supplied one-quarter of our domestic requirements. Since the World War byproduct

nitrogen production has increased rapidly. The amount of such byproduct production depends on our coke and steel requirements. The difference between our consumption and byproduct production can be supplied from atmospheric sources.

Three processes have been worked out for fixing atmospheric nitrogen. This conversion can be effected by the cyanamide process, the high-tension electric spark, or catalytic action at high temperatures and pressures in the formation of ammonia. As a war measure, Congress authorized the construction of a 40,000-short ton cyanamide plant at Muscle Shoals. This plant was completed after the armistice but has not been in operation except for test purposes. The largest cyanamide plant in existence is the 80,000-ton plant at Niagara Falls, Canada, just over our border. The first synthetic-ammonia plant was built in 1921. Nearly 90 percent of our synthetic-ammonia capacity is found in two plants at Charleston, W. Va., and Hopewell, Va. Chemical research has solved the nitrogen problem and assured our self-sufficiency in this material. This case is cited as an example we should follow.

THE REMOVAL OF OTHER MATERIAL DEFICIENCIES

Another of our World War shortages was potash, one of the three essential plant foods and a requisite in the manufacture of a number of products, including medicinal compounds and black gunpowder. Extensive exploration has located an inexhaustible supply in New Mexico and California. In spite of our developed potash independence, we import 350,000 tons annually to supply a consumption of 620,000 tons.

The Bureau of Mines has recently developed a new process for the production of pure electrolytic manganese, which is No. 1 on the current list of strategic metals. This process has been patented, and a use license was issued in 1938. A small manganese pilot plant is under construction in Knoxville, Tenn.

The Bureau of Mines and Washington State College have also recently developed a combined flotation and electric method for extracting magnesium metal from the lower-grade magnesite ores of the Pacific Northwest. In 1938 a method was found to protect lower-quality magnesium from corrosion. Another protective treatment has been developed through electrolysis. High-strength magnesium alloys have been produced experimentally. The Northwest Magnesite Co. has completed the construction of a 5-ton experimental plant for the beneficiation of magnesite ores. This work opens an avenue for the utilization of cheap Bonneville power for the production of magnesium from magnesite. This is a field of major proportions, and one in which great advances will be made. Magnesium can be substituted for some of the deficient metals.

The United States chemical industry was greatly stimulated by the World War. As a result of the present war, chemical industrial activity is now expanding on a world-wide basis. Synthetics in many fields are replacing natural materials, as better results have been obtained from controlled and stable processes. The most spectacular of recent developments has come in the field of plastics. For years we have imported millions of dollars' worth of natural gums, but this importation has dropped to small quantities. We are now able to manufacture high-grade synthetic gums for fibers and lacquers from agricultural products. Rayon is replacing imported silk.

What we must now consider is the commercial effect of the German ersatz progress. The soybean and castor-bean will become the raw-material base for a developing plastic industry. Many natural articles now in consumer trade will be produced synthetically. We need to watch the growth of world markets for new kinds of merchandise, and the effect dispersion of political exiles from Europe, with their inventive aptitude and their skill in trading, will make on our industry and commerce. If we are to hold our place as a nation, we must go into and solve this problem in an effective way. World conditions will not permit halfway measures.

Minerals amount to about one-sixth of our total imports. Of this amount 38 percent are strategic minerals and 21 percent are critical minerals. In addition we import about $119,000,000 in rubber. It is therefore apparent that a few materials occupy an important, and seemingly an indispensable, place in our world-wide over-all strategy.

In citing the advances made in synthetic production I do not want to create the impression that we are making exceptional progress. Modern industrial development has created new requirements, especially in the field of alloy steels. With the advance in technology, new requirements have come up about as fast as we have solved our older problems. Most of our rubber and tin—totaling in annual imports $188,900,000—come from the Dutch East Indies and the Malay states. The present implications are that we may have to secure rubber and tin from other sources. To protect this source of supply would require us to expend a billion dollars per year for an augmented navy. Could we not declare our independence in tin and rubber through technological synthetic developments? It could be done at a much lower price and keep us free from involvement in Old World affairs.

THE HANDICAP OF IMPORT RESTRICTION

Mr. Speaker, how restrictions can be placed upon us, by dependence on imports, is exemplified by the case of aluminum ore—bauxite. In the early days of the aluminum industry, domestic metal requirements were derived from domestic ores. In the interim, use of aluminum expanded sevenfold, and this industry had to seek foreign ore sources. Today one-half of our ore requirements are imported—almost entirely from British Guiana. After American exploitation in this country, a British ruling was issued limiting the use of ore on crown lands in any British territory to British capital. However, a concession was granted in the case of Guiana, provided the ore was reduced in British territory. This ruling resulted in the establishment of the large American-owned plants at Arvida and Shawinigan Falls, Quebec. We must realize that importations can impose political and commercial control by outsiders, adversely affecting our defense, employment, and commercial situation.

Bauxite deposits in the United States are small but large reserves of the submarginal ores, leucite and alunite, exist in Utah, Colorado, Wyoming, Oregon, and Washington. Further development in technology is needed for the commercial development of these submarginal ores. Occurrences of bauxite in Oregon have been reported, but further detailed surveys are needed to determine the quality and extent of these Oregon deposits.

The same situation existed as to nickel. After the *Deutschland* incident in 1915, Canada required smelting within her borders, resulting in the closing of our New Jersey nickel smelters.

MINERAL RESOURCES OF NORTHWEST

Forty-one mineral occurrences have been charted in the Pacific Northwest. This number includes 31 industrial metals, 9 of the 11 strategic metals, and 14 of the 24 critical metals. The extent and quality of all these occurrences has not been fully determined. Low-priced power for modern processes is available, and all that is needed to utilize these resources is an accurate inventory of quantity and quality of minerals and practical processes for beneficiation of the determined quality of the ores.

Under the Thomas Act the United States Geological Survey and the Bureau of Mines are authorized to make the necessary surveys and investigations. With the cooperation of the State Mining Bureaus, these two Federal agencies can make a wider coverage with the given appropriations. We have heard a great deal about these occurrences. Our first step is to determine really what we have of commercial value and then concentrate on the utilization of these determined values.

The region is short of fuels and metallurgical coal. This fact has hampered past industrial development. Low-priced hydro power is more than a substitute for these fuels. Such power is the most modern tool in the industrial kit.

Over all, we have sufficient information to conclude that a substantial part of these minerals are of low grade and occur

in complex ores. The treatment of such ores cannot be accomplished by established standard processes, successfully used in the East under different conditions. We need to follow up such an inventory with investigation and experiment. We need also to develop new processes in pilot plants, and to fairly protect utilization against the "sidetracking" control of monopolies. Briefly, this is the formula which will tie together the power and mineral resources of the region into a great national asset. Again I must state that there is nothing new in this formula. It is the one used in Scandinavia, where natural endowments are similar to those of the Pacific Northwest. It was the cheap and abundant hydropower of Niagara, through electric processes, that made the automotive industry of Detroit possible.

THE SOLUTION

Mr. Speaker, in an emergency the lack of strategic and critical material sources will become a great national handicap. To solve this problem we cannot afford to wait until the arrival of such an emergency. Our industrial system cannot change its operations overnight. Any adjustments must be gradual and developed under normal conditions.

Aside from being a defense question, it is one of great commercial, economic, and social proportions. A partial solution of the unemployment problem is wrapped up in this matter, and it has a sufficient pressing demand to warrant further consideration by Congress. This problem is susceptible of a number of solutions, which I am collecting and restating. The solution to adopt will depend on the material. Most likely we will find that the most advantageous program will be a combination of several or more solutions. These are:

(1) Make it possible for the Geological Survey and the Bureau of Mines, with the cooperation of State agencies, to accumulate all available information on metal deposits.

(2) Expand surveys and samplings of reported occurrences to accurately determine extent and commercial quality of deposits.

(3) Advance processes or develop new methods for processing medium and lower grade ores, through research, experiment, and the construction of pilot plants.

(4) Increase domestic peacetime production.

(5) Adopt conservation measures for those materials where domestic reserves are definitely known to be limited.

(6) Expand recovery of secondary metals—scrap.

(7) Develop both general and limited substitutes.

(8) Build up reserve stocks, by use in other commercial channels, which can be converted to basic metals if necessary.

(9) Establish stock piles. Stocking is needed to protect immediately against the consequences of a long-delayed plan or adjustment of industry to new processes. At best, stock piles is a short-time expedient. On a long-time basis, it should not be attempted until possibilities of other solutions have been exhausted.

(10) Establish research in the collateral fields of prices, markets, cost of development, cost of operation of commercially feasible or undeveloped sources, and the accessibility and cost of transportation. [Applause.]

NEUTRALITY

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, I am neither a prophet nor the son of a prophet, but I look for a rising tide of war propaganda from now on. We are living in momentous times and in the midst of war hysteria that is being fanned into a white heat by every known device of propaganda and hatred. Former Ambassador James W. Gerard on emerging from the White House yesterday also added his voice to the ambassadorial chorus urging America's participation in the European war.

Developments in the Mediterranean may bring sensational news within 2 weeks, and likewise sensational outbursts of fury from the "I don't want to go to war—but" propagandists in America. It looks as if Italy may enter the war at any time, which would involve the Balkan nations and maybe Soviet Russia, and even Japan.

British merchant ships have been ordered out of the Mediterranean, but our ships are still there. It is possible that an American ship may be inadvertently bombed or torpedoed by any one of the dozen nations involved in the Mediterranean. The English lost a hundred ships from bombing and torpedoes during the Spanish Civil War. American ships are not immune from dangers of war if in the war zone.

No nation in the world wants war with us or would deliberately provoke it by sinking our ships. However, war is a desperate adventure, and neutral ships in the war zones are in constant danger. It might be well for us to order our ships out of the Mediterranean until the die is cast, or the danger is over, or at least if they want to stay let them stay at their own risk.

I warn the American people that the drums of war propaganda will resound from coast to coast, but at the same time I have complete faith in the sound judgment and wisdom of the American people who have already decided to preserve American neutrality and not to participate in foreign wars.

We want no Trojan horses of war in America, or that war is inevitable. The Trojan horses of communism and nazi-ism need investigation and constant vigilance, but they are as nothing to the dangers and menace of the Trojan horse of the internationalists and interventionists who, by intrigue and secret diplomacy, would involve us in war.

We know about the Trojan horse of Woodrow Wilson. We should beware of the Trojan horse of Franklin D. Roosevelt. It is a far more powerful and destructive horse than that of the Communists and Nazis. The modern, peaceable American Trojan horse is a war horse in disguise. We are even now being jockeyed into the bloody shambles of war under the pretext of entering the paradise of peace.

It is a sad and deplorable tragedy to read the constant Germanphobia and "I don't want to go to war—but" propaganda of certain well-known columnists, who are apparently unable to disassociate their warlike and interventionist sentiments from the barbarous treatment of their racial group in Europe. As much as I abhor racial and religious persecution, whether here or abroad, I am convinced that these columnists are not serving the best interests of America or their own race by impugning the motives of the isolationist Members of Congress and by their brazen attacks on the peace elements in America who insist on keeping out of foreign entanglements and wars.

One well-known columnist, for whom I have a high regard, insists that we must go to war in order to insure a supply of tin and rubber. That is a novel reason—a tin and rubber war. As Al Smith used to say, "Let us look at the record." The fact is that we can buy all the tin we want from Bolivia, without worrying about the tin produced in the East Indies or going to war with Japan. Germany is fighting a war without any natural rubber supply, but she is able to produce vast quantities of synthetic rubber. The Standard Oil Co. has just allocated a million dollars to build a plant in America to produce rubber out of oil, and believes this substitute will replace imported rubber within 5 years.

Another columnist wants us to go to war now in self-defense, as he is fearful of the German Navy if that nation wins, forgetful of the fact that every day Germany is losing more and more of its naval strength so that today the American Navy is six times as large and powerul as the German Navy.

Still another columnist tells us that we must go to war to make the world safe for democracy—the same old gag used in the World War. Another columnist inveighs against the dictatorial forms of government in foreign lands and urges us to make war on them. It is none of our business what form of government any foreign nation has, whether it is fascism in Italy, nazi-ism in Germany, communism in Soviet Russia, or an empire in Japan, nor is it any of their business what form of government exists in the United States of America.

None of these columnists tell us that our entrance into war would mean the black-out of American liberties, of our free institutions and constitutional form of government and the erection of a dictatorship in America as bad as the Fascists, Nazis, or Communists.

I do not question the right of "I do not want to go to war but" columnists to express their views fully, but they ought to wake up to the fact that their inspired propaganda is not fooling 95 percent of the American people, who have determined to keep out of foreign wars.

It is not a question of votes, or of being pro-British, pro-French, or pro-German. It is merely a question of being pro-American and being for America first, and for the security and best interests of our own people all the time. The American people are sympathetic to the Allies, and opposed to aggression and to dictatorships, but not to the extent of plowing under their sons on foreign battlefields, destroying our free institutions, and bankrupting the Nation for generations yet unborn.

There is nothing cowardly and craven in upholding the traditional American foreign policies proclaimed by George Washington of neutrality, nonintervention, no entangling alliances, and peace. Ninety-five percent of the American people believe in these policies, and they are neither cravens nor cowards—and whoever applies such epithets to them distorts the facts, misrepresents the will of the American people for peace, and brands himself as a war monger and an interventionist agitator and war propagandist. [Applause.]

SKILLED LABOR IN PRIVATE INDUSTRY

Mr. EDELSTEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. EDELSTEIN. Mr. Speaker, I have introduced today a resolution calling for the appointment of a committee to ascertain the extent of the shortage of skilled labor in private industry and to study the methods which may be necessary to remedy this amazing paradox of a shortage of workers in the midst of 11,000,000 unemployed.

The necessity for such a committee and for such a study is shown by the numerous newspaper clippings which I hold in my hand and some of which I ask leave to print as an extension of my remarks. In addition, conferences were held with responsible people in the Office of Education and the Bureau of Labor Statistics which showed their awareness of the existence of this situation, their lack of knowledge of its precise limits, their desire for further statistics, and the admitted need for coordination of the work.

If the work of this committee should bear out the present general and somewhat vague knowledge of this problem it may result in a program which will in part diminish our relief and W. P. A. rolls by retraining people whose present skills are unwanted by private industry for unfilled jobs in private industry.

The shortage of skilled labor constitutes a double drag on our economic recovery. It hampers production and it requires relief expenditures which through the work of this committee will be replaced by adequate wages paid by private industry.

There can be no doubt that industry will support the establishment of a committee to study this problem. The newspaper clippings that I have already referred to show that organized labor likewise will support the objectives of this resolution. The reduction in relief which may be realized from this study will win approval of the public.

The resolution calls for an appropriation of only $50,000, which is an extremely modest sum for a project as ambitious as this one. While the various interested departments and agencies will give their wholehearted cooperation, it will be necessary for the committee to make additional and independent studies of its own.

The work of the proposed committee will not duplicate in any way that of Senator O'MAHONEY's committee. The main purpose of the T. N. E. C. is to study the extent and effect of the concentration of economic power in this country. It is true that last month the T. N. E. C. began hearings on technological unemployment but that does not relate to an effort to put people back to work.

The basic principle behind this resolution is that we must develop new skills among the unemployed rather than merely keep alive their old and unwanted skills.

I trust that this resolution will be promptly referred to this House for action. I feel sure that if considered, it will be approved. [Applause.]

[From the St. Louis Globe-Democrat of April 2, 1940]

IDLE SKILLED WORKERS' CHANCES IMPROVE

The unemployed worker living in St. Louis or St. Louis County who is qualified for some type of job had a 63 percent better chance of getting that job through the Missouri State Employment Service during the first quarter of 1940 than during the same period last year, according to placement figures of the St. Louis district office of the State agency made available yesterday by C. R. Kammerer, manager. Placements in private employment, the figures disclose, totaled 7,086, as compared with 4,317 for the corresponding months last year.

Kammerer said that his office was having difficulty in finding a sufficient number of qualified workers needed at the present time in the skilled trades. "We have jobs available right now for skilled machinists able to set up their own machines and for tool and die makers," he explained.

The facilities of the employment service are free to both the employer and the employee.

[From the Philadelphia Bulletin of April 16, 1940]

BROAD RELIEF VIEW

Extension by the department of assistance of credit under the Pierson Act to relief recipients who enroll in vocational courses or special training projects is intended as a stimulus to practical education.

Many of those on relief have found themselves handicapped in hunting jobs by their lack of skill, for the surplus is of unskilled labor.

This handicap can be removed through proper training. The feeling that the necessary time for it could not be given is removed by the department's order, which encourages jobless to enroll in such courses.

Willingness to take such training—enrollment is entirely voluntary—cannot be looked upon as a shirking of responsibility, but is, rather, a courageous attempt of the individual to improve his lot.

The probability is that it will cost comparatively little to train many of the unskilled sufficiently for them to qualify for and hold skilled jobs. In formulating such a program the department of assistance is viewing its obligation in a broad light and attacking one of the fundamentals of the relief problem.

[From the Cleveland Press of April 4, 1940]

WHERE WORKERS ARE SCARCE

You have to be 40 years old or older to remember a news article like the one in the Press yesterday: Such is the shortage of skilled workers in certain metal trades of Cleveland that boys are leaving the technical high schools before they finish their training. Arrangements are being made for them to continue their class work at night.

Not since 1917–20 has the demand for workers of all-around skill been expressed in just that way.

The appearance of these islands of labor scarcity in the great ocean of unemployment is one of the surprises of these times. It may even mystify some. Why, with 96,000 persons out of work in Cuyahoga County, should there be a scarcity of any type of worker?

The explanation is to be found in the absence of apprentice training in the decade of depression, plus the sudden demands this year for men capable of meeting the close requirements of work on airplane parts and machine tools. Probably there are many men of considerable skill in the metal industries who are still unemployed, and for them some facility ought to be provided whereby they can bring up their long disused training to the levels of modern industrial requirements.

In the meantime, we hope not many older people will begrudge to these youths the opportunity to get jobs in skilled occupations in something like the proportions at which older people are now employed in them. It will take a long time before the number of young men in the upper ranges of skill even approaches the proportions which existed only 10 or 20 years ago.

[From the New York Evening Post of November 30, 1939]

HOW TO STRENGTHEN OUR DEFENSE

National defense expenditures may rise $500,000,000 next year. The money may go for additional troops and their equipment, including planes, tanks, trucks, all the new machinery of war. But this is the era of total wars, a period in which every war becomes a war of opposing economies supporting the opposing armies. It is proper, therefore, to ask whether the $500,000,000 might not insure our defense better if it were spent on training our youth for skilled jobs. For such a program would not only strengthen our defense but would also strengthen our economy should the defense need never come.

Industrial resources are not measured by plant alone. We have plant and the resources with which to increase our plant. What we do not have in adequate supply is the human skill needed to operate an enlarged plant. War—any kind of war—would sharply intensify the demand for skilled men.

An aviation force rests on the ability to produce planes, not on the number of planes standing in hangars. Mechanized units depend for effectiveness on the ability to make quick replacements. It is important to note that industry is already experiencing difficulty in finding skilled men to handle the increased activity of recent months.

But 500,000 young men and women enter the labor market each year, enter it without skills and without the prospect of acquiring skills.

Would it not be a true strengthening of national defense to spend a major share of the $500,000,000 increase on the training of the Nation's youth for vital, highly skilled work in the national industry?

Frieda S. Miller, State industrial commissioner, reports a shortage of tool makers, machinists, and machine operators in the industrial centers of Albany, Utica, Syracuse, Rochester, Buffalo. Miss Miller says this has been apparent for several years, as men have left the field because of a lack of jobs to find other work, while training of apprentices has been sharply curtailed.

During the upturn of 1937 the Labor Department at Washington reported that business ran into a shortage of skilled personnel as soon as it picked up to about 80 percent of normal activity. "The rate of business recovery," it noted, "is quite likely to be more rapid than existing training facilities." It found, in a study applicable to 6,600,000 job seekers, that almost a fourth (23.6 percent) had no industrial background; they had either no work experience or had been unemployed 4 years or more. Those under 21 had the most difficulty securing jobs.

A study in Business Week for November 4 recites the position of the aviation industry, which has 45,000 trained workers and seems likely to need 100,000 by spring. Germany has trained 200,000 aviation workers, four times the number available here.

The National Industrial Conference Board, also in a study made during the 1937 rise, found that 27 percent of metal-working establishments reported "extreme labor scarcity."

[From the Long Beach (Calif.) Press Telegram of January 22, 1940]

PRACTICAL JOB FINDING

With the cooperation of business and industrial leaders and trade schools, Connecticut has been making real advancement during the past few months in meeting the unemployment problem. This is the result of a definite campaign under the auspices of the State authorities.

New positions have been found for 35,000 persons since the movement was started, and there is confidence that, as the plan is pursued, much further inroads will be made in the ranks of the jobless.

One of the policies followed by the State is to encourage training of youth for the skilled trades. It is generally admitted that unemployment is most prevalent among common laborers, men and women, too, who have not had the advantage of preparation for the new lines of work in which the chief demand for help now is found. Connecticut, as an industrial State, takes cognizance of this phase of the labor situation; and with the cooperation of manufacturing leaders is stressing those occupations which offer the greatest response to the call for workers.

This campaign has been in progress but a short time. The greater benefits will come with the accumulation of results.

Connecticut's practical success may suggest to California that the idea has more to offer than the "production for use" theory to which Governor Olson is devoting so much energy and enthusiasm. Production for use, it has been pointed out, will take away one job for every job that it creates. The need is a large net gain in working positions, and it may well be that the same effort devoted to the Connecticut plan would yield real results at much less cost than production for use. In any event it offers possibilities that merit an earnest trial to bring employers and the State into close relations in attempts to open new avenues of employment.

[From the Paterson (N. J.) Call of December 18, 1939]

SKILLED WORKERS ARE NEEDED BY INDUSTRIES ALL OVER STATE

A statement which should be interesting to the hundreds of persons who are registering for the series of 4 weeks' courses in mechanics to be given at the Paterson Vocational School was that made on Saturday by John Rapp, manager of the Bayonne office of the New Jersey State employment service; namely, that jobs for skilled workers in this State are going begging.

The mechanics, declared Mr. Rapp, are being sought by industries within a 25-mile radius of that city who are badly in need of skilled help. It appears that the State employment commission recently advertised in Bayonne newspapers for 10 days for an unlimited number of skilled workers without receiving a single application.

Similar conditions are found in various sections of the State where industries are located, a clear indication that there are not enough skilled, and for that matter, semiskilled, workers.

Paterson is meeting this situation in a practical way by initiating short courses for the training of workers so as to make them suitable for employment in local industries that require this kind of help, and it is expected that by the time the course is completed some 500 men will be available for jobs that require this kind of training. The plan was suggested to the local board of education by James F. Mason, director of the Edison vocational school, and as its value was instantly recognized by board members the course has been initiated and should be a boon to men seeking employment in industries requiring trained help.

[From the New York Sun of December 27, 1939]

TO PROVIDE SKILLED LABOR

For uncounted numbers of the jobless the present offers only dependence on some form of relief or private charity, and the future is clouded by the question whether the man or the woman can retain the skill developed in previous occupations. Recent reports of a shortage of skilled labor in certain industries have raised this question for employers and for those concerned with current social problems arising from serious unemployment. In Management Record the National Industrial Conference Board reports that the skilled labor supply has been reduced markedly in metal-working industries because training there requires considerable time. An inquiry addressed mainly to companies engaged in metal working brought out a lack of certain types of craftsmen. Of 180 companies, 122 said that a substantial increase in their activity would undoubtedly raise a serious labor problem and many others agreed that for them also such would probably be the result. The textile industries have a shortage of loom fixers and weavers; the cabinet-making trade a shortage of woodworking draftsmen and cabinet-makers.

The United States Chamber of Commerce has also reported on replies to an inquiry on skilled labor. It declares that the decline of apprenticeship training is the most common cause of labor shortages. The chamber's report added that work relief has contributed to the loss of skill in instances where the relief employees have been engaged for 2 or 3 years in occupations entirely different from those by which they earned their living in private employment.

Several schemes are being tried in the effort to overcome the causes of a decline in a number of certain kinds of skilled labor. The consequences should be threefold: Individual workmen now idle will take their places as useful members of society; the trades which require their skills will be able to maintain production, and the number dependent on Federal, State, or municipal aid will decrease.

The New York Building Trades Employers' Association has been represented on a committee with the Building and Construction Trades Council of New York and the Building Congress to devise an apprenticeship system. The object of this is to train the required number for various skilled occupations, but also to establish some satisfactory control, to prevent an excess of one type of apprentice and a shortage of another. In Connecticut Governor Baldwin's administration has been working with industry to train, in trade schools, both the young and inexperienced and the "skill rusty" in a program which the Governor has described as originating with business. The effects of apprenticeship systems must be studied carefully with respect to hampering restrictions in the Wage and Hour Act.

[From the Newark (N. J.) News of January 29, 1940]

TOOL MAKING A DYING ART—SURVEY SHOWS TRADE NEEDS YOUTH—SKILLED WORKMEN'S AGE AVERAGES 45

(By Stanley H. Page)

Tool making, a basic trade upon which the machine age rests, is rapidly becoming a lost art in the Newark industrial section as well as throughout the United States. This is indicated by a survey of large manufacturing concerns and tool and die plants.

Inquiry reveals there is practically no new generation of these highly skilled workmen in the making. Apprenticeships virtually went out of existence 20 years ago and there is no indication they will be revived.

Engineering science has increased machine efficiency to the point where tolerances allowed the tool maker have been reduced almost to zero. The tool maker's skill has become more important than ever, yet obtaining this skill is already a major problem in industry. Heads of tool manufacturing concerns predict, if the present trend continues, in another 20 years industry will be practically bankrupt of these workmen.

AVERAGE ABOUT 45

Heads of tool-making plants hereabouts say the average age of the men who make the machines for industry is about 45. If you visit the shops, you will not find more than a half dozen young men at the benches—nearly all appear more than 50.

The tool maker falls in the category of a skilled laborer. Actually, he is practically an artist. He works with steel, paring it down with lathes, drilling it and shaping it with the finest files. His work often must be accurate to within .0002 of an inch, less than one-third the thickness of a human hair.

Nobody would expect a man to wield the first brush he ever handled and produce a superb painting in oils, or to pick up a violin and produce the music of a master—for exactly the same reason a tool maker cannot be made overnight. His talent is developed over years. During that period he is a nonproducer, both for himself and for the man to whom he apprentices himself.

APPRENTICE 3 YEARS

The average tool maker's apprenticeship is 3 years, but he is not considered a par workman under 6. This is because the experience gained in several shops, where every task and problem

may be encountered, is necessary before he reaches the top of his skill. When he is a completely qualified workman, he can read blueprints as well as the engineer who drew them, and his work must follow the plans to the last infinitesimal detail.

Youths under 20 used to be apprenticed to the tool and die shops. There they worked at less than a living wage, a drain upon the resources of their families and upon their employer as well. Today the apprentice is paid approximately $12 a week. Eventually if he becomes an expert he may get top wages averaging $1.25 an hour, or $52.50 a week. Most tool makers earn 90 cents an hour, or $37.80 a week.

DRAWN TO BETTER PAY

From 1920 to 1930 young men refused to make this sacrifice to learn a trade. Instead they could obtain jobs driving trucks or any sort of rough labor that paid them $30 to $40 a week. Semiskilled labor paid more and could be learned quickly. The tool manufacturers were willing to take apprentices in the twenties, but American youth was drawn by better-paying jobs.

The period from 1930 to 1940 saw an entirely different situation. There were plenty of youths walking the streets, anxious to learn a trade, but the employers, struggling in the depression, no longer held out the opportunity. They saw it was too expensive with $2,000 in salary alone for an apprentice, salary to which must be added the time of other workmen taken up in instruction.

With a pick-up in jobs already noted, the tool-making industry enters what may prove to be a new phase. This will be discussed in tomorrow's article.

[From the Seattle (Wash.) Post-Intelligencer of January 6, 1940]

INDUSTRY'S NEED: TRAINED WORKERS

Industrial recovery is bringing to public attention the lack of skilled labor in many trades.

The country will soon have to pay for the decline of apprenticeship during the depressed early thirties.

In the circumstances management, labor unions, and government, recognizing the importance of a competent labor supply in national defense as well as in general industry, should accelerate plans for training newcomers.

Seattle has recently seen two interesting developments.

One is the building-trades classes for apprentices, sponsored jointly by contractors, building-trade unions, and Seattle school authorities.

Another is the arrangement made by the Boeing Aircraft Co. with the school administration, under which selected youths are being given special training at Edison Vocational School to prepare them for Boeing jobs.

As a stopgap remedy, an innovation in Hartford, Conn., is attracting Nation-wide attention.

Recognizing that in these abnormal times all industries do not move ahead at the same time, United Aircraft Corporation, busy with war orders, and Underwood-Elliott-Fisher, expecting no immense expansion in orders, have worked out a cooperative plan whereby the latter will lend the former manpower.

In need of experienced machinists and other skilled workers, the airplane maker will temporarily borrow surplus labor from the typewriter concern.

The employees of the typewriter concern will not interrupt their seniority record with their regular employer.

Employers will exchange workers in an orderly and friendly manner, instead of raiding one another's staffs.

In case the volume of orders should rise considerably in the typewriter field, it is understood that Underwood can draw from partially trained workers from Governor Baldwin's State school mechanics training program.

The arrangement at Hartford awakens the country to a realization that trained manpower, instead of being a drug on the market, really constitutes a nation's No. 1 asset.

[From the Grand Rapids (Mich.) Press of March 27, 1940]

JOBS THAT GO BEGGING

With millions of persons jobless there are nevertheless more than 250,000 jobs going begging. Dr. A. H. Edgerton, director of vocational guidance at the University of Wisconsin, has been informing the country. He bases his figures on surveys that he has conducted through the past year and concludes that this figure may be exceeded now with improved business conditions.

The reason these vacancies are unfilled, he explains, is because there is a lack of adequately trained applicants. Opportunities, Dr. Edgerton declares, never were so plentiful for the thoroughly and flexibly trained, adaptable worker as they will be in the next few years. But, he adds, there will be less and less demand for the untrained worker—for the one incapable of acquiring new skill and knowledge.

"There never was a time when it was so dangerous for a worker to get in a rut," this vocational expert declares.

From a study extending over a dozen years Dr. Edgerton has been able to classify occupations in two divisions, one in which prospects are limited, and the other in which a wealth of opportunity exists. For the young man attention to these classes may prove valuable.

In the limited class this expert places aviation, radio, small farming, mining, engineering, acting, metropolitan journalism, library management, fine arts, architects, law, medicine, music, social work, teaching, and numerous others. This does not mean that there is no opportunity in these fields; in most cases it merely means they are overcrowded and that unless the young man has a particular bent in these directions he had better steer clear of them.

Unlimited possibilities still exist, Dr. Edgerton states, in metallurgy, accounting, banking, farm management, certain forms of retailing, commercial designing, business administration, salesmanship, industrial and scientific research, city management and planning, dietetics, industrial chemistry, and so forth.

This list, of course, is by no means complete. It simply indicates some of the lines which seem to offer for the present and the future the widest fields. The greater emphasis remains, however, on the necessity for adequate training, no matter what line of endeavor is to be followed. And that goes right down to the less technical jobs in shop and office.

Through the last few years it has not been the skilled and adaptable worker who has suffered. For the most part unemployment has been among those who lack the training necessary to meet the opportunities that are offered. The skilled worker also is better able to create new jobs and opportunities for himself.

The answer to the unemployment problem therefore seems not merely one of finding more jobs, but one of training men for the job as well.

[From the Greensboro (N. C.) News of April 22, 1940]

NOTE ON BEGGING

Via the Raleigh Times comes information of revealment by the State employment service that 47 jobs, which require degrees of technical skill and which, in some instances, pay more than $400 per month, are going begging. No qualified applicants have put in their appearance.

And that situation, which crops up in reports, surveys, and news items ever and anon, sends us off into an abiding field of rumination. To what extent can our unemployment problem be attributed to maladjustments in the employment field itself, with emphasis upon training therein rather than to a mere surplus of labor in the aggregate? In thinking upon that question one must consider vocational training, or lack thereof, as it exists in the schools and as it has been furthered or retarded, in some instances deliberately blocked, by well-nigh monopolistic groups of skilled labor and artisans themselves.

There is manifested a woeful lack of knowledge of existing and changing trends which should reveal where labor surpluses and labor shortages obtain, of correlation of economic programs and educational policies with labor and employment needs. How largely are we going ahead training boys and girls for work in fields which are overcrowded or which are retrogressing? What guidance is being offered, what shifts are being made to meet and take advantages of new conditions, new opportunities, new demands? It is a sorry commentary upon all the surveys, the investigations, and the fact-finding commissions made and authorized by endless public agencies at the cost of untold millions of dollars that the data gathered seem to remain an inchoate mass, that out of them order and intelligent application in the field which has provided the basic problem of all problems, unemployment, are yet to come.

Why must jobs—a single job—go begging for men while millions of men in turn go begging for bread?

[From the Oakland (Calif.) Tribune of April 26, 1940]

PLANE PLANT STILL NEEDS MEN—BURBANK FACTORY HAS JOBS FOR 3,000 TO AID FILLING WAR CONTRACT

Echoes of World War II's gunfire were heard in metropolitan Oakland today—in an unprecedented demand for 3,000 skilled artisans "wanted immediately" to build war planes.

In 4 days 600 men have already been assured jobs and 100 more will probably be placed before the week ends. Eight to 10 percent of these men who will be employed to supply the sinews of war come from the W. P. A. and S. R. A. relief rolls, statistics showed.

In the role of big employer is the Lockheed Aircraft Corporation, of Burbank, Calif., which has a backlog of $57,000,000 in war-plane orders from Uncle Sam and European belligerents and already employs 40,000 men.

ADVERTISING PLACED

The search for skilled workers in northern California originated with California's State Department of Employment, according to Mrs. Kathryn T. Bangs, manager of the local office at 530 Eighteenth Street.

Lockheed officials doubted that they could find the 3,000 men needed within the State. But the State employment office prevailed upon them to try, and agreed to render yeoman aid.

So it was that this classified advertisement appeared in the Tribune last Saturday:

"Wanted—3,000 skilled workers for aviation industry * * *."

ENGINEERS NEEDED

These are the types of workers needed: Civil, electrical, and mechanical engineers; checkers; detailers; tool designers; tool makers; loftsmen; template men; machinists; turret-lathe milling-machine men; Lucas boring-mill operators; drop-hammer and screw-machine operators, hand and automatic; cabinetmakers; pattern makers, metal and plastic; continental and zinc die casters.

Illustrative of the scope of this "call to work," applicants have come to Oakland from as far south as San Diego—hired by the Lockheed plants—and as far north as Yreka.

SEVEN HUNDRED CERTIFIED

The State employment office has already certified 700 men to company officials here as equipped by training and experience to hold the jobs, H. J. Rose, supervising interviewer, said.

But Robert Storment, personnel director for Lockheed, is conducting further tests for the applicants at the Central Trades School. They must pass physical, temperament, and I. Q. tests before being accepted.

OLDER MEN HIRED

The company examinations will be held at the school today and possibly tomorrow. They started here on Tuesday.

Next week the search for 3,000 men who want jobs will go to Sacramento on Monday, Stockton on Tuesday, and Palo Alto on Wednesday. The balance of the week will be spent in San Francisco.

Many of the 3,000 jobs are going to middle-aged and older men, for there have been few apprentices in the skilled trades during the depression years, and so youth is not qualified.

Mr. Speaker, I ask unanimous consent to extend my remarks and insert the newspaper clippings I have referred to.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DARDEN of Virginia, for Thursday, on account of engagement out of city.

To Mr. FRIES, indefinitely, on account of death in family.

To Mr. RANDOLPH, for 5 days, on account of public business.

To Mr. THORKELSON, from May 13 to June 8, on account of important business.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL—CONFERENCE REPORT

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that, when consideration of the Senate amendments to the Department of Agriculture appropriation bill still in disagreement is resumed, three amendments be taken up out of their regular order: First, No. 99, on parity; second, No. 100, on surplus commodities; and third, Nos. 101, 102, and 103, on farm tenancy, and that the remainder of the amendments be considered in the order in which they appear in the bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a telegram received from the Chamber of Commerce of Sioux City, Iowa.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3828. An act to amend section 107 of the Judicial Code, as amended, to eliminate the requirement that suitable accommodations for holding the court at Winchester, Tenn., be provided by the local authorities; to the Committee on the Judiciary.

ADJOURNMENT

Mr. CANNON of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 37 minutes p. m.), pursuant to its order heretofore entered, the House adjourned until tomorrow, Thursday, May 9, 1940, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will meet on Thursday, May 9, 1940, at 10:30 a. m., in room 128, House Office Building, for the consideration of H. R. 9093.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the subcommittee of the Committee on Interstate and Foreign Commerce on Thursday, May 9, 1940, at 10 a. m. Business to be considered: Hearings on H. R. 7466 and H. R. 8242.

There will be a meeting of the Committee on Interstate and Foreign Commerce on Monday, May 13, 1940, at 10 a. m.

Business to be considered: To begin hearings on S. 280 and H. R. 145—motion pictures. All statements favoring the bill will be heard first. All statements opposing the bill will follow.

COMMITTEE ON PATENTS

There will be a meeting of the Committee on Patents on Thursday, May 9, 1940, at 10:30 a. m., for the consideration of H. R. 8441, H. R. 8442, and H. R. 8444, all of which relate to amendments to the patent laws.

There will be a meeting of the Committee on Patents on Thursday, May 16, 1940, at 10:30 a. m., for the consideration of H. R. 9384, H. R. 9386, and H. R. 9388, all of which relate to amendments to the patent laws.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold the following hearings at 10 a. m. on the dates specified:

Tuesday, May 14, 1940:

H. R. 9553, to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes.

Thursday, May 16, 1940:

H. R. 9477, to apply laws covering steam vessels to certain passenger-carrying vessels.

COMMITTEE ON MINES AND MINING

The Subcommittee on Mines and Mining that was appointed to consider S. 2420 will hold hearings beginning Thursday, May 16, 1940, at 10 a. m., in the committee rooms in the New House Office Building.

There will be a meeting of the Committee on Merchant Marine and Fisheries on Tuesday, May 21, 1940, at 10 a. m., at which time the Committee will consider the subject of maritime unemployment insurance.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1597. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill authorizing the Secretary of the Interior to convey certain lands to the State of Minnesota; to the Committee on the Public Lands.

1598. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1940, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of, and review of reports on, Arkansas River and Fourche Bayou in vicinity of Little Rock and North Little Rock, Ark., and Arkansas River from Little Rock downstream to Pine Bluff, Ark., authorized by the Flood Control Act approved June 22, 1936, and by act of Congress approved February 8, 1936, and requested by resolution of the Committee on Flood Control, House of Representatives, adopted March 19, 1937 (H. Doc. No. 718); to the Committee on Flood Control and ordered to be printed, with an illustration.

1599. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1940, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Walla Walla River and tributaries, Oregon and Washington, authorized by the Flood Control Act approved June 22, 1936, and by acts of Congress approved June 13, 1934, and May 6, 1936 (H. Doc. No. 719); to the Committee on Flood Control and ordered to be printed, with an illustration.

1600. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1940, submitting a report, together with accompanying papers and an illustration, on reexamination of Arkansas River, with a view to determining the feasibility of strengthening and heightening the levees in the Crawford County levee district in Crawford County, Ark., requested by resolu-

tion of the Committee on Flood Control, House of Representatives, adopted June 28, 1937 (H. Doc. No. 720); to the Committee on Flood Control and ordered to be printed, with an illustration.

1601. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 25, 1940, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Cowlitz River and tributaries, Washington, authorized by act of Congress approved June 13, 1934, and the Flood Control Act approved June 22, 1936 (H. Doc. No. 721); to the Committee on Flood Control and ordered to be printed, with an illustration.

1602. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1940, submitting an interim report, together with accompanying papers and illustrations, on a preliminary examination and survey for a channel cut-off at Liberty Bend at the Kansas Citys on Missouri and Kansas Rivers, Missouri and Kansas, authorized by the Flood Control Act approved June 22, 1936 (H. Doc. No. 722); to the Committee on Flood Control and ordered to be printed, with two illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. FLANNAGAN: Committee on Agriculture. H. R. 4832. A bill for the protection of the bald eagle; without amendment (Rept. No. 2104). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 9114. A bill authorizing advancements from the Federal Emergency Administration of Public Works for the construction of a recorder of deeds building in the District of Columbia, and for other purposes; without amendment (Rept. No. 2105). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 9293. A bill to amend an act of Congress entitled "An act to regulate the employment of minors within the District of Columbia," approved May 29, 1928; without amendment (Rept. No. 2106). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 7949. A bill to amend the District of Columbia Alcoholic Beverage Control Act to provide for the better control of the alcoholic-beverage industry in the District of Columbia; without amendment (Rept. No. 2107). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 9576. A bill relating to the admission to St. Elizabeths Hospital of persons resident or domiciled in the Virgin Islands of the United States; without amendment (Rept. No. 2108). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 9633. A bill to enlarge and extend the power and jurisdiction of the Board of Education over degree-conferring institutions operating within the District of Columbia; without amendment (Rept. No. 2109). Referred to the Committee of the Whole House on the state of the Union.

Mr. LESINSKI: Committee on Invalid Pensions. H. R. 8243. A bill to provide increases of pension payable to dependents of veterans of the Regular Establishment, and for other purposes; without amendment (Rept. No. 2110). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 9158. A bill to amend the act entitled "An act for the protection of certain enlisted men of the Army," approved August 19, 1937, and for other purposes; without amendment (Rept. No. 2111). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 3402. An act to authorize the granting of a right-of-way for roadway purposes on the Fort Thomas Military Reservation, Ky., in exchange for the release of property rights in and to a certain road on said reservation; with amendment (Rept. No. 2112). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 3423. An act to increase the number of brigadier generals of the line of the Regular Army by four; with amendment (Rept. No. 2113). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 3496. An act to prevent retardation in promotion and in pay and allowances of permanent professors of the United States Military Academy appointed by the President from the commissioned officers of the Regular Army; without amendment (Rept. No. 2114). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 3575. An act to make better provisions for the teacher of music, the leader of the Military Academy Band; without amendment (Rept. No. 2115). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 9525. A bill to provide for the reorganization of the government of the District of Columbia; with amendment (Rept. No. 2116). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H. R. 9698. A bill to authorize a preliminary examination and survey of the Guadalupe River and its tributaries in the State of California for flood control, for run-off and waterflow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. CARTER:

H. R. 9699. A bill to authorize a preliminary examination and survey of the Alhambra Creek and its tributaries in the State of California for flood control, for run-off and waterflow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. COOLEY:

H. R. 9700. A bill to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. ELLIS:

H. R. 9701. A bill to provide for university extension work in the arts and sciences, in engineering and industry, in teacher education, and in commerce and business supplemental to and coordinate with the cooperative agricultural extension work authorized by previous acts, thus offering a well-rounded and greater program of university extension service from the land-grant colleges and State universities and utilizing to a greater extent their broad educational functions and research findings; to the Committee on Education.

By Mr. FLANNAGAN:

H. R. 9702. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide that the marketing-quota provisions with respect to tobacco shall be applicable to Connecticut Valley shade-grown tobacco; to the Committee on Agriculture.

By Mr. McGRANERY:

H. R. 9703. A bill to amend the act entitled "An act to amend and consolidate the acts respecting copyright," approved March 4, 1909, as amended, and for other purposes; to the Committee on Patents.

By Mr. O'CONNOR:

H. R. 9704. A bill to amend section 7 of an act entitled "An act to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress," approved April 3, 1939; to the Committee on Military Affairs.

By Mr. MURDOCK of Utah:

H. R. 9705. A bill to make more effective use of certain parts of the public domain, and for other purposes; to the Committee on the Public Lands.

By Mr. CROSSER:

H. R. 9706. A bill to amend the Railroad Unemployment Insurance Act, approved June 25, 1938, as amended June 20, 1939, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MURDOCK of Arizona:

H. R. 9707. A bill for the acquisition of Indian lands for the Parker Dam and Reservoir project, and for other purposes; to the Committee on Indian Affairs.

By Mr. DEMPSEY:

H. R. 9708. A bill providing for judicial review in certain cases involving the disposition of the public lands; to the Committee on the Judiciary.

By Mr. JONES of Texas:

H. R. 9709. A bill to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. BURDICK:

H. J. Res. 526. Joint resolution opposing the abandonment of any Army posts or forts without proper notice to the State or Territory in which such forts or posts are located; to the Committee on Military Affairs.

By Mr. CRAWFORD:

H. J. Res. 527. Joint resolution opposing the abandonment of any Army posts or forts without proper notice to the State or Territory in which such forts or posts are located; to the Committee on Military Affairs.

By Mr. CULKIN:

H. J. Res. 528. Joint resolution opposing the abandonment of any Army posts or forts without proper notice to the State or Territory in which such forts or posts are located; to the Committee on Military Affairs.

By Mr. LEMKE:

H. J. Res. 529. Joint resolution opposing the abandonment of any Army posts or forts without proper notice to the State or Territory in which such forts or posts are located; to the Committee on Military Affairs.

By Mr. O'CONNOR:

H. J. Res. 530. Joint resolution opposing the abandonment of any Army posts or forts without proper notice to the State or Territory in which such forts or posts are located; to the Committee on Military Affairs.

By Mr. THORKELSON:

H. J. Res. 531. Joint resolution opposing the abandonment of any Army posts or forts without proper notice to the State or Territory in which such forts or posts are located; to the Committee on Military Affairs.

By Mr. WHITE of Idaho:

H. J. Res. 532. Joint resolution opposing the abandonment of any Army posts or forts without proper notice to the State or Territory in which such forts or posts are located; to the Committee on Military Affairs.

By Mr. YOUNGDAHL:

H. J. Res. 533. Joint resolution opposing the abandonment of any Army posts or forts without proper notice to the State or Territory in which such forts or posts are located; to the Committee on Military Affairs.

By Mr. MUNDT:

H. J. Res. 534. Joint resolution opposing the abandonment of any Army posts or forts without proper notice to the State or Territory in which such forts or posts are located; to the Committee on Military Affairs.

By Mr. EDELSTEIN:

H. J. Res. 535. Joint resolution to create a committee to study the need and opportunities for skilled labor; to the Committee on Rules.

By Mr. HOFFMAN:

H. Res. 486. Resolution requesting information from the Secretary of Agriculture on the use of Federal funds in connection with a meeting at St. Paul, Minn., celebrating the seventh anniversary of the Agricultural Adjustment Administration; to the Committee on Agriculture.

By Mr. MOUTON:

H. Res. 487. Resolution for the consideration of S. 3237; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLUETT:

H. R. 9710. A bill for the relief of Antone and Mary Lipka; to the Committee on Claims.

By Mr. COURTNEY:

H. R. 9711. A bill granting a pension to Marvin D. Bell; to the Committee on World War Veterans' Legislation.

By Mr. CROWTHER:

H. R. 9712. A bill for the relief of Aneza Kafalakos; to the Committee on Immigration and Naturalization.

By Mr. FLANNAGAN:

H. R. 9713. A bill granting an increase of pension to Dolphis A. Gilliam; to the Committee on Invalid Pensions.

By Mr. IZAC:

H. R. 9714 (by request). A bill for the relief of Seymour H. Dotson, otherwise known as William Dodson; to the Committee on Military Affairs.

By Mr. KING:

H. R. 9715. A bill for the relief of Ryoichi Sumida; to the Committee on Claims.

By Mr. TENEROWICZ:

H. R. 9716. A bill for the relief of Vincenzo Bologna; to the Committee on Immigration and Naturalization.

By Mr. TOLAN:

H. R. 9717. A bill to make Ali Mohammad eligible for naturalization; to the Committee on Immigration and Naturalization.